



**Nottingham City Council
Executive Board**

Date: Tuesday, 16 July 2024

Time: 2.00 pm

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

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

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 18 June 2024, for confirmation	3 - 12
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10	Expansion of Bluecoat Wollaton Academy Report of the Executive Member for Children, Young People and Education	273 - 300
11	Disposal of The City Ground, Pavilion Road, Nottingham Report of the Executive Member for Skills, Growth and Economic Development	301 - 310
12	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, Paragraph 3, 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	
13	Expansion of Bluecoat Wollaton Academy - exempt appendix	311 - 312
14	Disposal of the City Ground, Pavilion Road, Nottingham - exempt appendices	313 - 330

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 are advised that this meeting may be recorded, including 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.

Nottingham City Council

Executive Board

Minutes of the meeting held at Ground Floor Committee Room - Loxley House, Station Street, Nottingham, NG2 3NG on 18 June 2024 from 2.00 pm - 2.37 pm

Membership

Present

Councillor Neghat Khan (Chair)
Councillor Ethan Radford (Vice Chair)
Councillor Cheryl Barnard
Councillor Jay Hayes
Councillor Corall Jenkins
Councillor Pavlos Kotsonis
Councillor Linda Woodings

Absent

Councillor Kevin Clarke
Councillor Sam Lux

Colleagues, partners and others in attendance:

Mel Barrett	- Chief Executive
Beth Brown	- Director of Legal and Governance
Ross Brown	- Corporate Director for Finance & Resources
Paul Clarke	- Assistant Chief Executive
Colin Parr	- Corporate Director for Community, Environment and Resident 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 26 June 2024. Decisions cannot be implemented until the working day after this date.

10 Apologies for Absence

Councillor Sam Lux – leave
Councillor Kevin Clarke – work commitments

11 Declarations of Interests

None.

12 Minutes

The minutes of the meeting held on 21 May 2024 were confirmed as a correct record and they were signed by the Chair.

13 Provisional Outturn 2023-24

Councillor Linda Woodings, Executive Member for Finance and Resources, presented the report providing an assessment of the Council's 2023-/24 provisional outturn position for the General Fund, Housing Revenue Account (HRA) and the Capital Programme based on activity to the end of the Period 12 (31 March 2024).

As seen across many other local authorities, the Council is experiencing significant overspends relating to social care and temporary accommodation. At the end of Quarter 4 (Period 12), the Council has a net General Fund overspend of c£17.568m to be funded from Exceptional Financial Support (EFS).

The overall overspend 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.

Resolved to

- (1) note the net outturn of £283.990m. on the General Fund Revenue budget of £261.832m as set out in section 3 Table 1 of the report which is a net overspend of £17.568m (6.71%);**
- (2) agree that the overspend of £17.568m will be funded from the Exceptional Financial Support through capital receipts;**
- (3) note progress on the Transformation Programme savings of £15.671m as set out in section 4, Table 3 of the report with £8.906m (56.8%) delivered and £6.765m (43.2%) non-delivery;**
- (4) note the outturn underspend of (£2.884m) (2.4%), on the HRA against a gross budget of £119.924m as set out in section 5 Table 4 of the report;**
- (5) note the 2023/24 Capital Outturn position of net capital slippage of (£50.812m) and net underspend of (£4.854m) and approve the following:**
 - General Fund and Accountable Body slippage of (£47.961m) to be carried forward and reprofiled across the medium term financial plan.**
 - HRA net slippage of (£2.851m) to be reprofiled across the medium term financial plan (paragraph 6.3).**
 - £5.150m overspent capital projects to be funded from a combination of grant and revenue contributions as detailed in Appendix 2**
 - (£10.004m) underspent across various capital projects which are now complete and for which budget will not be carried forward into the new year, as set out in Appendix 2.**
- (6) note the provisional General Fund balance of £24.203m and reserves of £186.732m, and HRA balance and reserves of £130.913m (section 7).**

Reasons for decisions:

- This report forms a key part of formal General Fund Revenue, Capital and HRA monitoring against the 2023/24 budget.
- Throughout the report budget overspends are shown as a positive number, whilst any underspends are shown as a negative number.
- The General Fund (section 3) revenue outturn at Period 12 is £279.401m against an approved budget of £261.832m, an overspend of £17.568m (6.71%). A summary of key variances is set out in section 3.
- The Period 12 revenue outturn for the HRA (section 6) is an underspend of (£2.884m) (2.4%) against a gross budget of £119.924m.

Other options considered:

- Not funding the overspend from the Exceptional Financial Support through capital receipts. Dismissed as 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.

14 2025-26 Budget Strategy

Councillor Linda Woodings, Executive Member for Finance and Resources, presented the report representing the first stage in the Council's annual budget planning process, seeking endorsement of the budget strategy and approach for the Medium Term Financial Plan (MTFP) period 2025-26 to 2028-29.

The Council continues to face exceptional circumstances as best demonstrated by the 2024-25 General Fund Budget balanced only by taking all available saving options tabled to the executive Board and City Council in February 2024 and March 2024 respectively and the use of material sums of Exceptional Financial Support. The MTFP set out the current budget shortfall of c£172m across the period against the forecasted available resources of the Council. The predominate drivers of these exceptional pressures are a combination of both significant demographic, complexity of provision and inflationary pressures across wide range of areas.

Resolved to

- (1) note the lack of clarity regarding the timing of the Government's Spending Review and the lack of any indication as to the value of financial settlement to Local Authorities which makes budget planning, particularly in the current environment unnecessarily complex and challenging;**
- (2) note no change to the forecast budget gap for 2025-26 of c£69m with an indicative cumulative budget gap of c£172m over 3-year MTFP period (section 2 and 6) approved by City Council in March 2024;**
- (3) note an updated 4-year MTFP to be presented to the Executive Board in December 2024 for the period 2025-26 – 2027/28;**
- (4) endorse the Budget Strategy and Approach for 2025/26 (Section 4) and note the strategy and approach to be submitted to Department for Levelling Up, Housing and Communities (DLUHC), in order to comply with the condition**

of the Exceptional Financial Support (EFS);

- (5) delegate to the Section 151 Officer, in consultation with Commissioners and the Executive Lead for Finance and Resources, to engage with DLUHC on EFS and possible Council Tax options with the latter to be considered by Council for approval as part of the annual budget report.**

Reasons for decisions:

- This report is part of the Council's annual budget setting and business planning process and seeks to agree the budget strategy for 2025/26 so that officers can work up detailed proposals and present these for member consideration as part of the annual budget setting cycle of the Council.
- The overarching objective of our budget strategy is to ensure that the Council have set a priority-led budget over the medium term that is balanced and realistic supported by achievable saving plans. However, it must be recognised that the Council is currently facing the most significant budget challenge on record, which requires the Council to transform the way it delivers services and doing some things differently.
- 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. This is further exacerbated by the current global and national political and economic environment and the prospect of reducing local government funding and support from government.

Other options considered:

- With a significant financial challenge being faced by the Council in 2025-26 and beyond the Council needs to set a budget strategy providing a strategic financial framework and direction of travel for the Council to work within; even in the absence of having in place updated strategic council plan, council's improvement plan and commissioners exit strategy.
- The budget strategy will not only allow the Council to meet the condition of the EFS but also to allow for the organisation to start developing and formulating credible plans that will allow the Council to set a balanced budget.

15 Nottingham Economic Growth Plan

Councillor Ethan Radford, Executive Member for Skills, Growth and Economic Development, presented the report on The Nottingham Economic Growth Plan which will benefit citizens of Nottingham by creating a clear plan for achieving a more successful and inclusive economy by 2030.

The Economic Growth Plan will leverage the convening role of the Council to bring partners together to implement a shared plan to deliver a shared vision of sustainable and inclusive economic growth and a more prosperous city. It will support the prioritisation of investments, and partnership working. It will inform the city's

engagement with the East Midlands Mayoral County Combined Authority (EMMCCA) by providing a clear and strategic vision for Nottingham's economic growth alongside a comprehensive outline of the City's current economic status, its ambitions for the future, and the initiatives required to achieve these aims.

Resolved to

- (1) endorse and approve the final draft of the Nottingham Economic Growth Plan;**
- (2) delegate authority to the Corporate Director of Growth & City Development to approve any presentational refinements and launch the Nottingham Economic Growth Plan with our partners on the Growth Board.**

Reasons for decisions:

- Nottingham's Economic Plan for Growth sets out the City's plans for achieving inclusive and sustainable economic growth by 2030.
- The plan centres around a unifying vision to "Deliver a vibrant, sustainable, and investment-friendly Nottingham that promotes inclusion, secures resilience, and unlocks prosperity for both residents and businesses." This vision is grounded in the belief that a truly successful economy benefits all members of the community, not just a select few
- Given the increasing resource constraints on the Council, successful delivery of economic development activities requires increasing collaboration with partners and securing external funding, particularly through competitive bidding. This is a plan developed through significant consultation and engagement with partners, particularly the Nottingham Growth Board and an up to date analysis of the local economy undertaken by EY and summarised in the Plan. It uses this analysis and stakeholder feedback to describe the current economic conditions and identify the future opportunities for sustainable and inclusive growth in Nottingham to 2030. It will support the Council to have informed engagement with the EMMCA and other bodies about the investments required to drive sustainable and inclusive growth in Nottingham.
- Approving the Plan will enable the Council to launch the plan, celebrate economic success stories in Nottingham and pursue funding opportunities and collaborations, particularly with EMMCCA, to deliver the Plan.

Other options considered:

- As a key strategic organisation in the city and integral member of the Nottingham Growth Board, the Council will convene and collaborate with partners to facilitate activity that contributes to positive economic outcomes for our citizens. Not approving the plan would leave Nottingham without an up to date Plan for Economic Growth, the development of which was an instruction of the Improvement and Assurance Board.

16 Regulation of Investigatory Powers (RIPA)

Councillor Linda Woodings, Executive Member for Finance and Resources, presented the report on the Council's use of its RIPA powers which the Council is required annually to review and to approve.

Resolved to

- (1) approve the Regulation of Investigatory Powers Policy and Guidance which incorporates the Online Research and Investigation Policy, as attached at Appendix 1, and Social Media Guidance as attached at Appendix 2;**
- (2) note that the annual report in relation to the use of RIPA powers will be reported to the City Council's Audit Committee on an annual basis as part of the Information Assurance Update;**
- (3) note that the RIPA Policy will be submitted to Executive Board for review and approval on an annual basis in line with the Home Office Code of Covert Surveillance Property Interference 2018 and the Code of Practice for CHIS 2022;**
- (4) note the Council's Senior Responsible Officer (SRO) and Authorising Officers in relation to RIPA procedures.**

Reason for decision:

- To ensure compliance with the Regulation of Investigatory Powers Act 2000.

Other options considered:

- None, the Council are required by law to maintain an up to date policy and ensure that surveillance is being carried out in accordance with RIPA and associated guidance.

17 Acceptance and expenditure of Green's Windmill MEND fund grant for the Nottingham City Museum Service

Councillor Neghat Khan, Executive Member for Strategic Regeneration, Transport and Communications, presented the report on a programme of urgent repairs at Green's Windmill over the next three years. Green's Mill is a Grade 2 listed building. The programme of urgent repairs to make the building wind and watertight is essential to protect the building, collections, staff and visitors and fulfils a statutory duty of compliance.

Resolved to

- (1) accept Grant funding of £685,104 from the Arts Council England (ACE) for the programme of repairs at Green's Mill and to approve expenditure totalling £761,227 (£685,104 grant and £76,123 match funding) on the programme of repairs (subject to s151 approval being obtained prior to spend);**

- (2) delegate authority to the Corporate Director/ Director of Sports & Culture/ Director of Legal Services to enter into a Funding Agreement with Arts Council England [ACE] including a Deed of Covenant restricting the title of Green's Mill for a period of 15 years, without prior consent of ACE;**
- (3) delegate authority to the Director of Sports & Culture to procure, award and enter into contracts with suppliers required to deliver the programme, and enter into appropriate agreements with the Green's Mill Trust (subject to prior consent of ACE where applicable);**
- (4) approve the replenishment of the Council's match funding requirements [earmarked reserves] from donations and additional fundraising;**
- (5) note the funding is subject to a commitment to ensure that Green's Mill remains a non-National accredited museum on completion of the repairs for the period for the Funding Agreement;**
- (6) incept the Green's Mill project in the General Fund Capital Programme with the capital budget increased as detailed in the report.**

Reasons for decisions:

- The backlog of repairs to Green's Windmill (because most working parts of the Mill are at least 35 years old and exposed to the elements) has meant this working site has deteriorated and is very much at risk.
- Deterioration of the mechanics and fabric of the fan-tail and sail frame became such a risk to staff and visitors that they have been removed and as a result milling is limited.
- Repairs to machinery, roofs, rainwater goods and windows are a key priority as outlined in the site's condition report completed in March 2023 in order to make the building wind and watertight.
- Repairs to Green's Windmill will ensure it can remain open to the public.
- Funding has already been secured to deliver the programme of repairs.

Other options considered:

- The principal alternative option would be to do nothing. This will mean the mill building and machinery will continue to deteriorate due to ingress putting staff, visitors, the building and collections at severe risk.

18 The Disposal of Investment Property Assets from the Property Trading Account

Councillor Ethan Radford, Executive Member for Skills, Growth, Economic Development and Property, presented the report regarding assets proposed for disposal which have been reviewed in accordance with the "Asset Rationalisation Programme" and endorsed as being suitable for disposal.

Resolved to

- (1) make the assets detailed in the exempt appendix surplus to the requirements of the Property Trading Account and available for disposal;**
- (2) delegate the approval of the asset management and/or method of sale to the Director of Economic Development & Property;**
- (3) delegate approval of the final terms of sale to the Corporate Director for Growth and City Development;**
- (4) appoint sales agent(s) or any other required consultant via a procurement compliant process (tender/framework/quotation) to facilitate the disposals process. Any expenditure will be subject to the Spend Control Board process;**
- (5) delegate the approval of any licences/agreements or required legal agreements to facilitate a sale to the Director of Economic Development & Property.**

Reasons for decisions:

- 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 obligations and remove resource-intensive assets from the Council's ownership, and remove any costs associated with voids/re-letting and refurbishment.
- The Council has a requirement to repay Exceptional Financial Support in year as well as a range of other items such as the repayment of borrowing, transformation, and approved projects. The disposal of income and non-income producing assets will deliver a programme of capital receipts to repay these items.
- To ensure any required actions to facilitate a sale are undertaken quickly and efficiently. Such asset management actions would include rent reviews/lease renewals/assignments etc. The most appropriate method of sale will be determined depending on the asset type, value and the market at the prevailing time.
- To ensure disposals can be progressed at pace without having to refer decisions back to the Executive Board.
- To ensure disposals can be progressed at pace without having to refer decision back to the Executive Board. All decisions will be in line with the Council's Spend Control Board process, and this has been endorsed by the S151 Officer.
- To ensure disposals can be progressed at pace without having to refer decision back to the Executive Board.

Other options considered:

- Not to sell the assets - This option has been rejected as retention of the assets could present a financial risk to the Council in terms of capital expenditure for repairs, maintenance and compliance works or due to a potential fall in revenue income. Retaining the asset would also forego potentially significant capital receipts. The option to dispose will remain under review and if market conditions or due diligence reveals that the asset should be retained, reviewed, or sold at a

later date this decision will be recommended to the Corporate Director for Growth & City Development.

19 Disposal of the former Central Library, Angel Row, Nottingham

Councillor Ethan Radford, Executive Member for Skills, Growth, Economic Development and Property, presented the report seeking approval to the agreed sale terms contained in the Exempt Appendix.

Resolved to

- (1) approve the sale of the Former Central Library, Angel Row on the draft terms outlined in the Exempt Appendix;**
- (2) delegate approval of the final Heads of Terms and any future amendments to the Corporate Director for Growth and City Development;**
- (3) delegate the approval of any licences/agreements or required legal agreements to facilitate a sale to the Director of Economic Development & Property.**

Reasons for decisions:

- Disposal will generate a significant capital receipt which will be used in line with the Council's agreed Capital Strategy. The sale will also remove current and future holding costs and risks arising from holding this significant city centre asset void. Any future resource, capital, and revenue expenditure required to keep the asset safe and insured will be removed. The sale will also result in a significant development in the city centre which will ultimately generate Business Rates income, bring footfall to a high street location and provide much needed high quality accommodation.
- As due diligence is undertaken by the purchaser and as the legal contract work commences there may be the requirement to agree new terms or amend existing sale terms. To ensure the disposal progresses at pace delegated approval is sought for the Corporate Director of Growth & City Development to agree the terms in consultation with the Council's Section 151 Officer where appropriate. Any significant changes to price will require a new Executive Board decision.
- In order to ensure the disposals progresses at pace; approvals for any required licences or other agreements are to be delegated to the Director for Economic Development & Property (if outside the current Scheme of Delegation). This will ensure the sale is not compromised for a minor agreement.

Other options considered:

- Not to sell the asset - This option has been rejected as the Council has no strategic requirement to hold the asset and retention will be a financial burden to the Council in terms of increased void holding costs (estimated £0.319m pa) and resource to manage a significant void. Retaining the asset would also forego a potentially significant capital receipt which could be used by the Council.
- To let the asset – this option has been rejected as reletting would require significant capital outlay to ensure the building was in a lettable condition. Also,

there is very little demand for an asset of this specification or layout which would make letting difficult and protracted.

20 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.

21 Exempt Minutes

The exempt minutes of the meeting held on 19 March 2024 were confirmed as a correct record, and they were signed by the Chair.

22 The Disposal of Investment Property Assets from the Property Trading Account - Exempt Appendix

Councillor Ethan Radford, Executive Member for Skills Growth, Economic Development and Property, presented the exempt appendix, which was noted by the Board.

23 Disposal of the former Central Library, Angel Row, Nottingham - Exempt Appendix

Councillor Ethan Radford, Executive Member for Skills Growth, Economic Development and Property, presented the exempt appendix, which was noted by the Board.

Subject:	Nottingham City Council Improvement Plan
Corporate Director(s)/Director(s):	Mel Barrett – Chief Executive
Portfolio Holder(s):	Cllr Neghat Khan, Leader of the Council
Report author and contact details:	Paul Clarke - Assistant Chief Executive / Director of Policy, Performance and Communications – paul.clarke4@nottinghamcity.gov.uk
Other colleagues who have provided input:	Esme MacAuley, Business & Performance Manager to the Chief Executive James Schrodell, Policy and Performance Manager
Subject to call-in:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Key Decision:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Criteria for Key Decision:	
(a) <input type="checkbox"/> Expenditure <input type="checkbox"/> Income <input type="checkbox"/> Savings of £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 type="checkbox"/> Revenue <input type="checkbox"/> Capital If Capital, provide the date considered by Capital Board Date: N/A – activities contained within the Improvement Plan are subject to individual and appropriate approval processes.	
Total value of the decision: Nil. Although there are likely to be resources needed to support the delivery of budget savings and transformation proposals that are developed as part of the Improvement Plan delivery.	
Section 151 Officer expenditure approval Has the spend been approved by the Section 151 Officer? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/a Spend Control Board approval reference number:	
Commissioner Consideration Has this report been shared with the Commissioners' Office? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Any comments the Commissioners wish to provide are listed below. The commissioners have noted the paper and have no further comments.	
Wards affected: All	
Date of consultation with Portfolio Holder(s): 2 July 2024	
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 checked="" type="checkbox"/>
Summary of issues (including benefits to citizens/service users):	
Nottingham City Council (NCC) saw Commissioners appointed in February 2024 under Section 15(5) of the Local Government Act 1999. As a part of this intervention, the Secretary of State directed the Council to develop and agree an Improvement Plan to the satisfaction of the Commissioners.	

The draft Nottingham City Council Improvement Plan (Appendix 1) sets out how NCC will address the issues and challenges that have led to the current Commissioner-led intervention and respond to the actions required by Commissioners.

The Improvement Plan is intended to be an overarching framework that holds our improvement programmes and activities together. It seeks to address our immediate challenges while setting out the improvement priorities that enable and support NCC to be:

1. A Council that delivers for Nottingham with a clear direction and purpose
2. A Council that is financially sustainable
3. A Council that is well run with effective people, processes and systems

This report seeks the Executive Board's endorsement of the Improvement Plan and asks the Board to recommend that Full Council approve the Improvement Plan.

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

No.

Recommendation(s):

1 That Executive Board agree and endorse the draft Nottingham City Council Improvement Plan (Appendix 1) as the Council's overarching improvement plan in response to the Commissioner-led Intervention.

2 That the Executive Board recommend approval of the Improvement Plan to Full Council at the meeting of Full Council on 5th August 2024.

3. Executive Board note that the Corporate Leadership Team will develop an investment and resource plan for the delivery of the Improvement Plan in accordance with the 2025/26 budget strategy objectives and principles to be brought back to the Executive for approval.

1. Reasons for recommendations

- 1.1 Nottingham City Council acknowledges the need for fundamental change. A number of significant challenges and issues have been the catalyst for the current Commissioner-led intervention, and we must respond robustly and decisively to these.
- 1.2 On 22 February 2024, the Secretary of State for Levelling Up, Housing and Communities made Directions in relation to Nottingham City Council under section 15(5) of the Local Government Act 1999. These Directions require the Council to develop and agree an Improvement Plan to the satisfaction of the Commissioners within 3 months. Following correspondence between the Chief Executive and civil servants regarding the delay in the appointment of the third Commissioner the three-month deadline was extended and has subsequently been confirmed by the Lead Commissioner as 8 July 2024.
- 1.3 The draft Improvement Plan, agreed with Commissioners, is attached at Appendix 1 for Executive Board consideration.
- 1.4 The Improvement Plan is clear that the Council must change significantly and at pace to respond to the challenges it is facing. The future Council must look, feel and operate significantly differently to the Council of today. It needs to be clear on its role and purpose, realistic about what it can deliver, effective

and efficient in how it operates, and focussed on consistently getting the basics right so that the City’s residents and partners know what they can expect from their Council.

- 1.5 Delivering the Improvement Plan will reform the delivery of the services and outcomes the City and its citizens need. The Improvement Plan provides the basis for transformation, change and improvement activity the Council must develop, resource and deliver through eleven key programmes.
- 1.6 Those programmes include existing programmes in addition to proposed new activity. They address the most immediate and significant challenges the Council faces, including its financial sustainability, which will be achieved through a programme of further budget savings, a continued asset sales programme and the strengthening of its financial management practice and culture.

2. Background (including outcomes of consultation)

Overview – Aims, Outcomes and Priorities

- 2.1 The Improvement Plan has been agreed by Commissioners and is attached for Executive Board consideration at Appendix 1.
- 2.2 The Plan sets out three high-level aims that enable and support the Council to be:
 - 1. A Council that delivers for Nottingham with a clear direction and purpose
 - 2. A Council that is financially sustainable
 - 3. A Council that is well run with effective people, processes and systems
- 2.3 These aims are each underpinned by a clear set of outcomes and eleven programmes of key activities to deliver robust, whole Council change:

Aims	Focus	Priority Programmes
A Council that delivers for Nottingham with a clear direction and purpose	The Council needs to look, feel and operate differently. It needs a clear vision and purpose that guides the transformation of the organisation, its budget strategy, workforce development, and future priorities for the city and its residents; and clearly explain how the council will deliver, enable and influence others to achieve those priorities.	1. Future Council: Vision, purpose and approach 2. Review and develop the Transformation Programme 3. Manage and monitor delivery
A Council that is financially sustainable	The Council needs to ‘live within its means’ and be able to deliver a balanced budget and sustainable financial plan. This will be attained through the delivery of credible savings plans, robust financial management, improved commercial practice, and a programme of capital assets disposal.	4. Continuous financial sustainability 5. Strengthen financial management 6. Review Council companies and traded services 7. Corporate landlord and assets sales programme
A Council that is well run with effective	The Council needs to continue to modernise how it operates and	8. Improve governance

<p>people, processes and systems</p>	<p>improve its productivity and operational efficiency so it can deliver to the best of its ability. This includes strengthening governance, making sure roles and responsibilities are clearly understood, and looking at how service delivery is supported and enabled by business processes and systems.</p>	<p>9. Engaged, effective and empowered workforce</p> <p>10. Strengthen internal controls and assurance</p> <p>11. Improve enabling and support systems and processes</p>
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2.4 The Improvement Plan has been developed collaboratively with Commissioners and responds to the actions they see as necessary for them to exit from the Council.

Relationship with other Plans

2.5 The Improvement Plan builds on and supersedes the Together for Nottingham Plan and the Improvement and Assurance Board’s Instructions, incorporating elements of those where appropriate to ensure a continued journey of improvement.

2.6 Significant improvement work has been undertaken in recent years, with progress acknowledged by the Improvement and Assurance Board in areas such as the Council’s approach to its companies. The Improvement Plan does, however, represent an accelerated pace of improvement.

2.7 With its focus on financial sustainability and emphasis on a well-run Council, the Plan also supports delivery of the Budget Strategy (approved by Executive Board on 18 June 2024) which provides a framework for developing proposals to deliver further savings, efficiencies or income to achieve a balanced budget and medium-term financial sustainability.

2.8 The draft Improvement Plan does not set out new policy. The Strategic Council Plan (as refreshed in March 2024 and subject to future updates to ensure ongoing alignment with the Medium-Term Financial Plan and the requirements of Commissioners) sets out the Council’s Policy Framework and the priorities which the Council aims to deliver, however it is inevitable that progressing the workstreams contained in the Improvement Plan will require policy choices to be made in due course. The Improvement Plan will improve how the Council operates so that the Policy Framework can be delivered more efficiently, effectively and economically.

Delivery of the Improvement Plan

2.9 Robust governance and assurance arrangements have been put in place to ensure delivery of the Improvement Plan. Section 4 of the Plan summarises these. Corporate Directors will act as Senior Accountable Officers (SAOs) and be accountable for the delivery of the improvement programmes assigned to them. Reporting to SAOs, Responsible Delivery Leads (RDLs) will have responsibility for day-to-day delivery of programmes, including putting in place project teams, checking and managing processes and escalating risks.

2.10 A Transformation and Change Oversight Board (TCOB) meets monthly and acts as the top of the governance structure. It will hold SAOs to account for delivery, identify mitigations for activity that is identified as being off-track, and

agree resourcing required to support delivery. A Corporate Performance Management Office (CPMO) provides independent and transparent reporting to the Transformation and Change Oversight Board.

- 2.11 To ensure appropriate elected Member scrutiny, the Deputy Leader is a member of the Transformation and Change Oversight Board. Executive Members will be briefed regularly on the delivery of programmes relevant to their portfolios. The Overview and Scrutiny Committee will periodically review the plan, while Audit Committee will consider risk management and the control environment.

Key Performance Indicators

- 2.12 A small set of Key Performance Indicators (KPIs) are included at Appendix A2 to the Plan. Progress against these KPIs will demonstrate achievement of the Improvement Plan outcomes and will be incorporated into the regular reporting of organisational health indicators.

3. Other options considered in making recommendations

- 3.1 None. The Intervention Directions require the Council to agree and appraise the Improvement Plan.

4. Consideration of Risk

- 4.1 A number of overarching risks to the delivery of the Improvement Plan are identified at Appendix A3 (of the Plan). Five key risks are identified and the mitigations described alongside these. The key risks cover:

- Capacity and pace
- Resources
- Delivery
- Citizen and partner perceptions
- Interdependencies and sequencing

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

- 5.1 Best Value is a key component of the draft Improvement Plan with government's intervention and the appointment of Commissioners predicated on the Secretary of State's assessment that the Council is failing to comply with its Best Value duty.

6. Commissioner comments

The Commissioners have noted the papers and have no further comments.

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

- 7.1 Delivering financial stability¹ is one of the three overarching aims of the Council's Improvement Plan which compliments the 2025/26 Budget Strategy approved by the Executive Board in June 2024.
- 7.2 The delivery of a balanced budget over the coming medium-term (2025/26 – 2028/29) is not just a key priority for the delivery of the Improvement Plan but paramount to the long-term financial resilience of the Council.
- 7.3 Achieving a balanced budget over the next three years will require budget savings and income opportunities in the region of c£172m. This can only be achieved through significant change that improves the way the Council operates and how it delivers services. The significance of the budget gap of c£172m over the next 3-years combined with the need to rely on substantial amounts of Exceptional Financial Support (EFS) should not be underestimated; and although the EFS has allowed the Council to set a balanced budget in 2024/25, the Council has set itself a significantly higher hurdle of c£69m to achieve in 2025/26. Therefore, it is essential that the Council looks to have in place an Improvement Plan which supports the Council in achieving a financially sustainable budget over the medium-term and in particular in meeting the conditions of the EFS and Commissioners' requirements.
- 7.4 The scale and pace of change warranted across the organisation to set a balanced budget and close the budget gap of c£172m over the next 3 years will require significant and sustained investment. Without directing the right resources to deliver the eleven programmes as set out within the Improvement Plan, the Council will not be able to achieve the necessary change or deliver a balanced budget. While most improvement activities will be funded from within existing directorate budgets, the delivery of some of the programmes within the Improvement Plan and in particular the 2025/26 and 2026/27 budget proposals, will require capacity and expertise over and above existing resources and budgets.
- 7.5 Outside of what has already been approved through a combination of previously approved decisions and the 2024/25 Budget and Medium-Term Financial Plan report to the Executive in February 2024, the additional cost of funding the Improvement Plan have yet to be quantified. Where possible any additional funding requirement will in the first instance need to be met from either external income, repurposing of existing budgets and/or reserves, with capital receipts and revenue growth to only be considered once all other options have been exhausted. Where capital receipts are to be considered, then an impact assessment against the EFS requirement, asset rationalisation programme and the current/future commitments through the capital programme will need to be undertaken to ensure that any application is in accordance with the Capital Strategy, in particular the capital receipts prioritisation framework.
- 7.6 Corporate Leadership Team will be developing an investment and resource plan for the delivery of the Improvement Plan in accordance with the 2025/26 budget strategy objectives and principles to flow back to the Executive and/or City Council (as appropriate) for approval alongside either 2025/26 budget proposals, budget strategy and/or Improvement Plan update through the year.

¹ Aim 2: A Council that is financially sustainable: The Council needs to 'live within its means' and be able to deliver a balanced budget and sustainable financial plan. This will be attained through the delivery of credible savings plans, robust financial management, improved commercial practice, and a programme of capital assets disposal

8. Legal colleague comments

- 8.1 On 22 February 2024 the Secretary of State for Levelling Up, Housing and Communities made Directions under section 15(5) of the Local Government Act 1999 in relation to the Council. The Directions replaced the Improvement and Assurance Board and implemented a two year intervention package which included the appointment of Commissioners. The Commissioners are accountable to the Secretary of State and have been granted powers to exercise wide ranging functions, the extent of which is set out in the letter.
- 8.2 The Directions require the Council to take certain actions, the first of which is;
- 8.3 “In the first three months to agree and appraise the Nottingham City Council Improvement Plan, to the satisfaction of Commissioners (which may include or draw upon improvement or action plans prepared in response to any recommendations issued by the Nottingham City Council Improvement and Assurance Board before the date of these Directions), and as a minimum, the following components:
- 8.3.1 a) Actions to ensure that a strategic and systematic approach to risk management, coupled with the appropriate scrutiny and governance of decision-making processes and procedures, is adopted and embedded across the Authority.
 - 8.3.2 b) Actions to deliver financial stability in the Authority, including investigation to establish accuracy and suitability of current financial accounts and management controls, rapid and sustainable improvements to its scrutiny function, financial and risk management, strengthening accounting processes and reporting arrangements.
 - 8.3.3 c) Actions to secure continuous improvement in all services.”
- 8.4 Once approved the Council are required by virtue of the second action;
- 8.5 “To report to the Secretary of State on the delivery of the Nottingham City Council Improvement Plan at six monthly intervals, or at such intervals as the Commissioners may direct and adopt any recommendations of the Commissioners with respect to the Improvement Plan and its implementation.”
- 8.6 The draft Improvement Plan at Appendix 1 has been developed in response to the Commissioner’s requirements and has been shared with Commissioners in accordance with the first action required to be taken by the authority (as set out above).
- 8.7 The original deadline for the draft Improvement Plan was extended to the 8 July by the Commissioners appointed by the Secretary of State.

Beth Brown, Director of Legal and Governance, 27 June 2024

9. Other relevant comments

9.1 Relevant advice will be sought in relation to the individual activities contained within the Improvement Plan.

10. Crime and Disorder Implications (If Applicable)

10.1 Not applicable.

11. Social value considerations (If Applicable)

11.1 Not applicable.

12. Regard to the NHS Constitution (If Applicable)

12.1 Not applicable.

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 the individual activities contained within the Improvement Plan will be subject to an EIA as applicable.

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 the activity contained within the Improvement Plan does not include any data which is not already in the public domain, or is not suitable for publication

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 the individual activities contained within the Improvement Plan will be considered alongside the Council's Carbon Neutral 2028 Action Plan as required.

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

16.1 N/A

17. Published documents referred to in this report

17.1 [Together for Nottingham Plan](#)

17.2 [Secretary of State's Intervention in Nottingham City Council](#)

17.3 [Strategic Council Plan](#)

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DRAFT: for the consideration of Executive Board on 16 July 2024

Nottingham City Council Improvement Plan

Our Plan to become a financially sustainable and well-run
Council with a clear direction and purpose

Foreword from the Leader and Deputy Leader

Nottingham City Council will always work hard for the people it serves. Our ambition for our citizens will never change. We will strive to provide the best services, protect those most in need, and ensure the City can continue to thrive.

In recent years, this has become increasingly challenging. We no longer have the money to deliver the services people need or to support them in the way we would like; demand is overwhelming us; and the landscape in which we operate is changing and we have sometimes been slow to adapt to deliver services in different ways or by working with partners.

We are now at a critical moment in our Council's history.

We are clear that we must change – and accept that we must do this quickly. Put simply, the next three years will make or break the Council. That is why we have drawn up our Improvement Plan, a roadmap that recognises the urgency of the task ahead and sets out how we can move from crisis to stability, to get back on track to deliver for the people Nottingham.

This won't be easy. There are services we currently provide that we will have to reduce; there are other services that must change to be more efficient; and there are some things we will simply have to stop doing and look at new ways of working with our partners to deliver them.

We serve a diverse City with significant deprivation, so it is important that our commitment to equality, inclusivity and protecting our most vulnerable people remains steadfast.

However, following our issuing of a Section 114(3) Report and the appointment of Government Commissioners, we know that the Council must restore and rebuild trust with the people of Nottingham. We are committed to making this happen and will not shy away from the challenge ahead of us.

Our Improvement Plan recognises that we must learn from the mistakes of the past and overcome the barriers that have slowed our improvement progress. This includes:

- **Having fewer, clearer priorities:** while much of the Council's role is legally defined, we will consider different options for delivering services by partnering with others.
- **Making quicker decisions:** officers and Councillors will work more effectively together, ensuring our decisions are based on evidence, along with better monitoring of our performance.

- **Reducing our costs:** we will make the most of our income and maximise the value of every penny of taxpayers' money. The biggest cost to the Council is supporting vulnerable children and adults, and so significant innovation will be needed here.
- **Making the most of our people:** our biggest resource is our hard-working and dedicated officers and Councillors. We will continue to build our training and development programmes to drive forward the changes we need.

As the new Leaders of the City Council, we are committed to an Improvement Plan that looks at the whole Council rather than just changing small parts of it. We are confident in our ability to implement the actions in this plan with the necessary urgency and pace. We believe that we can build a sustainable and resilient Council and work towards a brighter future for Nottingham.



**Cllr Neghat Khan
Leader of the Council**



**Cllr Ethan Radford
Deputy Leader of the Council**

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2. Our Future Council	This section summarises how the Council will need to look, feel and operate differently in the future. A vision for the future Council is provided as context for further improvement and development across the organisation.	8
3. Improvement aims, outcomes and priorities	This section sets out the overall aims, priorities and structure used to organise the improvement programmes, projects and activities in the Improvement Plan. The overall outcomes that will be achieved by the delivery of the Plan are also listed.	11
4. Ensuring and enabling delivery	This section provides a summary of the arrangements being developed and strengthened for governance, assurance reporting, resourcing and supporting delivery of the Improvement Plan.	16
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Section 1: Introduction

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Section 1: Introduction

Purpose of this Plan

This Improvement Plan sets out how Nottingham City Council will respond to the significant governance and financial challenges that have led to intervention by the Government. It responds to the statutory Intervention Directions issued under Section 15 of the Local Government Act 1999 which require the Council to develop and agree a Council Improvement Plan with Commissioners.

The Plan provides the basis for the improvement required over the period of the statutory intervention. It has been developed in liaison with Commissioners and delivering it will demonstrate the improvement necessary to support their exit from the Council.

The Improvement Plan is the overarching framework that holds our improvement activity together. It addresses the challenges we face while setting out the aims we will work towards to achieve longer term change and become a Council that has a clear purpose and direction, is financially sustainable and is well run. The future Council will need to be leaner and focused on getting the basics right while responding more effectively to the evolving needs of the City.

Delivering the Improvement Plan will provide assurance to citizens, Councillors, officers, partners and Commissioners that we are improving the way we operate so as a Council we deliver, enable, and influence better outcomes for the City in the most effective, efficient and economical way.

The need for improvement and change

To ensure we are fit for the future, Nottingham City Council (NCC) must change. We will become a smaller and more efficient organisation that delivers outcomes for the City and citizens differently.

The Council must become an organisation that consistently delivers services our citizens can trust and rely on. We are committed to achieving this through the delivery of our Improvement Plan.

The Council understands the implications of statutory intervention and the need for further improvement and change. After issuing a Section 114(3) Report (under the Local Government Finance Act 1988) in late 2023 and the appointment of Commissioners in February 2024, the Council recognises that it has reached a point of crisis.

The context for intervention

Over the last decade, new libraries, tram lines, a new leisure centre and investment in public spaces have brought positive changes to the City. We have continued to take bold decisions to improve Nottingham's neighbourhoods and the City Centre.

But the level of financial risk has not always been considered systematically and governance of some schemes has not always been robust enough.

Nottingham is a City with huge potential and the Council must continue to improve to play a full and active role in supporting the City's continued prosperity and to tackle existing inequalities.

That will require difficult decisions, including the need to consider how income from all sources such as grant funding, fees, charges and Council Tax can be applied to ensure the Council's future sustainability. We will need to deliver transformation, change and improvement at a pace quicker than we have previously.

A series of events, reviews and judgements highlight the financial and governance challenges we must address:

- In September 2015, the Council established Robin Hood Energy, a not-for-profit provider of gas and electricity, with the aim of tackling fuel poverty and providing affordable energy to customers. The company failed to turn a profit and accumulated losses exceeding £34 million by 2019, leading to its closure in 2020. A Public Interest Report by Grant Thornton in August 2020 criticised the management of Robin Hood Energy and the Council's risk management and governance.
- In response, a rapid review led by (Government appointed) Max Caller identified the issues facing the Council and made recommendations for action. The recommendations included the establishment of an Improvement and Assurance Board (IAB) to oversee the implementation of reforms and submit quarterly reports to the Government on progress made.

- The *Together for Nottingham Plan* formed the heart of the Council's response. Approved in 2021 and refreshed in 2022, it sought to address the 67 changes and improvements required by the IAB.
- In December 2021, a serious issue was brought to light, involving the misappropriation of £15.86 million from the Council's Housing Revenue Account, which had been incorrectly credited to the General Fund since 2014/15. In response, the IAB was placed on a statutory footing.
- The IAB's quarterly reports highlighted some noteworthy improvements particularly in the Council's control of its various companies. However, the substantial breaches of Housing Revenue Account regulations were described as a significant setback and the pace of improvement at the Council was deemed to be lacking.
- In November 2023, a Section 114(3) Report was issued by the Council's Chief Finance Officer on the basis that the expenditure of the Council exceeded resources available to meet that expenditure.
- In February 2024, Commissioners were appointed by the Government under Section 15(5) and (6) of the Local Government Act 1999 to oversee the Council's recovery and improvement over the next two years.

The intervention comes with a set of Directions, including the requirement to produce an Improvement Plan to the satisfaction of Commissioners. The Council has been working closely and cooperatively with Commissioners, including in the production of this Plan.

Our improvement journey

Our improvement journey as a Council is already underway. It does not start with this Improvement Plan. Responses to the IAB's statement of requirements and statutory Instructions have resulted in several of the programmes, projects and initiatives contained within the *Together for Nottingham Plan*.

This Plan builds on and enhances this existing work, as well as initiating new projects and programmes in response to the Intervention Directions. It supersedes the *Together for Nottingham Plan* and the IAB's Instructions. It sets out how the Council will improve and develop at a greater pace, while putting citizens, communities and partners first.

The Plan will be regularly reviewed and refreshed. It will continue to evolve as our improvement journey progresses, activity is delivered, and the Commissioners' requirements are met. It will be updated to reflect engagement and consultation, and any changes in priorities and new requirements.

Our improvement needs to be about both immediate recovery and building a Council that is resilient and able to respond to future changes in ambitions and priorities.

Delivery of this Improvement Plan will provide a basis for the Council to demonstrate its improvement to Commissioners, Councillors, citizens and other stakeholders, providing assurance that change is happening.

Relationships with other plans

This Improvement Plan sits alongside other plans (see Figure 1) to provide an overall framework for the continued improvement and evolution of the Council:

- The *Improvement Plan* sets out the key improvement activity which responds to the issues cited in the Intervention Directions, while supporting the development of the Council to realise its vision for its future role and purpose.
- The related *Budget Strategy* provides a framework for developing proposals that will deliver further savings, efficiencies or income to achieve financial sustainability.
- The *Strategic Council Plan* sets out the Council's strategic policy priorities for the City and citizens, which guide delivery; align resources, delivery plans, strategies, operational activity and partnership working with these priorities.
- The *Medium-Term Financial Plan* summarises the Council's financial income and expenditure for 2024/25 to 2028/29 and how the Council intends to manage and deploy its financial resources to deliver priorities and improvement activity.

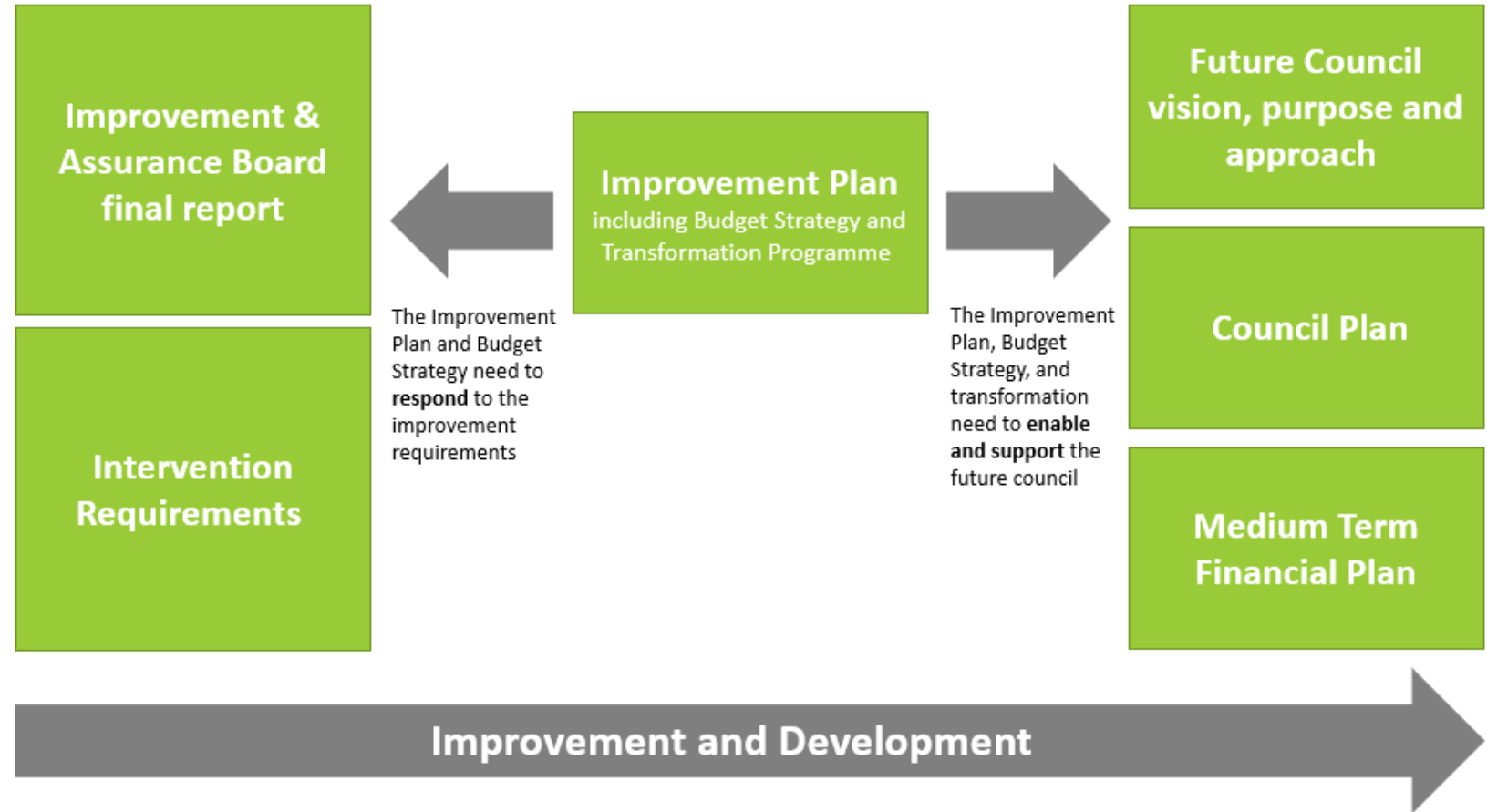


Figure 1: Relationship between key plans

Section 2: Our Future Council

Section 2: Our Future Council

The Council will look, feel and operate differently in the future.

Our Strategic Council Plan sets out the commitments made to our People, Neighbourhoods and City. Our Improvement Plan will ensure the Council plays its role in achieving those as effectively and productively as possible. This will require significant change and transformation, including our support for vulnerable children and adults where we spend a large proportion of our budget.

We need to become a resilient organisation that is operationally efficient and effective, able to support and enable the delivery of policy and delivery priorities as they change over time.

As the Council prioritises its resources for the benefit of citizens, some of our services will transform, some will reduce in size, and some may cease completely.

We will continue to have a realistic conversation with citizens and partners about our shared ambitions for the future, ensuring our priorities are informed by what is most important to them. We will learn from other councils about how they have improved and what they do differently.

Role and purpose

We need to be honest about the role and purpose of the Council in achieving priorities – being clear on our offer, and where we will deliver services, commission providers, or look to enable, support or influence others to deliver services.

This will help achieve best value and utilise our resources in the most productive way. The potential for increased community and neighbourhood working, early intervention and demand prevention and co-production and collaboration will be key considerations.

We will listen to what our customers want from us. We will better define what we can achieve (our 'core offer') so that citizens and partners understand the role and responsibilities of the Council, our service standards and customer expectations. We are likely to commission and procure some services on behalf of citizens rather than deliver them ourselves.

Whether it is delivering, enabling, or influencing outcomes, the Council will:

- Provide a consistent and positive experience, delivering the basics well and providing the right support at the right time.
- Deliver value for money through continuous improvement and effective financial control mechanisms.
- Ensure our workforce is offered support and development, flexibility and care, enabling the attraction and retention of talented and dedicated staff.
- Adopt a clear 'One Council' approach to our role, prioritising joined up partnership working.

Whole Council change

Achieving whole Council change will require both changes in organisational culture and improvements in policy and practice.

A consistent and positive culture, with clear roles, responsibilities and expectations of Councillors and staff, will be vital to the Council being Councillor-led, officer-run and citizen focused.

To support culture change, we will improve performance management, programme delivery, technological systems and processes so we operate more efficiently and effectively.

These are reflected in several of the Improvement Plan priority programmes that focus on being a Well-Run Council, including:

- An engaged, effective and empowered workforce
- Improving enabling and support systems and processes
- Managing and monitoring our delivery
- Improving governance

Clear direction

It is critical that the Council has a clear direction for its future. A key aim of the Improvement Plan is to ensure the Council has a clear vision for its further transformation, budget strategy and future delivery and policy priorities.

This Plan proposes a key programme of work that will further develop the vision and purpose of the future Council (see Figure 2), and ensures this is translated into how the Council operates and behaves – including:

- Development of a ‘Future Council’ approach and framework for how services are led, managed and delivered by the Council.
- Development of a new model for engagement with the City and its partners and citizens, ensuring there is citizen and partner input to the Council’s strategic thinking and how we work together effectively.

We will review, refresh and re-position our transformation programme so it aligns with our vision for the future and is driven by our budget strategy.



Figure 2: Future Council vision, role & purpose, with the levers for change and delivery

Section 3: Improvement aims, outcomes and priorities

Section 3: Improvement aims, outcomes and priorities

Our Improvement Plan sets out clearly what we will achieve to address immediate challenges, such as delivery of budget savings, while ensuring a focus on the future and how the Council will need to operate to best serve the needs of the City and its citizens.

Our improvement aims

To achieve this, our three overall aims are to be:

- 1. A Council that delivers for Nottingham with clear direction and purpose:** through enabling and influencing others and delivering Council services that reflect priorities and resources, are affordable, represent value for money, have clear standards and are continuously improved so they are designed around, or alongside, their customers and citizens.
- 2. A Council that is financially sustainable:** through the achievement of a balanced budget which will be attained through credible savings plans, robust financial management, improved commercial practice and a programme of capital assets disposal.
- 3. A Council that is well-run with effective people, processes and systems:** improved productivity and operational efficiency, stronger and clearer governance and the development of the organisation's culture so there is an engaged, effective and empowered workforce, and further clarity on roles and responsibilities.

Improvement priorities and programmes

To achieve these aims, the Improvement Plan is focused on an initial set of 11 Priority Programmes of Action (see Figure 3). These build on the progress we have made under the oversight of the Improvement and Assurance Board (IAB) and delivery of our *Together for Nottingham* Plan.

Some of the programmes are in place already and are fully formed and resourced. These will continue to be delivered (e.g. Assets Sales Programme and Review of Companies). Some programmes (e.g. Improving governance) are being initiated to ensure we are responding to the issues referenced in the Intervention Directions and the requirements and expectations of Commissioners. They will need to be further developed in terms of scope, activity and resources required to support delivery of them.

It is likely that these programmes and projects will change over time. There will be further programmes arising from some. For example, the review and refresh of the transformation programme will result in new programmes that are driven by our budget strategy and future Council vision.

Although programmes and projects are primarily aligned to a single Improvement Plan aim, most are interdependent, and the outcomes will be cross-cutting and contribute to all three Improvement Plan aims. All programmes aim to drive behavioural change, continuous improvement and the ambition to seize the opportunity to deliver better outcomes at lower costs.

List of Improvement Programmes:

1. Future Council: Vision, purpose and approach
2. Review and develop the Transformation Programme
3. Manage and monitor our delivery
4. Continuous financial sustainability
5. Strengthen financial management
6. Corporate landlord and assets sales
7. Council companies and traded services
8. Improve governance
9. An engaged, effective and empowered workforce
10. Strengthen internal controls and assurance
11. Improve enabling processes and systems

Figure 3: List of Improvement Programmes

Aim 1: A Council that delivers for Nottingham with clear direction and purpose

The Council needs to look, feel and operate differently. It needs a clear vision and purpose that guides the transformation of the organisation, its budget strategy, workforce development and future priorities for the City and its citizens, and clearly explains how the Council will deliver, enable and influence others to achieve those priorities.

The focus of this aim is:

Creating and communicating the future role and purpose of the Council, so it can work more effectively, efficiently and economically to achieve priorities and be clear on how the organisation needs to change and transform to do that.

Outcomes (the things that tell us we have achieved our aim) are:

- A clear vision, purpose and priorities that guide how the Council operates
- A clear, consistent and effective customer experience and improved satisfaction
- Clear service offer and standards
- A transformation programme aligned to the future vision and purpose

The key programmes of activity that will deliver this improvement and change are:

Programme	Description and Purpose
<p>1. Future Council: Vision, purpose and approach</p>	<p>This programme will create a shared vision for the future of the Council to help everyone understand the Council's future role and purpose. It will consider the relationship with the City's communities, the role of partners and the role of the Council in the delivery of strategic priorities and outcomes. The vision and purpose will direct which services we prioritise, be translated into a framework that embeds good practice characteristics and principles into how services are led, managed and delivered, and develops a new model of engagement that meets the needs of Nottingham's diverse communities. These will be key elements of a new operating model for the Council.</p>
<p>2. Review and develop the Transformation Programme</p>	<p>This programme will review the Council's current Transformation Programme to ensure it is aligned with the future direction and need to deliver savings, through fundamentally enhancing services, systems, processes and technology across the Council, to achieve measurable improvements in efficiency, effectiveness and priority outcomes for residents within our reduced financial resources.</p>
<p>3. Manage and monitor our delivery</p>	<p>This programme will strengthen the Council's ability to monitor and manage the delivery of its priorities. It will focus on the development and implementation of a corporate performance management framework and approach that will ensure regular reporting of performance and delivery against Council priorities, transformation and budget savings, proactively identifying risks and the mitigations needed. The continued strengthening of the Corporate Programme Management Office (CPMO) and alignment of it to a refreshed Transformation Plan/Programme will also be a component of the programme. Alongside the programmes designed to 'Strengthen financial management' and 'Strengthen internal controls and assurance' it will ensure the Council has a tighter grip on its delivery, performance and risk management.</p>

Aim 2: A Council that is financially sustainable

The Council needs to 'live within its means' and be able to deliver a balanced budget and sustainable financial plan. This will be attained through the delivery of credible savings plans, robust financial management, improved commercial practice, and a programme of capital assets disposal.

The focus of this aim is:

Strengthening financial management, the delivery of savings and other activity to improve the current financial position of the Council and its longer-term sustainability

Outcomes (the things that tell us we have achieved our aim) are:

- Delivery of a balanced budget and sustainable medium-term financial plan
- Robust and credible savings plans delivered
- Robust financial monitoring, management and accountability
- A prioritised capital assets programme

The key programmes of activity that will deliver this improvement and change are:

Programme	Description and Purpose
4. Continuous financial sustainability	The programme focusses on the delivery of budget savings in 2024/25 and the development of further credible and approved budget savings proposals to be delivered in 2025/26 and beyond. It will ensure the Council sets a legally balanced budget annually and help enable the Council to live within its means over the longer term.
5. Strengthen financial management	The programme will ensure there is consistent financial compliance across the organisation by continuing to implement the Finance Improvement Plan which will strengthen practice and approaches to monitoring, compliance and forecasting.
6. Council companies and traded services	The programme will simplify and streamline the Council's portfolio of owned or affiliated companies, aiming for a sustainable, well-governed and viable set of Council Owned Entities (COEs).
7. Corporate landlord and assets sales	The Programme will centralise property management for the Council's operational, commercial and community properties to reduce duplication, ensure safety compliance and deliver cost-efficient services, supporting a leaner, more efficient organisation. It will identify opportunities for asset disposal, which will feed into an Asset Sales Programme that is reviewing all capital assets to identify opportunities for generating capital receipts to help balance the near-term budget while maintaining acceptable income levels and ensuring the Council's property estate meets current and future needs.

Aim 3: A Council that is well run with effective people, processes and systems

The Council needs to continue to modernise how it operates and improve its productivity and operational efficiency so it can deliver to the best of its ability. This includes strengthening governance, making sure roles and responsibilities are clearly understood and looking at how service delivery is supported and enabled by business processes and systems.

The focus of this aim is:

Improving how the Council is run, so it can become more efficient and productive, supported by good governance, good business processes and an organisation with an engaged, effective and empowered workforce.

Outcomes (the things that tell us we have achieved our aim) are:

- An engaged, effective and confident workforce that feels empowered
- Effective governance that enables timely and transparent decision making
- Effective management of performance and risk
- Clear roles and responsibilities and effective working relationships including inter-directorate working
- Efficient and effective systems and processes

The key programmes of activity that will deliver this improvement and change are:

Programme	Description and Purpose
Page 37 Improve governance	<p>The programme will lead to better governance, clearer accountability, stronger working relationships and improved decision-making, through:</p> <ul style="list-style-type: none"> • A review and refresh of the scheme of delegation, standing orders, financial regulations, Elected Member/Officer protocol. • A review and evaluation of the informal processes that support our formal decision-making. <p>The programme will also develop and deliver activities to improve understanding between Members and officers, strengthen our culture of collaboration and ensure effective teamwork and relationships across the Council. It will include a Member and Officer development programme focusing on respective roles and responsibilities in leadership, decision-making, scrutiny, audit, regulatory roles, partnerships and engaging with local communities.</p>
9. An engaged, effective and empowered workforce	<p>The programme aims to improve the officer structures, workforce culture and the management of employee performance to deliver the Council's priorities in an efficient, effective and economical way. It will focus on organisational culture, structures, performance management and employee engagement, including an all-staff survey to inform baselining and programme activity.</p>
10. Strengthen internal controls and assurance	<p>The programme will strengthen key elements of the Council's internal controls – focussing on an assessment and improvement of the Council's risk management approach and a review of the Internal Audit function to identify and deliver appropriate improvement actions. Alongside the programmes focussing on 'Strengthening financial management' and 'Managing and monitoring delivery' it will ensure the Council has a tighter grip on its delivery, performance and risk management.</p>
11. Improve our enabling and support systems and processes	<p>The programme builds on the Council's digital transformation journey, ensuring business processes and systems are designed with and for the customer, both internally and externally. It will start with an organisation wide process review to identify the systems and processes most in need of improvement.</p>

Section 4: Ensuring and enabling delivery



Ensuring delivery: Principles and approach

Clear governance, monitoring and assurance reporting arrangements will be put in place to ensure the Improvement Plan is delivered. The following principles and arrangements will be adopted and used to guide our approach (Figure 4).

The Corporate Programme Management Office

A Corporate Programme Management Office (CPMO) was established in April 2024 to oversee transformation and budget savings activities. Its remit is anticipated to incorporate the monitoring and reporting on the Improvement Plan delivery.

The CPMO's functions fall into two broad categories:

1. **Monitoring and assurance:** the CPMO ensure that monitoring happens, reviews, and challenges the outputs from each monitoring round and provides the papers and analysis required by Transformation and Change Oversight Board (TCOB) to allow it to function effectively.
2. **Supporting delivery:** the CPMO includes a 'Change Academy' which manages and deploys corporate project management, business analyst and change consultant capability to support the delivery of the Council's transformation activity.

Taken together these two functions provide a rounded assurance and delivery vehicle that will support the Council in the achievement of the Improvement Plan.

Principle	Arrangements
Accountability and Responsibility for delivery	<p>Senior Accountable Officer (SAO): Corporate Directors will act as the accountable officer for the delivery of Improvement Plan programmes assigned to them. They are ultimately accountable for ensuring that the outcomes of the programmes are met, whilst making sure that there is timely engagement with key stakeholders including elected Members.</p> <p>Responsible Delivery Lead (RDL): Whilst Corporate Directors are accountable for delivery, they may assign the overall responsibility for the day-to-day delivery of this work to a colleague, in the capacity of a delivery lead. This activity is likely to include putting project teams in place, checking and managing process and escalating any key risks and / or blockages where these can't be dealt with at a project level.</p>
Governance structures	<p>To ensure timely and accurate reporting and decision making the <i>Transformation and Change Oversight Board (TCOB)</i> will act at the top of the governance structure and meet monthly. This Board is made up of senior officers (Chief Executive and Corporate Directors), the Deputy Leader and the Transformation Commissioner. It will hold Corporate Directors to account for delivery and also act as a forum through which escalations are made, significant changes to projects agreed and additional resources provisionally allocated.</p> <p>Corporate Directors, as Senior Accountable Officers, will determine their own governance arrangements below this Board, in the context of the transformation and savings activities they are accountable for.</p>
Monitoring and Assurance	<p>Reporting against the activity in the Improvement Plan will take place in a standardised form monthly to ensure that there is a timely, consistent and accurate picture against delivery of the Plan. Reporting will be supplemented, as appropriate, by periodic reviews on delivery to give assurance that activity is well scoped, resourced and on track for to be delivered</p>
Transparency	<p>Assurance reporting will operate a 'one version of the truth' approach that is understood by key stakeholders to provide them with confidence that progress is being made. Progress will be reported monthly through the <i>Corporate Programme Management Office (CPMO)</i> on a consistent basis to the <i>Transformation and Change Oversight Board (TCOB)</i>.</p>
Member Scrutiny	<p>Executive Members will be briefed regularly on the delivery against relevant Improvement Plan programmes within their portfolios. The Improvement Plan will be periodically reviewed by the Council's Overview and Scrutiny Committees, whilst Audit Committee will also be involved in ensuring that there is appropriate risk management and controls within the improvement programme.</p>

Figure 4: Governance and assurance principles and arrangements

Section 4: Ensuring and enabling delivery

Figure 5 below summarises the governance arrangements and reporting

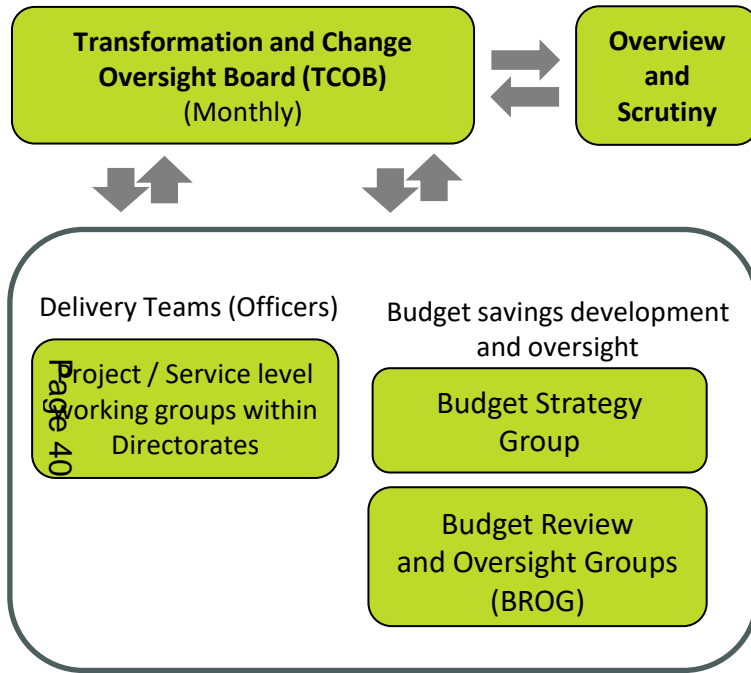


Figure 5: Improvement Plan governance

Resourcing the Plan

For existing programmes, such as the Asset Sales Programme and Review of Companies, there is already resource secured, deployed and in place to support delivery that is well underway.

For other programmes, resource requirements will be defined as the programme is fully scoped. SAOs and RDLs are responsible for considering how business-as-usual capacity can be re-prioritised and redeployed, and assessing additional resource requirements.

There will also be exploration with various partners and providers about how they can support programmes, e.g. Local Government Association (LGA) and Centre for Governance and Scrutiny (CfGS).

The Corporate Portfolio Management Office (CPMO) will provide an overview of the whole Council’s requirements for transformation and will inform decisions about the deployment of resources.

Figure 6 summarises the resourcing strategy and approach.

Component	Approach
Internal Council resource	A refocussing of internal resources (e.g. Change Academy) to support the development and delivery of transformation and budget savings proposals. Identification of capacity from across the organisation that can potentially be redirected and/or deployed to support Improvement Plan delivery.
Interim external capacity	Short-term capacity and technical expertise to support development and delivery of budget and transformation proposals. Support from agencies such as the LGA (as the sector’s membership body and improvement agency) to some elements of the Plan, including the Improve Governance programme.
Transformation partners	Engagement of external partners where necessary to support the delivery of transformation programmes and budget savings initiatives. This may include specialist capability to support improvement in specific areas.

Figure 6: Resourcing approach

Improvement Plan Performance Framework

Each aim of the Improvement Plan is broken down into a series of outcomes. To demonstrate progress towards, and achievement of, these outcomes, a small set of Key Performance Indicators (KPIs) are proposed. Appendix 2 provides a more detailed summary of this, listing the KPIs.

Engagement and involvement

Engagement has taken place at different levels and through different forums throughout the process of developing the Improvement Plan. This has ensured that it has been developed collaboratively and that plans have been continuously iterated using peer review, challenge and feedback. As the Council's improvement journey continues, we will continue to engage and communicate on our plans and progress to our citizens, Members, staff, partners, businesses and stakeholders. Listening to and learning from them and adjusting and updating the plan in line with new and emerging priorities.

Risks to the delivery of the Plan

Alongside the risks and dependencies identified within individual improvement programmes and projects, there are several key overarching risks and dependencies to delivery of the Improvement Plan which need to be considered and mitigated against. These are set out in the tables in Appendix A3. This table is not an exhaustive list, and the risks and mitigations will be kept under review.

Appendices

Page 21	A1 - Priority programme activity summaries
Page 38	A2 - Key Performance Indicators
Page 39	A3 - Risk and dependency management

Appendix A1: Priority programme activity summaries

Aim	Improvement Programmes:	Page
A Council that delivers for Nottingham with a clear direction and purpose	1. Future Council: Vision, purpose and approach	22
	2. Review and develop the Transformation Programme	24
	3. Manage and monitor delivery	25
A Council that is financially sustainable	4. Continuous financial sustainability	26
	5. Strengthen financial management	27
	6. Corporate landlord and assets sales	29
	7. Council companies and traded services	30
A Council that is well run with effective people, processes and systems	8. Improve governance	31
	9. Engaged, effective and empowered workforce	33
	10. Strengthen internal controls and assurance	35
	11. Improve enabling and support systems and processes	36

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Programme 1	Purpose and description	SAO / RDL Lead Member	Key Activities	Start	End
<p>Future Council: Vision, purpose and approach</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 44</p>	<p>The purpose of this programme is to ensure the Council has a clear direction for its further organisational development, transformation and future delivery and policy priorities. It will create a shared vision for the future of the Council to help everyone understand the Council's role and purpose.</p>	<p>SAO: Corporate Director (Growth & City Development)</p>	<p>1.1 Strategic statement of intent: Develop and present a clear statement of intent that summarises key priorities for the future Council and how the organisation needs to change including a greater commissioning and procurement role, and informs a new Strategic Council Plan</p>	July 2024	August 2024
	<p>The programme will consider the Council's relationship with the City's communities and residents and the role of partners in the delivery of strategic priorities and shared outcomes so the Council is clearer on its role and can operate in a financially sustainable way, focus on essential services, protecting vulnerable groups and being responsive to local needs.</p>	<p>RDL: Assistant Chief Executive</p> <p>Lead Member: Leader of the Council</p>	<p>1.2 Define a set of 'Future Council' operating principles that underpin the way we will work as a Council and guide improvement and transformation, informed by engagement with Members and senior officers and other stakeholders – including:</p> <ul style="list-style-type: none"> • Senior Leaders Forum (Directors and Heads of Service) • Executive Member workshops 	July 2024	Sept 2024
			<p>1.3 Develop a 'Future Council' framework for service delivery to translate the future Council vision and operating principles into good practice and best value practice and characteristics of service management and delivery, including:</p>	July 2024	Nov 2024
			a) Establish a steering group of Directors and Heads of Service to provide leadership, challenge and input	July 2024	July 2024
			b) Co-production of a framework through steering group and reality checking via a sounding board of staff	July 2024	Nov 2024
			c) Embed the vision, operating principles and Future Council framework into service planning guidance	Oct 2024	Nov 2024
			d) Develop proposals for embedding the framework as a basis for wider improvement activity including service reviews, self-assessments, manager training, etc	Nov 2024	Dec 2024
		e) Build organisational capacity, guidance, support for each of the elements of the Future Council framework	Dec 2024	Dec 2025	

Programme 1 continued	Purpose and description	SAO / RDL Lead Member	Key Activities	Start	End
<p style="text-align: center; transform: rotate(-90deg);">Page 45</p>			<p>1.4 Develop an approach and programme to engage stakeholders – including residents, workforce and partners about priorities and shape of the Future Council</p> <p>a) Evaluate recent engagement: To identify strengths and areas for improvement.</p> <p>b) Partnerships and stakeholder mapping: To identify key networks and gaps especially in harder-to-reach communities.</p> <p>c) Development of a Consultation and Engagement Framework: based on using customer insight, data and lived experience research proportionate to service complexity</p> <p>d) Trial and roll-out of a partner and community perception tracker to monitor the perceptions of NCC and our progress in changing how the Council operates as a system leader and partner.</p> <p>e) Develop proposal and implement a programme of listening exercises and events including residents, workforce and partners</p>	July 2024	Jan 2025
			July 2024	August 2024	
			July 2024	August 2024	
			July 2024	Sept 2024	
			August 2024	Oct 2024	
			August 2024	Oct 2024	
			<p>1.5 Refresh Strategic Council Plan - driven by the strategic statement of intent (1.1) to reflect new priorities and context, ways of working, aligned with the budget and medium-term financial plan and informed by stakeholder engagement, elected Member priorities and statutory requirements</p>	August 2024	March 2025

Programme 2	Purpose and description	SAO / RDL Lead Member	Key Activities	Start	End
<p data-bbox="7 104 254 285">Review and develop the Transformation Programme</p> <p data-bbox="89 649 127 771" style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 46</p>	<p data-bbox="336 104 1054 364">The programme will review the current Transformation Programme (including Childrens and Adults) to ensure transformation activities have better alignment with the future direction and the need to deliver savings and achieve financial sustainability, helping to deliver and enable priority outcomes for residents within reduced financial resources.</p> <p data-bbox="336 406 1054 592">This includes ensuring there are clear benefits articulated at the outset, including cost reductions, impacts and outcomes on service users and residents and ensuring that practice from other local authorities informs our thinking</p> <p data-bbox="336 635 1054 821">The programme will review current transformation and change activity, agree new programmes (which will be informed by the budget strategy) and ensure there are robust programme management and support arrangements in place.</p>	<p data-bbox="1075 104 1294 178">SAO: Chief Executive</p> <p data-bbox="1075 221 1294 321">RDL: Assistant Chief Executive</p> <p data-bbox="1075 364 1294 435">Lead Member: Deputy Leader</p>	<p data-bbox="1314 104 2130 178">2.1 Develop, resource and deliver a new 'Future Council' fully costed corporate transformation plan - including:</p>	<p data-bbox="2150 104 2283 135">June 2024</p>	<p data-bbox="2333 104 2466 135">Oct 2024</p>
			<p data-bbox="1314 218 2130 249">2.2 A rapid review of existing activity</p> <ul data-bbox="1314 257 2130 514" style="list-style-type: none"> a) Conduct initial assurance reviews on selected transformation projects including Childrens and Adults which are the biggest areas of spend for the Council b) Perform in-depth reviews on metrics, benchmarking and deliverability, ensuring financial targets are achievable. c) Address under-delivery with business cases reviewed by Finance and CPMO. 	<p data-bbox="2150 218 2283 249">June 2024</p>	<p data-bbox="2333 218 2497 249">August 2024</p>
			<p data-bbox="1314 561 2130 706">2.3 Develop and agree new transformation proposals, informed by the budget strategy and other improvement priorities and through engagement with senior managers and Executive Members – including CLT, TCOB and Executive Panel.</p>	<p data-bbox="2150 561 2283 592">June 2024</p>	<p data-bbox="2333 561 2466 592">Sept 2024</p>
			<p data-bbox="1314 768 2130 913">2.4 Development of robust business cases and programme plans for transformation programmes, so that proposals (where relevant) can be included as part of budget setting for 2025/26</p>	<p data-bbox="2150 768 2283 799">July 2024</p>	<p data-bbox="2333 768 2466 799">Ongoing</p>
			<p data-bbox="1314 975 2130 1078">2.5 Introduce a co-ordinated approach to learning from other local authorities - including practice visits and learning conversations</p>	<p data-bbox="2150 975 2283 1006">July 2024</p>	<p data-bbox="2333 975 2466 1006">Oct 2024</p>
			<p data-bbox="1314 1139 2130 1213">2.6. Embed Integrated Delivery Plans (IDPs) to maintain oversight of Directorates' improvement and change activity:</p> <ul data-bbox="1314 1220 2130 1363" style="list-style-type: none"> a) Develop integrated delivery plans (savings, transformation and improvement) for each Directorate b) Plans approved and integrated into automated dashboards. c) Regular review and update plans 	<p data-bbox="2150 1139 2283 1170">June 2024</p>	<p data-bbox="2333 1139 2466 1170">Ongoing</p>

Programme 3	Purpose and description	SAO / RDL Lead Member	Key Activities	Start	End
<p data-bbox="0 107 326 228">Manage and monitor our delivery</p> <p data-bbox="0 278 326 392">(Programme and Performance Management)</p> <p data-bbox="89 649 140 778" style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 47</p>	<p data-bbox="326 107 1065 364">This programme will strengthen the Council’s ability to monitor and manage the delivery of its priorities. It will focus on the development and implementation of a corporate performance management framework. Key Performance Indicators will be benchmarked against other local authorities to proactively compare our performance and drive continuous improvement.</p> <p data-bbox="326 406 1065 549">The approach will ensure regular reporting of performance and delivery against Council priorities, transformation and budget savings, proactively identifying risks and mitigations needed.</p> <p data-bbox="326 592 1065 892">The continued strengthening of the Corporate Programme Management Office (CPMO) and alignment of it to a refreshed Transformation Plan/Programme will also be a component of the programme. Alongside the programmes designed to ‘Strengthen financial management’ and ‘Strengthen internal controls and assurance’ it will ensure the Council has a tighter grip on its delivery, performance and risk management.</p>	<p data-bbox="1065 107 1304 178">SAO: Chief Executive</p> <p data-bbox="1065 221 1304 321">RDL: Assistant Chief Executive</p> <p data-bbox="1065 364 1304 435">Lead Member: Deputy Leader</p>	<p data-bbox="1304 107 2142 164">3.1 Develop a refreshed Council performance framework – including:</p> <ul style="list-style-type: none"> <li data-bbox="1304 171 2142 271">a) A hierarchy of strategic plans so there is a 'golden thread' between the Council Plan, Improvement Plan, Transformation Programme and Medium-Term Financial Plan <li data-bbox="1304 278 2142 406">b) A set of KPIs aligned to the Council priorities covering service delivery, improvement and organisational health, (benchmarked and including cost of service information where possible) and supported by 'real-time' data where relevant and available <li data-bbox="1304 414 2142 514">c) Specific objectives for the delivery of the Council's Purpose and Intent that guides business/service planning across the Council to ensure proportionate ambitions within available resources. <li data-bbox="1304 521 2142 692">d) A clear and concise reporting cycle and products for performance monitoring, enabling CLT, Executive and Scrutiny to review performance against objectives and others, to identify areas of underperformance, risk (reputational, compliance and financial) and opportunities for improvement. <li data-bbox="1304 699 2142 828">e) Develop and implement a standard approach to Directorate performance informed by consistent Directorate performance dashboards and supported by Directorate Business and Performance Managers <p data-bbox="1304 871 2142 928">3.2 Further embed the arrangements for oversight of transformation, improvement and change – including:</p> <ul style="list-style-type: none"> <li data-bbox="1304 935 2142 1006">a) Implementation of a new Monitoring Framework with quality assurance by the CPMO and reports to TCOB <li data-bbox="1304 1013 2142 1071">b) Automate monitoring and integrate into dashboards for all transformation, change and savings <li data-bbox="1304 1078 2142 1149">c) Implement a rolling programme of reviews to identify areas for improvement in the next planning cycle <p data-bbox="1304 1185 2142 1213">3.3. Further strengthen the CPMO</p> <ul style="list-style-type: none"> <li data-bbox="1304 1220 2142 1292">a) Finalise temporary recruitment into the CPMO and ensure new programmes are resourced. <li data-bbox="1304 1299 2142 1385">b) Review ongoing CPMO activity in light of transformation programme and agree future resourcing model beyond March 2025. 	<p data-bbox="2142 107 2328 135">June 2024</p> <p data-bbox="2142 178 2328 207">July 2024</p> <p data-bbox="2142 278 2328 307">July 2024</p> <p data-bbox="2142 414 2328 442">July 2024</p> <p data-bbox="2142 521 2328 549">Sept 2024</p> <p data-bbox="2142 699 2328 728">Sept 2024</p> <p data-bbox="2142 942 2328 971">June 2024</p> <p data-bbox="2142 1013 2328 1042">July 2024</p> <p data-bbox="2142 1085 2328 1113">Sept 2024</p> <p data-bbox="2142 1220 2328 1249">May 2024</p> <p data-bbox="2142 1292 2328 1320">July 2024</p>	<p data-bbox="2328 107 2540 135">Oct 2024</p> <p data-bbox="2328 178 2540 207">August 2024</p> <p data-bbox="2328 278 2540 307">August 2024</p> <p data-bbox="2328 414 2540 442">Oct 2024</p> <p data-bbox="2328 521 2540 592">Oct 2024 (and ongoing)</p> <p data-bbox="2328 699 2540 771">Oct 2024 (and ongoing)</p> <p data-bbox="2328 942 2540 971">Ongoing</p> <p data-bbox="2328 1013 2540 1042">August 2024</p> <p data-bbox="2328 1085 2540 1113">March 2025</p> <p data-bbox="2328 1220 2540 1249">August 2024</p> <p data-bbox="2328 1292 2540 1320">Nov 2024</p>

Programme 4	Purpose and description	SAO / RDL Lead Member	Key Activities	Start	End
<p>Continuous financial sustainability</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 48</p>	<p>The programme focusses on the delivery of budget savings in 2024/25 and the development of further credible and approved budget savings proposals to be delivered in 2025/26 and beyond. It will ensure the Council sets a legally balanced budget annually and help enable the Council to live within its means over the longer term.</p>	<p>SAO: Corporate Director (Finance & Resources and s151 Officer)</p> <p>RDL: Director of Finance (Deputy s151 Officer)</p> <p>Lead Member: Executive Member for Finance and Resources</p>	<p>4.1. Ensuring delivery of 2024/25 savings programme through robust monitoring and mitigation – including where any savings have been identified in-year as being at risk, CLT to develop and implement corrective action(s) including:</p> <ul style="list-style-type: none"> • Monthly Transformation and Change Oversight Board (TCOB) meetings • Budget Review and Oversight Group (BROG) meetings 	<p>April 2024</p>	<p>March 2025</p>
			<p>4.2. Implement the budget strategy for 2025/26 to develop a programme of work that deliver required savings and income over a 4-year period (2025/26 – 2028/29) to close budget gaps and link to the Improvement Plan and Strategic Council Plan – including:</p> <p>a) The development of robust and credible investment and saving plans based on:</p> <ul style="list-style-type: none"> • Service redesign • Income and debt • Asset rationalisation • Transformation and change • Asset rationalisation • Efficiency and technical review <p>b) A robust review of proposed savings proposals using a rigorous business case approach which sets out the rationale and evidence for the proposed savings and the plan for delivery taking into account risks</p> <p>c) Check and challenge of proposals – including ‘star chamber’ process involving political challenge</p>	<p>April 2024</p>	<p>Sept 2024 (and ongoing)</p>
			<p>4.3. Exceptional Financial Support (EFS): Continuous engagement with DLUHC in consultation with Commissioners on future requirements for EFS including Council Tax increase above referendum levels.</p>	<p>June 2024</p>	<p>Feb 2025</p>

Programme 5	Purpose and description	SAO / RDL Lead Member	Key Activities	Start	End
<p>Strengthen financial management</p>	<p>This programme aims to ensure there is consistent financial compliance across the organisation by continuing to implement the Financial Improvement Plan which will strengthen practice and approaches to monitoring, compliance and forecasting.</p>	<p>SAO: Corporate Director (Finance & Resources and s151 Officer)</p> <p>RDL: Director of Finance (Deputy s151 Officer)</p> <p>Lead Member: Executive Member for Finance and Resources</p>	<p>5.1. Review and update current Financial Improvement Plan deliverables and programme objectives – to include:</p> <ul style="list-style-type: none"> • A training programme which reinforces the supportive and enabling culture of the Finance function • A culture change project in financial management which embeds the principles of the Accountability Framework • Process and practice improvement 	Ongoing	Ongoing
			<p>5.2 Implement monthly budget monitoring and reporting including:</p> <ul style="list-style-type: none"> • An exercise to determine reporting needs • Monthly reporting to be shared with Executive Members 	April 2024	Ongoing
			<p>5.3 Continue to work with East Midlands Shared Services partnership and managers to review financial management information and where possible to improve accessibility and ensure value for money.</p>	Ongoing	Ongoing
			<p>5.4 Training and Development: Develop and deliver a refreshed programme of financial management training and guidance for relevant officers and Members to ensure all have the required skills aligned to the Financial Accountability Framework - including forecasting tools to assist budget holders in the management of their budgets, particularly those with volatile budgets.</p>	April 2024	March 2026
			<p>5.5. Strengthen ownership and accountability through:</p> <ol style="list-style-type: none"> Engagement on the Financial Accountability Framework to improve genuine buy-in from across the Council Financial accountability statements issued and-signed off by Corporate Directors and budget managers 	May 2024	June 2024

Programme 5 Continued	Purpose and description	SAO / RDL Lead Member	Key Activities	Start	End
<p data-bbox="0 111 359 201">Strengthen financial management</p>			<p data-bbox="1312 154 2107 307">5.6 Credible in-year forecasts: To be completed by services to support effective management and monitoring of budgets and allow the Corporate Leadership Team to take early action to manage in-year budget pressures.</p>	<p data-bbox="2107 154 2321 189">April 2024</p>	<p data-bbox="2321 154 2548 189">March 2025</p>
			<p data-bbox="1312 349 2107 471">5.7. Monitoring adherence and reporting non-compliance of financial management processes: such as ‘No PO No Pay’ across the organisation.</p>	<p data-bbox="2107 349 2321 385">July 2024</p>	<p data-bbox="2321 349 2548 385">Ongoing</p>
			<p data-bbox="1312 499 2107 571">5.8 Complete the accounts for 2019/20 in accordance with the guidance and as soon as possible.</p>	<p data-bbox="2107 499 2321 535">Started</p>	<p data-bbox="2321 499 2548 571">As soon as possible</p>

Programme 6	Purpose and description	SAO / RDL Lead Member	Key Activities	Start	End
<p>Corporate landlord and assets sales</p> <p style="text-align: center;">Page 51</p>	<p>The Programme will centralise property management for the Council’s operational, commercial and community properties to reduce duplication, ensure safety compliance and deliver cost-efficient services, supporting a leaner, more efficient organisation. It will identify opportunities for asset disposal, which will feed into an Asset Sales Programme that is reviewing all capital assets to identify opportunities for generating capital receipts to help balance the near-term budget while maintaining acceptable income levels and ensuring the Council’s property estate meets current and future needs.</p> <p>The asset sales programme will help close the gap between expected capital receipts and the requirement to repay Exceptional Financial Support, borrowings and reinvest in the capital programme. This involves increasing both the number and pace of property sales.</p>	<p>SAO: Corporate Director (Growth & City Development)</p> <p>RDL: Director of Economic Development and Property</p> <p>Lead Member: Executive Member for Finance & Resources</p>	<p>6.1. Consolidate operational assets into a unified portfolio with centralised budgets</p> <p>6.2 Establish a Corporate Landlord structure and operating model with improved void management and streamlined commissioning models.</p> <p>6.3 Develop governance guidelines for decision-making within the Corporate Landlord framework.</p> <p>6.4 Create a single asset list and property system for easy access to relevant property information.</p> <p>6.5 Review and rationalise the operational portfolio in line with revised service operating models, identifying opportunities for estate optimisation and disposals</p> <p>6.6 Assess and maximise occupancy of office estates, identifying disposal opportunities</p> <p>6.7. Formulate a Corporate Asset Management plan which outlines how the Council’s assets will be maintained.</p> <p>6.8 Conduct surveys for repairs and maintenance planning.</p> <p>6.9 Establish timely and efficient asset disposal and governance processes in line with legislative requirements.</p> <p>6.10 Develop timed disposal plans to bridge any gaps between capital receipts and Exceptional Financial Support.</p> <p>6.11 Execute the Asset Disposal Programme to ensure that Exceptional Financial Support can be funded in full, avoiding any additional revenue budget pressure where possible</p>	<p>May 2024</p> <p>May 2024</p> <p>June 2024</p> <p>Sept 2024</p> <p>May 2024</p> <p>June 2024</p> <p>Sept 2024</p> <p>Dec 2024</p> <p>Sep 2024</p> <p>Jun 2024</p> <p>May 2024</p>	<p>Sept 2024</p> <p>Dec 2024</p> <p>July 2024</p> <p>Dec 2024</p> <p>March 2026</p> <p>Sept 2024</p> <p>Dec 2024</p> <p>Mar 2025</p> <p>Dec 2024</p> <p>Jun 2024</p> <p>May 2026</p>

Programme 7	Purpose and description	SAO / RDL Lead Member	Key Activities	Start	End
<p>Council companies and traded services</p>	<p>Simplify and streamline the Council's portfolio of owned or affiliated companies, aiming for a sustainable, well-governed and viable set of Council Owned Entities (COEs).</p>	<p>SAO: Corporate Director (Finance & Resources)</p>	<p>7.1. Review the list of all commercial ventures in which the City Council is involved, to include the development of processes to create new entities where necessary</p>	<p>July 2024</p>	<p>Dec 2024</p>
	<p>Aligning each company's objectives to the Council's strategic priorities and enhancing governance practices to ensure its interests in each company are appropriately managed.</p>	<p>RDL: Director of Commercial and Procurement</p>	<p>7.2. Complete the liquidation of companies that have been closed</p>	<p>Started</p>	<p>Mar 2025</p>
	<p>Develop capacity, policies and processes within the Council to make strategic decisions focusing on companies with significant financial or service delivery risks, while mitigating emerging risks in all companies.</p>	<p>Lead Member: Executive Member for Finance and Resources</p>	<p>7.3 Complete Strategic Reviews of all COEs in which there is a continuing interest and implement recommendations</p>	<p>June 2025</p>	<p>July 2025</p>
			<p>7.4. Review the Companies' Governance Handbook to ensure compliance with latest guidance and best practice and ensure compliance through: A) Annual business planning processes. B) Board effectiveness reviews. C) Risk management.</p>	<p>Started</p>	<p>Mar 2025</p>
			<p>7.5 Development of shareholder engagement with COEs:</p> <ul style="list-style-type: none"> • Succession planning for Council appointed NEDs • Clarify the role of the shareholder representatives • Develop a learning and development plan for shareholder representatives • Carry out an evaluation of the Shareholder Unit 	<p>Started</p>	<p>Mar 2025</p>
			<p>7.6 Review all commercial traded service activities in which the City Council is involved, building on work already done.</p> <ul style="list-style-type: none"> • Ensure work links to Fees and Charges review • Conduct annual survey of customers of traded services • Ensure service plans for traded services link to MTFP • Clarify the Commercial Board and the Director of Commercial and Procurement's input into the process 	<p>Started</p>	<p>Dec 2024</p>
			<p>7.7. Develop new commercial and procurement strategy, ensuring financial accountability framework cross-references to this work and is not a separate process</p>	<p>Started</p>	<p>Dec 2025</p>

Programme 8	Purpose and description	SAO / RDL	Key Activities	Start	End
<p data-bbox="0 97 364 139">Improve governance</p> <p data-bbox="96 654 132 773" style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 53</p>	<p data-bbox="364 97 1014 244">This programme will lead to better governance, clearer accountability, stronger working relationships and improved, more transparent, decision-making. The programme focuses on:</p> <p data-bbox="364 287 1014 396">The constitution: ensuring we continue to have a fit for purpose, modern, constitution including an updated scheme of delegation</p> <p data-bbox="364 439 1014 549">Formal and informal decisions: effective and timely informal processes that support our formal decision-making</p> <p data-bbox="364 592 1014 743">Effective working relationships: activities to improve understanding, trust and respect between Members and officers, strengthening our culture of collaboration and teamwork</p> <p data-bbox="364 779 1014 1011">Development and support to Members and officers: to ensure they can confidently fulfil their respective roles and responsibilities including leadership, decision-making, scrutiny, audit, regulatory roles, partnerships and engaging with local communities.</p>	<p data-bbox="1014 97 1286 244">SAO: Corporate Director (Finance & Resources)</p> <p data-bbox="1014 287 1286 472">RDL: Director of Legal & Governance (Monitoring Officer)</p> <p data-bbox="1014 515 1286 586">Lead Member: Deputy Leader</p>	<p data-bbox="1286 97 2211 168">8.1 Maintain, enhance and embed the Constitution: Re-introduce the Standards & Governance working group to:</p> <ul data-bbox="1286 172 2211 396" style="list-style-type: none"> a) Consider proposals from Members, officers and Commissioners that identify areas for review b) Propose changes for consideration by Full Council c) Consider activity needed to raise awareness and understanding of the constitution d) Review the Member/officer protocol <p data-bbox="1286 439 2211 472">8.2 Review and refresh the Scheme of Delegation:</p> <ul data-bbox="1286 476 2211 853" style="list-style-type: none"> a) Desktop review of current Scheme, informed by levels of delegations from other local authorities and with input from all chief officers b) Publish the new Scheme listing delegated responsibilities c) Launch a new Delegated Decision System and review the replacement of the Reports Management System and re-issue and reiterate clear procedures to ensure finance, legal and HR sign-off for Member and officer delegated decisions is obtained d) Ensure that all Members and officers understand and are accountable for their delegations <p data-bbox="1286 932 2211 965">8.3. Review and improve committee and decision processes</p> <ul data-bbox="1286 969 2211 1346" style="list-style-type: none"> a) Review committees and meetings that support informed decision-making to identify efficiency and effectiveness improvements b) Evaluate formal decision-making processes and report formats and propose improvements c) Agree process and expectations for Member briefings and engagement d) Consider options and develop proposal for webcasting Full Council, Executive Board and other committee meetings to be introduced and implemented as soon as possible 	<p data-bbox="2211 97 2382 429">July 2024</p> <p data-bbox="2211 439 2382 472">July 2024</p> <p data-bbox="2211 592 2382 658">Oct 2024 Oct 2024</p> <p data-bbox="2211 779 2382 853">June 2024</p> <p data-bbox="2211 932 2382 965">June 2024</p>	<p data-bbox="2382 97 2548 429">Ongoing</p> <p data-bbox="2382 439 2548 472">Oct 2024</p> <p data-bbox="2382 592 2548 658">Oct 2024 Nov 2024</p> <p data-bbox="2382 779 2548 853">Oct 2024 (ongoing)</p> <p data-bbox="2382 932 2548 965">Aug 2024</p>

Programme 8 continued	Purpose and description	SAO / RDL Lead Member	Key Activities	Start	End
			<p>8.4 Member and officer development:</p> <p>a) Re-launch the Councillor Development Steering Group to advise on improved development and support for elected Members (and relevant officers) - including:</p> <ul style="list-style-type: none"> • Member induction programme • Member development offer • Role development and support • Information and communications <p>b) Undertake and analyse an elected Member survey to inform development and support requirements and baseline perceptions on relationships and levels of trust</p> <p>c) Work with Executive Members and Chief Officers to:</p> <ul style="list-style-type: none"> • build accountability, ownership, trust and support effective ways of working to develop a One Council approach • develop shared activities that promote working relationships • develop and agree a set of collective and individual expectations for Member / Chief Officer interaction <p>8.5 Strengthening audit and scrutiny role:</p> <p>a) Progress the Audit Committee Improvement Programme to CIPFA standards</p> <p>b) Further develop Overview and Scrutiny to Centre for Government Studies (CFGs) standards</p> <p>(This activity will be supported by Programme 10: Strengthen internal controls and assurance (Risk Management and Internal Audit))</p>	<p>July 2024</p> <p>August 2024</p> <p>Ongoing</p> <p>Ongoing</p>	<p>Ongoing</p> <p>October 2024</p>

Programme 9	Purpose and description	SAO / RDL Lead Member	Key Activities	Start	End
<p>An engaged, effective and empowered workforce</p> <p style="text-align: center;">Page 55</p>	<p>This programme aims to improve the officer structure, workforce culture and the management of performance to deliver the Council’s priorities in an efficient and effective way. The focus of the programme is on:</p> <p>Engaged Workforce: Creating an engaged and committed workforce with a clear vision and purpose, who feel supported and empowered to embrace change and improvement.</p> <p>Effective People and Technology: Creating workforce efficiencies through supporting employees to maximise the uptake of technology, reduce duplication and streamline processes.</p> <p>Effective Structures: Reviewing the spans and tiers of senior management, attracting and retaining talent and ensuring that workforce plans meet the needs of the organisation.</p> <p>Effective Performance Management: Ensuring a high support and high challenge culture of accountability to deliver the Council's goals, using evidence and feedback to support performance reviews.</p>	<p>SAO: Corporate Director (Finance & Resources)</p> <p>RDL: Strategic Director of HR & EDI</p> <p>Lead Member: Executive Member for Finance and Resources</p>	<p>9.1 Implement HR Improvement Plan: To enhance policies, processes, systems and practices, to empower the workforce to be efficient and effective.</p> <p>9.2 Complete recruitment to key leadership roles and ensure relevant interim capacity/arrangements in place – including appointments of:</p> <ul style="list-style-type: none"> • Chief Executive • Director of Children’s Services • Director of Adult Social Care • Monitoring Officer <p>9.3 Re-assess and map organisation culture: to monitor progress and promote behaviour change and continuous improvement in relation to leadership, accountability, delivery and performance:</p> <ol style="list-style-type: none"> a) Undertake and analyse survey b) Develop and agree recommendations / actions <p>9.4 Embed leadership and performance standards:</p> <ol style="list-style-type: none"> a) Continue embedding the Council’s leadership framework and behavioural expectations, clearly defining what ‘good’ looks like, with a focus on professional and management literacy. b) Focus a learning culture that promotes innovation whilst strengthening accountability, ensuring decisions are made in a timely way at the appropriate level. <p>9.5 Increase and improve employee engagement – including:</p> <ol style="list-style-type: none"> a) Commissioning Staff Survey and other engagement interventions to understand and baseline staff perceptions b) Co-produce action plans with teams to address areas for improvement c) Review corporate, directorate and service level employee engagement to ensure a consistent approach is embedded. 	<p>June 2024</p> <p>May 2024</p> <p>June 2024</p> <p>June 2024</p> <p>October 2024</p>	<p>June 2025</p> <p>TBC</p> <p>Sept 2024</p> <p>March 2026</p> <p>January 2025</p>

Programme 9 continued	Purpose and description	SAO / RDL Lead Member	Key Activities	Start	End
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 56</p>		<p>SAO: Corporate Director (Finance & Resources)</p>	<p>9.6. New Organisational Structure Design aligned to the Future Council vision, purpose and future operating model – including:</p> <ul style="list-style-type: none"> a) Development of consistent organisational design principles b) Application of principles to rationalise structures and drive efficiencies 	July 2024	April 2025
		<p>RDL: Strategic Director of HR and EDI</p>			
		<p>Lead Member: Executive Member for Finance and Resources</p>	<p>9.7 Develop Strategic Workforce Planning - including:</p> <ul style="list-style-type: none"> a) A comprehensive workforce planning and skills analysis b) Improving attraction and retention c) Building internal development pathways d) Aligning business strategy with workforce capacity and capability requirements. 	June 2024	Dec 2025
			<p>9.8 Strengthen Employee Performance Management - including:</p> <ul style="list-style-type: none"> a) Review and develop proposals to strengthen the Individual Performance Reviews (IPR) process - Including using data, evidence and insights to drive improvement b) Ensure alignment to the Future Council Framework, helping to embed consistent standards and approaches in service leadership, management and delivery c) Ensure key objectives identified by the Council’s leadership are cascaded into the IPR Objectives of Corporate Directors 	June 2024	Feb 2026
			<p>9.9 Review hybrid working policy: to reflect the needs of the business and enhance the visibility and accessibility of senior leaders across the Council and develop methods for testing consistency and compliance.</p>	March 2025	August 2025

Programme 10	Purpose and description	SAO / RDL	Key Activities	Start	End
<p>Strengthen internal controls and assurance</p> <p>(Risk management and Internal Audit)</p>	<p>The programme focuses on developing a systematic, informed and disciplined approach to evaluating and improving the effectiveness of risk management and audit services, delivering independent, objective and value-added assurance that shape the Council’s control and governance processes</p> <p>It focusses on 2 main areas:</p> <ul style="list-style-type: none"> • Risk management: Transforming the Council’s management of risk through delivery of a structured, proportionate and consistent approach across all levels of the Council that achieves more risk-aware and accountable behaviours and places risk consideration at the heart of effective decision making and governance. • Audit: Ensuring the delivery of an effective PSIAS compliant audit function that supports achieving the Council’s objectives and facilitates proportionate governance, risk management and control processes to reduce the probability of significant errors, fraud, or non-compliance. 	<p>Lead Member</p> <p>SAO: Corporate Director (Finance & Resources)</p> <p>RDL: Head of Internal Audit, Risk and Insurance</p> <p>Lead Member: Executive Member for Finance and Resources</p>	<p>10.1 Develop, agree and implement risk improvement plan</p> <p>10.2 Align risk management framework and strategy to ISO31000</p> <p>10.3 Refresh risk register to consider risks at strategic (corporate) level and operational (service) level – including engagement with CLT and Directors Forum</p> <p>10.4 Develop and agree suite of proportionate, timely and measurable mitigations that are regularly reviewed and updated</p> <p>10.5 Establish and define accountability using RACI approach and develop risk leads within each division through training and support (consistency in reporting and quality)</p> <p>10.6 Update decision making approach to better articulate the management of risk in all plans, projects and decisions</p> <p>10.7 Conduct a review of behaviours to identify improvement focus and training needs with the objective of embedding risk management across the organisation</p> <p>10.8 Commission digital tools to report against Risk</p> <p>10.9 Revise the Internal Audit Charter to clearly outline the roles and responsibilities aligned to the established RACI framework and accountability principles</p> <p>10.10 Develop proposals for operating model redesign</p> <p>10.11 Revise Internal Audit methodology and develop, and agree, Council wide assurance map</p> <p>10.12 Commission risk based annual audit plan focused on audit of high risk/priority areas</p> <p>10.13 Establish development plans for teams based on comprehensive competency assessment</p> <p>10.14 Expand use of data analytics to inform Internal Audit activity and focus</p>	<p>June 2024</p> <p>June 2024</p> <p>July 2024</p> <p>Sept 2024</p> <p>June 2024</p> <p>Sept 2024</p> <p>Sept 2024</p> <p>July 2024</p> <p>July 2024</p> <p>August 2024</p> <p>July 2024</p> <p>August 2024</p> <p>Sept 2024</p> <p>August 2024</p> <p>Oct 2024</p> <p>Oct 2024</p>	<p>July 2024 (and ongoing)</p> <p>July 2024</p> <p>Sept 2024</p> <p>Ongoing</p> <p>Sept 2024 (and ongoing)</p> <p>Nov 2024 (and ongoing)</p> <p>Nov 2024 (and ongoing)</p> <p>Oct 2024</p> <p>July 2024</p> <p>Dec 2024</p> <p>Sept 2024</p> <p>Sept 2024</p> <p>Oct 2024 (and ongoing)</p> <p>Ongoing</p>

Programme 11	Purpose and description	SAO / RDL	Key Activities	Start	End
<p>Improve enabling processes and systems</p>	<p>This programme builds on the Council’s digital transformation journey and will undertake a whole Council review of key enabling services to identify opportunities to improve and increase efficiency, clarity and purposefulness. It will help to ensure that processes and systems are designed with and for the customer, are fit for purpose and embrace a ‘digital first’ approach.</p>	<p>Lead Member</p> <p>SAO: Corporate Director (Finance and Resources)</p> <p>RDL: Director of Customer Services</p> <p>Lead Member: Executive Member for Finance & Resources</p>	<p>11.1 Establish current baseline position and potential for improvement through:</p> <ul style="list-style-type: none"> a) workshops/surveys designed to identify the barriers/blockers to effective processes and systems and identify ‘bottlenecks’ b) review existing improvement programmes such as the Finance Improvement Plan and HR Improvement Plan. c) Learn from best practice case studies from elsewhere 	<p>July 2024</p>	<p>Sept 2024</p>
			<p>11.2 Develop proposals to build intuitive processes and establish accessible navigation of our systems.</p> <ul style="list-style-type: none"> a) Establish any quick/medium term fixes to help colleagues as quickly as possible. b) Establish a longer-term improvement strategy aligning with the dates contracts for our current systems expire and need replacing. 	<p>July 2024</p>	<p>Sept 2024</p>
			<p>11.3 Establish the principles that underpin a consistent operating model for enabling services – aligning with:</p> <ul style="list-style-type: none"> a) DLUHC’s Local Digital Declaration framework b) Future Council Vision, Purpose and Framework being developed (Programme 1) 	<p>Jul 2024</p>	<p>Sept 2024</p>
			<p>11.4 Establish a phased Corporate Improvement Programme, that is prioritised and appropriately project managed, with a commitment to User Acceptability Testing and clear communication of progress, milestones and ongoing continuous improvement – including:</p>	<p>July 2024</p>	<p>Sept 2026</p>
			<ul style="list-style-type: none"> a) Review the website to ensure a clear customer journey without jargon and clear information about how to access services and what the Council does and doesn’t provide with integrated signposting to other suppliers/partners. 	<p>July 2024</p>	<p>Sept 2024</p>

Programme 11 continued	Purpose and description	SAO / RDL Lead Member	Key Activities	Start	End
			b) Agree and adopt a right first-time approach and work across other workstreams to adopt a principle of 'picking up' at the front door so customers aren't passed around.	July 2024	Sept 2024
			c) Establish a consistent corporate customer insight strategy to ensure complaints and feedback are acted upon and fed into performance framework.	July 2024	March 2025
			d) To design and deliver a consistent model of accessing Council services through appropriate use of technologies – AI/Digital/RPA and roll out across the organisation with appropriate focus on safeguarding and Equalities, Diversity and Inclusion.	July 2024	March 2025
			<p>11.5 Review the Council's IT software, infrastructure and strategy to ensure it is fit for purpose; based on a default of off-the-shelf systems that are commissioned by IT services.</p> <p>Review to include:</p> <ul style="list-style-type: none"> a) Determination of an IT Policy and strategy b) How the ownership of systems and software is managed c) Review of software to identify duplications d) Identify opportunities to use new software to deliver efficiencies e) Identify opportunities for systems to 'talk to each other' for example Finance and HR data, Finance and Social Care data 	July 2024	March 2025

Appendix A2: Key Performance Indicators

Aim	Metric
A Council that delivers with clear direction and purpose	£ spend on services per head of population (benchmarked)
	Number of Have Your Say complaints
	% Have Your Say comments, compliments and complaints resolved
	% of ombudsman complaints upheld (OFLOG and annual letter)
	% compliance with ombudsman recommendations (annual letter) and the % outstanding or overdue
	% ombudsman cases that were upheld which had satisfactory remedies in place before the complaint reached the ombudsman
A Council that is financially sustainable	Planned Savings Achieved £% (Global Figure)
	Non-ringfenced reserves as a % of net revenue expenditure
	Performance against budget - Budget Monitoring
	Council tax collection rate %
	Housing rents collection rate %
	Business rates collection rate %
	% supplier invoices paid on time (within payment terms)
	Value of capital receipts generated (£) from asset sales against target
A Council that is well run with effective people, processes and systems	Staff survey - staff satisfaction
	% of staff receiving an end of year review and objective setting in the past 12 months
	% staff who have completed / commenced training courses (mandatory and other) in the next 12 months
	Survey - Member / Officer relationships
	% of corporate KPIs on target / % of corporate KPIs showing improvement over 2+ report periods
	Agency Staff proportion – various functions
	Agency Staff Cost – Various functions
	Citizen / Customer Satisfaction

Appendix A3: Risk and dependency management

	Risk Title	Risk Description	Mitigation
1	Capacity and Pace	The Improvement Plan calls for significant, rapid and wide-ranging changes to how the Council operates across a number of key functions. Though building on the changes that have occurred to date through the Together for Nottingham Plan and other efforts, it is clear that the pace of change must increase in order to meet the goals of the current intervention. At the same time the Council is becoming a leaner organisation as budgets reduce, lack of capacity to implement the change required at the necessary pace in a cohesive way is a clear risk.	<ul style="list-style-type: none"> • A considered approach to resourcing which weighs competing aims and reprioritises existing resource towards delivery of this plan. • Clear leadership which sets out the aims and priorities of the change required. • Governance that will reduce and eliminate ‘siloed’ working. • Robust accountability and transparent performance reporting
Page 61	2	Resources	<p>The Council has been undertaking improvement work for some years and the November 2023 Section 114(3) Report records that the Council’s resources were inadequate for its planned expenditure. In this context, the capacity to allocate and repurpose the necessary resources to deliver the Improvement Plan is a risk.</p> <p>A clear approach to delivery of the Improvement Plan will bring together the Financial Improvement Plan and the delivery of the MTFP as the strategic framework within which improvement activity will be delivered.</p> <p>The Strategic Council Plan will be refreshed or redrafted as required to reprioritise as necessary and ensure that the Council’s ambitions remain within its means within the context of the required improvement.</p>
	3	Delivery	<p>The Improvement Plan must be delivered effectively in order for the Council to change. If the Improvement Plan is not delivered the financial sustainability of the Council will continue to be at risk.</p> <ul style="list-style-type: none"> • The Governance of the Improvement Plan is set out in section 4. This will ensure that delivery is given due weight across the organisation as it acts as one Council to identify issues and barriers, escalating and dealing with these immediately. • The Assurance Framework set out at Section 4 will provide clear governance, monitoring and assurance reporting arrangements via the CPMO alongside Member scrutiny to ensure delivery. • Continuous improvements to culture, practice and processes will be identified and embedded via robust accountability.
4	Citizen and Partner Perceptions	As the pace of change is increased there is a risk that in the short-term the Council’s performance may be seen to get worse rather than better by Citizens and partners with a subsequent loss of trust in the Council.	External communications and engagement will describe the process the Council is going through with open and honest descriptions of current progress while setting out the rationale for change and the ultimate destination of a more effective, efficient and economic Council in the future.
5	Inter-dependencies and Sequencing	The Improvement Plan sees a wide range of interdependencies between the various change programmes. These range from the strategic and overarching down to the specific. Without appropriate management of interdependencies and the sequencing between these, there is a risk that delivery of the Improvement Plan could be negatively impacted, or some programmes could become unviable.	<ul style="list-style-type: none"> • The need for direct communications between SAOs responsible for the programmes of action has been identified early. • Interdependencies between the programmes have been identified and shared. • Changes in the performance or scope of change programmes will be communicated via the proposed governance structure. • Clear leadership will set out the aims and priorities of the change required. • Strengthened Corporate Project Management Office (CPMO)



Subject:	Budget Monitoring Period 2 (2024/25)
Corporate Director(s)/Director(s):	Ross Brown, Corporate Director Finance and Resources (Section 151 Officer) Shabana Kausar, Director of Finance (Deputy Section 151 Officer)
Executive Member(s):	Councillor Linda Woodings, Executive Member for Finance and Resources
Report author and contact details:	Ben Cookson, Assistant Director for Business Partnering Parmjeet Jassal, interim Financial Planning & Monitoring Accountant Thomas Straw, Senior Accountant
Other colleagues who have provided input:	<ul style="list-style-type: none"> • Corporate Leadership Team • Colleagues within respective departmental leadership teams • Transformation Team • Colleagues within Technical, Strategic and Commercial Finance Teams
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 checked="" type="checkbox"/> Capital If Capital, provide the date considered by Capital Board Date: Capital budget approved 05/02/24
Total value of the decision:	£37.439m (recommendation 6)
Section 151 Officer expenditure approval	Has the spend been approved by the Section 151 Officer? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/a Spend Control Board approval reference number: n/a
Commissioner Consideration	Has this report been shared with the Commissioners' Office? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Any comments the Commissioners wish to provide are listed below.
Wards affected:	All
Date of consultation with Executive Member(s):	24 June 2024
Relevant Council Plan Key Outcome:	
Clean, Green 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"/>
Living Well in Our Communities	<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"/>
Serving People Well	<input checked="" type="checkbox"/>

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

This report provides an assessment of the Council's 2024/25 forecast outturn for the General Fund, Housing Revenue Account and Capital Programme, based on activity to the end of the Period 2 (31 May 2024).

As seen across many other local authorities, the Council is experiencing significant cost pressures along with rising demand in adult's and children's social care, and temporary accommodation. The recent 'cost of living crisis' is also impacting the various income streams of the Council.

The Council in March 2024 approved a 4-year Medium Term Financial Plan (MTFP) based on the best available information at the time. However, the financial environment within which the Council is operating is constantly evolving and its budget strategy and planning process needs to be accordingly refreshed to ensure it continues to meet its Best Value requirement to demonstrate continued financial sustainability.

The Council continues to face exceptional circumstances as best demonstrated by the 2024/25 General Fund Budget balanced only by taking all available saving options tabled to the executive Board and City Council in February 2024 and March 2024 respectively and the use of material sums of Exceptional Financial Support. The 2024/25 approved budget includes use of c£41m of Exceptional Financial Support flexibility with any in-year overspends requiring to be met from a combination of in-year mitigations and savings and one-off General Fund contingency. In case, where application of all available financial intervention strategies/tools does not fully close any in-year budget gap then use of reserves may be considered.

The predominate drivers of these pressures continue to be a combination of both significant demographic, complexity of provision and inflationary pressures across wide range of areas.

The Council's comprehensive Savings Programme, including the Transformation Programme which is currently in its third year, is projected to achieve significant budgetary efficiencies, with combination of 2024/25 and 2023/24 undelivered savings totalling £37.438m (76.8%) either delivered or on track to be delivered in 2024/25. Additionally, the ongoing Finance Improvement Programme is expected to further streamline our financial operations, ensuring continued fiscal prudence and resource optimisation.

The Council is forecasting a gross General Fund overspend of £12.213m (3.4%) in Period 2 of 2024/25. Planned management intervention is predicted to reduce the net forecast overspend to £5.819m (1.63%). £5.165m of the net forecast overspend is attributable to the Adults & Public Health (Gross: £6.129m Net: £1.700m) and Children's & Education (Gross: £5.429m Net: £3.464m) directorates.

The HRA forecast at Period 2 for 2024/25 is showing a net overspend of £0.497m.

The revised Capital Programme profiled for 2024/25 at Period 2 (combined General Fund and HRA) is forecasting to spend c£205m, a variance of (c£20m) when compared to 2024/25 budget.

Throughout the report, budget overspends are shown as a positive numbers and underspends as negative number.

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

No

Recommendation(s):
1) To note the General Fund forecast net overspend for 2024/25 at Period 2 of £5.819m against approved budget of £356.800m (Section 5) and risks set out in Section 10.
2) To note that the Corporate Leadership Team in consultation with the Section 151 Officer will look to develop mitigation strategy and plan in bringing the forecasted spend back in line with approved budget.
3) To note the General Fund budget includes the Exceptional Financial Support flexibility of £41.143m for 2024/25, which will be deployed through a combination of capital receipts and short term borrowing (section 4).
4) To note the progress of the approved savings over the Medium Term Financial Plan (2024/25 – 2027/28) period of £66.521m (74.4%) either delivered or on track to be delivered of which: <ul style="list-style-type: none"> • £2.222m relate to undelivered 2023/24 savings brought forward (paragraph 6.3) • £35.215 relate to 2024/25 savings (paragraph 6.2) • £29.083m relate to savings over the MTFP period 2025/26 to 2027/28 (paragraph 6.4) <p>See section 6 and Appendix 1 for further details.</p>
5) To note the HRA forecast net overspend for 2024/25 at Period 2 of £0.497m (section 7) resulting in a reduction to the planned contribution to reserves.
6) To approve the 2024/25 Capital Programme net slippage of £19.384m and net underspend of (£56.823m) with regards to the following: <ul style="list-style-type: none"> • General Fund (£17.228m) and HRA (£2.755m) net slippage to be carried forward and reprofiled across the medium term financial plan. • £39.817m Accountable Body budget reprofiled across the medium-term financial plan. • (£56.823m) underspend across HRA (£0.039m) and Accountable Body schemes (£56.784m) for which budget will be removed (paragraph 8.2).

1. Reasons for recommendations

- 1.1. This report forms a key part of formal General Fund Revenue, Capital and HRA monitoring against the 2024/25 budget.
- 1.2. As set out in the Financial Regulations and Financial Accountabilities Framework, the Chief Finance Officer is responsible for reporting the performance of the budget to Executive Board.
- 1.3. Budget reporting to councillors is essential for informed decision-making, transparency, and effective governance in local authorities, ensuring accountability and sound financial management.

2. Background (including outcomes of consultation)

- 2.1. Councils are required by law to ensure their budgets are balanced each year. This highlights the critical need for consistent reporting and diligent oversight of budgets that enables sound financial governance.
- 2.2. At the end of 2023/24 the Council reported a provisional overspend of £17.568m to the June 2024 Executive Board, being fully funded from the

Exceptional Financial Support flexibility. Although significant service growth has been provided through the 2024/25 budget and MTFP process to manage the recurring pressures, the Council is continuing to experience an increased demand for services amidst a challenging cost-of-living crisis. These demands occur against a backdrop of shifting economic conditions, characterised by variable inflation and interest rates and the residual effects of the pandemic. Therefore, it is crucial for Corporate Leadership Team to monitor the financial health of the Council with diligence, as minor changes in the needs of the community can significantly affect the budget.

- 2.3. Furthermore, the Council was faced with a challenging task of setting a balanced budget for 2024/25, with c£41m of the budget gap being funded from Exceptional Financial Support. However, this is a temporary arrangement, so the Council must find savings in the current year to ensure a balanced budget can be set next year. Corporate Leadership Team alongside the Transformation and Change Oversight Board are providing focus to this effort.
- 2.4. Corporate Directors are actively working to control expenditures within the approved 2024/25 budget, seeking to improve financial management and forecasting with support from the Finance team. The Corporate Leadership Team is committed to implementing spending controls and behavioural changes to manage any departmental overspends and ensure financial stability in the short term.

3. **Spend Control Process**

- 3.1. Following issuance of the Section 114(3) report on 29 November 2023, the Section 151 Officer has instituted a Spend Control Policy and Board which was agreed by the City Council at their meeting on 18 December 2023 to continue until 31 March 2025. The policy's effectiveness is monitored through daily board meetings chaired by the Section 151 Officer, with the Chief Executive and Monitoring Officer in attendance. During this time, any spending that occurs without authorisation is subject to a formal disciplinary process.
- 3.2. In addition to departmental spend control panels there are also the following panels in place:
 - HR panel which considers decision on employee related decisions including vacancies. The panel is an extension of the previous Vacancy Management panel.
 - Placement Panels across Adults and Children's managed by the directorate leads reviewing placement packages including new placements and changes to existing packages.
- 3.3. As set out in the 'Response to Section 114(3) report, the 'Financial Recovery Plan' report to City Council on 18 December 2023, set out review for spend control process review to be undertaken end of Period 2 to identify changes that can be made to the current process in continuing to optimise the benefit the spend control policy has brought whilst looking to both minimise the administrative burden (as appropriate) and improve the process. The

outcomes of this review were presented to Corporate Leadership Team in June 2024 and for now the spend control process will continue with some refinement.

- 3.4. The intention is to develop ready for implementation a financial intervention strategy that will seek to address in its entirety the current reported projected overspend.

4. **Exceptional Financial Support (EFS)**

- 4.1. The granting of EFS by Government allows the Council to access its capital resources to finance its revenue spend, which is not allowed in normal circumstances.
- 4.2. In February 2024, the Council gained approval to utilise EFS flexibility of up to £65m. At provisional outturn 2023/24, £17.568m was utilised. £41m was allocated in 2024/25 to ensure a balanced budget position.
- 4.3. In 2023/24, the EFS was fully funded from capital receipts. As a result, the Council did not have to borrow. However, if the planned capital receipts forecast is not achieved, then the Council will have to borrow to fund the EFS. Borrowing costs impact on the General Fund through the MRP mechanism, so it is important that EFS utilisation is kept to a minimum.
- 4.4. The Council is committed to reducing the utilisation of EFS through early identification and delivery of additional savings in-year.
- 4.5. At period 2, it is expected the full amount of EFS will be utilised in 2024/25, however due to the 2023/24 EFS requirement being fully met from capital receipts there is no MRP requirement against 2024/25 budget. The underspend is reflected in the Period 2 forecast for capital financing held corporately within treasury management. The table below sets the EFS requirement for 2024/25.

Table 1: 2024/25 Exceptional Financial Support Forecast

	Budget 2024/25 £m	Period 2 Forecast £m	Period 2 Net Variance (underspend) /overspend £m
General Fund Revenue Budget Use of EFS	41.143	41.143	0.000
Capital Receipts	25.200	25.200	0.000
Borrowing	15.943	15.943	0.000
Capital Financing Resource for EFS	41.143	41.143	0.000
Interest	0.664	0.664	0.000
MRP	0.185	0.000	(0.185)
Revenue Impact of EFS	0.849	0.664	(0.185)

- 4.6. Whilst Table 10 below (paragraph 8.3.3) is currently forecasting capital receipt shortfall of £8.400m in 2024/25, if this position holds true or gets worse, the Council will be required to undertake additional temporary borrowing of same value for the EFS, which will have an impact on the General Fund revenue budget with regards to interest payment in 2024/25

and MRP in 2025/26. Work is on-going within the Asset Transformation Programme to identify assets for disposal and therefore at this time it is too early to truly know and quantify the actual level of capital receipt shortfall. This is being closely monitored with updates planned to be provided to the Executive, Corporate Leadership Team and Capital Board as part of the monitoring process.

- 4.7. As set out in the '2025/26 Budget Strategy' report to the Executive Board in July 2024, the Council is faced with a significant budget gap over the MTFP of c£172m (2025/26 – 2027/28) with c£69m to be achieved in 2025/26. Due to the significant challenge the Council may require additional EFS flexibility in deliver a balanced budget over the medium-term.

5. 2024/25 General Fund Revenue Forecast

- 5.1. As set out above, is expected that Corporate Directors will seek to take mitigating actions to contain expenditure within the approved budget. Where overspends cannot be contained within a single department, the Corporate Leadership Team will explore those issues and agree how they will be managed within the overall approved General Fund Budget for the Council.

- 5.2. Table 2 below summaries the gross General Fund overspend of £12.213m (3.4%) which is reduced to a net overspend of £5.819m (1.63%) following application of forecasted management actions against the General Fund budget of £356.800m.

Table 2: 2024/25 General Fund Revenue Forecast

Directorate	2024/25 Budget	Year to Date Actuals	Period 2 Forecast	Mitigations	Period 2 Forecast including Mitigations	Period 2 Net Variance (underspend) /overspend
	£m	£m	£m	£m	£m	£m
Adults	88.900	30.347	95.132	(4.428)	90.703	1.803
Commissioning	2.922	0.656	2.819	0.000	2.819	(0.102)
Public Health	0.000	(11.858)	0.000	0.000	0.000	0.000
Adults & Public Health Subtotal	91.822	19.145	97.951	(4.428)	93.523	1.700
Children's	86.665	12.883	92.365	(1.965)	90.400	3.735
Education	3.711	7.347	3.441	0.000	3.441	(0.270)
Schools	0.000	(27.595)	0.000	0.000	0.000	0.000
Children's & Education Subtotal	90.376	(7.365)	95.805	(1.965)	93.840	3.464
Communities Environment and Resident Services	50.506	(22.476)	50.055	0.000	50.055	(0.451)
Growth & City Development	6.782	(16.996)	8.499	0.000	8.499	1.718
Finance & Resources	44.847	8.113	45.602	0.000	45.602	0.755
Chief Executive	4.119	0.459	4.099	0.000	4.099	(0.020)
Companies	0.576	0.000	0.576	0.000	0.576	0.000
Total Departments	289.027	(19.121)	302.588	(6.393)	296.194	7.167
Corporate	67.773	(4.850)	66.425	0.000	66.425	(1.348)
Net General Fund Budget	356.800	(23.971)	369.013	(6.393)	362.619	5.819

- 5.3. The Council currently holds a revenue budget contingency of c£4m that sits in Corporate. For Period 2 this is not shown as being applied in the table above as it would be premature to utilise contingency at this stage of the financial year but in doing so it will reduce the forecasted overspend to £1.819m.
- 5.4. The overspend is largely due to a combination of increased demand across adult social care placements that have exceeded the growth estimate, compounded by increased demand and complexity of need in children's social care placements. Continued efforts to reach ambitious savings goals through the Transformation Programme are creating added financial challenges especially across adult's programme (refer to section 6).
- 5.5. Within this difficult budgetary environment, Corporate Directors are actively working to manage 2024/25 expenditures, while working closely with the finance team to enhance budget management processes and data quality. When a departmental overspend is predicted, the Corporate Leadership Team will determine the immediate actions and mitigations, necessary to address the overspend in the current year.
- 5.6. Additionally, the Corporate Leadership Team advocates for spending control measures, leading by example to alter spending habits within their departments and seeking short-term mitigations, all with the goal of cutting down and ultimately eliminating non-essential spending.
- 5.7. Furthermore, a new budget monitoring process was implemented in period 2, requiring Corporate Directors and their leadership team to return a sign-off proforma providing narrative for their departmental variances, review and finalise savings RAG rating over the MTFP period, set out mitigating actions, risks and opportunities that are difficult to capture on PBCS (Oracle Planning and Budgeting Cloud Service). This effort aims to strengthen financial management controls and improve forecasting. Where quantifiable, the forecast outturn includes this additional information.
- 5.8. Explanations for the significant overspends and underspends for directorates are set out below.
- 5.9. **Adults and Public Health**
- 5.10. Overall, the Adults and Public Health directorate is reporting a gross overspend of £6.129m (6.67%) against a net budget of £91.822m. Mitigating actions taken by management in Adult's are forecasted to reduce the overspend to £1.700m (1.85%). The following highlights the main variances and risks:
- a) **Adults** – The current forecast is a gross overspend of £6.231m against a budget of £88.900m (7.01%). Through use of one-off grants and other management actions, the overspend is reduced to £1.803m (2.03%) which is primarily due to:

- **Assessment and Care Management** - The current forecast is a net overspend of £0.409m against a budget of £7.950m (5.14%), primarily due to:
 - a net £0.484m overspend on staffing, which is being partially offset by (£0.072m) underspends on non-staffing costs across the service.
 - It is currently forecast that in-year vacancy targets and Duties & Powers "Review and Restructure" savings targets will be fully achieved.
 - Additional spend relates to one-off resources to support capacity, which is funded by budget held within Other Adult Social Care Services (Social Care Reform Funding & Market Sustainability and Improvement Fund)

- **External Care Purchasing** – The current forecast is a net overspend of £5.712m against a budget of £115.46m (4.95%). This is made up of a gross overspend on care expenditure of £7.574m, offset by assumed additional health income of £1.862m. The gross overspend is due to several factors:
 - Failure to achieve savings targets for 2024/25 and undelivered savings brought forward from 2023/24 have resulted in a forecasted pressure of £7.005m, of which, £2.335m relates to 2023/24.
 - The Adults Transformation programme is currently forecasting to accelerate savings against some of its workstreams to enable the service to bank and release an estimated £0.497m in the current year. This is currently shown as management action as these have yet to be delivered.
 - £0.500m backdated payments that are higher than the expected amounts accrued at the end of last year to be funded from one-off risk provision. The specific risk funding will be used to address the unexpected excess payments.
 - The additional assumed health income reflects the full year impact of growth in care spend in 2023/24 and new cases in 2024/25. However, there is a significant risk in terms of the health contribution to joint packages of care. The ICB have written to the Council to indicate that they will be reviewing all jointly funding packages with an expectation that their contribution will reduce significantly. The full impact of this and the effect of any mitigating action by the Council is not clear at this point, but the impact could be up to 30% at a potential cost of up to £3.6m, not currently reflected in these forecasts.

- **In-House Care Provision** - The current forecast is a net underspend of (£0.575m) against a budget of £9.112m (6.31%). This is primarily due to staff vacancies across Jackdawe (13.8 FTE), Acorn (2.01 FTE) and in facilities and supplies (6.60 FTE). This is linked to the retention of vacancies across the service due to the potential impact of Jackdawe savings which is be reviewed monthly.

- **Disabled Children's Services** - The current forecast is an overspend of £0.095m against a budget of £2.82m (3.37%). This relates to growth in the number and cost of Direct Payments for Children with Disabilities, which is offset by an ongoing underspend against short term breaks and vacancies within service management.

There is a risk that with the development of a new short breaks service, the current underspend with regards to this provision will not be available to offset Direct Payments overspends. This is being closely monitored monthly with mitigation identified, as required.

- **Other Adult Social Care Services** - The current forecast is a net underspend of (£3.311m) against a budget of £46.44m (7.13%), of which £3.356m mainly relates to following one-off grant funding:
 - Contain Outbreak Management Fund (£2.560m) will be used to support eligible care package spend and needs to be utilised by 30 September 2024.
 - Market Sustainability and Improvement Fund (£0.285m) and Care Reform funding (£0.511m) currently offset the cost of additional capacity with the Assessment & Care Management Service.

b) **Commissioning** – a small net underspend of (£0.102m).

c) **Public Health** – is forecasting a break-even position with the budget fully funded from grant.

5.11. Children's and Education

5.11.1. Overall, the Children's and Education is reporting a gross overspend of £5.429m (6.01%) against a budget of £90.376m. Mitigating actions taken by management in the Children's directorate are predicted to reduce the overspend to £3.464m (3.83%). The following highlight the main variances, risks and opportunities.

a) **Children's** - the current forecast is a gross overspend of £5.699m (6.58%) against a net budget of £86.665m. Through the draw-down of various grants unapplied in previous years the overspend is reduced to £3.735m (4.31%). The key drivers and risks are set out below:

- The main pressure for Children's Social Care is the Children in Care budget which is forecasting a gross overspend of £9.311m at Period 2 which is reduced to £7.117m following application grant funded relating to specific children in care. The gross pressure is broken down into £5.553m for external placements, mainly residential placements and £3.756m pressure for unregulated placements.

During 2023/24, the transformation programme was successful in a steady reduction in the number of children in care from 732 on 1 April 2023 to 676 on 31 March 2024. The safe reduction of children in care

has continued during the first two months of this year meaning that on 31 May 2024 there were 665 children in care. Our rate of children in care per 10,000 is nearing the rate of our statistical neighbour authorities where the average is 94.4 per 10,000. As of 31 May 2024, Nottingham's rate per 10,000 of children in care was 99.1, this is set against a rate of 109.2 per 10,000 at our highest point in 2022/23.

The issue continuing to impact on the Council is the mix and profile of children placed in residential and unregulated placements, which stands at over 20% currently. The complexity and need of children in unregulated and residential placements are the reason for this reported overspend.

Currently there are 15 children placed in unregulated places where the highest weekly cost is £22,000, most of the children in receipt of these care packages have substantial needs and require a high staffing ratio. The average cost for these 15 children is £13,600 per week. The cost of these placements may not significantly decrease when initially moved to a regulated placement due to level of complex needs. The Medium-Term Financial Plan growth assumptions do not reflect the current profile mix of children and also assumed a smaller number of children on average being placed within this provision over a year.

- A shortfall in the ICB funding for jointly funded places is anticipated to be £0.594m.
- The external placement pressure is also offset by the in-house fostering services underspending particularly on fostering allowances. This is forecast as (£2.124m) underspend.
- Several staffing vacancies across Children's Social Care are being held to mitigate the pressure on the children in care budget. This is as a result of increasing the number of permanent staff recruited and ensuring that there are still manageable caseloads across the service. The one area where there is a pressure due to the higher use of agency workers is within the children in care teams. This is reported as £0.105m for Period 2.
- The underspend for staffing across the other areas as at Period 2 is £2.070m, when netted off against pressures the overall underspend for staffing is £1.965m across Early Help (£0.703m), Fieldwork Services (£0.556m), First Response (£0.508m) and Fostering Teams (£0.308m).

b) **Education** – a net underspend of (£0.270m) is mainly due to:

- Directorate non pay savings target not being achieved being offset by underspends from staff vacancies - a mitigation plan is to be developed.

- Lower income from early years training and additional staff cost from Educational Welfare being offset by underspends from staff vacancies.
- Vacancies within the Education Psychology Service due to the shortage of workers nationally and delay in appointing locums, service will ensure children are not missing out.

5.12. **Communities Environment and Resident Services** - a net underspend of (£0.451m) against a budget of £50.506m (0.089%). The following highlight the main variances, risks, and opportunities.

- Sports and Leisure** – a net underspend of (£0.298m) due to better-than-expected income recovery. This has been identified as an area to mitigate some of the pressures across other services areas within the directorate.
- Community Development and Uniformed Services** – a net underspend of (£0.111m) largely due service maintaining staff vacancies whilst the new Neighbourhood Safety Team is established.
- Events** – a net underspend of (£0.154m) due to the decision to proceed with a scaled down Riverside Festival in 2024 and staff vacancies within the Events team.
- Community Centres** – a net overspend of £0.124m in this area is forecasted whilst implementation proposals of the savings are assessed.
- Libraries' service** – a net overspend of £0.381m in relation to slippage in start date of libraries consultation following informal stakeholder engagement.
- Waste and Street Cleansing** – a net underspend of (£0.213m) through a combination of improved income generation and delivery of staff savings.
- Other** – a net underspend across various budget lines of (£0.058m).

5.13. **Growth and City Development** – a net overspend of £1.718m against a budget of £6.782m (25.33%). The following highlight the main variances, risks, and opportunities.

- Economic Development** – a net overspend of £0.551m of which £0.322m relates to the loss of LTP grant in the current year. The pressure is being fully mitigated from various funding carried forward previously through reserves including drawdown of Community Family Learning funding of £0.200m.
- Planning** – a net overspend of £0.147m pressure against a budget of £6.544m (2.2%) which is mainly in relation to:
 - Uncharacteristically the Council has seen low income from planning application submissions in first 2 months. This follows the national trend and caused by short term uncertainty from general election, high

borrowing/construction costs affecting development viability and introduction of new legislation/regulations. Management actions state budgeted income is achievable this year.

- Building control overspend is more structural following uncertainties created by new Building Safety Regulator (BSR) and requirement for additional staffing capacity/capability (£0.147m forecast over budget - to be monitored closely and any opportunities to win work via BSR following successful accreditation of senior officers used to grow income share).

c) **Housing** – net underspend of (£0.949m) against a budget of £14.42m (6.58%) key drivers and risk include:

- Bed and Breakfast demand and costs have decreased by £0.849m, mainly due to block bookings of nightly Paid Temporary Accommodation (NPTA), which secured multiple units at lower rates. Reduced B&B usage also contributed to a general price drop, further cutting costs. These savings have offset the limited availability of temporary housing through Nottingham City Homes Ltd and its subsidiaries.
- The future financial impact on the budget from decisions regarding NCH Ltd is uncertain and potentially significant.
- Housing Aid saw a £0.380m reduction, largely attributed to staff vacancies.
- The Broadmarsh and Guildhall Regeneration project is overspent by £0.322m, with no allocated budget.

d) **FM & Building Services** – is forecasting a net overspend of £1.552m which is largely due to the underachievement of internal recharges income. Following a recent centralisation process, the FM and Building Services budget carries the risk of all reallocated budgets. The centralisation process is under review to understand the extent of the risk and the impact on the General Fund. An update will be provided through next monitoring report.

e) **Other** - a net contribution to reserves of £0.428m is planned for ring-fenced funding, consisting of various revenue grants and the Special Parking Account.

5.14. **Finance and Resources** - a net overspend of £0.755m, compared to the budget of £44.847m (1.68%). The following highlights key variances, risks, and opportunities.

a) **Commercial and Procurement** - a net overspend of £1.027m is currently forecasted which largely relates to savings at risk of non-delivery, in respect of Procurement Transformation. An approach to how the savings will be identified has been approved by the Commercial Oversight Board

recently. The saving will be monitored monthly through the board and progress reported through the bi-monthly monitoring reports.

- b) **Customer Services** – are reporting small net overspend of £0.093m and are forecasting to be on track in delivering total savings of c£2.9m.
- c) **Human Resources** – a net underspend of (£0.183m) is being reported mainly driven by staff vacancies within across the service.
- d) **Audit and Risk** - a net underspend of (£0.177m) mainly relating to estimated contribution from HRA on planned audit activity.
- e) **Other** – a net underspend is (£0.006m) across other services areas including IT, Finance and Legal and Governance.

5.15. **Chief Executive** – a small net underspend of (£0.020m) against a budget of £4.118m (0.48%) relating to staff vacancies across Transformation and Strategy & Policy service areas.

5.16. **Corporate** - a net underspend of (£1.348m) compared to the budget of £67.773m (1.99%). The following highlights the key variances.

- (£1.105m) underspend relating to estimated HRA and other contributions towards non-distributed pension fund contribution costs held centrally.
- (£0.332m) net underspend across treasury management due to combination of MRP on EFS and income earned from interest on cash balances which is driven by a combination of level of cash balances held and interest rates expected to stay higher for a longer period, offset by lower than budgeted income from loans to third party companies being achieved.

6. Savings Programme

6.1. The total savings approved to date, including by new savings approved by the Executive Board in February 2024, for the Medium-Term Financial Plan (MTFP) period 2024/25 to 2027/28 was £73.806m, of which, savings profiled for 2024/25, were £34.223m. Table 3 below provides an overview of savings approved including carry forward of non-delivered savings at the end of 2023/24.

Table 3: 2024/25 General Fund Approved Savings

Savings Overview	2023/24	2024/25	2025/26	2026/27	2027/28	Total MTFP	Total to Monitor
	£m	£m	£m	£m	£m	£m	£m
Previous Savings		(11.149)	(12.416)	(12.672)	(0.278)	(36.515)	(36.515)
New Savings		(22.128)	(13.202)	(0.623)	(0.396)	(36.348)	(36.348)
Gross MTFP Savings		(33.277)	(25.618)	(13.295)	(0.674)	(72.863)	(72.863)
Unachieved 2023/24 Savings*	(7.528)						(7.528)
Growth - Savings Written Off	1.175						1.175
2023/24 Unachieved savings	(6.353)						(6.353)
Gross MTFP position	(6.353)	(33.277)	(25.618)	(13.295)	(0.674)	(72.863)	(79.216)
Transformation - reprofile/write-off		(0.846)	(0.919)	0.692	0.190	(0.883)	(0.883)

Other - reprofile/write-off		(0.100)	0.040	0.000	0.000	(0.060)	(0.060)
Overall net position	(6.353)¹	(34.223)²	(26.497)	(12.603)	(0.483)	(73.806)	(80.159)

¹ The brought forward value has been adjusted to reflect other departmental savings delivered at the end of 2023/24

² The savings include reversal of previous one-off savings in Corporate of +£8.175m

6.2. 2024/25 Savings Programme Delivery

6.2.1. Savings programme delivery track the overall in-year actual cashable benefit that each programme has either delivered (blue), is on track for delivery (green), requires further activity to realise including opportunities to convert non-cashable to cashable savings (amber) or is at risk of non-delivery (red).

6.2.2. Going forward, the performance delivery 2024/25 will be compared to the overall savings figure of £42.398m which excludes the reversal of previous one-year saving (£34.223m + £8.175m).

6.2.3. Table 4 below summarises the performance of each directorate for 2024/25, at Period 2, with £35.215m (83.1%) of savings either delivered (blue) or on track to be delivered (green).

6.2.4. Savings that are either at risk of delivery (amber) or is at risk of non-delivery (red) total £7.183m (16.9%) with those in RAG rated Red reflected as pressures in the directorate General Fund position above.

Table 4: 2024/25 General Fund Approved Savings (as adjusted by reprofiling/write-offs of previous proposals)

Saving Category / Directorate	2024/25 Saving £m	% On Track or Delivered	Blue – Delivered £m	Green – On Track £m	Amber – At Risk £m	Red – Non-Delivery £m
Duties & Powers	(1.943)	99.7%	0.000	(1.937)	0.000	(0.007)
Transformation	(5.681)	21.9%	0.000	(1.246)	0.000	(4.435)
Other	(1.073)	78.7%	0.000	(0.844)	0.000	(0.229)
Adults	(8.696)	46.3%	0.000	(4.026)	0.000	(4.670)
Duties & Powers	(0.355)	100.0%	0.000	(0.355)	0.000	0.000
Commissioning	(0.355)	100.0%	0.000	(0.355)	0.000	0.000
Adults & Health	(9.051)	48.4%	0.000	(4.381)	0.000	(4.670)
Duties & Powers	(1.269)	100.0%	0.000	(1.269)	0.000	0.000
Transformation	(4.045)	100.0%	(0.511)	(3.534)	0.000	0.000
Children's	(5.313)	100.0%	(0.511)	(4.802)	0.000	0.000
Duties & Powers	(0.902)	47.9%	0.000	(0.432)	(0.375)	(0.095)
Other	(0.246)	87.8%	0.000	(0.216)	(0.030)	0.000
Education	(1.148)	56.5%	0.000	(0.648)	(0.405)	(0.095)
Children's & Education	(6.461)	92.3%	(0.511)	(5.451)	(0.405)	(0.095)
Duties & Powers	(10.347)	84.5%	(0.125)	(8.622)	(1.293)	(0.307)
Transformation	(0.163)	100.0%	0.000	(0.163)	0.000	0.000
Other	(0.459)	100.0%	0.000	(0.459)	0.000	0.000
Communities, Environment & Resident Services	(10.969)	85.4%	(0.125)	(9.244)	(1.293)	(0.307)
Duties & Powers	(4.209)	100.0%	(0.745)	(3.465)	0.000	0.000
Transformation	(5.256)	100.0%	0.000	(5.256)	0.000	0.000
Other	(1.212)	100.0%	0.000	(1.212)	0.000	0.000
Growth & City Development	(10.678)	100.0%	(0.745)	(9.933)	0.000	0.000
Duties & Powers	(2.498)	100.0%	0.000	(2.498)	0.000	0.000
Transformation	(1.917)	78.4%	0.000	(1.503)	0.000	(0.414)
Other	(0.250)	100.0%	0.000	(0.250)	0.000	0.000

Finance & Resources	(4.664)	91.1%	0.000	(4.250)	0.000	(0.414)
Duties & Powers	(0.605)	100.0%	0.000	(0.605)	0.000	0.000
Other (adjustment of one-off saving)	0.030	100.0%	0.030	0.000	0.000	0.000
Chief Executive	(0.575)	100.0%	0.030	(0.605)	0.000	0.000
Total	(42.398)¹	83.1%	(1.351)	(33.864)	(1.698)	(5.485)
% Overall			3.2%	79.9%	4.0%	12.9%

¹2024/25 Savings total excludes reversal of previous one-off Corporate savings of +£8.175m

6.2.5. As shown in Table 4 above, several Directorates are behind target and require remedial activity to provide mitigation plans to bring savings back on track or replacement plans where there is no prospect of delivery against the original saving.

6.2.6. The key drivers that have led to the in-year under-delivery of savings include conflicting priorities and/or over ambitious assumptions within original delivery plans, which has particularly affected Adults Transformation (£4.435m) and Finance and Resources Procurement Transformation (£0.414m).

6.2.7. In addition, several Duties and Powers savings are at risk with the larger value ones being as follows:

- Education: Seek additional funding for Children with Special Educational Needs and Disabilities (DPE 2403 £0.375m)
- Community, Environment and Resident Services:
 - Review of Community Centres (DPE 2409 £0.307m)
 - Review of Libraries (DPE 2410 £1.143m)

6.3. Under-delivery of Savings 2023/24 Brought Forward

6.3.1. The provisional financial outturn 2023/24 reported under-delivery of savings totalling £7.528m (Transformation £6.765m, Other £0.763m). Savings proposals that had no prospect of delivery were provided with growth monies in the 2024/25 medium term financial plan (MTFP) totalling £1.175m resulting in net brought forward of adjusted under-delivered savings of £6.353m.

6.3.2. Table 5 below which summarises the performance of each directorate for 2024/25, at Period 2, shows savings delivered (blue) or on track for delivery (green) totalled £2.222m (35.0%) whilst £4.131m (65.0%) remain at risk of delivery (amber) or non-delivery (red) and are reflected as pressures in the directorate outturn positions above.

Table 5: Under-delivered 2023/24 Savings (adjusted by £0.05m write-offs of some previous proposals)

Directorate	2023/24 Under-Delivered Saving £m	% On Track or Delivered	Blue – Delivered £m	Green – On Track £m	Amber – At Risk £m	Red – Non-Delivery £m
Adults	(3.295)	29.1%	(0.089)	(0.870)	0.000	(2.335)
Adults & Public Health	(3.295)	29.1%	(0.089)	(0.870)	0.000	(2.335)
Children's	(0.427)	100.0%	(0.427)	0.000	0.000	0.000

Directorate	2023/24 Under-Delivered Saving £m	% On Track or Delivered	Blue – Delivered £m	Green – On Track £m	Amber – At Risk £m	Red – Non-Delivery £m
Education	(0.273)	4.1%	0.000	(0.011)	(0.030)	(0.232)
Children’s & Education	(0.700)	62.6%	(0.427)	(0.011)	(0.030)	(0.232)
Communities, Environment & Resident Services	(0.047)	0.0%	0.000	0.000	0.000	(0.047)
Growth & City Development	(1.401)	58.9%	(0.125)	(0.700)	0.000	(0.576)
Finance & Resources	(0.911)	5.2%	0.000	0.000	(0.249)	(0.662)
Total	(6.353)	35.0%	(0.641)	(1.581)	(0.279)	(3.852)
% Overall			10.1%	24.9%	4.4%	60.6%

6.3.3. As shown in Table 5 above, several directorates are behind target (red and amber) and require remedial activity to provide mitigation plans to bring savings back on track or replacement plans where there is no prospect of delivery against the original saving.

6.3.4. Currently, Adults do not have a mitigation plan for the Transformation undelivered saving 2023/24 (£2.335m). Although Procurement has an approach for delivering the council saving of c£1m (£0.662m 2023/24 and £0.441m 2024/25), the likelihood of securing the actions required in 2024/25 is low. Mitigation plans for delivering the introduction of residents parking permit (£0.207m) and Housing Aid restructure (£0.311m) are outstanding.

6.3.5. The Corporate Project Management Office (CPMO) is co-ordinating with Corporate Directors and Finance Service to ensure all mitigations submitted are robust and supported by realistic operational delivery plans to secure undelivered savings. The position will be reported to the next Transformation and Change Oversight Board (TCOB).

6.4. Overall Savings Programme Delivery

6.4.1. Appendix 1 details the financial performance, per directorate, for the approved savings over the MTFP period (2024-25 to 2027-28) including the 2023/24 under-delivered savings. Table 6 below summarises the performance of total savings of £88.335m (excluding reversal of previous one-off savings £8.175m) as at period 2.

Table 6: Overall Savings Programme Dashboard

Financial Year	Blue – Delivered £m	Green – On Track £m	Amber – At Risk £m	Red – Non-Delivery £m	Total £m
2023/24 Undelivered	(0.641)	(1.581)	(0.279)	(3.852)	(6.353)
2024/25 MTFP	(1.351)	(33.864)	(1.698)	(5.485)	(42.398)
2024/25 Combined Total	(1.992)	(35.446)	(1.977)	(9.337)	(48.752)
2025/26 MTFP	0.000	(19.499)	(3.065)	(3.933)	(26.497)
2026/27 MTFP	0.000	(9.163)	(0.083)	(3.357)	(12.603)

2027/28 MTFP	0.000	(0.422)	0.000	(0.061)	(0.483)
Total Savings	(1.992)	(64.529)	(5.125)	(16.689)	(88.335)¹

¹Excludes reversal of previous one-off Corporate savings of +£8.175m from 2024/25

6.4.2. £66.521m (75.3%) of the savings across the MTFP period are shown as being delivered (blue) or on track for delivery (green). Whilst a significant amount of the savings are showing the right direction of travel, as at Period 2 £21.814m (24.7%) are at risk of delivery (amber) or non-delivery (red) which predominately relate to:

- Adults Transformation (£13.886m)
- Finance and Resources Procurement Transformation (£1.076m)
- Adults Duties and Powers savings:
 - Adult social care external placements (DPC 2401 £1.184m)
 - External residential and nursing care placements (DPC 2405 £1.071m)
 - Increase impact of social care reablement to reduce need for long-term care (DPA 2406 £0.3m)
 - Expand deputyship service leading to increased fee revenue (DPA 2408 £0.3m)

6.4.3. Early intervention is key to improving savings delivery, therefore, it is imperative that robust operational plans are developed and shared with the CPMO so they can be presented to TCOB.

7. Housing Revenue Account (HRA)

7.1. At as Period 2 the forecast for the HRA is a net overspend of £0.497m (0.38%) against gross annual budget of £128.514m, resulting in a reduction to the budgeted contribution to reserves. Table 7 below provides further detail of the variance.

Table 7: 2024/25 HRA Revenue Budget Forecast

Housing Revenue Account	2024/25 Current Budget £m	Actual as at Period 2 £m	Forecast as at Period 2 £m	Period 2 Reported Net Variance £m
Income				
Dwelling Rents	(114.342)	(19.057)	(114.342)	0.000
Non-Dwelling Rents	(2.746)	(0.454)	(2.747)	(0.001)
Service Charges	(11.205)	(1.867)	(11.205)	0.000
Other Income	(0.222)	0.098	(0.222)	0.000
Total Income	(128.515)	(21.280)	(128.516)	(0.001)
Expenditure				
Repairs & Maintenance	33.979	5.997	34.623	0.645
Management & Supervision	36.744	1.914	36.596	(0.146)
Depreciation & Amortisation	30.427	0.000	30.427	0.000
Provision for Bad & Debts	2.213	0.000	2.213	0.000
Direct Revenue Financing	7.200	4.332	7.200	0.000
Total Expenditure	110.563	12.243	111.059	0.498
Net Cost of Housing Services	(17.952)	(9.037)	(17.457)	0.497
Capital Financing Charges				

Housing Revenue Account	2024/25 Current Budget £m	Actual as at Period 2 £m	Forecast as at Period 2 £m	Period 2 Reported Net Variance £m
Item 8 Interest Paid	15.279	0.000	15.279	0.000
Item 8 Interest Received	(5.857)	0.000	(5.857)	0.000
Net Deficit/(Surplus)	(8.530)	(9.038)	(8.034)	0.497
Contribution to Reserves	8.530	9.038	8.034	(0.497)
Housing Total	0.000	0.000	(0.000)	0.000

7.2. The main reasons for the reduced contribution are as follows:

- a) There is forecast £0.645m overspend on repairs and maintenance due to additional planned maintenance to the Housing Services facilities at the Harvey Road depot. The estimated repair costs at Harvey Road are over £1m and this is partly offset by vacancy savings in other areas of the repairs and maintenance division.
- b) The (£0.146m) underspend on supervision and management is mainly due to staff vacancies across several of the housing services teams. In addition, the forecast income from shop rents is higher than budgeted due to several tenancy agreements being re-negotiated.

7.3. £0.467m overspend as at Period 2 means the budgeted £8.530m contribution to HRA General Reserves will not be achieved

8. Capital Programme

8.1. A summary of the profiles capital programme budget for 2024/25 is set out in the table below.

Table 8: 2024/25 Capital Programme Budget Forecast

Directorate	Approved Budget 2024/25 £m	Year to Date Actuals £m	Forecast at Period 2 £m	Variance £m	Net Slippage (-) / Acceleration (+) £m	Under (-) / Over (+) spend £m
Adult Services	3.530	0.260	2.245	(1.285)	(1.285)	0.000
subtotal: Adults and Public Health	3.530	0.260	2.245	(1.285)	(1.285)	0.000
Children's Services	0.124	0.000	0.169	0.045	0.045	0.000
Education	3.990	(0.253)	3.507	(0.483)	(0.483)	0.000
subtotal: Children's and Education	4.114	(0.253)	3.676	(0.438)	(0.438)	0.000
Community, Environment and Resident Services	11.471	0.760	12.343	0.872	0.872	0.000
Growth & City Development	22.492	(0.473)	18.654	(3.838)	(3.838)	0.000
Transport Programme	59.368	5.833	47.646	(11.722)	(11.722)	0.000
Finance & Resources	1.599	0.058	1.684	0.085	0.085	0.000
Transformation	3.192	0.000	3.192	0.000	0.000	0.000
Exceptional Financial Support (EFS) ¹	41.143	0.000	41.143	0.000	0.000	0.000
Total Council Capital Schemes Approved and Incepted	146.909	6.185	130.583	(16.326)	(16.326)	0.000
Planned Schemes	6.707	0.000	5.805	(0.902)	(0.902)	0.000
Total General Fund Approved Council Capital Schemes	153.616	6.185	136.388	(17.228)	(17.228)	0.000

Directorate	Approved Budget 2024/25 £m	Year to Date Actuals £m	Forecast at Period 2 £m	Variance £m	Net Slippage (-) / Acceleration (+) £m	Under (-) / Over (+) spend £m
HRA	71.436	0.762	68.642	(2.794)	(2.755)	(0.039)
Total Council Capital Schemes Approved	225.052	6.947	205.030	(20.022)	(19.983)	(0.039)
Midlands Net Zero Hub	104.670	1.654	92.922	(11.748)	45.036	(56.784)
Other Energy Schemes	5.456	0.000	8.053	2.597	2.597	0.000
Transforming Cities	29.190	0.000	21.591	(7.599)	(7.599)	0.000
Future Transport Zone	1.217	0.000	1.000	(0.217)	(0.217)	0.000
Total Accountable Body	140.533	1.654	123.566	(16.967)	39.817	(56.784)
Total	365.585	8.601	328.596	(36.989)	19.834	(56.823)

¹ EFS budget reflects the approved EFS flexibility as set out in the budget report to City Council in March 2024.

8.2. For Period 2, directorates undertook a review of the current approved programme profile which led to the net variance of £36.989m, which relates to the following:

a) Net Slippage / Acceleration - £19.834m

The net slippage relates to re-profiled capital programme budget. All schemes with a slippage of over £0.500m are detailed in Appendix 2.

b) Net Underspend – (£56.784m)

- HRA underspend (£0.039m) relates to the HRA Energy Programme showing a small reduction in grant.
- Midland Net Zero Hub (Accountable Body) underspend of (£56.784m) is largely due 2023/24 underspend incorrectly being reported by the programme as slippage. Following review at Period 2 by the programme lead and Corporate Director have undertaken a review confirming the release of this budget as associated funding and scheme come to an end.

8.3. Capital Receipts

8.3.1. At Period 2 the Council has secured receipts of £11.722m as detailed in the below table:

Table 9: Capital Receipts Secured in 2024/25

2024/25 Capital Budget Summary P2	Secured Receipts 2024/25 £m
Receipts carried forward from Provisional Capital Outturn	(8.243)
Receipts Secured to P2	(3.479)
Secured Receipts as at Period 2	(11.722)

8.3.2. All secured capital receipts are required to be applied in accordance with the capital receipts prioritisation methodology as defined in the approved Capital Strategy.

Capital Receipts Forecast

8.3.3. The table below provides the current forecast of capital receipts required for the approved General Fund programme over the MTFP period. Although

over the MTFP period the capital receipts forecasted will be in surplus by £3.7m, the overall profile of these currently mean that there is shortfall in 2024/25 of £8.4m. If this position holds true or gets worse, the Council will be required to undertake additional temporary borrowing of same value for the EFS, which will have an impact on the General Fund revenue budget with regards to interest payment in 2024/25 and MRP in 2025/26. Work is ongoing within the Asset Transformation Programme to identify assets for disposal and therefore currently it is earlier to quantify the actual level of capital receipt shortfall. This is being closely monitored monthly to ascertain the impact on the General Fund revenue position.

Table 10: Capital Receipts Requirement and Forecast over the Medium-Term Financial Plan (2024/25 – 2027/28)

Capital Receipt Requirement for Approved General Fund Programme	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	Total £m
Exceptional Financial Support (EFS)	25.200	15.943	0.000	0.000	41.143
Transformation	3.192	0.000	0.000	0.000	3.192
Other	5.163	4.185	0.859	0.245	10.452
Budgeted Capital Receipt Requirement	33.555	20.128	0.859	0.245	54.787
Total Capital Receipts banked as at Period 2	(11.722)	0.000	0.000	0.000	(11.722)
Capital Receipt Shortfall (+) / Surplus (-) as at Period 2	21.833	20.128	0.859	0.245	43.065
Assets approved for disposal (in process - estimated unsecured receipts)	(13.433)	(23.361)	(9.928)	0.000	(46.722)
Net estimated shortfall (+) or surplus (-) Capital Receipt required against approved programme	8.400	(3.233)	(9.069)	0.245	(3.657)

9. Other options considered in making recommendations

9.1. Not applicable.

10. Consideration of Risk

10.1. The Section 151 Officer is required to provide his statutory advice to Council on the robustness of the budget estimates and adequacy of reserves. More recently the Section 151 Officers' professional opinion was clearly set out in Appendix 1 of the budget report to City Council on 4 March 2024, setting out the risks and conditions for the 2024/25 budget, reasonably based on the best available information and assumptions at the time.

10.2. As set out in the 2025/26 Budget Strategy report presented to Executive Board in June 2024, the significance of the budget gap over the MTFP of c£172m combined with the need to rely on substantial amounts of EFS should not be underestimated. Although c£41m of EFS has allowed the Council to set a balanced budget in 2024/25, the Council has set itself a significantly higher hurdle for 2025/26 with an estimated budget gap of c£69m. The quantum of the financial challenge being faced by the Council alongside and the economic uncertainties over the medium to long term present a high risk to the Council in achieving a balanced budget, combination of which impact council's ability to respond and manage

unforeseen financial risks and to achieving a financially sustainable budget over the MTFP.

- 10.3. As part of approving the budget both the Executive and City Council in February and March 2024 respectively, took into account the conditions upon which the Section 151 Officer provided their statutory statement on robustness of budget estimates. Those relevant to 2024/25 are restated below:
- The Council continuing to assess, learn, report, and respond appropriately at the earliest point to the existing and emerging financial pressures across all aspects of its operations and for Corporate Leadership Team leads to identify and formulate corrective and mitigating actions in managing any pressures from within their service areas.
 - A recognition in the medium-term planning approach that the level of reserves and corporate risk assessment need to be regularly reviewed in the light of changing circumstances and that it may not be possible to match the two at any single point in time. The Council needs to show a commitment to maintain reserves at a level which provides adequate cover for most identified risks during the planning period. This approach is pragmatic and shows a clear commitment to prudent contingency planning.
 - 2024/25 budget is based on the current financial outturn forecast for 2023/24 and accounts yet to be audited for 2019/20 to 2022/23. Budget process for future years will need to reflect any impact of prior year accounting adjustments and 2023/24 outturn.
 - Executive Leads, Chief Executive, Corporate Directors, and managers not exceeding their cash limits for 2024/25.
 - No further calls on reserves other than for those risks that were identified as part of the MTFP, those risks that could not have reasonably been foreseen and cannot be dealt through management or policy actions. The exception to this is where the Section 151 Officer has approved otherwise, as it is not prudent to finance ongoing spending from one-off reserves.
 - Where there is a draw-down on reserves, which causes the approved Reserves Policy to be off target, that this is replenished as part of a revised MTFP.
 - That the Council has arrangements and resources in place to consider and assess value for money across the delivery of all its services and operations in preparation for future years' budgets.
- 10.4. It will be essential for the Corporate Leadership Team to continue to exercise firm financial management through the close monitoring of 2024/25 budgets.
- 10.5. Given the unique operating context of Nottingham City Council, the following are most immediate risks which need to be considered alongside the

forecast and risks set out within the directive forecast narrative in Section 5 above:

- Organisational ability to deliver:
 - 2024/25 in-year General Fund balance budget within the approved EFS of c£41m; and
 - the scale of change required in the coming year to both deliver approved savings and further develop saving proposals to minimise the need for EFS in 2024/25 and thereby the unfunded budget gap for the year after.
- Delivery record on approved savings programmes to date
- Likelihood of further 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 Corporate Leadership Team
- 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
- Weakness in councils' system and data upon which financial forecast is produced by services.
- 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.

10.6. Due to 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.

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

11.1. The Best Value requirement to demonstrate the continued financial sustainability of the Council has been set out in the 2024/25 Budget and Council Tax Resolution report to City Council on 4 March 2024 and 2024/25 Budget and MTFP report to Executive Board on 13 February 2024.

11.2. Throughout the budget process the Council has taken a proactive and planned approach to delivering best value and financially sustainable

services to its communities over the longer term. This will continue as the Council's agreed plans are delivered during 2024/25 and subsequent years.

- 11.3. Throughout the budget monitoring the Council will take a proactive and planned approach to delivering Best Value.

12. **Commissioner comments**

This report provides a comprehensive view of the forecast financial position for the authority across the General Fund, the Housing Revenue Account and the Capital Programme. We note the revenue overspends shown, particularly those on the General Fund. We also note the progress on identifying mitigations to enable the Council to live within its approved budget. It is important that the Council continues with this work to be able to mitigate the forecast overspends in full and on a permanent basis. We support the proposed actions set out

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

- 13.1. Finance comments are contained within the main body of the report and in the accompanying appendices.

14. **Legal colleague comments**

- 14.1. It is a legal requirement for a council to set an annual budget and for that budget to be 'balanced' or fully funded in accordance with the Local Government Finance Act 1992. This report sets out the Period 2 position and highlights a significant forecasted overspend. Finance is whole Council responsibility, and the Council must now take decisive action to develop mitigations to bring the forecasted spend back in line with approved budget. The main considerations are set out in the body of the report.
- 14.2. If the Council are unable to bring the forecasted spend back in line with the approved budget and the Chief Finance Officer considers that the expenditure of the authority incurred (including expenditure it proposes to incur) in a financial year is likely to exceed the resources (including sums borrowed) available to it to meet that expenditure he must issue a report under section 114(3) of the Local Government Finance Act 1988.

Beth Brown, Director of Legal and Governance, 27 June 2024

15. **Other relevant comments**

15.1. **Procurement comments**

Not applicable.

15.2. **HR**

Not applicable.

15.3. **IT**

Not applicable.

15.4. **Strategic Assets and Property**

Not applicable.

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

16.1. Not applicable.

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

17.1. Not applicable.

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

18.1. Not applicable.

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

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

No

An EIA is not required because EIAs are tools that help the Council make sure its policies, and the ways it carries out its functions, do what they are intended to do and for everybody. The report is presenting the Council with the financial position for 2024/25 and therefore at this time does not require for an EIA to be completed.

Yes

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

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

No

A DPIA is not required because the report and appendices do not contain information which will subject to DPIA.

Yes

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

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

No

A CIA is not required because the report and appendices do not contain information which will subject to CIA.

Yes

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

22.1. Not applicable.

23. **Appendices**

- Appendix 1 – Savings Dashboard
- Appendix 2 – 2024/25 Capital Programme Slippage

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

City Council	
2024/25 Budget and Council Tax Resolution	4 March 2024
Executive Board	
2023/24 Provisional Outturn	18 June 2024
2024/25 Budget and Medium-Term Financial Plan	13 February 2024

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Appendix 1 – Savings Programme Dashboard by Directorate

Savings Programme Dashboard by Directorate (Period 2)

Saving Delivery RAG rating	23/24 Unachieved Savings £m	24/25 MTFP Savings £m	24/25 Combined Total £m	25/26 MTFP Savings £m	26/27 MTFP Savings £m	27/28 MTFP Savings £m
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Adults

Blue	(0.089)	0.000	(0.089)	0.000	0.000	0.000
Green	(0.870)	(4.026)	(4.896)	(3.605)	(0.985)	(0.313)
Amber	0.000	0.000	0.000	(2.915)	(0.083)	0.000
Red	(2.335)	(4.670)	(7.005)	(3.933)	(3.357)	(0.061)
Adults	(3.295)	(8.696)	(11.991)	(10.453)	(4.425)	(0.374)

Commissioning

Blue	0.000	0.000	0.000	0.000	0.000	0.000
Green	0.000	(0.355)	(0.355)	(0.095)	0.000	0.000
Amber	0.000	0.000	0.000	0.000	0.000	0.000
Red	0.000	0.000	0.000	0.000	0.000	0.000
Children's	0.000	(0.355)	(0.355)	(0.095)	0.000	0.000

Children's

Blue	(0.427)	(0.511)	(0.938)	0.000	0.000	0.000
Green	0.000	(4.802)	(4.802)	(4.742)	(0.309)	(0.278)
Amber	0.000	0.000	0.000	0.000	0.000	0.000
Red	0.000	0.000	0.000	0.000	0.000	0.000
Commissioning	(0.427)	(5.313)	(5.740)	(4.742)	(0.309)	(0.278)

Education

Blue	0.000	0.000	0.000	0.000	0.000	0.000
Green	(0.011)	(0.648)	(0.659)	(0.377)	(0.089)	0.000
Amber	(0.030)	(0.405)	(0.435)	0.000	0.000	0.000
Red	(0.232)	(0.095)	(0.326)	0.000	0.000	0.000
Education	(0.273)	(1.148)	(1.421)	(0.377)	(0.089)	0.000

Communities, Environment & Resident Services

Blue	0.000	(0.125)	(0.125)	0.000	0.000	0.000
Green	0.000	(9.244)	(9.244)	(2.549)	0.000	0.000
Amber	0.000	(1.293)	(1.293)	(0.150)	0.000	0.000
Red	(0.047)	(0.307)	(0.353)	0.000	0.000	0.000
CE&RS	(0.047)	(10.969)	(11.015)	(2.699)	0.000	0.000

Appendix 1 – Savings Programme Dashboard by Directorate
Savings Programme Dashboard by Directorate (Period 2)

Saving Delivery RAG rating	23/24 Unachieved Savings £m	24/25 MTFP Savings £m	24/25 Combined Total £m	25/26 MTFP Savings £m	26/27 MTFP Savings £m	27/28 MTFP Savings £m
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Growth & City Development

Blue	(0.125)	(0.745)	(0.870)	0.000	0.000	0.000
Green	(0.700)	(9.933)	(10.633)	(5.202)	(7.357)	0.190
Amber	0.000	0.000	0.000	0.000	0.000	0.000
Red	(0.576)	0.000	(0.576)	0.000	0.000	0.000
G&CD	(1.401)	(10.678)	(12.079)	(5.202)	(7.357)	0.190

Finance & Resources

Blue	0.000	0.000	0.000	0.000	0.000	0.000
Green	0.000	(4.250)	(4.250)	(2.763)	(0.423)	(0.021)
Amber	(0.249)	0.000	(0.249)	0.000	0.000	0.000
Red	(0.662)	(0.414)	(1.076)	0.000	0.000	0.000
F&R	(0.911)	(4.664)	(5.575)	(2.763)	(0.423)	(0.021)

Chief Executive

Blue	0.000	0.030	0.030	0.000	0.000	0.000
Green	0.000	(0.605)	(0.605)	(0.168)	0.000	0.000
Amber	0.000	0.000	0.000	0.000	0.000	0.000
Red	0.000	0.000	0.000	0.000	0.000	0.000
Chief Exec	0.000	(0.575)	(0.575)	(0.168)	0.000	0.000

Total Summary

Blue	(0.641)	(1.351)	(1.992)	0.000	0.000	0.000
Green	(1.581)	(33.864)	(35.446)	(19.499)	(9.163)	(0.422)
Amber	(0.279)	(1.698)	(1.977)	(3.065)	(0.083)	0.000
Red	(3.852)	(5.485)	(9.337)	(3.933)	(3.357)	(0.061)
Overall Total	(6.353)	(42.398)	(48.752)	(26.497)	(12.603)	(0.483)

Appendix 2: Capital Slippage or Accelerated Spend within Capital Programme

Directorate	Project	Approved Budget £m	Revised Budget £m	Variance (slippage) or acceleration £m
People	Adaptations (DFG)	3.045	1.750	(1.295)
People	Various Schemes with net movement under £0.500m	1.561	1.133	(0.428)
People Subtotal		4.606	2.883	(1.723)
CERS	Heat Station Capital Repairs	3.562	1.753	(1.809)
CERS	HUG2 Private Homes (NCC Project)	1.000	2.478	1.478
CERS	Vehicle Acquisitions	0.000	1.758	1.758
CERS	Various Schemes with net movement under £0.500m	5.568	5.018	(0.555)
CERS Subtotal		10.130	11.007	0.872
Growth & City Development	NET Lines 2/3 - Land Acquisitions	1.948	0.500	(1.448)
Growth & City Development	NET Lines 2/3 - Quantitative Risk Assessment	1.861	0.500	(1.361)
Growth & City Development	Future High Street Fund - Infrastructure	7.813	7.048	(0.765)
Growth & City Development	Various Schemes with net movement under £0.500m	3.143	2.879	(0.264)
Growth & City Development Subtotal		14.765	10.927	(3.838)
Finance & Resources	Various Schemes with net movement under £0.500m	0.999	1.084	0.085
Finance & Resources Subtotal		0.999	1.084	0.085
Transport	Highways Maintenance Programme	4.825	3.594	(1.231)
Transport	Streets for People Programme	5.850	3.000	(2.850)
Transport	Transforming Cities Programme	19.401	17.957	(1.444)
Transport	Future Transport Zone	5.713	4.056	(1.657)
Transport	Transport Levelling Up Fund	1.814	2.391	0.577
Transport	Active Travel Fund - Tranche 3	1.618	1.002	(0.616)
Transport	Active Travel - St Anns Well Road	0.976	0.268	(0.708)
Transport	Partnership Scheme for Buses - Zero Emission	6.032	4.909	(1.123)
Transport	DfT Bus Service Improvement Programme	6.900	7.656	0.756
Transport	DfT Safer Roads Fund	2.850	0.100	(2.750)
Transport	Various Schemes with net movement under £0.500m	3.131	2.455	(0.676)
Transport Subtotal		59.110	47.388	(11.722)
Planned Programme	School Condition Funding	3.445	2.543	(0.902)
Planned Schemes Subtotal		3.445	2.543	(0.902)

Appendix 2: Capital Slippage or Accelerated Spend within Capital Programme

Directorate	Project	Approved Budget £m	Revised Budget £m	Variance (slippage) or acceleration £m
TOTAL - General Fund: Council Schemes		93.055	75.832	(17.228)
Midland Net Zero Hub	Social Housing Decarbonisation Fund Wave 2	18.306	31.261	12.955
Midland Net Zero Hub	HUG2	86.367	118.431	32.064
Midland Net Zero Hub	Various Schemes with net movement under £0.500m	0.000	0.017	0.017
Midland Net Zero Hub Subtotal		104.673	149.709	45.036
Other Energy Schemes	Devolution Retrofit Funding	5.456	8.053	2.597
Other Energy Schemes Subtotal		5.456	8.053	2.597
Transforming Cities	Transforming Cities - Derby City Projects	22.700	17.441	(5.259)
Transforming Cities	Transforming Cities - Notts County Projects	6.490	4.150	(2.340)
Transforming Cities Subtotal		29.190	21.591	(7.599)
Future Transport Zone	FTZ Derby Programme	1.217	1.000	(0.217)
Future Transport Zone Subtotal		1.217	1.000	(0.217)
TOTAL - General Fund: Accountable Body Schemes		140.536	180.353	39.817
GENERAL FUND TOTAL		233.591	256.185	22.589
HRA	Major Voids	2.400	3.304	0.904
HRA	Oakdene New Build Programme	4.462	1.487	(2.975)
HRA	Various Schemes with net movement under £0.500m	13.758	13.074	(0.684)
HRA Subtotal		20.620	17.865	(2.755)
CAPITAL PROGRAMME TOTAL		254.211	274.050	19.834

Subject:	Transfer of Section 106 funds for the extension of Bus Service 50
Corporate Director(s)/Director(s):	Sajeeda Rose, Corporate Director of Growth and City Development
Executive Member(s):	Cllr Neghat Khan Executive Member for Strategic Regeneration, Transport and Communications.
Report author and contact details:	Mark Garlick mark.garlick@nottinghamcity.gov.uk ; 0115 876 4675
Other colleagues who have provided input:	
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 type="checkbox"/> Capital If Capital, provide the date considered by Capital Board Date:
Total value of the decision:	£835,415.53
Section 151 Officer expenditure approval	Has the spend been approved by the Section 151 Officer? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/a Spend Control Board approval reference number: 3485
Commissioner Consideration	Has this report been shared with the Commissioners' Office? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Any comments the Commissioners wish to provide are listed below.
Wards affected:	Dales (part of the route is operating outside the City boundary and into Gedling Borough)
Date of consultation with Portfolio Holder(s):	14 June 2024
Relevant Council Plan Key Outcome:	
Clean, Green 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"/>
Living Well in Our Communities	<input type="checkbox"/>
Keeping Nottingham Moving	<input checked="" type="checkbox"/>
Improve the City Centre	<input type="checkbox"/>
Better Housing	<input type="checkbox"/>
Serving People Well	<input type="checkbox"/>
Summary of issues (including benefits to citizens/service users):	
Proposal	
The proposal is to use Section 106 funds from a housing developer to provide a public transport route extension to NCT service 50 into the Teal Close development for up to four years, to enable public transport connectivity into the development. Robin Hood Cards will also	

be provided to 180 households under the s106 Agreement. These measures will enable sustainable travel habits to be developed and will support the Council's CN28 objectives.

Since there is no inherent likelihood of potential market entry by another operator for such a small and specific route extension, the passing on of the funding to NCT would not constitute a 'subsidy' for the purposes of the Subsidy Control Act 2022, and a compliant direct award can be made to NCT to operate the service under a 'de minimis' subsidy agreement.

Background

Bus service 50 operates from the City Centre to Victoria Retail Park, via Daleside Road, Racecourse Park and Ride site, and the Colwick Industrial Estate.

The Council has received funding (£680,000 (plus indexation of £122,044.48) to support the extension of bus service 50 into the Teal Close development ("the Site") at Netherfield within Gedling Borough, as part of a Section 106 (Town and Country Planning Act 1990) Agreement with the developer of the Site, Persimmon Homes Limited (dated 30.06.2014). Spend of the funding will allow the existing service, which operates from the City Centre to Victoria Retail Park via Daleside Road, to serve the Site. The development is for up to 830 residential properties to be built.

Further funding of £30,000 (plus indexation of £3,371.05) also secured under the Section 106 Agreement will be spent by the Council as administrators of the multi-operator Robin Hood Card ticketing scheme to provide up to 180 Robin Hood Card passes to households within the development, each of up to 3 month duration.

The new service and Robin Hood Cards will encourage the early adoption of public transport modes over the private car for journeys into and out of Nottingham city centre.

The extension of service 50 is expected to commence with the completion of highway infrastructure within the development.

At the end of the four-year funding period it is expected that sufficient additional passenger numbers will be generated from the new housing development to ensure the commercial viability of the service going forward. At that point there should be no need to rely on further support for the service.

Funding of the current service

The Monday to Saturday daytime service is operated commercially by Nottingham City Transport Ltd, with a direct award of up to £90,914 covering the period September 2023 to September 2025 (£45,457 per annum) to maintain daytime frequencies on the service, as part of the post covid bus service support.

The evening and Sunday services are operated by Nottingham City Transport Ltd under contract to the Council using funding from the Bus Service Improvement Plan. This contract is separate to the commercial (Monday to Saturday daytime) operation. It has been procured in line with Public Contract Regulations 2015 (PCR). The contract expires on 30 November 2025 but can be extended up to 30 November 2027 without the need to re-tender. The cost of this contract is £84,916 per year or up to £339,664 over four years.

The Decision to be being taken:

To authorise the spend of funding of up to £680,000 (plus indexation of £122,044.48) on the above contracts held with Nottingham City Transport Ltd to fund the service extension of service 50 into the Site.

Subject to continued compliance with the 'de minimis' rules the funding would be paid as four annual instalments, with the first made at the time that the highway infrastructure becomes available to the bus service for use, and on the anniversary of that date for three further years afterwards:

Table 1

Year	1 (2024)	2 (2025)	3 (2026)	4 (2027)	TOTAL
Payment (up to)	£200,511.48	£200,511.00	£200,511.00	£200,511.00	£802,044.48

The actual amount of the funding transferred will be based on the net cost of operating the service, which will need to be demonstrated by Nottingham City Transport Ltd, and may be less than the levels indicated in the table.

Any underspent money would need to be returned to the Developer, unless the Developer gave consent to this being retained by the operator(s) to further enhance the service.

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

No

Recommendation(s):

1 Subject to compliance with the Service Subsidy Agreements (Tendering) (England) Regulations 2002 (as amended) (known as the 'de-minimis' rules), to agree the spend of up to £201,511.48 per year over four years, secured under and in accordance with the section 106 Agreement with Persimmon Homes dated 30.06.2014.

2 To delegate authority to the Corporate Director for Growth and City Development to:

(i) directly award (subject to appropriate Contract Procedure Rule exemptions) and enter into a contract/s service subsidy agreement/s with Nottingham City Transport for the extension of the Monday to Saturday daytime commercial bus service route 50 to serve the Teal Close Development, of up to four years duration;

(ii) modify /extend existing tendered contracts with Nottingham City Transport in compliance with regulation 72 of the PCR 2015 for the extension of the existing evening and Sunday service, to serve the Teal Close Development of up to four years duration; and

(iii) apportion the section 106 funding proportionally, over the duration of the above contracts terms, in the amounts set out at Table 1.

(iv) spend up to £30,000 (plus indexation of £3,371.05) and issue up to 180 Robin Hood Card passes each of up to 3 month duration for households within the development.

3 To note section 151 Officer spend approval has been obtained (ref: 3485) and appropriate exemptions from the Council's Contract Procedure Rules to facilitate the direct

award of a contract/s to Nottingham City Transport Ltd under the Service Subsidy Agreements (Tendering) (England) Regulations 2002 (as amended) will be required.

1. Reasons for recommendations

1.1 To spend the available funding with Nottingham City Transport Ltd for the commercial service (Monday to Saturday before 19:00 hours) and for the contract bus service (evenings and Sundays), to allow the extension of bus service 50 into the Teal Close residential development at all times and days of operation, and to provide up to 180 Robin Hood Card passes to households. These measures will encourage increased use of public transport and thereby help ensure the sustainability of the development.

2. Background (including outcomes of consultation)

- 2.1 The bus service to be extended is Service 50, provided by Nottingham City Transport Ltd. In the short term a commercial bus operator would not see enough passenger demand to justify an extension into the Teal Close development. This funding will ensure that a service is provided and will provide a sustainable mode choice for residents before travel demands are formed.
- 2.2 The financial assistance being provided does not comprise a subsidy. There is no likelihood of any distortion of the market i.e. no genuine likelihood of any other provider bidding to operate this short extension of the route. This would involve the provision of a separate service, and the duplication of vehicle and driver resources at full cost, rather than as an add-on to what is there already.
- 2.3 There is inherently no genuine/ or more than hypothetical evidence or likelihood of potential market entry by another operator for such a small and specific route extension, the award of the agreement/ passing on of the funding would not constitute a 'subsidy' for the purposes of the Subsidy Control Act 2022 and therefore not require compliance with a subsidy control regime principles assessment.
- 2.4 The daytime service (Monday to Saturday before 19:00 hours) is operated commercially, with the evening and Sunday service provided as a tendered service under contract from the Council. The commercial journeys account for 78% of the departures on the service. This element is supported, at present, with £45,000 per year in funding for the post-Covid recovery period only. This is a 'de minimis payment' and brings the commercial element of the service up to break-even level, and does not fund any profit or indirect costs. Without this payment, Nottingham City Transport Ltd are very likely to reduce frequencies or withdraw the service and it would have to be put out to tender. This would be likely to lead to a higher price overall than the current arrangements.
- 2.5 The tendered evening and Sunday service commenced in December 2023 and is under contract with Nottingham City Transport Ltd until November 2025 (and can be extended on a 2+1+1 basis until November 2027) using funding from the Bus Service Improvement Plan.
- 2.6 The Section 106 funding will provide support for the extension of the bus service 50 into the Teal Close development at Netherfield. The site is within Gedling Borough but the funding has been provided to Nottingham City

Council as part of a Section 106 (Town and Country Planning Act 1990) Agreement with the developer of the site, Persimmon Homes Limited, to support bus services between the site and the centre of Nottingham and points along the route.

- 2.7 At the time the Section 106 agreement was first discussed, in 2014, the Victoria Park area of Netherfield was served by a Nottingham City Council bus service. This was replaced by the commercial bus route in September 2019, and therefore the funding has to be spent with Nottingham City Transport Ltd in line with the updated section 106 Agreement.

The 'de minimis' method of payment:

- 2.8 This funding will be paid to Nottingham City Transport Ltd on 'de minimis' principles. The provisions in these regulations are commonly known as the 'de minimis' rules/exemptions, under which local transport authorities are in some cases excepted from the requirements to let bus support contracts through competitive tender.
- 2.9 The 1985 Transport Act (as amended by the 2000 Transport Act) introduced the provisions which govern the duties of local passenger transport authorities to secure local bus services where these would not otherwise be met. In the majority of cases these services have to be secured through competitive tender.
- 2.10 Local transport authorities with a forecast expenditure on bus service subsidies in any one year of £600,000 or more are permitted to spend up to 25% of this on 'de minimis' contracts; within this 25% there is no limit on the expenditure in any one year that may be incurred on an individual 'de minimis' contract or the amount of 'de minimis' contract expenditure in any year with a single operator. The maximum length of a 'de minimis' contract is five years, like that of a tendered contract.
- 2.11 Based on 2024/25 spend levels, the Council will be within the 'de minimis' thresholds outlined in the paragraph above. However, responsibility for procuring public transport services is expected to transfer to the East Midlands Combined County Authority (EMCCA) at some point during a transition phase up to March 2026. This may affect the Council's ability to meet its 'de-minimis' thresholds and so it will need to ensure future arrangements for paying the grant are legally compliant, as outlined in paragraph 7.6 below (legal colleague comments).

3. Other options considered in making recommendations

- 3.1 To not accept the money from the developer, and not allow funding for the bus service. However, this would mean new residents would not have access to a public transport service, increasing the likelihood of travel habits which are not sustainable.

4. Consideration of Risk

- 4.1 There is a risk that the Council does not comply with the terms of the Agreement made with the developer for the use of the funding. The Council

will ensure that it complies with the terms set out, and where appropriate, it will pass obligations through to the provider (NCT) through a Services Agreement. Such obligations will include written confirmation that the Provider will use the contribution for extending service 50 and for no other purposes, and liability to repay any part of the funding (including interest) which has not been spent or committed within five years of its receipt (by 17th June 2027).

4.2 There is an expectation that budgets for public transport services will transfer to EMCCA during a transition period (1st April 2024 – 31st March 2026), which could mean the Council no longer satisfied the thresholds required for payments to be made under the 'de minimis support agreement. The Council will need to ensure it is legally compliant following any change (see section 7 below), by considering alternative contractual arrangements in conjunction with the EMCCA and developer.

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

5.1 Building a short extension onto the existing commercial service is considered to be the most efficient method of provision, with no duplication. The commercial service currently provides 78% of all journeys on the service and the extension of the route from Victoria Park into Teal Close will account for only 16% of the overall route mileage.

5.2 To tender separately for the additional service, rather than extend the existing provision on Nottingham City Transport Service 50. This would lead to a duplication of provision, at significant additional costs.

6. Commissioner Comments

The Commissioners are content with this report.

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

7.1 The decision to use Section 106 funding (£680,000 + £122,044.48 indexation) to support the extension of Bus service 50 into the Teal Close development is supported.

7.2 The timeframe for the extension of bus service 50 is yet to be confirmed as the highway requires to be adapted for bus use.

7.3 The funding would be transferred to Nottingham City Transport Ltd in 4 yearly instalments once satisfactory adaptation has taken place.

7.4 The full amount of S106 contribution owed to the Council was received on 17^h June 2022 as follows:

Contribution	Agreed	Index	Total
Service 50 Contribution	680,000.00	122,044.48	802,044.48
Travel Pass Contribution	30,000.00	3,371.05	33,371.05
TOTAL	710,000	125,415.53	835,415.53

7.5 **Schedule 12** of the Variation Agreement contains the covenants that the City Council has made with the developer and the Borough Council. Essentially, they commit the City Council as follows:

- To pay the Service 50 Contribution to the Provider towards the provision of the Service 50 Extension;
- That we must first receive written confirmation from the Provider to use the contribution for this purpose and for no other purposes;
- That we must provide this written confirmation to the developer or the Borough Council on request (no more than one request in any six month period);
- If any part of the contribution has not been expended or committed for expenditure within 5 years of the date of receipt, then if requested by the party having made the payment, we must pay that amount back together with interest.

7.6 On approval, the Council will need to secure the written confirmation from the Provider as set out in Schedule 12, after which the Council may make arrangements to pay over the Service 50 contribution to the Provider.

7.7 In addition to the above, a further £33,371.05 (£30,000 plus indexation) was received on the same date. This is to be used to provide up to 180 Robin Hood Scheme passes to households within the development to encourage adoption of the new bus route, and aligns with the clean city objective. The use of these monies will be monitored by Public Transport staff, within Nottingham City Council to ensure no overspend. This will be reflected in the budget and forecast for the service area, and updated on relevant documents such as the grant register, also liaising with Finance who hold the S106 funds until spend is made to ensure transfer of funds are made to the Service. The conditions for the Travel Pass Contribution are as follows:

- To use the Travel Pass Contribution towards the provision of free access to public transport for residential occupiers of the Development (according to the detailed rules set out in the schedule);
- If any part of the contribution has not been expended or committed for expenditure within 5 years of the date of receipt, then if requested by the party having made the payment, we must pay that amount back together with interest;
- That we must provide evidence of the expenditure to the developer on request (no more than one request in any six month period).

Advice provided by Paul Rogers, Finance Business Partner (G&CD) 29/02/2024 and by Sarah Baker, Senior Commercial Business Partner (G&CD) 11/04/24

8 **Legal colleague comments**

8.1 Under section 63 of the Transport Act 1985, as amended by the Transport Act 2000, English local authorities outside London have a duty to provide subsidised bus services where there are no commercial services and where they think it appropriate. A bus subsidy contract is a contract for a public passenger transport service as defined in section 63 (10) of the 1985 Transport Act.

- 8.2 Services are tendered and let to commercial operators in return for payment from the council. The powers of local authorities to subsidise public passenger transport services are subject to the detailed tendering provisions laid down in sections 88-92 of the 1985 Act, and in the Service Subsidy Agreements (Tendering) (England) Regulations 2002 (SI 2002/2090), as amended. Section 89 of the Transport Act 1985 requires the Council to seek competitive tenders before entering into agreements to make payments for local bus services.
- 8.3 Under the Service Subsidy Agreements (Tendering) (England) Regulations 2002 (as amended) various agreements that provide for the payment of service subsidies as part of the provision of a local service are excluded from the tendering through competition requirements of section 89(1) of the Transport Act 1985. These are known as 'De-minimis' subsidy agreements.
- 8.4 Without de minimis, the requirements of the tendering process are in some circumstances either disproportionate to the outcome or an inappropriate way of achieving a practicable result. The authority is required (Transport Act 2000) to select the tender "solely by reference to what in their view is the most effective and economic application of the funds at their disposal for the payment of service subsidies" – i.e. best value taking into account, for example, quality and network benefits in the policy and budgetary context. The Transport Act 2000, which replaces the 1985 Act requirement not to inhibit competition, states that the authority must "have regard to the interests of the public and of persons providing public passenger transport services in their area." In other words, the Authority must consider the operators as well as the public in order to take full advantage of the market for the supply of bus services.
- 8.5 Nottingham City Council is understood to be a Local Authority with forecast expenditure on bus service subsidies in 2024/2025 of £600,000 or more and will be able to spend up to 25% of this on de minimis contracts (Regulation 3A); within this 25% there is no limit on the expenditure in any one year that may be incurred on an individual 'de minimis contract' or the amount of de minimis contract expenditure in any year with any single operator.
- 8.6 It should be noted that the regulation provides a definition of forecast expenditure - 'the amount that an authority expects to spend on service subsidies in a financial year'. In determining what their forecast expenditure is for the coming year, the Council will need to consider the amount they expect to spend on bus subsidy contracts rather than the source of these funds. Longstanding guidance on the de-minimis regime advises to ensure the forecast expenditure is verifiable by a suitably qualified individual in the Council. This will ensure the forecast expenditure is reliable and give assurance to bus operators and third parties that any contract is not unlawful and will act to minimise the risk of challenge. "For any service subsidy agreements that remain in force for more than 12 months, the amount of subsidies payable in any one year under the agreement in future years cannot exceed 25% of the forecast expenditure, current at the time the agreement was made". It should be noted that due to the uncertainty over Council's the control of the public transport budget, and the likely transfer to the EMCCA this would mean that other than in 2024/25 the Council may be unable to comply with the expectation in the regulation on forecast expenditure for the period 2025-2028. In those circumstances, the Council should not risk

committing to a contract length extending beyond 2024/25 initially. Thereafter, if a transfer of budgetary responsibility occurs, the Council will need to consider other contractual arrangement under which assurance of continuing compliance with the 'de-minimis' regime can be given to ensure the lawfulness of the future payments. A contractual warranty provided EMCCA would likely be required.

- 8.7 Bus Service Route 50 is operated commercially by Nottingham City Transport Ltd (NCT) as the bus service provider/operator at present during the daytime (Monday to Saturday before 19:00 hours), alongside an additional tendered contract for evenings (Mon- Sat after 19:00 and Sundays). The route does not currently extend into the Teal Close estate. The proposed service would change because of the extension into the Teal Close estate, as it would rectify a gap in public transport service provision for the development in question. Subject to the above 'de-minimis' thresholds being complied with, a service subsidy contract/s or agreement/s could be awarded for the short Teal Close route extension on the basis of the justification in the report for the proposed term, as a full, tender would not achieve a practical result and represents an effective and economical use of funding. This would in effect comprises a direct award to Nottingham City Transport as the current provider of this route. This would also be permissible under the Council's own Contract Procedure Rules (Article 18. 94 and Art 18 Appendix A exemption procedure) subject to the necessary exemption from usual procurement procedure form being approved.
- 8.8 The existing tendered contract (for the Mon- Sat evening and Sundays Service), can be extended as already provided for in the contract and service specification procurements documents, up to Nov 2027. An extension of the route is also possible as this is also provided for in the contractual procurement documents. The extension must be dealt with/ carried out in accordance with the clause 36 contract variation procedure. As a Public Service Contract procured in accordance with the Public Contract Regulations 2015, any modification may be made lawfully without a new procurement procedure (reg 72 (1)(a)) "where the modifications, irrespective of their monetary value, have been provided for in the initial procurement documents (i.e. the contract) in clear and precise and unequivocal review clauses, which may include price revision clauses or options, provided that such clauses (i) state the scope and nature of possible modifications or options as well as the conditions under which they may be used, and (ii) do not provide for modifications or options that would alter the overall nature of the contract or framework agreement."
- 8.9 By apportioning funding arising from the s106 agreement, subject to compliance with the relevant thresholds and grounds specified above, the City Council would be able to subsidise the extension of the Route 50 bus service to fill the gap in provision, without tendering separately for the contract on the proposed extension to route 50 into the Teal Close Estate The regulations also now require the maximum length of any de minimis contract to be 5 years. The proposed contract and subsidy agreements are understood to be within this parameter.
- 8.10 The subsidy in this instance is to be funded through developer contribution (planning obligations), secured under a s106 Planning Agreement (as varied under s 106 A of the Town and Country Planning Act 1990 (as amended) when the City Council entered into a Deed of Variation on the 8 June 2022

("the s106 Agreement"). The contributions were deemed to be necessary to make the development acceptable in planning terms; directly relate to the development; and are fairly and reasonably related in scale and kind to the development under the provisions of section 122 of the CIL regulations 2010, as a condition of the award of planning permission. The s106 Agreement included a number of obligations, the contributions relevant to this report are the "Service 50 Contribution" and the "Robin Hood Card Contribution". The developer was required to pay the "Service 50 Contribution" to the City Council in 4 instalments (3 instalments of £170,000 plus indexation as set out in the s106 Agreement within 10 days of the 22 June 2022, and a final instalment of £170,000 plus indexation as set out in the s106 Agreement payable prior to occupation of any dwelling on the Teal Close site after 31 March 2022).

- 8.11 The agreement initially requires payment by the Developer of the Service 50 Contribution (plus indexation) to the Council as Local Planning Authority, but these must then be paid by the City Council to the bus service provider/s towards the extension of the Route 50 Bus Service to serve the Teal Close development (subject to being otherwise lawful). Details of the compliant route are outlined above.
- 8.12 The s106 Agreement also required the developer to pay £30,000 plus indexation towards free access to public transport for residents of the development, namely that the City Council will provide on demand and on the production of necessary proof of eligibility as set out in the s106 Agreement, Robin Hood Travel Cards valid for 3 months duration, to up to 180 eligible residents ("Robin Hood Card Contribution"), and it is noted that £30,000 plus indexation of £3,371.05 was received by the City Council on 17 June 2022.
- 8.13 The City Council received all 3 instalments of the Service 50 Contribution, namely £170,000 plus indexation of £122,044.48 on 17 June 2022, making a total Service 50 Contribution of £802,044.48 received. It is understood that none of the Service 50 Contribution or the Robin Hood Card Contribution has, prior to this report, been expended or committed for expenditure and is therefore available for allocation.
- 8.14 The City Council is liable to repay any part of the Service 50 Contribution and or the Robin Hood Card Contribution which has not been expended or committed for expenditure within 5 years of the date of receipt, together with interest to the date of the refund. Any unspent or uncommitted part(s) of the Service 50 Contribution and or Robin Hood Card Contribution which have not been expended or committed for expenditure by 17 June 2027 could therefore be clawed back from the Local Authority (with interest). In the circumstances, similar obligations in relation to the Service 50 Contribution should be passed/ flow through to the Provider (NCT) under the subsidy service agreement, to ensure NCT uses the contributions for the intended purposes.
- 8.15 Given the detailed information provided as to the extension of the route confirming there is inherently no genuine/ or more than hypothetical evidence or likelihood of potential market entry by another operator for such a small and specific route extension, the award of the agreement/ passing on of the funding would not constitute a 'subsidy' for the purposes of the Subsidy Control Act 2022 and therefore not require compliance with a subsidy control regime principles assessment.

- 8.16 It is understood the service subsidy agreements of this nature are drafted for the service by external legal advisers due to their complexity.

Richard Bines, Solicitor - Contracts and Commercial Team – Legal Services
28.03.2024

Tamazin Wilson, Senior Solicitor – Planning and Environment Team – Legal Services (re s106 Contribution) 19.04.24

9 Procurement comments

- 9.1 Procurement supports this request to use Section 106 Agreement funding of up to £680,000 (+ £122,044.48 indexation) to support the extension of Route 50 bus into Teal Close by way of varying the existing contract in place with Nottingham City Transport (CPU 6013) under 'de minimis' rules and by way of Regulation 72(1)(a) of the Public Contract Regulations 2015 as the Route 50 extension into Teal Close was already provided for in the tender specification and contract therefore, a tender process is not necessary.
- 9.2 This proves to be the most economical and effective option as the requirements of the tendering process are an inappropriate way of achieving a practicable result due to lack of competition.
- 9.3 This would also be permissible under the Council's own Contract Procedure Rules (Article 18. 94 and Art 18 Appendix A exemption procedure) subject to the necessary exemption from usual procurement procedure form being approved.
- 9.4 Procurement also supports the Section 106 Agreement funding of £30,000 (plus indexation) towards Robin Hood Card passes for up to a period of three months to encourage early adoption of public transport modes into Nottingham city centre.

Advice provided by Louise Dobson, Lead Procurement Officer

10 Crime and Disorder Implications (If Applicable)

- 10.1 There are no significant crime and disorder implications. The extended bus route into the Teal Close development will allow people to board and leave the service closer to their homes, including in the evenings.

11 Social value considerations (If Applicable)

- 11.1 In the absence of the s106 funding, the bus service would continue to terminate at Victoria Park Way and not continue into the Teal Close development. The service would be provided only between Nottingham city centre and Victoria Park Way.
- 11.2 This would mean a longer walk to the service from the development and would limit its growth as a service for the area.
- 11.3 The extended service will operate within 400m of more new residential properties. This will encourage sustainable travel as an option from the outset. The service will give frequent access to the city centre, Victoria Retail Park, Waterside and jobs and other facilities on the route. Interchange will also be available with other public

transport services and this will be further facilitated by the use of Robin Hood Cards by the residents of the development. In the central area, Service 50 follows a full circular route around the East Side, Victoria Centre, Old Market Square and Broad Marsh (close to Nottingham Railway Station).

12 Regard to the NHS Constitution (If Applicable)

12.1 None

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 this is an improvement to the existing bus service 50, due to its extension, with no detrimental effects on existing users. Some users will benefit from this provision.

Yes

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 there is no personal data collection involved.

Yes

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 this is covered by Executive Board, 18 October 2022, Greater Nottingham Bus Service Improvement Plan and Programme 2022/23 – 2024/25. The service will have a positive impact on the Council's Carbon aim to become Carbon Neutral as the service will be operated solely by electric buses.

Yes

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

16.1 Deed of Variation to S106 agreement dated 8 June 2022, in connection with an Agreement and Planning Obligation dated 30 June 2014 made under Section 106 of the Town and Country Planning Act 1990 (as amended) and relating to land at Teal Close, Netherfield in the County of Nottinghamshire. Planning Application Reference: 2020/0189 (Gedling Borough Council)

17 Published documents referred to in this report

17.1 None

Subject:	Approval to Consult on Supplementary Planning Documents
Corporate Director(s)/Director(s):	Sajeeda Rose, Corporate Director of Growth and City Development Paul Seddon, Director of Planning & Transport
Executive Member(s):	Councillor Jay Hayes, Executive Member for Housing and Planning
Report author and contact details:	Matthew Grant, Local Plan Manager matthew.grant@nottinghamcity.gov.uk
Other colleagues who have provided input:	Matt Gregory, Head of Planning Strategy and Geographic Information matt.gregory@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 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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Type of expenditure:	<input type="checkbox"/> Revenue <input type="checkbox"/> Capital If Capital, provide the date considered by Capital Board Date: N/a
Total value of the decision:	Nil
Section 151 Officer expenditure approval	Has the spend been approved by the Section 151 Officer? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A Spend Control Board approval reference number: N/A
Commissioner Consideration	Has this report been shared with the Commissioners' Office? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Any comments the Commissioners wish to provide are listed below.
Wards affected:	All Wards
Date of consultation with Executive Member(s):	10 June 2024
Relevant Council Plan Key Outcome:	
Clean, Green and Connected Communities	<input checked="" type="checkbox"/>
Keeping Nottingham Working	<input type="checkbox"/>
Carbon Neutral by 2028	<input checked="" type="checkbox"/>
Safer Nottingham	<input checked="" 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 checked="" type="checkbox"/>
Better Housing	<input checked="" type="checkbox"/>
Serving People Well	<input type="checkbox"/>
Summary of issues (including benefits to citizens/service users):	
<u>Purpose Build Student Accommodation Supplementary Planning Document (PBSA SPD)</u>	
<p>The PBSA SPD provides guidance on the requirements for new PBSA schemes to ensure that developments meet the evolving needs of students. In particular, it provides guidance on Policy HO5: Locations for Purpose Built Student Accommodation and Policy HO6: Houses in Multiple Occupation (HMOs) and Purpose Built Student Accommodation of the Land and Planning Policies Document - LAPP (2020) (Part 2 Local Plan). The promotion of the PBSA schemes that meet the needs of students should encourage students into PBSA ensuring that there is enough housing stock to meet wider housing needs, aligning with the emerging Housing Strategy objectives. The SPD will also complements actions within the Nottingham Student Living Strategy that was adopted in 2023. See Appendix A for a copy of the PBSA SPD.</p>	

Reduction of Carbon in New Development Supplementary Planning Document (Carbon SPD)

The Carbon SPD is a joint document with Broxtowe Borough Council and Nottingham City Council and provides detailed guidance on reducing carbon emissions in new developments, supporting policies in the Greater Nottingham Aligned Core Strategies Part 1 Local Plan, Nottingham City Council Local Plan Part 2, and Broxtowe Local Plan Part II. This SPD outlines strategies for energy efficiency, use of renewable energy, and sustainable construction, aligning with both councils' climate emergency declarations and carbon reduction goals. In particular, it provides guidance on [Policy 1: Climate Change](#) of the [Nottingham City Aligned Core Strategy - ACS \(2014\)](#) (Part 1 Local Plan) [Policy CC1: Sustainable Design and Construction](#) of the [Land and Planning Policies Document - LAPP \(2020\)](#) (Part 2 Local Plan). See Appendix B for a copy of the Carbon SPD.

Prior to adoption, these draft SPDs must be subject to consultation. A six week formal consultation period will be undertaken in summer 2024, during which notice will be given to interested parties. The results of this consultation will be considered and the draft SPDs will be amended if appropriate, before being reported back to Executive Board to be considered for adoption.

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

No

Recommendation(s):

1. To approve the publication of the draft Supplementary Planning Documents (SPDs) appended to this report for a period of public consultation.
2. To delegate authority to the Director of Planning & Transport to approve any minor changes required to the draft SPDs prior to public consultation commencing.

2. Reasons for recommendations

- 2.1 The production of the above SPDs will help to ensure that development meets the Council's aspirations for new student accommodation and promotes the City's carbon neutral ambitions.

3. Background (including outcomes of consultation)

- 3.1 SPDs are documents which add further detail to the policies in the Local Plan. They can be used to provide further guidance for development on specific sites, or on particular issues. SPDs are capable of being a material consideration in planning decisions but are not part of the statutory development plan.

Purpose Built Student Accommodation Supplementary Planning Document (PBSA SPD)

- 3.2 The SPD has been developed to provide further guidance of the implications of the Local Plan Part 2 policies:

- [Policy HO5: Locations for Purpose Built Student Accommodation \(PBSA\)](#)
- [Policy HO6: Houses in Multiple Occupation \(HMOs\) and Purpose Built Student Accommodation.](#)

- 3.3 The Council has successfully encouraged the PBSA market in Nottingham City centre and other appropriate locations, leading to the completion of a substantial number of new schemes. This increased capacity has been essential to accommodate the growing student population, transforming the

student accommodation market with a rising proportion of students opting for PBSA over on-street private rented housing.

- 3.4 In response to the evolving landscape of higher education and the diversification of the student population, including the change in international students, it is crucial to ensure that student accommodations are sufficient, adaptable, and responsive to changing needs.
- 3.5 This document therefore aims to:
- Provide guidance for developers embarking on PBSA projects within Nottingham.
 - Ensure that PBSA developments meet the evolving needs of students.
- 3.6 The document sets a framework of minimum standards and requirements that maintain quality while promoting innovation and affordability, rather than imposing rigid formats on PBSA developments.
- 3.7 The Council is committed to promoting PBSA developments that cater to returning students and diverse student household types who may have previously been deterred from choosing PBSA. By enhancing the appeal of PBSA, the Council aims to create a more inclusive and sustainable student housing market in Nottingham and help balance communities by providing a viable alternative to Houses in Multiple Occupation (HMOs). This aligns with the principles within the [Nottingham Student Living Strategy](#) that was adopted in 2023.
- 3.8 The document concludes that based on current evidence, PBSA schemes need to be cluster flat led, comprising at least 80% of the bedspaces provided in the building. As a result, new schemes with studios representing more than 20% of the overall bedspace will in general not be supported unless there are clear justifications for having a higher proportion. The document goes on to note that these proportions are based on current evidence and could be amended in the future in light of further evidence if for example there was a known growing number of voids within studios.
- 3.9 The document also provides guidelines and recommendations to facilitate the creation of PBSA that not only meet minimum standards but also enhance the overall student living experience. This includes proposals for minimum room sizes and social spaces which the developer would need to provide a justification for departing from. A suggested checklist for new PBSA schemes is also provided. This checklist outlines the key details and requirements for the PBSA scheme and may be adapted to meet requirements in the future.
- 3.10 The SPD applies to both conversions and new build PBSA proposals, assisting in the determination of planning applications for these developments alongside Local Plan policies and other relevant planning considerations.

Reduction of Carbon in New Development Supplementary Planning Document (Carbon SPD)

- 3.11 The Carbon SPD has been developed in collaboration with Broxtowe Borough Council and Nottingham City Council as part of the Councils ongoing efforts to reduce energy demand, improve energy efficiency, and enhance the use of renewable energy in new developments. The SPD provides more detailed

guidance to support the existing Local Plan policies of both councils, aiming to lower carbon emissions from new developments.

3.12 In 2019, both Nottingham City Council and Broxtowe Borough Council declared climate emergencies, underscoring their commitment to addressing climate change. NCC has set an ambitious goal to become the UK's first carbon-neutral city by 2028, a target known as Carbon Neutral Nottingham 2028 (CN28). Similarly, Broxtowe Borough has outlined its carbon reduction priorities through the Climate Change and Green Futures Strategy.

3.13 The [Greater Nottingham Aligned Core Strategies Part 1 Local Plan](#) sets out that all development proposals must mitigate against and adapt to climate change, complying with both national and local targets for reducing carbon emissions and energy use.

3.14 The SPD elaborates on how new developments can meet these requirements through:

- **Energy and Carbon Reduction:** Strategies include passive design, passive cooling, incorporation of green and blue infrastructure, enhancing building energy efficiency, utilising low-carbon heat sources and technologies, and integrating renewable energy.
- **Sustainable Construction:** Emphasis is placed on the prudent use of materials, including the reuse and recycling of materials, sustainable material selection, reducing embodied carbon, and promoting building reuse and retrofit.

3.15 The purpose of the SPD is to provide more detailed advice and guidance on implementing the policies within the adopted Local Plans of both Councils. It relates specifically to the [Greater Nottingham Aligned Core Strategies Part 1 Local Plan](#), the [Nottingham City Council Land and Planning Policy Local Plan Part 2](#), and the [Broxtowe Part 2 Local Plan](#).

3.16 When adopted, the SPD will be a material consideration in planning decisions, ensuring that developers consider this guidance in their proposals. The SPD applies to all new developments in Nottingham City and Broxtowe Borough, including refurbishments requiring planning permission, minor applications, and major applications for both residential and non-residential development.

3.17 The SPD will replace the [Nottingham City Council Informal Planning Guidance](#) and will supplement the [Nottingham City Council Design Quality Framework](#) for developments within the Nottingham City area.

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

4.1 Not producing or supporting the draft SPDs. This would however result in a lack of comprehensive planning guidance to underpin the Local Plan and jeopardise the City Council's development ambitions. The PBSA SPD is a key action from the adopted [Student Living Strategy](#). The Carbon SPD will promote the City's carbon neutral ambitions and is an action within the [Council Plan 2023-27](#).

5. **Consideration of Risk**

5.1 The [Levelling Up and Regeneration Act \(LURA\) 2023](#) introduces Supplementary Plans (SPs), set to replace Supplementary Planning Documents (SPDs) under the

new planning system expected in late 2024. SPs will differ from SPDs by covering only specific site-related content, supporting new developments, or enhancing existing policies in the development plan. If SPDs are not adopted before the new system is implemented, they cannot be formally adopted. Clarification has been requested from The Department for Levelling Up, Housing and Communities on timing and any potential transitional arrangements but they have not been able to provide any.

- 5.2 There is an inherent risk to development viability from additional planning requirements and restrictions. However, this risk is mitigated by the fact that SPDs expand on existing adopted policies and provide clarity for developers and decision-makers. This enables greater certainty for development and investment decisions.
 - 5.3 There is also a risk that this SPD goes beyond the remit of the policies within the Local Plan and could be open to legal challenge. However, the SPD has been drafted to provide further details and it is not considered that it is setting new requirements that are not linked directly to the Local Plan policies and uses up to date evidence to justify these requirements. The SPD will however now be subject to 6 weeks consultation which will mitigate the risk of challenge.
6. **Best Value Considerations, including consideration of Make or Buy where appropriate**
 - 6.1 The SPDs provide further detail on planning policies in the Local Plan. This will provide clarity for developers who submit planning applications, resulting in less officer time spent negotiating requirements and quicker decisions on applications.

7. **Commissioner comments**

- 6.1 The Commissioners are content with this report

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

PBSA SPD

- 8.1 The decision to enter a consultation for the Purpose Built Student accommodation SPD does not have any direct financial implications. The document is a framework which aims to create a more inclusive and sustainable housing market for Nottingham's student population, contributing to the rebalancing of our communities. Which aligns with citizens at the heart objective of Nottingham City Council; Therefore this is supported.
- 8.2 The consultation includes, Nottingham city's partners, The University of Nottingham and Nottingham Trent University, and it is planned to adopt the SPD in late 2024, after any required amendments regarding consultation comments.

Carbon SPD

- 8.3 The decision to enter a consultation for the Reduction of Carbon in New Development SPD does not have any direct financial implications, and aligns with Nottingham City Council's Carbon neutral objectives. The SPD is intended to reduce energy demand in new development and by doing so related costs; Therefore this is supported.

- 8.4 The consultation is aimed for summer, and it is planned to adopt the SPD in late 2024, after responding to any consultation comments. Broxtowe Council will also need to adopt the Reduction of Carbon in New Development SPD.

Comments provided by Paul Rogers Finance Business Partner (G&CD) and Geetha Blood Strategic Finance Business Partner (G&CD)
3 June 2024

9. **Legal colleague comments**

- 9.1 The power currently exists to adopt Supplementary Planning Documents to provide more detail and guidance in relation to Local Plan Policies. On adoption these can become material planning considerations. SPDs do not however form part of the “Development Plan Documents” of an authority and their adoption is purely an Executive function. The Board therefore has the power to release these documents for consultation in accordance with the relevant statutory procedure.

Comments provided by Ann Barrett, Team Leader and Tamazin Wilson, Solicitor
3 June 2024

10. **Strategic Assets & Property colleague comments**

- 10.1 Strategic Assets & Property rely on and use planning guidance such as the PBSA SPD when bringing relevant sites to the market. By providing good quality guidance and advice to the market ensures a faster paced disposal process and a development which is more likely to move through the planning process more efficiently.
- 10.2 The PBSA SPD set out in this report provides very good guidance, however feedback from potential purchasers for two significant student sites in the city centre has been that the principle of cluster flat led schemes is not always viable and not a model that developers and operators would follow. The concern is that this approach could impact the market value of any potential student development sites which the Council or private sellers may bring to the market. Providing there is an appropriate mechanism in place for developers/operators to justify/prove that alternative mixes are viable then this risk will be mitigated.

Carbon SPD

- 10.3 Strategic Assets & Property have reviewed the Reduction of Carbon in New Development SPD and are in support. The availability of high quality guidance for developers will improve energy efficiency and the use of renewable energy in new developments, it will also provide clear guidance to developers who are bidding on Council owned sites which will assist in removing uncertainty and resulting price chips during negotiations. Strategic Assets & Property will advise that developers seek the guidance of the Planning Authority as early as possible in the development timetable to ensure high quality and compliant developments.

Comments provided by Beverley Gouveia, Head of Property
4 June 2024

11. Other relevant comments

PBSA SPD

- 11.1 This is a well put together documents that promotes a higher standard for the bedroom minimum for student, this is a great position for NCC to have. Paragraph 4.7 is good as are the suggested room standards.

Comments provided by Julie Liversage, Operations Manager, Housing Licensing & Compliance (HMO)
7 June 2024.

- 11.2 The SPD is clear in its objectives and intended outcomes. It aligns effectively with the council's draft emerging Housing Strategy. It also explicitly mentions objectives that the council have broadly endorsed. This alignment is a notable strength of the document.

Comments provided by Dan Lucas, Housing Strategy and Partnerships Manager
10 June 2024

12. Crime and Disorder Implications (If Applicable)

- 12.1 The PBSA SPD should ensure that new PBSA provision is designed to increase safety of students and reduce the potential of crime and antisocial behaviour.

13. Social value considerations (If Applicable)

- 13.1 The PBSA SPD will ensure that future PBSA schemes are well designed and so will enhance social value. It is also aimed at freeing up on street housing for occupation by other households.
- 13.2 The Carbon SPD should ensure that future development, and in particular residential developments will be more cost effective to run through suitable design guided by the SPD.

14. Regard to the NHS Constitution (If Applicable)

- 14.1 Not applicable.

15. Equality Impact Assessment (EIA)

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

No

Yes

The SPDs amplifies policies in the Part 2 Local Plan (The Land and Planning Policies document); please view the [EqIA for the Local Plan Part 2](#) including documents with references LAPP-CD-REG-11, LAPP-CD-REG12, LAPP-CD-REG-13).

16. Data Protection Impact Assessment (DPIA)

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

No

A DPIA is not required because no special category data has been collected during the preparation of the SPD and all personal data collected as part of the consultation will be in accordance with a Privacy Notice.

17. Carbon Impact Assessment (CIA)

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

No

Yes

Attached as Appendix C (PBSA SPD) and D (Carbon SPD), and due regard will be given to any implications identified in it.

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

18.1 None.

19. Published documents referred to in this report

- [Greater Nottingham, Broxtowe Borough, Gedling Borough, Nottingham City Aligned Core Strategies \(Part 1 Local Plan\), September 2014.](#)
- [Nottingham City Land and Planning Policies Development Plan Document,\(Local Plan Part 2\) Submission Version, March 2018.](#)
- [Informal Planning Guidance on The Reduction of Carbon, June 2022](#)

SUPPLEMENTARY PLANNING
DOCUMENT

Purpose Build Student Accommodation



July 2024

Quick Guide to Purpose Built Student Accommodation Supplementary Planning Guidance

This document provides guidance on the requirements for new Purpose Built Student Accommodation. In particular the SPD provides further details to [Policy HO5: Locations for Purpose Built Student Accommodation](#) and [Policy HO6: Houses in Multiple Occupation \(HMOs\) and Purpose Built Student Accommodation](#) of the [Land and Planning Policies Document - LAPP \(2020\)](#) (Part 2 Local Plan).

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1. Foreword

- 1.1 As the Portfolio Holder for Housing and Planning for our vibrant and dynamic City, I am pleased to introduce this Supplementary Planning Document (SPD) focused on Purpose Built Student Accommodation (PBSA). Nottingham's landscape of higher education is ever evolving, with a diverse student population shaping our City's character and vitality. In response to this evolution, it is crucial that our accommodation offer remains adaptable and responsive to the needs of our students.
- 1.2 This SPD serves a dual purpose: to provide clear guidance for developers undertaking PBSA projects within Nottingham, and to ensure that these developments align with the evolving needs of our student community. Rather than prescribing rigid formats, our aim is to establish a framework of minimum standards and requirements that uphold quality, while encouraging innovation and meeting students' needs.
- 1.3 We are committed to fostering the development of PBSA that caters for all students including returning students and other demographics who may have been deterred from seeking accommodation in PBSA previously. By broadening the appeal of PBSA, we aim to create a more inclusive and sustainable housing market for Nottingham's student population, contributing to the rebalancing of our communities.
- 1.4 Throughout this document, developers will find practical guidelines and recommendations aimed at facilitating the creation of PBSA that enhances the overall student experience. We invite developers, stakeholders, and the wider community to engage with this document, contributing their insights and expertise to shape the future of student accommodation in Nottingham.
- 1.5 This SPD will play a crucial role in determining planning applications for PBSA developments, ensuring that they meet acceptable space standards and prioritise the health and wellbeing of our students. By following the guidance outlined in this document, developers can streamline the planning process, minimising the need for lengthy negotiations and ultimately delivering high-quality accommodation that enriches the fabric of our City.

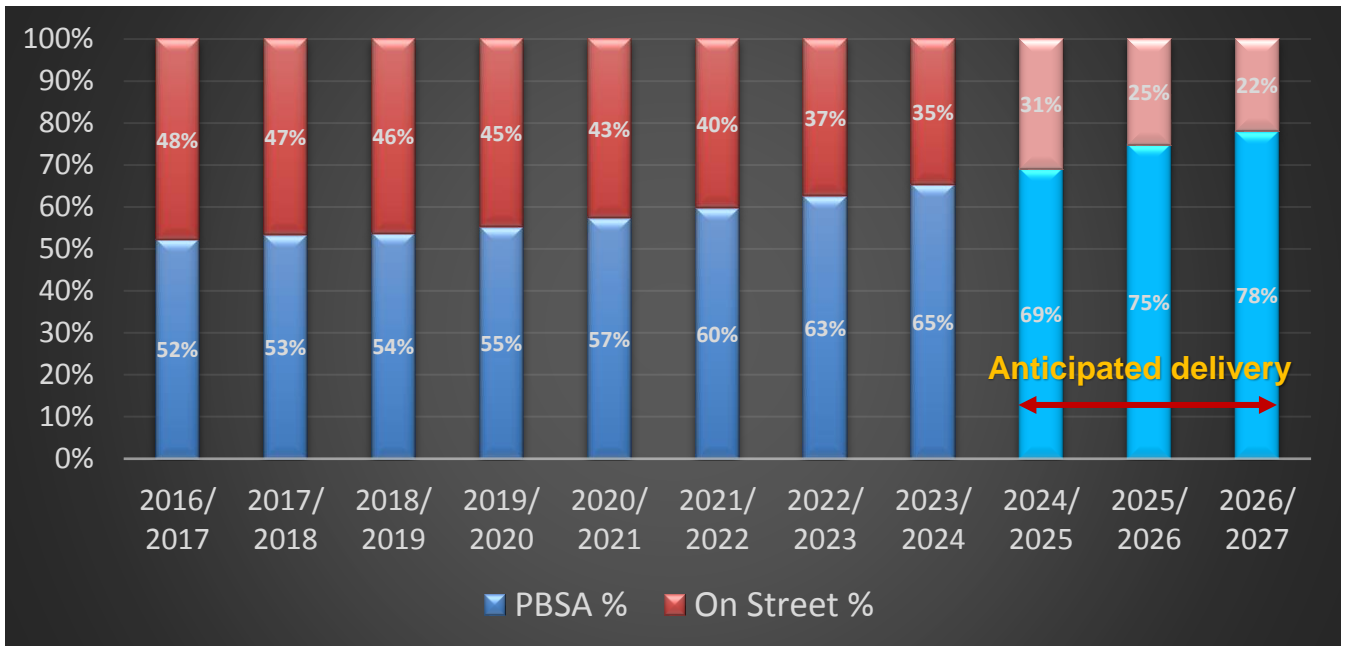


Councillor Jay Hayes
Portfolio Holder for Housing, Planning and Heritage
Nottingham City Council

2. Purpose and Status of the Document

- 2.1 Supplementary Planning Documents (SPDs) provide further detail and explanation to support policy in the Nottingham City Local Plan. SPDs are a material consideration in making decisions on planning applications.
- 2.2 This SPD has been prepared to explain the implications of the Local Plan Part 2 ([Nottingham City Land and Planning Policies Development Plan Document](#), LAPP) and in particular;
- [Policy HO5: Locations for Purpose Built Student Accommodation](#); and
 - [Policy HO6: Houses in Multiple Occupation \(HMOs\) and Purpose Built Student Accommodation](#).
- 2.3 The SPD does not consider issues regarding the principle of the locations of PBSA schemes, as these matters are already covered in detail in Policy HO5.
- 2.4 As the landscape of higher education evolves, and the student population continues to diversify, for instance through changes to the number of international students, it is imperative that there is sufficient accommodation for students that remains adaptable and responsive to their needs.
- 2.5 This document has two purposes: to provide guidance for developers embarking on PBSA projects within Nottingham, and to ensure that these developments align with the evolving needs of our student community. The council's aim is not to prescribe rigid formats for PBSA, but rather to establish a framework of minimum standards and requirements that uphold quality while fostering innovation and affordability.
- 2.6 Recognising the importance of affordability and accessibility in student housing, the council is committed to encouraging the development of PBSA that focuses on returning students and other student demographics who may have previously been deterred from choosing PBSA. By broadening the appeal of PBSA, the council is seeking to create a more inclusive and sustainable housing market for Nottingham's student population and help to rebalance communities by encouraging a direct alternative to Houses in Multiple Occupation (HMOs).
- 2.7 The council has been very successful in encouraging the PBSA market in Nottingham with substantial completion of new schemes. This additional capacity has been essential as student numbers increased and has transformed the student accommodation market with a growing proportion of students living in PBSA compared to on-street private rented accommodation as illustrated in Figure 1.

Figure 1: Growing % of Students living in PBSA compared to On-street Accommodation



- 2.8 Throughout this document, developers will find guidelines and recommendations aimed at facilitating the creation of PBSA that not only meet minimum standards but also enhance the overall student experience, thus ensuring that future PBSA schemes contribute positively to the fabric of our City and the well-being of all citizens.
- 2.9 The SPD will apply to both conversions and new build PBSA proposals and will help to determine planning applications for these types of developments alongside the policies within the Local Plan and other material planning considerations.
- 2.10 New PBSA which follows the requirements in this document, should prevent the provision of inappropriate accommodation that could jeopardise the health and wellbeing of students. Furthermore, these standards will aid developers in ensuring that forthcoming proposals adhere to acceptable space standards, thereby minimising the necessity for lengthy negotiations.

3. Consultation

Details of the Consultation

- 3.1 This draft SPD has been prepared for public consultation, the results of which will help shape the final document. The consultation period runs from (dates to be confirmed – anticipated to be **Monday 29 July through to Monday 9 September**) in keeping with the council's [Statement of Community Involvement](#) (SCI).
- 3.2 You may comment on this SPD by completing the online [consultation form](#). If you require an alternative way to make consultation comments, please contact localplan@nottinghamcity.gov.uk. Please use this same email address to contact the Planning Policy Team if you have any questions on this draft SPD.

What happens after the consultation?

- 3.3 At the end of the consultation period the council will consider all comments received and make appropriate changes before publishing the final SPD. A Report of Consultation will be prepared summarising the comments received during the consultation period and the changes made to the final document as a result, along with a formal adoption statement.

4. Introduction

- 4.1 This SPD provides additional advice and guidance specific to Purpose Built Student Accommodation (PBSA) in Nottingham. It complements the [Policy HO5](#) and [Policy HO6](#) of the Local Plan. It is intended for use by developers, the public and by planning officers in the assessment of planning applications for new PBSA developments within the City.
- 4.2 Where relevant to a particular development proposal, this SPD will be taken into account as a material consideration when determining planning applications.

Background

- 4.3 The council recognise that students studying and living within Nottingham make a significant contribution to local and regional economies. For the City, the growth in the number of students wishing to study at the City's award winning universities has presented a significant economic opportunity for Nottingham.
- 4.4 However, the rapid expansion of student numbers over recent years has also led to a range of negative side effects, in relation to pressures on housing, local amenities and other environmental impacts including waste and noise issues and other anti-social behaviour. It is considered that well planned and appropriately located and managed PBSA can provide an alternative to some students living within residential areas thereby helping to rebalance these communities. It is not the intention of the council that all students will live within PBSA and it is acknowledged that students have a varied range of housing needs and preferences. It is also recognised that shared accommodation within private rented housing close to the universities will remain as the preferred choice for many students. However, providing a direct alternative to traditional on-street housing should reduce the demand and consequently the pressures on these communities.

How will the SPD be used for decision making?

- 4.5 The SPD will be used to assess future planning applications for PBSA. It will also be used by planning officers to provide pre-application advice and guidance on such developments.
- 4.6 The council will work with applicants, wherever possible, to address relevant issues. Where an application fails to meet the standards in this SPD, planning permission will normally be refused.
- 4.7 The council acknowledges that the Nationally Described Space Standards were not specifically tailored for student living and acknowledges the differences between student accommodation and traditional housing. Students typically inhabit their accommodation for a fixed duration each year. Moreover, students tend to utilise private spaces like bedrooms for extended periods, including for study purposes.

Hence, it is crucial to ensure these areas are adequately conducive to studying. This SPD recommends appropriate space standards that cater for the unique requirements of students for new PBSA.

Methodology

- 4.8 The Local Plan team carries out extensive monitoring of student accommodation that has helped inform the development of this SPD. The output of this monitoring is hosted on the [Planning for Student Accommodation](#) web page. This includes analysing Student Council Tax Exemptions (CTE) as an indication of where students live and looks at trends in changes to the distribution of students across the city and where the highest concentration of students are. Since 2014 the council has also carried an annual PBSA occupancy survey. The PBSA pipeline is also closely monitored by having both a [PBSA app](#) which shows the location of all known and proposed PBSA schemes (including likely delivery dates) and also a [PBSA dashboard](#) that summaries this data.
- 4.9 The council also works very closely with the two Universities in Nottingham to better understand their future plans. This work has allowed for collaborative working and led to the adoption of the [Nottingham Student Living Strategy](#) (SLS). The council also works closely with other key stakeholders including [Unipol](#) and the two Student Unions. This collaborative work has also informed this SPD.
- 4.10 In terms of the recommended space standards set out within this SPD, the council has made an analysis of recent approved PBSA developments in Nottingham and determined the general sizes of PBSA bedrooms (depending on room type), sizes of shared facilities, distribution within the scheme (locally within the cluster flat or generally within the scheme) and amount of facilities available (in relation to the number of expected students). The council has also carried out benchmarking by examining approved schemes in comparable university cities.

What is Purpose Built Student Accommodation (PBSA)?

- 4.11 PBSA is accommodation that is built, or converted, with the specific intent of being occupied solely by students¹ undertaking a full-time course of higher or further education. The type of accommodation can either be individual studios which are self-contained units with their own cooking and washing facilities or cluster flats where there are shared facilities including separate kitchen/living spaces and social spaces. In addition to personal or shared social spaces within these flats, most PBSA also has wider social facilities which are shared with all residents and can include study areas, social spaces, gyms, cinema rooms and indoor or rooftop open space etc.

¹ There may be occasions when the accommodation is used for non-students outside of term time subject to consent.

4.12 Although 'residential' in nature, PBSA has no formal use class definition within the planning system and is considered 'sui generis' (or unique/of its own class). It is therefore a form of development for which further guidance and clarification is appropriate to ensure the unique nature of the development can be adequately assessed. Planning permission is also required to change the use of PBSA to any other form of development.

What other forms of Student Accommodation are there?

- **University Accommodation – Halls of Residence**

4.13 This is accommodation provided directly by or on behalf of universities. It is a popular choice for 1st year students due to the proximity to university campuses and for creating friendship groups. The universities also provide a small proportion of traditional houses that they rent to their students. Such accommodation can be designed to meet the needs of certain students, such as post-graduates.



Nightingale Hall on University Park, Nottingham

- **On-street accommodation - Houses of Multiple Occupation (HMO) & the private rental market**

4.14 This is shared accommodation in traditional housing, often located in neighbourhoods close to the university's campuses. This accommodation tends to be the natural progression for students in years two/three. Such accommodation can be attractive to students due the proximity to campuses and is often cheaper than PBSA and offers a shared lifestyle with other students. Such accommodation is usually in the form of Houses of Multiple Occupation (HMOs)² but can also include small houses or City Centre flats³ (maximum 2 students).

² HMOs are classed as C4 under the Town and Country Planning (Use Classes) (Amendment) (England) Regulations 2020.

³ Housing is classed as C3 under the same order (page 123)



Typical student HMO housing in Lenton, Nottingham

What are the benefits of accommodating students in PBSA?

4.15 Purpose-Built Student Accommodation (PBSA) offers numerous benefits, these include;

- **Helps to prevent the loss of family homes:** By providing sufficient accommodation for students, PBSA prevents the conversion of family homes into HMOs, thereby preserving residential areas for families and other residents.
- **Reducing anti-social behaviour:** PBSA schemes help in managing issues like waste and noise within a contained environment, thus minimising disturbances in traditional housing areas and neighbourhoods.
- **Sustainability:** Newer PBSA developments are designed to be more environmentally friendly, contributing to lower CO2 emissions and promoting sustainable active travel options like public transport, walking, and cycling being often located in more accessible locations such as within the City Centre.
- **Higher density:** PBSA can accommodate more students per square metre compared to traditional housing, thereby efficiently utilising space.
- **Creating local employment opportunities:** PBSA schemes create jobs through construction but also require various staff roles, including security, cleaning, management, maintenance, and administration, thereby generating local job opportunities.
- **Catalyst for regeneration:** PBSA developments can act as catalysts for broader regeneration efforts, stimulating the development of housing, office spaces, leisure facilities, local retail outlets, and supermarkets, thereby contributing to economic growth and job creation especially when located within the City Centre.
- **More competitive private rental market:** An adequate supply of PBSA can lead to a more competitive student rental market, potentially controlling the growth of PBSA rents. This affordability can attract students in subsequent years, traditionally opting for lower-rent HMOs in their later years of study.

4.16 One of the major themes underpinning the Local Plan is the creation of balanced and inclusive communities. The planning process has an important role to play in the delivery of good quality housing that supports the creation of more balanced communities. It is also widely recognised that an overconcentration of student

accommodation relative to the wider community can lead to an imbalance in the community resulting in harm to residential amenity.

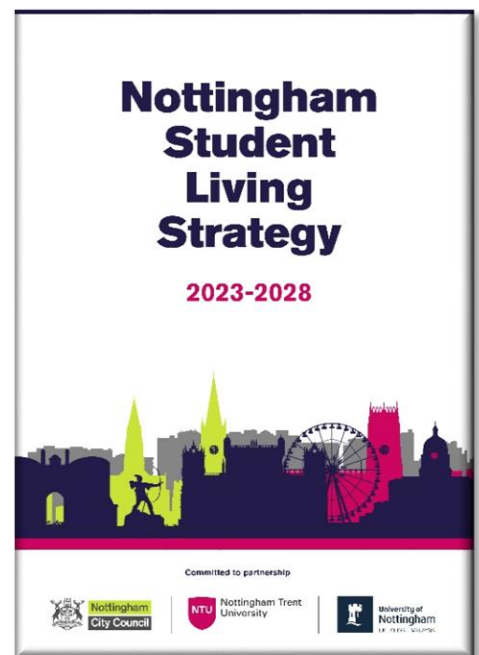
- 4.17 Well designed, appropriately located and effectively managed PBSA will therefore help reduce the negative impacts associated with concentrations of student housing.

Article 4 Direction on House in Multiple Occupation (HMO)

- 4.18 In Nottingham, an [Article 4 Direction](#) was established in 2012 and requires planning permission to convert a family dwelling (use class C3) into a House in Multiple Occupation (HMO – use class C4) accommodating 3 to 6 unrelated individuals. Properties hosting 7 or more unrelated people already require planning permission (as *sui generis* use).
- 4.19 Where there is already a ‘Significant Concentration’ of HMOs and/or student households in an area, calculated using the methodology in [Appendix 6 of the Local Plan](#), planning permission will not usually be granted for further HMOs. A ‘Significant Concentration’ is considered to be 10% of households.

Nottingham Student Living Strategy

- 4.20 The adopted [Nottingham Student Living Strategy](#) (SLS, 2023) was produced in collaboration between Nottingham City Council (NCC), the University of Nottingham (UoN), and Nottingham Trent University (NTU). It aims to address the multifaceted challenges associated with accommodating a large student population in Nottingham while fostering positive community relations and maximising the contributions of students to the City.
- 4.21 Recognising the significant economic impact of the two universities on Nottingham's economy, the SLS aims to strike a balance between meeting the housing needs of students and mitigating potential negative impacts on local communities. Through a combination of strategic priorities, including improving the quality and affordability of student accommodation, promoting neighbourliness, and enhancing community integration, the SLS endeavours to create a vibrant and inclusive environment for both students and long-term residents.
- 4.22 Since adoption of the Strategy, a SLS Implementation Group has been established to oversee the delivery of the SLS. This is made up of representatives from the three organisations as well as representatives from each of the Student Unions. The intention



is the Group will meet 3 times a year to review progress on the adopted actions and help facilitate where there may be issues on delivery. The success measures embedded within the Strategy will be key to examining how successful the actions are.

- 4.23 One of the key actions for the council is the production of this Supplementary Planning Document on PBSA to include guidance on accommodation, design, scale, layout, format and sustainability measures for new schemes with a key focus being on bringing forward a diverse mix of types of PBSA developments in particular reducing the proportion of studios across the market in Nottingham and increasing the proportion of cluster flats to provide an alternative to on-street housing that most returning students have a preference for.
- 4.24 The Universities as part of the SLS also routinely comment on planning applications for new third-party PBSA schemes and in particular supporting PBSA schemes which diversify the housing offer by providing a significant majority of cluster beds (currently 80% or more) to help rebalance the PBSA market and reduce the number of new studio flats coming forward in future schemes to maximum of 20%.

Monitoring of Student Accommodation

4.25 To monitor the ‘location’ of students within the City, Student Council Tax exemption (CTE) data is used. For consistency year on year, this is requested from Council Tax on 1 November each year. This data can be split down by ‘Halls’ and ‘Student Households’ (terms provided by Council Tax).

4.26 The Figure 2 below and subsequent Table 1 shows the number of student households.

Figure 2: Student Council Exemptions (2009-2023)

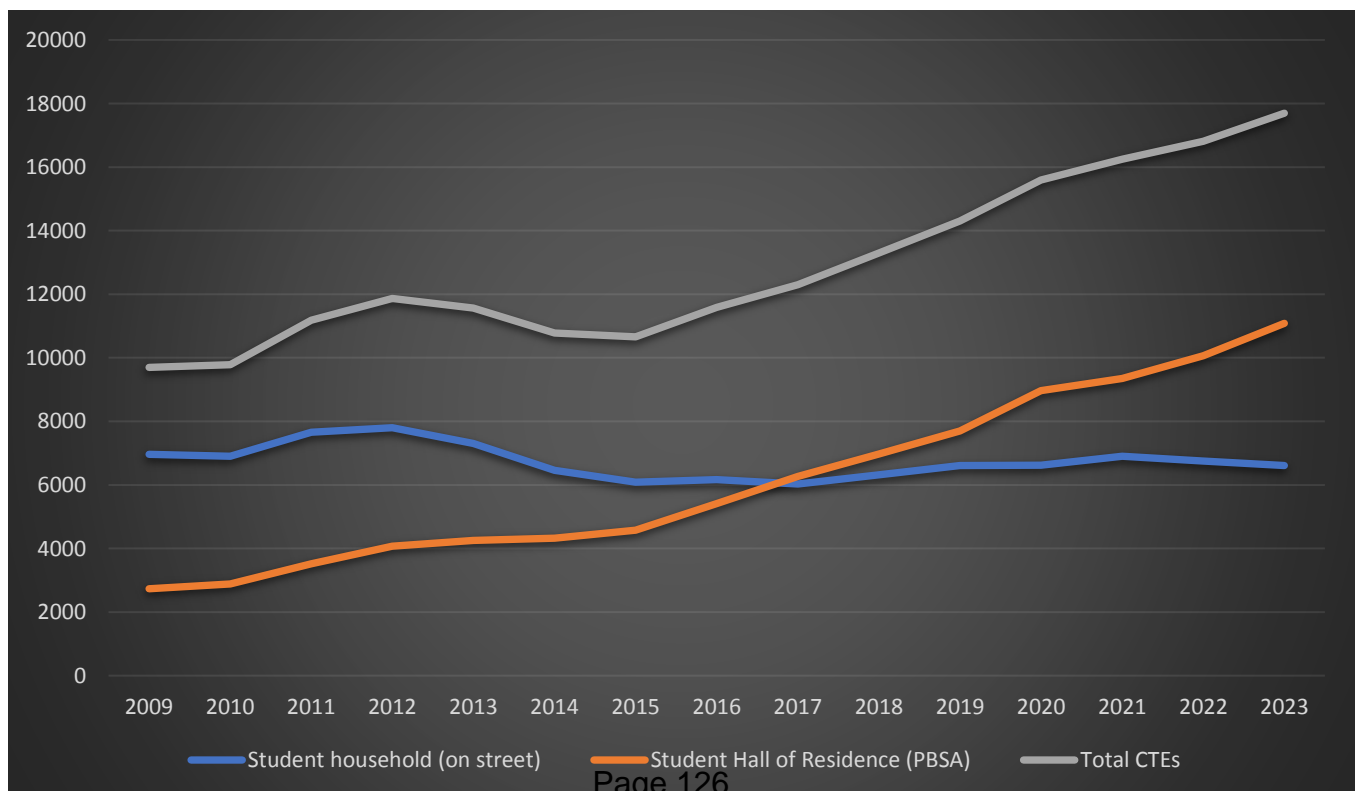


Table 1: Student Council Tax Exemptions (2009-2023)

Year	Student household (on-street)	Student Hall of Residence (PBSA)	Total CTEs
2023	6,611	11,084	17,695
2022	6,748	10,064	16,812
2021	6,900	9,348	16,248
2020	6,620	8,970	15,590
2019	6,610	7,693	14,303
2018	6,323	6,970	13,293
2017	6,029	6,272	12,301
2016	6,170	5,413	11,583
2015	6,084	4,572	10,656
2014	6,457	4,321	10,778
2013	7,310	4,254	11,564
2012	7,800	4,071	11,871
2011	7,658	3,521	11,179
2010	6,899	2,885	9,784
2009	6,965	2,733	9,698

4.27 The data shows that it is the number of PBSA CTEs that is increasing (in line with policy of promoting PBSA in appropriate locations – see column 2) - whilst the number of on-street households has remained reasonably static and for the last couple of years has started to show a decline.

On-street CTE are not all HMOs

4.28 It is not possible to tell what type of house/flat the on-street housing is – it could be C3⁴ or C4⁵ (HMO) as this data is not captured by Council Tax and there is no complete database that can be used to match it against. The council does have an HMO database from within Environmental Health, but this is not complete and there will be properties that are not licenced but operating as HMOs. However, it is considered that as there is a Local Plan policy to limit further C3 to C4 conversions, any growth in on-street CTE's has either been in areas where policy allows (concentration less than 25% previously and now 10% since the policy changed in 2020) or in flats or small houses (C3) where there are no restrictions. There is some evidence to show an increase in CTEs in new blocks of flats within the City Centre e.g. Saffron Court, London Road etc.

4.29 It is also worth noting that once a property is CTE it does not necessarily stay exempt, and there is 'churn' across the housing market. So, for example, if not all residents are students then the property cannot be classed as student Council Tax exempt, so this may change from year to year. It could be that a property is rented out as an HMO to non-student residents for a period, but this would still be permitted within the C4

⁴ Class C3 is use as a family dwelling house (can be occupied by between 1-2 unrelated individuals).

⁵ Class C4 is use as for small shared dwelling houses occupied by between 3-6 unrelated individuals, as their only or main residence, who share basic amenities such as a kitchen or bathroom.

classification and would allow the property to be rented to students again in subsequent years.

Council Tax Exemption data split down by high concentration wards

4.30 The graphs below show the number of CTE households split by PBSA (Figure 2) and on-street (Figure 3) households since 2015 for the 5 wards with the highest number of student CTE households.

Figure 3: PBSA Student Council Tax Exemption for wards with the highest number of students

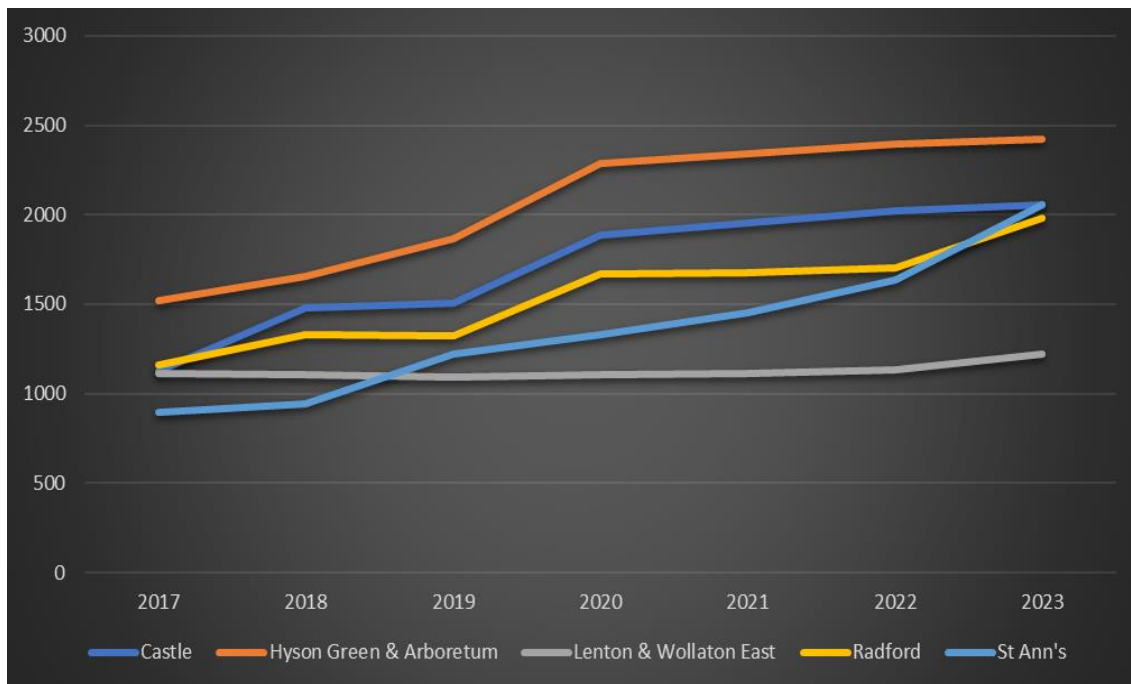
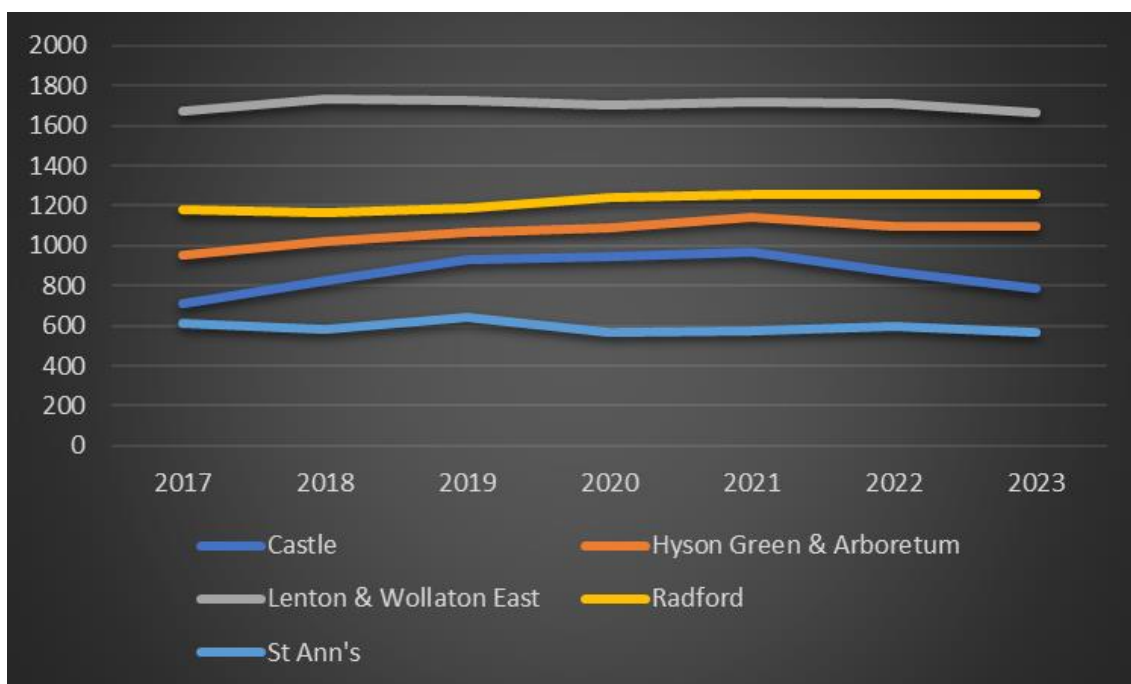
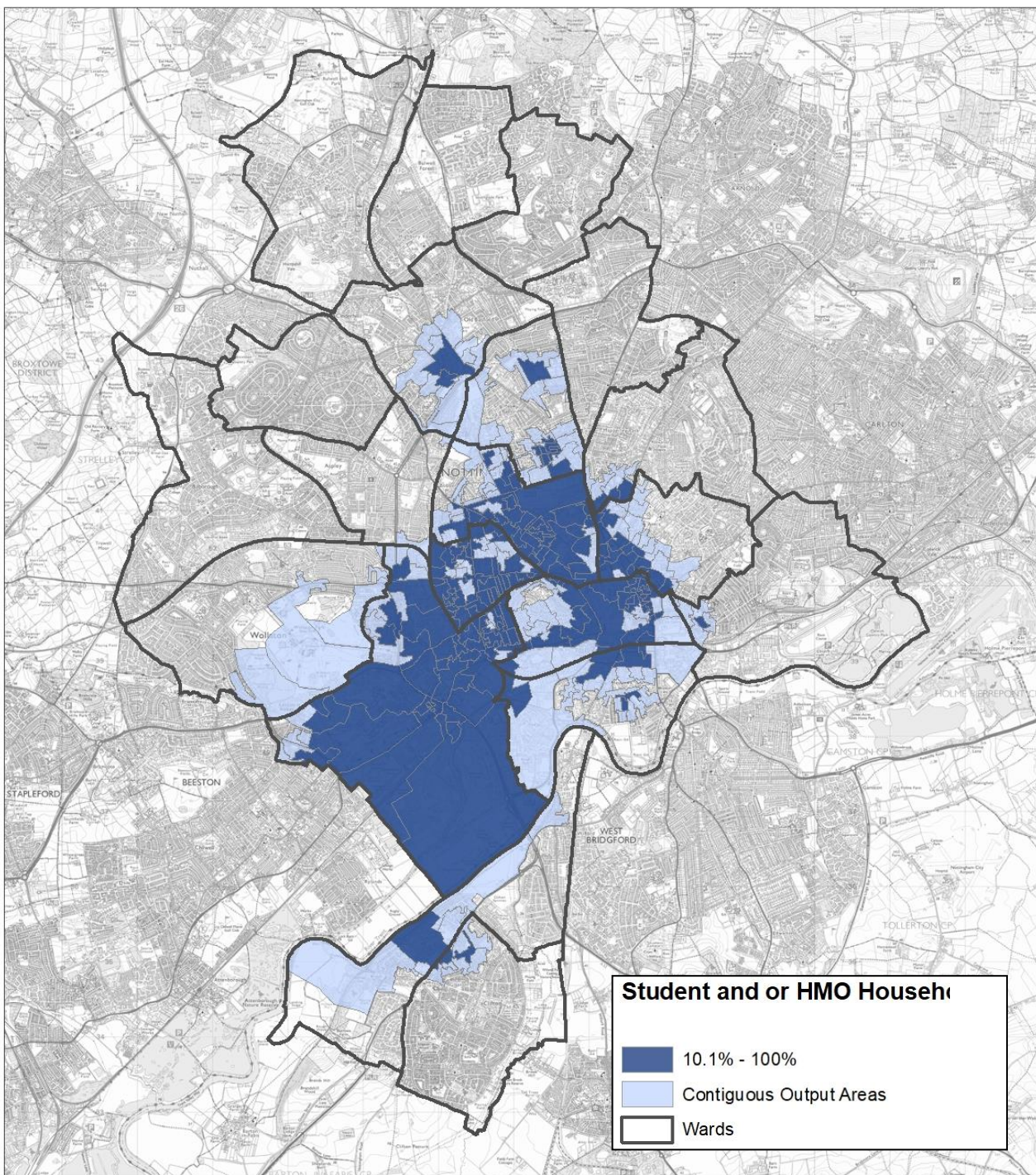


Figure 4: On-Street Student Council Tax Exemption for wards with the highest amount of students



4.31 The above graphs show that it is the PBSA CTEs that are driving the rise in these wards and that the number of on-street CTEs has remained reasonably static but is now starting to show a fall since 2021. Where there is any growth in on-street CTEs, given the policy to resist the change of use to HMOs then this could be in C3 homes/flats where there is no control over students living in those types of properties (flats or small houses, limited to 1 or 2 students). A map showing where the CTEs plus other known HMOs are concentrated is provided below (Figure 5).

Figure 5: Percentage of Households Occupied by Students and/or HMOs & Contiguous Areas (November 2023)

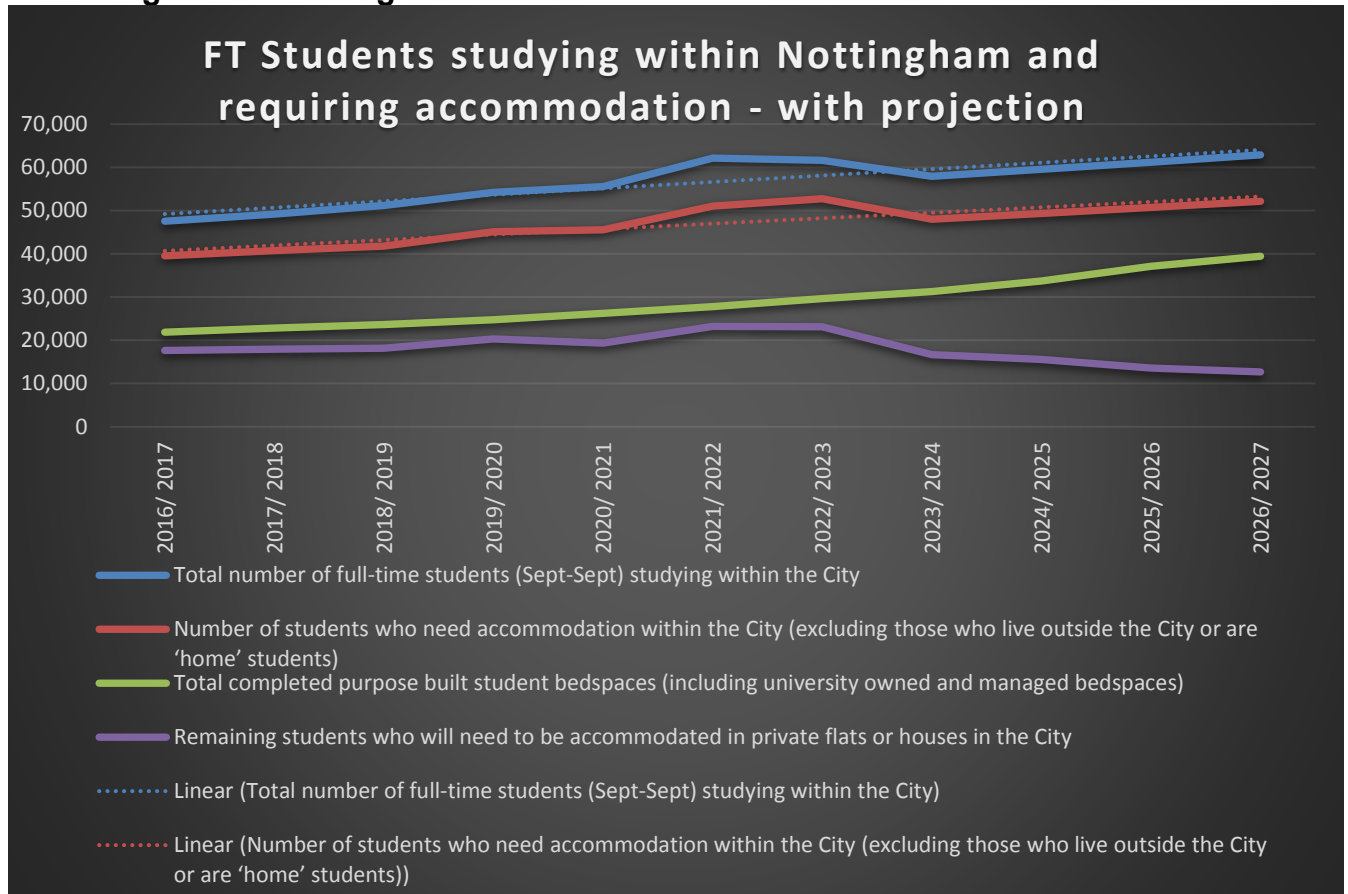


Overall number of Students requiring accommodation

- 4.32 The number of students requiring accommodation in the City had seen a continued rise in recent years, inevitably increasing the number of households. Figure 6 below shows an increase in student numbers over time, the number of PBSA bedspaces (operation and anticipated) and remaining students (who are living on-street). In recent years PBSA had not kept pace with the growth in student numbers and this inevitably meant that students had to look elsewhere in the housing market to meet their accommodation needs – most in PBSA but some in on-street housing as well. If there had not been the growth in PBSA then this would have added even more pressure on the private on-street housing market and could have resulted in a student accommodation ‘crisis’ in Nottingham as seen in other University cities across the UK. In the most extreme cases this has meant students living in other cities from where they are studying.
- 4.33 Whilst it is difficult to accurately forecast student number for future years, the Universities had been indicating that the growth in student numbers was likely to be in line with national demographic trends which is an increase of approx. 2.8% a year to the turn of the decade (2030).
- 4.34 Following recent analysis and discussion with both universities, the surge in enrolments during the COVID-affected years does now appear to be subsiding and student numbers in Nottingham are back to pre-pandemic levels. Demand for student accommodation within Nottingham for the 2023-24 academic year is reduced from the peak seen in 2022-23.
- 4.35 There are felt to be a number of factors influencing student enrolment numbers across the sector at present – most impact being seen from the return to pre-pandemic A-level grading methods, uncertainties for international students and potential impacts from the prevailing cost of living crisis which may have influenced student choices. The council will continue to share and closely monitor the available data.
- 4.36 Both universities are hugely popular choices to study and remain amongst the best higher education institutions in the country. Whilst demographic projections demonstrate the university age population will continue to increase up to 2030, the anticipated year on year growth rate is being adjusted to reflect the prevailing headwinds for the sector. Student enrolments will continue to remain under regular review with the universities.
- 4.37 There is however a notable increase in the preference for students living in purpose-built student accommodation (PBSA) within Nottingham, signalling a robust growth trajectory for this accommodation type and a shift in student housing preferences within the city. It is therefore imperative that all new PBSA schemes that come forward are of the right type to meet the needs of students, including the preference to live in shared accommodation.

4.38 Figure 6 below shows the total number of full time students studying and living within the City (blue line). Those students who live in their own home (and therefore don't have housing need) are excluded leaving only those students studying within Nottingham with housing need (red line). PBSA delivery including anticipated future years is shown on the green line based on scheme with or likely to get planning approval. Finally, this leaves remaining students who must be living 'on-street' either in HMOs or other small accommodation such as small houses or flats on the purple line.

Figure 6: Students with housing need in Nottingham, Growth of PBSA bedspaces and remaining students living 'on-street'.



4.39 Over the next few years, if the anticipated delivery of PBSA does come forward and student numbers continue as anticipated (even with the fall in 2023-24) then the recent fall in the trend of CTEs should continue (seen by the drop in the purple line). However, what is important here is that the PBSA that is provided must meet the needs of students otherwise this additional capacity will not be attractive to students and new schemes could be left with voids if too many studios are provided.

5. Planning Policy Context

National Legislation, Policy and Guidance

National Planning Policy Framework (NPPF)

- 5.1 The [NPPF \(2023\)](#) explains that when councils are establishing housing need, including the size, type and tenure of housing, they must consider the needs of different groups, including students, and these should be assessed and reflected in planning policies.

National Planning Practice Guidance (NPPG)

- 5.2 The [NPPG](#) clarifies that councils need to plan for student accommodation. It states at Paragraph: 004 Reference ID: 67-004-20190722 the following;

How can student housing needs be assessed?

Strategic policy-making authorities need to plan for sufficient student accommodation whether it consists of communal halls of residence or self-contained dwellings, and whether or not it is on campus. Encouraging more dedicated student accommodation may provide low cost housing that takes pressure off the private rented sector and increases the overall housing stock. Strategic policy-making authorities are encouraged to consider options which would support both the needs of the student population as well as local residents before imposing caps or restrictions on students living outside university-provided accommodation. Local Planning Authorities will also need to engage with universities and other higher educational establishments to ensure they understand their student accommodation requirements in their area.

- 5.3 The council has been working very closely with the two universities in Nottingham to gain a greater understanding of the student accommodation market. Under the [Nottingham Student Living Strategy](#), both the council and the Universities in Nottingham are in agreement about a number of actions, one of which is the promotion of PBSA that offers a high proportion of shared accommodation and a restriction on the proportion of studios in new PBSA schemes.
- 5.4 This agreement aligns with the guidance provided in the NPPF, which encourages engagement between local planning authorities and universities to understand accommodation requirements. By setting a limit on the proportion of studios in new schemes, the aim is to promote more shared living arrangements in the form of cluster flats, which should foster a stronger sense of community among students and alleviate pressure on the private rental sector and in doing so limiting price pressures across the housing market, and helping to rebalance these communities.

Local Policy Context

Local Plan Part 1 - Nottingham City Aligned Core Strategy (adopted 2014)

- 5.5 The [Core Strategy](#) includes a suite of strategic policies to deliver sustainable development in the City to 2028.
- 5.6 [Policy 8: Housing Size, Mix and Choice](#) states that the appropriate mix of house size,

type, tenure and density within housing development will be informed by the need to redress the housing mix within areas of concentration of student households and Houses in Multiple Occupation.

Local Plan Part 2 - Nottingham City Land and Planning Policies Development Plan Document (LAPP) (adopted 2020)

- 5.7 This SPD seeks to expand on the Local Plan and in particular Policy [HO5](#) and [HO6](#). The full wording of these policies is provided in Appendix 3.
- 5.8 Both these policies emphasise the need for additional student accommodation. This need does not just relate solely to the number of bedspaces, but also the type of accommodation that is being provided. Policy [HO6](#) goes on to state that in the assessment of student accommodation regard will be had to "... whether adequate evidence of the need for new purpose built student accommodation of the type proposed has been provided".
- 5.9 [Para 4.50](#) of Policy [HO5](#) provides further advice and states... "The demand for different types of student accommodation is also relevant in demonstrating need, with most rent schemes consisting largely of studio flats. Schemes designed to appeal to; returning students, students requiring short term contracts, and students with families are particular segments where further provision is sought. Returning students have a preference to live as a household with friends, therefore schemes addressing these preferences are more likely to be supported."

Nottingham City Council's Supplementary Planning Documents

- 5.10 The council has an adopted SPD on [Affordable Housing Contributions arising from Purpose Built Student Accommodation](#). This sets out the mechanism for calculating the commuted sum that will be required in lieu of on-site affordable housing provision from sites providing PBSA within Nottingham.
- 5.11 There is also a SPD on [The Provision of Open Space in New Residential and Commercial Development](#) that sets out details about open space requirements and in particular the mechanism for calculating the commuted sum that will be required in lieu of on-site open space from sites providing PBSA within Nottingham.
- 5.12 In recent years there has been a lot of proposals for new PBSA schemes in the 'Eastside' of the city. The council has adopted an [Eastside SPD](#) which sets out a vision and the need to promote a balance of development across the area.

Sustainability Appraisal (SA)

- 5.13 Sustainability Appraisal is a statutory process that must be undertaken for every new planning document in accordance with the Planning and Compulsory Purchase Act (2004). The purpose of SA is to assess the economic, social, and environmental impacts of projects, strategies or plans, so that the preferred option promotes, rather than inhibits sustainable development.
- 5.14 An SA was carried out as part of the Local Plan Part 2 review including all policies within the document. The appraisals for Policy [HO5](#) and [HO6](#) and further details about the process can be found in [Appendix 4](#). Page 133

6. Meeting the identified need for student accommodation

- 6.1 In order to comply with policies [HO5](#) and [HO6](#) developers are required to provide clear evidence to demonstrate the demand for additional student accommodation bedspaces. This evidence should include, but is not limited to, an assessment of the capacity of existing stock (both university-owned and privately owned), including occupancy levels. Additionally, it should encompass an appraisal of ongoing and upcoming projects within the pipeline (those under construction, with planning permission, or with current applications – please see the Council’s [Planning For Student Accommodation](#) web pages, consultations with the Universities, and references to the Council’s latest [Authority Monitoring Report](#), which provides information on student numbers and completed bedspaces.
- 6.2 One of the main aims of this SPD is to encourage Purpose-Built Student Accommodation (PBSA) that meets students' needs and in particular emphasising shared accommodation over studios. Development should be driven by identified accommodation needs, ensuring a balance between meeting student housing demands and avoiding oversupply. This includes broadening the PBSA market to attract returning students and postgraduates who will usually seek housing in Houses in Multiple Occupation (HMOs).
- 6.3 There is also a growing evidence base that suggests students are not seeking studio/1 bed flat living and the demand is low for those students choosing to live alone⁶. The data gathered in a recent survey illustrates that only 12% of international students (who are often cited as a key customer of PBSA and studios in particular) would choose to live alone. Often the booking cycle leaves those who book late with a lack of choice – and studios are often the product that is slowest to be booked (in some markets). For Nottingham, this second point may have been true given the previous shortage of new PBSA bedspaces compared to a rise in student population. This is not the current position as the PBSA market matures and there is a falling student demand (for the 2023-24 academic year at least) and an increasing supply of PBSA (likely 8,000+ bedspaces over the next 3 years). Policies [HO5](#) and [HO6](#) are both very clear that new PBSA must meet the needs of students.
- 6.4 Affordability and accessibility are central considerations for many students. By broadening the appeal of PBSA and promoting affordability, the council seeks to create a more inclusive and sustainable housing market for Nottingham's student population, and which will in turn help to rebalance communities. Schemes which promote shared living and social interaction amongst student residents will be supported.
- 6.5 As part of the Greater Nottingham Strategic Plan evidence base a recent Housing Need Assessment⁷ has been commissioned to provide evidence drawing on the latest data including the 2021 Census to support housing market interventions. It includes

⁶ [Unlocking Global Perspectives of Student Accommodation, March 2024](#)

⁷ [Greater Nottingham and Ashfield Housing Needs Update 2024](#)

discussions on student accommodation needs within the Local Plan area. This notes that

“... the PBSA market is very mature in Nottingham so to allow further expansion there also needs to be a widening of the market to include accommodation for “returners”, postgraduates and even students with families who all tend to prefer or require larger accommodation over living in studios.”

- 6.6 The report goes on to say that PBSA should also deliver a wider range of products which could help support drawing students out of HMOs into PBSA by prioritising cluster flats and other alternative forms of PBSA.

PBSA Occupancy Survey

- 6.7 For the last ten years the council has undertaken an occupancy survey of the PBSA market. This has consistency shown a near zero vacancy rate (never more than 2%). These along with other monitoring and evidence will be used to determine the appropriate typologies of accommodation in new PBSA schemes. If for example it is shown that there is a greater proportion of studio that are becoming vacant this could indicate an over-supply in the market and result in the need to restrict further the number of new studios in future PBSA scheme – lowering the maximum threshold below the suggested 20%.

Other Evidence of Need

- **University of Nottingham Student Survey 2023-24**

- 6.8 Students from University of Nottingham living in PBSA took part in market research in October 2023⁸. Part of this survey examined the views of students on the accommodation that they were living in. Extracts of the results are shown in [Appendix 2](#). The survey uses the Net Promoter Scoring (NPS) system and asked students a series of questions which they scored 1-10 about their accommodation.
- 6.9 Students living in studio accommodation generally express lower satisfaction compared to other types of accommodation. Studios also scored low in recommendation to other students, enjoyment of stay, perceived value for money, satisfaction with accommodation facilities, and satisfaction with the bedroom. In addition, students in studio accommodation reported lower levels of community and belonging, and they found it more challenging to meet people and make friends compared to other accommodation types.

⁸ [Investor in Students Survey – Nottingham](#)

- **University of Nottingham Student Union Survey: Student Living data – Accommodation Preferences Summer Survey 2022-23**

6.10 The University of Nottingham Student Union Students undertook some market research on student living and accommodation preferences which was conducted as part of the Summer Survey 2022/23⁹. The report reveals that the majority of students who responded to the survey preferred private housing due to factors such as affordability and the ability to choose housemates. It emphasises the importance of affordable accommodation and the need for options that cater to individual preferences with a high preference for shared living. As such, the survey suggests that in new PBSA, a significant proportion should consist of cluster beds rather than studio accommodation to meet the demand for shared living accommodation that is more affordable.

Proportion of Cluster Flats and Studios

6.11 It is acknowledged that some students will seek to live in studio flats as a lifestyle choice. For example, some mature students may not wish to share accommodation with other students, or it may be that students coming towards the end of their university life wish to focus on their studies and feel that this will be best achieved living on their own. However, studios tend to be more expensive, rendering them an unaffordable choice for many students. Conversely, cluster flats not only offer a more affordable alternative but also foster social interaction among students, enhancing overall well-being. Furthermore, cluster arrangements present greater adaptability for potential conversion into alternative residential formats in the future if the PBSA scheme was no longer required for student accommodation (in part or in whole).

6.12 There is a growing number of Local Authorities who are resisting new PBSA schemes which concentrate on providing studios. For example, Brighton City Council¹⁰ has a policy of limiting studios and Edinburgh City Council have addressed this issue by adopting a local plan policy that restricts the provision of studio flats in new PBSA to no more than 10%¹¹.

6.13 The current proportion of studios in Nottingham is considered to be too high being above the national average. Schemes which therefore provide for a larger range of clusters (eg 4, 5, and 6 beds) will therefore be encouraged as these replicate the size of many HMOs and so support student preferences. Schemes which also propose single formats are unlikely to be supportive without clear justification.

⁹ [UofNSUs Summer Survey 2022-23 – Accommodation Preferences](#)

¹⁰ [Brighton & Hove City Council's Development Plan October 2022](#)

¹¹ [Edinburgh City Plan 2030](#)

6.14 In conclusion, based on current evidence and to meet students' needs effectively, it is the council's preference that new PBSA schemes should provide **at least 80% bedspaces within cluster flats**. As a result, new schemes with **studios representing more than 20% of the overall bedspace will in general not be supported** unless there are clear justifications for having a higher proportion. Such justifications for example could be related to the potential constraints of adapting an existing or historic building to student accommodation but would not be based upon the singular aspect of viability. Considering further evidence, it may be that the council will reconsider this proportion and there may be a need to be more restrictive in the future if for example there was a known growing number of voids within studios. In addition, schemes that offer a wider variety of cluster sizes (e.g., 4, 5, and 6 beds) will be strongly encouraged, as these reflect the typical size of many HMOs and align with student preferences.

7. Guidance for new PBSA

PBSA requirements

- 7.1 The following section address each of the key planning issue in future PBSA schemes in turn and sets out the type of supporting information that is likely to be required as part of a planning application to allow issues to be fully considered.
- 7.2 The standards described within this document are minimum size requirements for both cluster flats and studio accommodations in new PBSA developments. Accommodations should facilitate social interaction by offering communal living spaces and appropriately sized cooking facilities tailored to the number of occupants. It is expected that new schemes will generally meet these standards.
- 7.3 General communal spaces within the development, including indoor and outdoor areas, study rooms, fitness facilities, cinema rooms, and roof gardens, should be freely accessible to all resident students, be of high quality and designed for a specific purpose to aid social interaction. PBSA developments should uphold satisfactory living standards, recognising their temporary housing nature. Maintaining appropriate design standards is crucial to avoid substandard living conditions that could lead to feelings of isolation and associated health issues.

Suggested minimum room standards

- 7.4 Policy [H06](#) indicates that in assessing the development's impact on local objectives to create or maintain sustainable, inclusive and mixed use communities, regard will be had to various criteria including appropriate room sizes and adequate communal space/facilities. The table below indicates the council's starting point for assessing these requirement. Proposals will be considered on a case by case basis where justification is provided as to why these cannot be met.

Space	Details	Per room m ²
Studio	Studio*	18m²
Cluster bed	Bedroom*	12.5m²
	Shared amenity space per cluster bed per student	Adequate facilities to allow social interaction by providing communal living space and cooking facilities appropriate in size to the number of occupants but a minimum of 5m² per student .
Shared amenity space within scheme per student		Will be dependent on the type and quality of facilities provided.
Proportion of the total bed space are 'accessible' [#]		Minimum 7.5%

* including an en-suite toilet.

An accessible room that has been specially designed to meet the needs of students with limited mobility with the necessary facilities and features to make living in the room comfortable to accommodate their needs.

Waste and Recycling facilities

- 7.5 New PBSA developments should have adequate provision of waste and recycling storage facilities and appropriate arrangements for the collection of such waste. Developers are advised to liaise with the council's Planning Department and the council's Waste Department for support and advice at the design stage to help clarify requirements and ensure that a suitable and satisfactory layout for the scheme is achieved for the management of waste. It is suggested that contact is made with waste colleagues through contacting planning@nottinghamcity.gov.uk in the first instance to discuss proposed schemes at the early design stage.
- 7.6 How waste is deposited/managed within the building is the responsibility of the developer, but due consideration should be given to encourage recycling and minimise waste stream contamination. For the collection of waste, the onus is on the developer to ensure residents have easy access to bins and collection points as well as adequate storage of waste according to the collection methodology and schedule of the council.
- 7.7 Developers should be aware that it is the government's intention that councils will also have to provide a weekly mandatory food waste collection by 31 March 2026 future and consideration should be given to this and any future changes in waste collection requirements.

Accessibility location of new PBSA Schemes

- 7.8 The locations for new PBSA schemes is set out in [Policy HO5](#) and states schemes will be supported in the City Centre, University Campuses, site allocations or main transport corridors within local centres. Other policies in the local plan will also have to be considered for example [Policy HE1](#): Proposals Affecting Designated and Non-Designated Heritage Assets depending on whether the site has heritage interest.
- 7.9 As the locations referenced in [Policy HO5](#) are generally in accessible location, it is considered unlikely that students will have a need for their own private transport. Such locations should also limit the impact on adjacent properties and ensure the general amenity of the surrounding area is preserved especially as the schemes will be fully managed.
- 7.10 However, to reduce the impact on neighbouring streets, management arrangements will be expected to ensure that occupants do not keep cars in Nottingham City and these restrictions will be set out in any subsequent Planning Obligation for new schemes. Exceptions may apply in the case of students with accessibility needs.
- 7.11 Other measures to support sustainable transport use and active travel including cycle parking, public spaces for e-scooters and e-bikes along with discounted bus tickets and cycle loans could also be provided.

- 7.12 It is important that new cycle storage needs to be in safe, convenient and easily accessible locations to encourage cycle use. It is acknowledged that new PBSA schemes within the City Centre could have a reduced requirement for cycle storage due to their accessibility location and the amount cycle provision will therefore provision will be determined on a case by case basis within these accessible locations.

Student Management Plans

- 7.13 It is vital that the PBSA provision is designed to increase safety of students and reduce the potential of crime and antisocial behaviour. PBSA also needs to be well managed to provide a safe and positive living environment for students, whilst reducing the risk of adverse impacts upon wider residential amenity. The plans should minimise any potential negative impacts from occupants and be secured through condition or Planning Obligation for new PBSA schemes. Management plans need to provide adequate details of who is responsible for ensuring the plans are adhered to.
- 7.14 Larger PBSA of over 100 bedspaces should maintain effective 24 hour staffing/security to ensure the safety and security of residents and to enable a rapid response to any incidents of anti-social behaviour.

Conversion of PBSA to alternative residential uses

- 7.15 To ensure adaptability in the PBSA market Local Plan policies [HO5](#) and [HO6](#) require that developers provide evidence that if the scheme (or part of the scheme) is no longer required for student accommodation it can be converted to alternative residential uses. Generally, this will be in the form of alternative floor plans submitted as part of the application details and should not require significant internal remodelling.
- 7.16 Given that PBSA is determined to be *sui generis* the change of use to an alternative use will require planning permission. Any reductions in standard residential requirements are unlikely to apply for alternative residential uses. If there are proposals for alternative use of PBSA the accompanying planning application will need to demonstrate that all the policy requirements for general needs housing, including space standards, can be met.

Temporary Uses of PBSA

- 7.17 The council is in principle encouraging of student accommodation being used during quieter periods of the academic year, such as the summer months, for temporary purposes such as accommodation for tourist or conference accommodation. This could boost tourism, increase footfall in the City Centre, and optimise the use of existing buildings. If this use is for only a short period of time, it may not require planning permission. Prospective applicants are encouraged to consult the planning team for advice on whether consent is required. It will however be imperative that any temporary use does not disrupt the primary function of the accommodation for students.

Emerging Shared Living Concepts

7.18 There are nationally and internationally examples where providers are beginning to offer shared facilities that blend various communities often referred to as “Shared Living”. For instance, some schemes provide student accommodation, hotel rooms, short- and long-term housing, meeting and event spaces, workspaces, and cafes/restaurants, all aimed at creating a connected working community among students, tourists, and business guests. These types of facilities can offer increased flexibility for students enrolled in short courses, as well as accommodation options for tourists and individuals with various short or long-term housing needs. The council in principle receptive to exploring such concepts, although it is crucial to ensure the integrity of individual user groups within the shared facility is maintained, possibly through the separation of accommodation to prevent potential conflicts between these different user groups.

Sustainability and reducing carbon

7.19 PBSA development should strive for a high standard of environmental sustainability, aligning with the council's goal of achieving carbon neutrality by 2028 (see also the council's emerging [Reduction of Carbon in New Development Supplementary Planning Document](#)). The council actively promotes building designs and methods that reduce energy costs and incorporate renewable and low-carbon technologies. To ensure alignment with this objective, the council requires a Carbon Reduction Energy Statement for all new planning applications for developments of 10 or more homes or commercial developments of 1,000 m² and above. This statement should outline how the proposed development will contribute to the City's carbon-neutral objective, covering aspects such as energy efficiency, renewable energy, and sustainable design and construction.

7.20 In addition to energy considerations, it's crucial for PBSA developments to encompass sustainable principles comprehensively. This includes aspects such as promoting walking or cycling and providing a high-quality residential environment. From the initial design stage, sustainability should be integrated into the concept, encompassing energy efficiency, sustainable construction features such as green roofs, and the use of technologies such as solar panels and rainwater harvesting.

Design Quality Framework

7.21 The layout, design and facilities provided within a development should be of a high standard to ensure a quality residential environment. Nottingham City Council's Design Quality Framework (DQF) should be used to help inform the design of any proposed scheme: www.dqfnottingham.org.uk.

7.22 It is important that the nature, scale, layout, design, and overall impact of proposed schemes are appropriate to the location and context and would not result in an

unacceptable impact on local character, environmental quality or residential amenity. Good quality designed PBSA will help to maximise the positive effects of development, including regeneration benefits, whilst minimising any potential harm to local character, environmental quality, or existing residential amenity.

Wider community Benefit

7.23 The council will also encourage developers to consider any wider benefits that could be offered voluntarily to local communities. For example, it may be that part of the shared facilities is made available to the wider community use thereby allowing students and residents to mix and encourage social interaction between these groups.

Open Space

7.24 Students are significant users of public open space. It is accepted that in City Centre locations it might be difficult to meet the open space requirements (see [Open Space SPD](#)) on site. As an alternative, the council will seek Planning Obligation to ensure provision of open space off-site or to secure funding for the enhancement to existing areas of public open space. In addition, conditions or planning agreements may also be used to ensure the policy requirement for the management and maintenance of any open space provided is secured. Such contributions are generally used within the locality of the site, however there may be occasions where this money could be used at a destination open space/proposal that would have wider than local benefit.

Accessibility and Inclusive design

7.25 PBSA developments should also seek to incorporate a high level of accessibility and inclusive design and are required to comply with the Disability Discrimination Act (DDA) requirements. Provision should therefore be made to ensure the development is accessible to all and that accommodation could be suitable for students with mobility issues. This includes not only within individual study bedrooms but also within the accommodation including communal space and within the building. The council is seeking that a **minimum of 7.5% of the rooms are accessible** given that student demographics shows that there is a lower proportion of students requiring accessible accommodation compared to the general population (this is a reduction from the normal requirements of 10%).

7.26 Consideration should also be given to ensuring that new PBSA schemes address the needs of students with various disabilities, including neurodiversity and hidden disabilities. This could involve designing accommodation and social spaces that address such issues by using appropriate lighting, the creation of quieter spaces, and accommodations for sight and hearing requirements.

Biodiversity

7.27 The council's [Biodiversity Supplementary Planning Document](#) (February 2020) sets out the council's aspiration for achieving a net gain in biodiversity and includes a Biodiversity Checklist to provide guidance on biodiversity requirements when submitting planning applications. Since April 2024 there has been a national requirement to achieve 10% Biodiversity Net Gain. Further details can be found on the council's dedicated BNG web page www.nottinghamcity.gov.uk/bng.

Supporting information

7.28 For thorough evaluation of a proposed PBSA development's design quality and location accessibility a checklist is provided in [Appendix A](#). The following information must be included in all planning applications for PBSA developments to allow for a full assessment of the proposals.

- **Design and Access Statement** – This should explain the design principles and concepts that have been applied to the proposal, taking account of relevant built heritage considerations, especially where proposals fall within a Conservation Area or affect the setting of a listed building. It should include:
 - Site Appraisal;
 - Concept Design;
 - A statement explaining the design objectives for the site;
 - Local design considerations; and
 - The relationship of the proposal to the surrounding context.
- **Landscaping Plan** – This should outline the proposed provision of any landscaped areas, open space or amenity spaces within the overall design concept for the scheme, including future maintenance arrangements required.
- **Transport Assessment** – This should provide a comprehensive review of all the potential transport impacts of the proposed development, including a plan to mitigate any adverse consequences.
- **Travel Plan** – This should be drafted to actively encourage the use of alternative modes of transport to the private car, particularly cycling, walking and public transport, including justification for any reduction in parking standards to be considered. Issues to be considered, including any potential mitigation measures, should include:
 - Staff and Student travel issues;
 - Control of beginning and end of term traffic;
 - Provision of secure cycle parking and links to existing or planned cycle networks;
 - Travel packs for students at the beginning of each term (including appropriate routes to and from university); and
 - A Car Parking Management Plan (if parking is to be provided).
- Biodiversity Net Gain requirements in Nottingham City are set out on our BNG web page www.nottinghamcity.gov.uk/BNG
- A Students Needs Assessment should be submitted setting out what need the proposed scheme is aiming to fill and fully justify the proposed format of the scheme and the need it is trying to accommodate.

- Evidence and confirmation that the scheme can be used for alternative residential uses if no longer required for student accommodation also needs to be provided. This should include alternative layout plans.

Other Requirements

7.29 A full list of planning application requirements, copies of the Planning Policy documents and guidance referred to in this document are available to view and download from the council's website: www.nottinghamcity.gov.uk/planning. Further details may also be requested on a case by case basis depending on the location and the specific site/scheme in question.

Monitoring and Review

7.30 This SPD will be monitored annually and updated as appropriate. Any new government legislation/guidance may supplement the information contained in this SPD.

8. Planning Obligations

- 8.1 Each case will be considered on its own merits. However the council will generally seek to secure contributions either through planning conditions or usually through the negotiation of a legal agreement under Section 106 of the Town and Country Planning Act 1990. Where a Planning Obligation is entered into, then it will need to be completed prior to the granting of planning consent. Further details can be found on the council's [S106 webpage](#) including costs which are revised annually.
- 8.2 If an applicant considers there are viability issues due to the level of contributions being sought, which render a proposal undeliverable, they will be required to submit robust viability assessment. Such assessments will be independently examined before the scale and nature of any reduction is agreed. Where this is the case and the application is recommended for approval then such applications will be determined by the Planning Committee.
- 8.3 The following requirements are the starting point for Planning Obligations for new PBSA;

Requirements	Details
Student Management Plan	A Student Management Plan is required to ensure that occupants of the new PBSA in Nottingham adhere to standards that prevent noise, disturbance, or nuisance to neighbouring properties. It should provide an established point of contact for nearby residents to report disturbances caused by occupants and mandates the maintenance of cleanliness and tidiness on the site. The plan should require the owner to manage the site effectively, including staffing designated offices 24/7 throughout the academic year, and managing the accommodation even during non-academic periods. It should outline procedures for managing student behaviour, providing contact numbers for residents and students, and detailing security measures such as CCTV monitoring and regular security patrols. Additionally, the plan should address cleaning and refuse collection to ensure the site remains clean and litter-free.
Restrictions of car ownership	An agreement is required that restricts residents of the PBSA in Nottingham from keeping motor vehicles within the City boundaries (except for specific instances such as the beginning and end of each academic term). The agreement should require monitoring and enforcement of this restriction, including investigating breaches and potentially terminating the right of occupants who violate it. Additionally, the agreement mandates appointing a responsible person to ensure compliance and reporting to the owner and the council.
Open Space*	In line with The Provision of Open Space in New Residential and Commercial Development Supplementary Planning Document
Affordable Housing contributions*	In line with Affordable Housing Contributions arising from Purpose Built Student Accommodation Supplementary Planning Document
Employment and Training contributions*	In line with Policy 19: Developer Contributions and Policy IN4: Developer Contributions and Policy EE4: Local Employment and Training Opportunities

Other contributions agreed on a case by case basis but could include improvements to public transport, flood mitigation, improvement to highways or street scene etc	In line with Policy 19: Developer Contributions and Policy IN4: Developer Contributions
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* these contributions can be calculated using the council's [S106 Estimator](#).

9. Pre-application Advice

- 9.1 Developers should consider the guidance in this SPD in relation to the issues covered at the earliest opportunity when planning new PBSA developments to ensure that the final development will be of the highest quality and will respond to the relevant planning policy requirements.
- 9.2 Developers are also strongly encouraged to seek pre-application discussions with the council on any proposals for new PBSA prior to a planning application being submitted. Active dialogue with the Universities is also strongly encouraged. It may also be beneficial to undertake pre-application community and stakeholder consultation.
- 9.3 This early engagement with the council, the Universities and other interested parties should help to enhance the quality of the design of new PBSA schemes and reduce the potential delays at the application stage.
- 9.4 Contact should initially be made by contacting Development Management colleagues on (0115) 876 4447 or by emailing planning@nottinghamcity.gov.uk.
- 9.5 Further details can be found on the council's dedicated [Planning and Pre-application Advice](#) page.

Glossary

Affordable Housing

Housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers) as defined by the NPPF.

Article 4 Direction

A direction made under [Article 4 of the Town and Country Planning \(General Permitted Development\) \(England\) Order 2015](#) which withdraws permitted development rights granted by that Order.

House in Multiple Occupation (HMO)

For planning purposes, an HMO is a house occupied by 3 or more persons, who are not all members of the same family in 2 or more households as their only or principal residence.

Local Plan

A plan for the future development of a local area, drawn up by the local planning authority in consultation with the community. In law this is described as the development plan documents adopted under the Planning and Compulsory Purchase Act 2004. A local plan can consist of either strategic or non-strategic policies, or a combination of the two.

Planning Obligations

An agreement or unilateral agreement entered into under section 106 of the Town and Country Planning Act 1990 to mitigate the impacts of a development proposal in planning terms and used to support the provision of services and infrastructure, such as highways, recreational facilities, education, health and affordable housing.

Purpose Built Student Accommodation (PBSA)

PBSA is accommodation that is built, or converted, with the specific intent of being occupied by students undertaking a full-time course of higher or further education – either individual en-suite units or sharing facilities. Such schemes are centrally supervised by the developer/landlord to provide welfare support for students and to ensure compliance with any code of conduct or tenancy agreements.

Students

Persons enrolled on a full time course of education for at least one academic year at an educational establishment providing further or higher education.

Student Households

Households which can claim student council tax exemption including those within halls of residence, purpose built student accommodation or within the private rental market. All occupiers need to be full time students for the property to be council tax exempt.

Student Accommodation

A generic term that covers all forms of housing suitable for occupation by student, including both HMOs, PBSA and other private rented accommodation.

Sui Generis

A Latin phrase literally meaning "of its own kind; in a class by itself; unique". It is used in

planning to refer to developments that do not fall within a specific class of the Planning (Use Classes) Order (NI) 2015.

Supplementary Planning Documents (SPD)

Documents which add further detail to the policies in the development plan. They can be used to provide further guidance for development on specific sites, or on particular issues, such as design. Supplementary planning documents are capable of being a material consideration in planning decisions but are not part of the development plan. Details of the adopted SPDs in Nottingham can be found at www.nottinghamcity.gov.uk/spd.

Sustainability Appraisal (SA)

Examines the social, environmental and economic effects of strategies and policies in a Local Development Document from the outset of its preparation.

Appendix 1: Checklist for new PBSA Planning Applications

Below is a suggested checklist for new PBSA schemes. This may be adapted to meet requirements in the future.

Details of the Scheme	
Name of PBSA scheme	
Address	
Provider (if known)	
Breakdown of the Scheme	
Total no of beds	
Cluster beds	
No	
% of total beds	
minimum floor size for cluster flat	Minimum 12.5m ²
Floor area provided for shared facilities including cooking and social space	Minimum of 5m ² per student
Studios	
No	
% of total beds	
minimum floor size for studio	Minimum 18m ²
Other details	
What proportion of the total bed space are 'accessible'	Minimum of 7.5%
How many cycle parking spaces are being provided?	
Is any public e-bikes/e-scooter provision going to be provided on site?	
What waste management facilities are being provided?	
Needs assessment and capacity of conversion to alternative residential uses	
Has a student accommodations needs assessment been submitted for this development?	
Is the development capable of being converted for alternative residential use? And has an alternative floor plan being provided?	
Pre-application consultation with the council and Universities	
Has pre-application advice been undertaken with the council and if so, what was the outcome?	
Has there been pre-application discussions with either of the Universities on the suitability of the scheme and if so, what was the outcome? Is there a draft nomination agreement in place?	
Has the scheme been subject to a Design Review Panel? If so, what was the outcome?	

S106 Planning Obligation Requirements

Are you willing to enter a Planning Obligation for the following?
For those marked with * the likely contributions can be calculated using the council's [S106 Estimator](#)

- Management plan
- Restricting car ownership
- Open space*
- Affordable housing* (schemes over 50 beds)
- Employment & Training* contributions (schemes with development costs over £1.m)

Viability Assessment

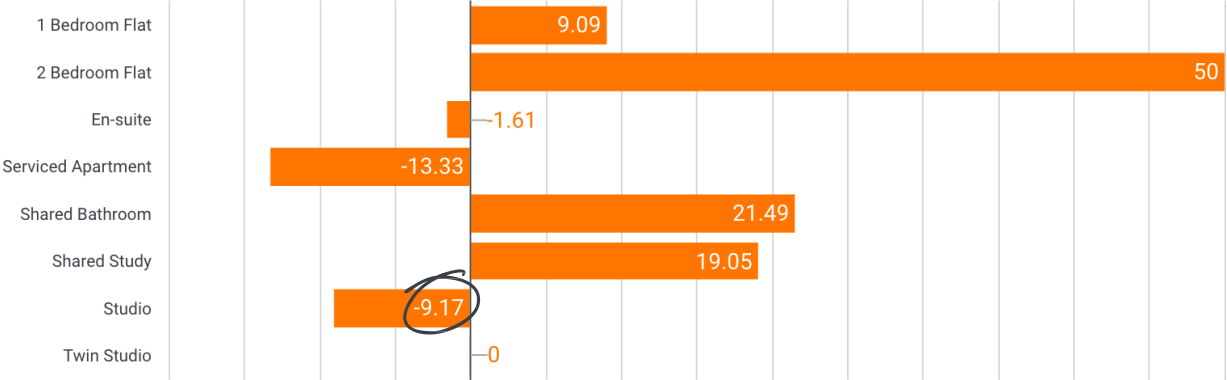
If you do not intend to offer a policy compliant Planning Obligation you will need to provide a viability assessment and agree to pay for this to be independently reviewed and/or a justification for why parking restrictions/a student management plan should not apply..

Please confirm if a viability assessment is being provided? Yes/No
You will need to pay for any viability assessment to be independently assessed.

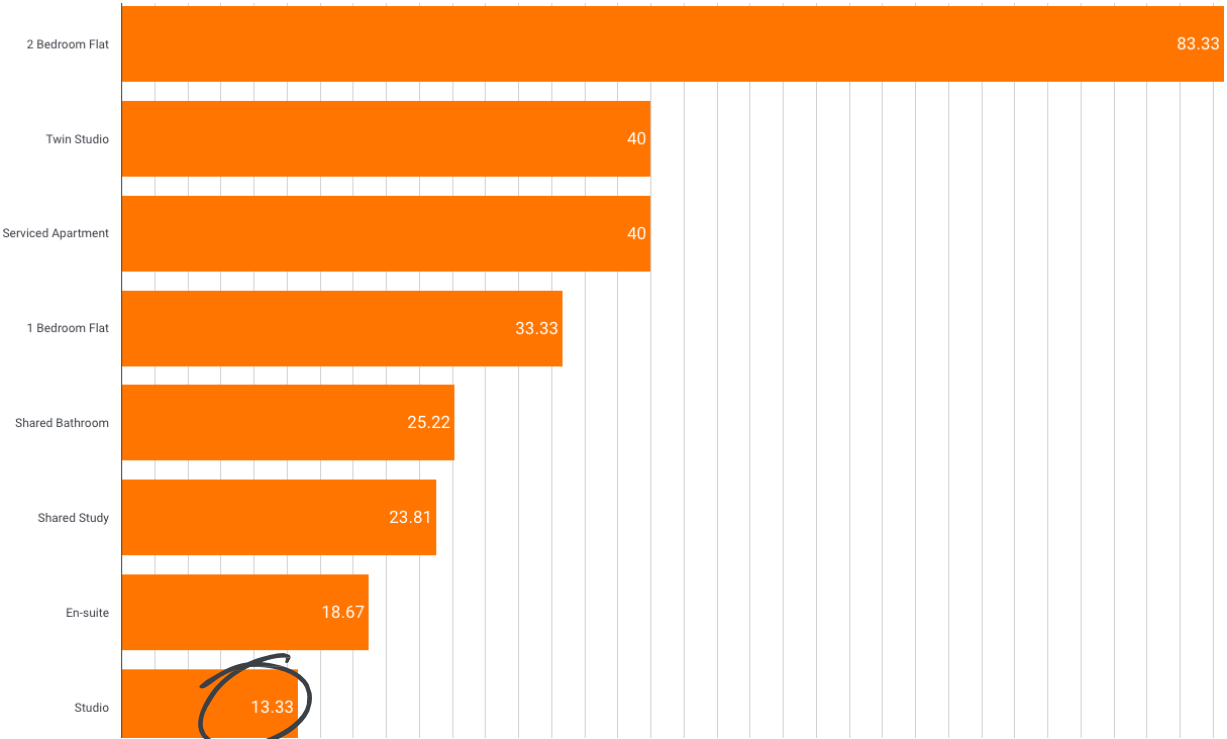
Appendix 2: Extracts from “Investor in Students” Report

The survey uses the Net Promoter Scoring (NPS) system and asked students a series of questions about their accommodation which they scored 1-10.

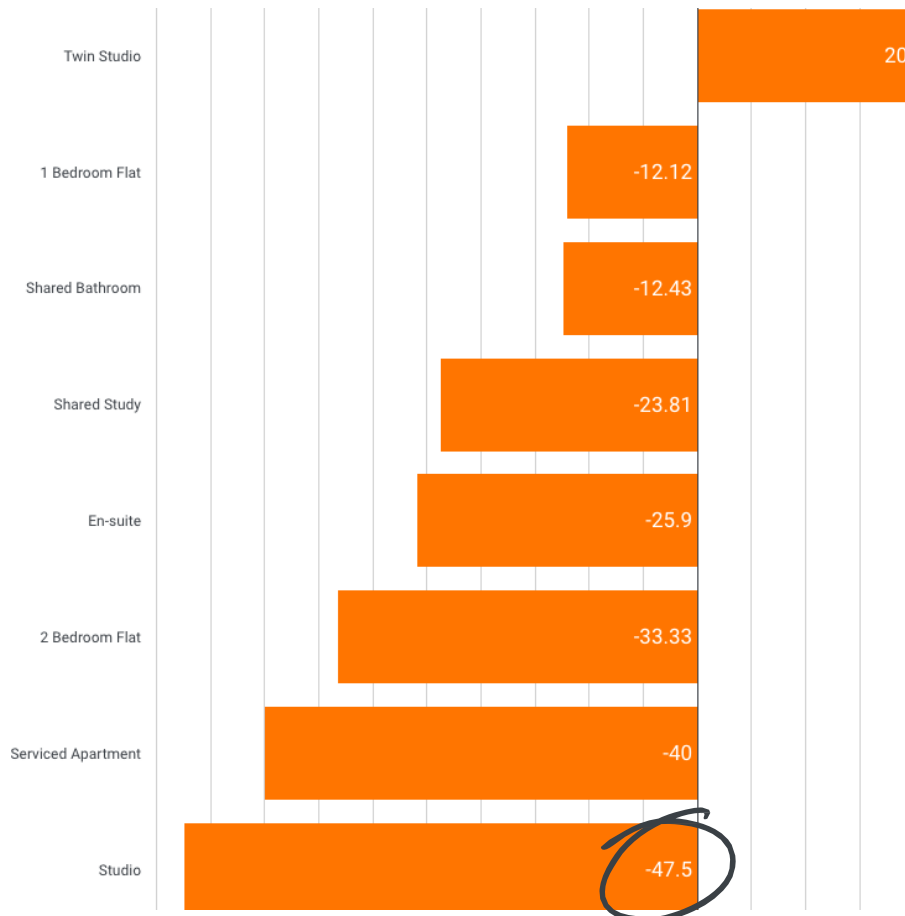
“I would recommend my accommodation to other students”



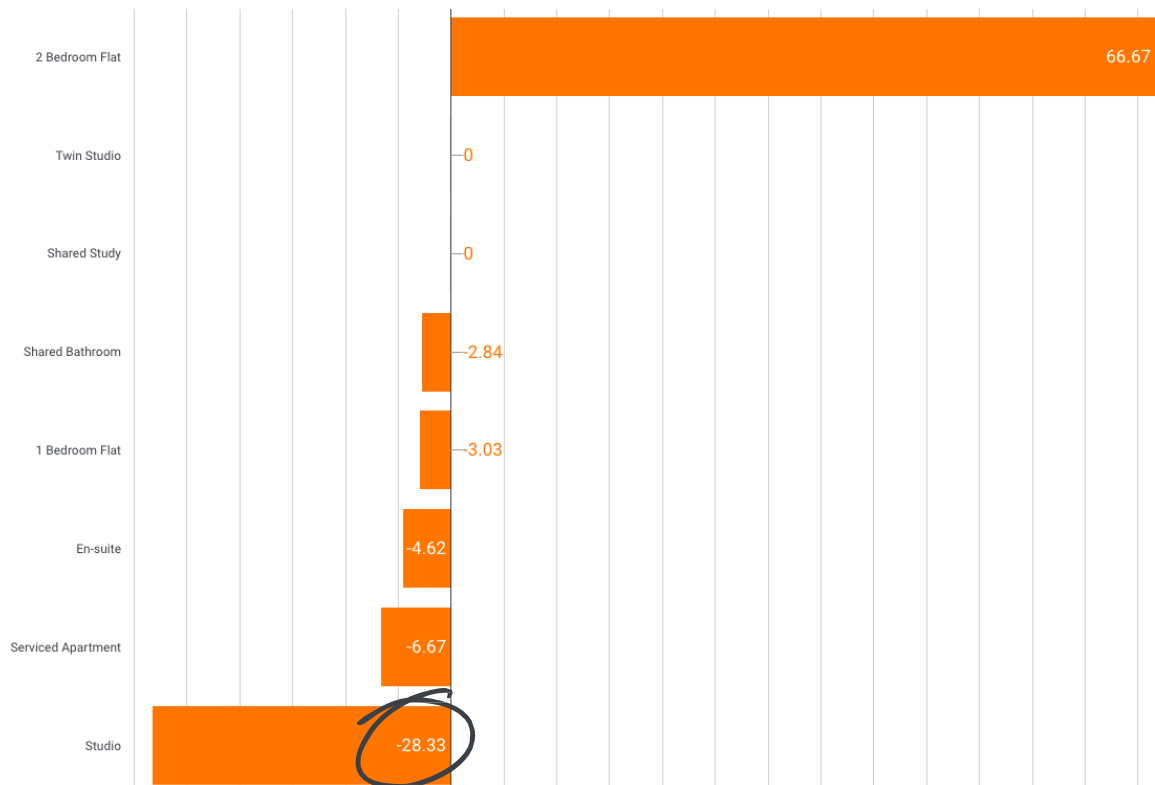
“I am enjoying my stay in my accommodation”



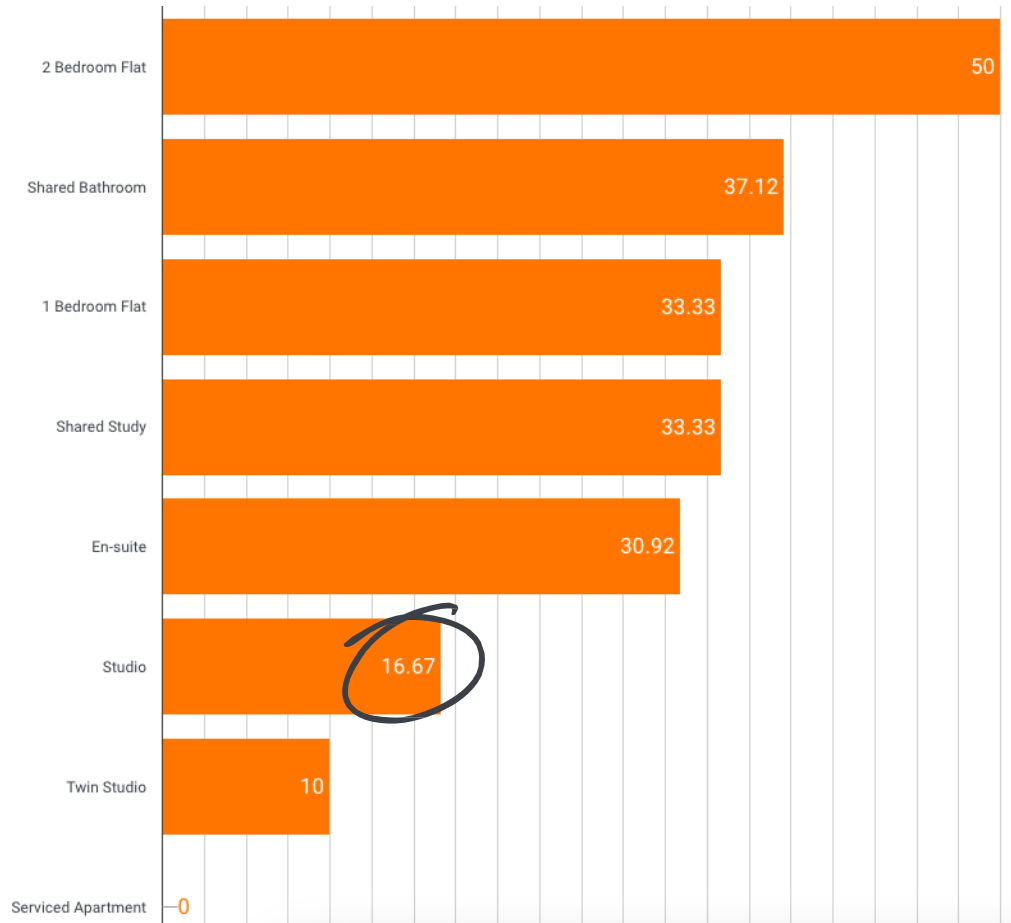
“My accommodation represents good value for money”



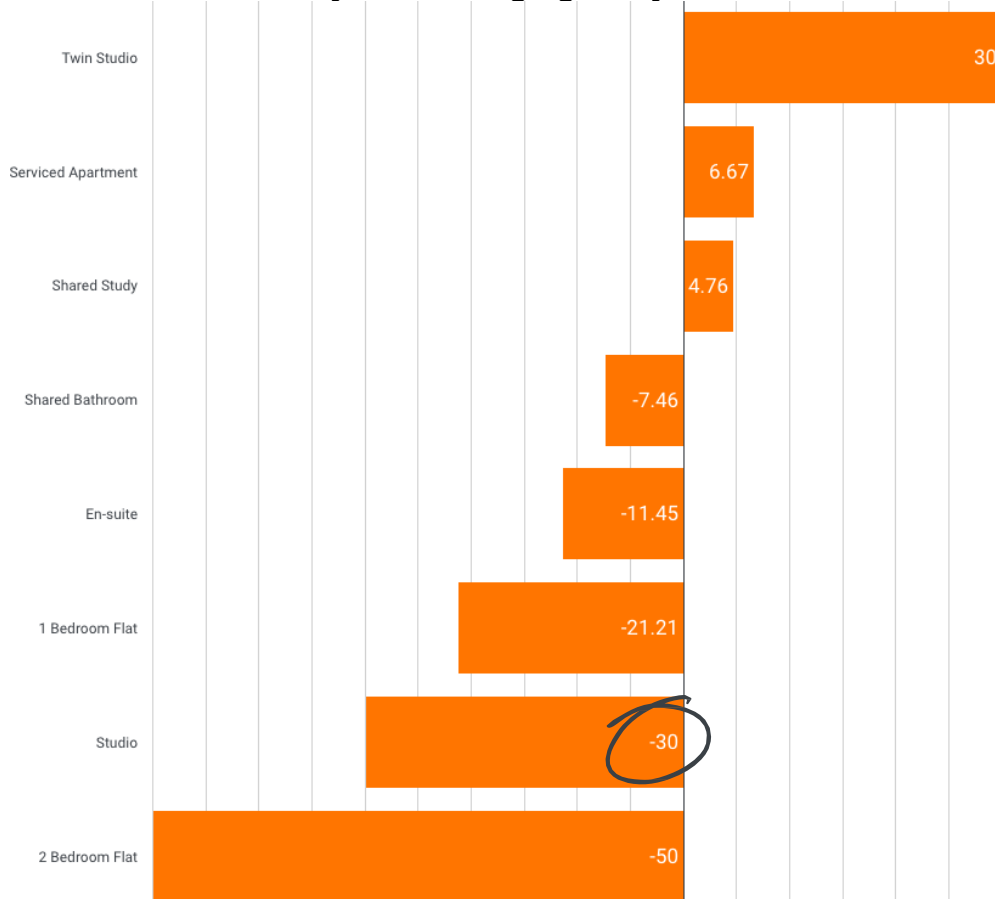
“The accommodation facilities are as good as I expected”



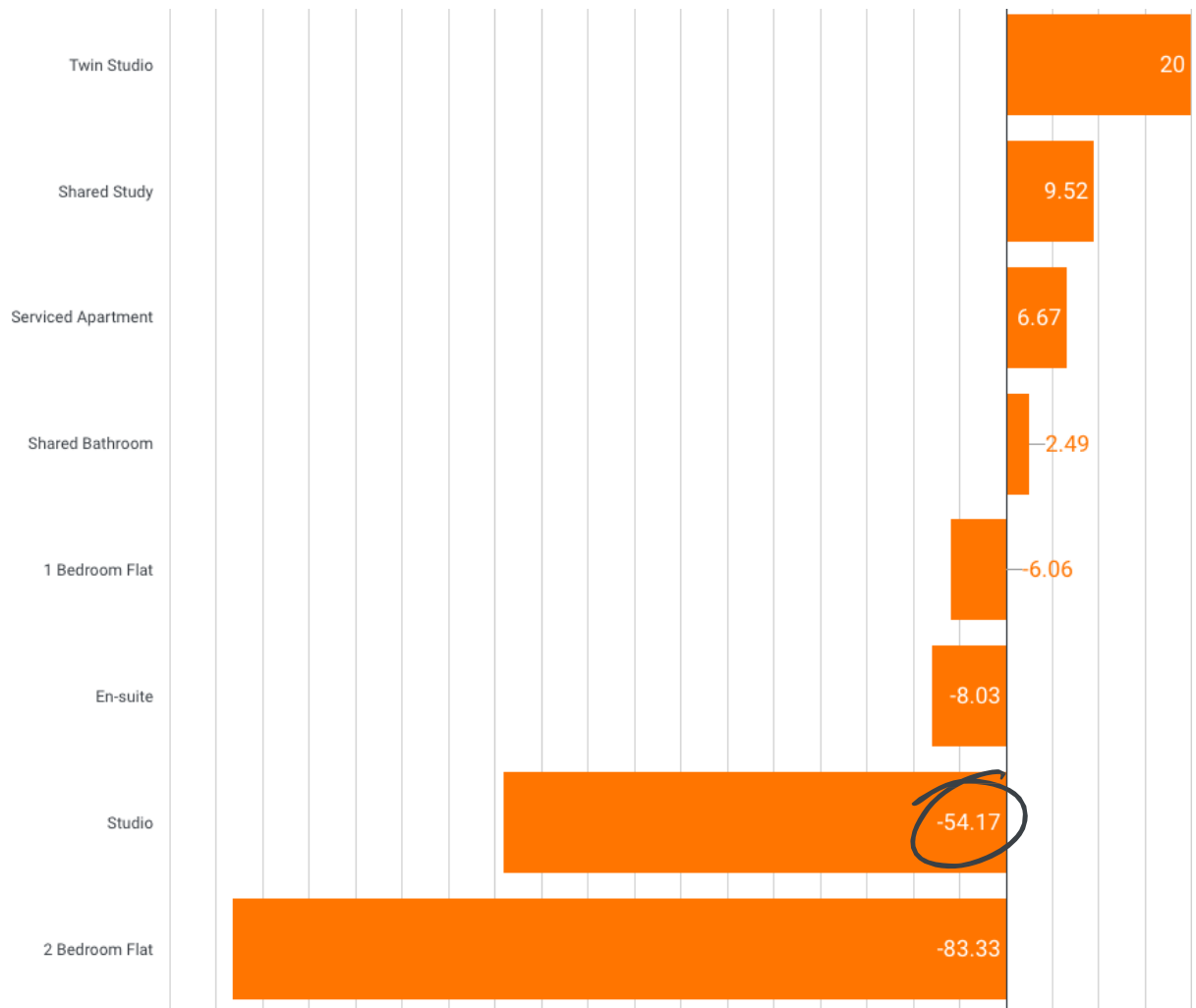
“I am pleased with my bedroom”



“I feel a sense of community and belonging in my accommodation”



“I have found it easy to meet people and make friends in my accommodation”



Appendix 3: Copy of relevant Local Plan Policies

Policy HO5: Locations for Purpose Built Student Accommodation

Purpose built student accommodation of an appropriate scale and design will be encouraged in the following locations, subject to developers demonstrating that there is a need for additional student accommodation or that they have entered into a formal agreement with a University or another provider of Higher Education for the supply of bedspaces created by the development:

- a) allocated sites where student accommodation use accords with site specific Development Principles;
- b) University campuses;
- c) within the City Centre boundary (as shown on the Policies Map), subject to accordance with site and area specific policies, including relevant 'Quarter Policies' but excluding the areas of predominantly family housing;
- d) above shopping and commercial frontages within defined Town, District and Local Centres, and within other shopping and commercial frontages on main transport routes where this assists in the regeneration of underused sites and premises and is consistent with relevant defined Centre policies;

Policy HO6: Houses in Multiple Occupation (HMOs) and Purpose Built Student Accommodation

1. Planning permission for the following development will only be granted where it does not conflict with Policies HO1 and HO2 and does not undermine local objectives to create or maintain sustainable, inclusive and mixed communities:
 - a) changes of use and / or the erection of buildings to create new Houses in Multiple Occupation (HMOs);
 - b) extension / alteration of existing HMOs including development that facilitates an increase in the number of occupiers / bedspaces;
 - c) changes of use and the erection of buildings which include the creation of residential accommodation for exclusive occupation by students (e.g. purpose built student accommodation);
 - d) extension / alteration of purpose built student accommodation resulting in an overall increase in the number of student bed spaces.

2. In assessing the development's impact on local objectives to create or maintain sustainable, inclusive and mixed use communities, regard will be given to the following criteria:
 - a) the existing proportion of HMOs and / or other Student Households in the area and whether this proportion amounts or will amount to a 'Significant Concentration' (calculated using the methodology shown in Appendix 6) apart from PBSA within areas identified in Policy HO5 where new PBSA is encouraged;
 - b) the individual characteristics of the building or site and immediate locality;
 - c) any evidence of existing HMO and purpose built accommodation provision within the immediate vicinity of the site that already impacts on local character and amenity;
 - d) the impact the proposed development would have on the character and amenity of the area or site having particular regard to the criteria set out in Policies DE1 and DE2;
 - e) whether the proposal would incorporate adequate management arrangements, and an appropriate level of car and cycle parking having regard to the location, scale and nature of the development;
 - f) whether the proposal would result in the positive re-use of an existing vacant building or site that would have wider regeneration benefits;
 - g) whether adequate evidence of the need for new purpose built student accommodation of the type proposed has been provided;
 - h) whether new purpose built student accommodation is designed in such a way that it can be capable of being re-configured through internal alterations to meet general housing needs in the future; and
 - i) whether the proposal in respect of purpose built accommodation includes appropriate room sizes and provides adequate communal space/ facilities, and student drop off/ collection arrangements.

Appendix 4: Sustainability Appraisal (SA)

Sustainability Appraisal (SA) is a statutory process, which must be undertaken for every new planning document in accordance with the Planning and Compulsory Purchase Act (2004). The purpose of SA is to assess the economic, social and environmental impacts of projects, strategies or plans, so that the preferred option promotes, rather than inhibits sustainable development.

In addition to SA, European Directive 2001/42/EC (commonly referred to as Strategic Environmental Assessment or SEA), requires that Local Authorities undertake an 'environmental assessment' of any plans and programmes they prepare that are likely to have a significant effect upon the environment. The requirements of the SEA have been incorporated into the SA for the LAPP.

An SA was carried out on the adopted Local Plan Part 2 as an integral part of the plan making process and performed a key role in providing a sound evidence base for the plan. The process appraised the social, environmental and economic effects of the LAPP from the outset through its various preparation stages. In doing so it helped to ensure that the decisions made have contributed to achieving sustainable development.

Furthermore, the SA recommended some changes to help ensure that the LAPP policies and site allocations are as sustainable as possible. It informed the decision making process by facilitating the evaluation of alternatives and also considered the cumulative, synergistic and secondary impacts of the LAPP policies and sites.

The SA also demonstrated that the plan is the most appropriate when considering reasonable alternatives and, where negative impacts were found, suggested suitable mitigation measures to try and overcome them. Monitoring arrangements have also been put in place to ensure that the impact of the policies can be properly evaluated.

This SPD is supplementary to Policy HO5 and Policy HO6 that have both been subject to SA as part of this LAPP preparation process. Full details of the LAPP SA process, methodology and results can be found at www.nottinghamcity.gov.uk/localplan.

An extract of the appraisals for Policy HO5 and HO6 is provided on the following pages.

Appraisal of Policy HO5: Locations for Purpose Built Student Accommodation

														Very major/important positive
														Major positive
														Moderate to major positive
														Moderate positive
														Minor positive
1. Housing	2. Health	3. Heritage	4. Crime	5. Social	6. Environment, Biodiversity & GI	7. Landscape & Townscape	8. Natural Resources & flooding	9. Waste	10. Energy & Climate Change	11. Transport	12. Employment	13. Innovation	14. Economic Structure	? = unknown impact No fill = negligible impact, not relevant or neutral overall
														Minor negative
														Moderate negative
														Moderate to major negative
														Major negative
														Very major/important negative

SA Objectives	Appraisal of Policy HO5: Locations for Purpose Built Student Accommodation	Potential Mitigation Measures
1. Housing	By promoting Purpose Built Student Accommodation in the right location, the policy should help free up traditional housing stock. Policy could therefore increase the range of housing available.	
2. Health	The provision of good quality housing for students will have beneficial health benefits.	
3. Heritage	Negligible impact.	
4. Crime	There are increased crime rates in areas with concentrations of students. The policy could help to reduce crime due to management arrangements and security measures.	
5. Social	The policy seeks to address the housing needs of students whilst also helping to restore balance in known high concentrations of students within certain neighbourhoods.	
6. Environment, Biodiversity & Green Infrastructure	Negligible impact	
7. Landscape & Townscape	Policy considers the location of Purpose Built Student Accommodation on sites in need of regeneration or underused sites, which could have a positive impact on townscape.	
8. Natural Resources & Flooding	Negligible impact	
9. Waste	New Purpose Built Student Accommodation likely to be more intensively used than existing buildings/sites and result in additional waste created.	Mitigation by provision of waste management agreements/storage facilities where appropriate and promotion of recycling via Development Management process and policies of the Local Plan.

SA Objectives	Appraisal of Policy HO5: Locations for Purpose Built Student Accommodation	Potential Mitigation Measures
10. Energy & Climate Change	New Purpose Built Student Accommodation likely to be more intensively used than existing buildings/sites and result in more energy used. New build should be more energy efficient, however overall moderate negative impact likely.	Mitigation provided through promotion of energy efficient buildings, sustainable design and, where appropriate, on-site renewable energy generation via Development Management process and policies of the Local Plan.
11. Transport	Policy seeks to locate student accommodation in accessible locations near to university campuses, in the City Centre or on main transport routes.	
12. Employment	New Purpose Built Student Accommodation may result in some additional employment associated with the management of the schemes however overall negligible impact.	
13. Innovation	Negligible impact	
14. Economic Structure	Negligible impact	
<p>Summary: A major positive effect was predicted for the Housing objective, with a moderate to major positive effect predicted for the Transport objective. The Social objective was considered likely to benefit from a moderate positive impact, alongside minor positive impacts for Health, Crime, and Landscape & Townscape objectives. Moderate negative impacts were predicted against the Waste and Energy & Climate Change objectives. Mitigation measures have been identified for possible negative impact.</p>		

Appraisal of Policy HO6: Houses in Multiple Occupation (HMOs) and Purpose Built Student Accommodation

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															Very major/important positive
															Major positive
															Moderate to major positive
															Moderate positive
															Minor positive
1. Housing	2. Health	3. Heritage	4. Crime	5. Social	6. Environment, Biodiversity & GI	7. Landscape & Townscape	8. Natural Resources & Flooding	9. Waste	10. Energy & Climate Change	11. Transport	12. Employment	13. Innovation	14. Economic Structure	? = unknown impact No fill = negligible impact, not relevant or neutral overall	
															Minor negative
															Moderate negative
															Moderate to major negative
															Major negative
															Very major/important negative

SA Objectives	Appraisal of Policy HO6: Houses in Multiple Occupation (HMOs) and Purpose Built Student Accommodation	Potential Mitigation Measures
1. Housing	Policy seeks to permit new student housing in appropriate locations. By promoting Purpose Built Student Accommodation in the right location and restricting the supply of additional Housing in Multiple Occupation, this should help free up traditional housing stock. Policy could therefore increase the range of housing available.	
2. Health	Provision of housing would result in health benefits.	
3. Heritage	New Purpose Built Student Accommodation can make positive use of buildings with heritage assets through conversion, however overall, negligible impact.	
4. Crime	Policy specifically ensures suitable management arrangements are in place for new schemes which should help reduce crime levels. Policy also seeks to reduce concentrations of HMOs, which are associated with higher crime rates.	
5. Social	Policy seeks to reduce concentration of students within traditional housing stock and promotes Purpose Built Student Accommodation in appropriate locations. Overall policy should help to restore imbalance of students within certain areas of the city.	
6. Environment, Biodiversity & Green Infrastructure	Negligible impact.	
7. Landscape & Townscape	Negligible impact.	
8. Natural Resources & Flooding	Negligible impact.	

SA Objectives	Appraisal of Policy HO6: Houses in Multiple Occupation (HMOs) and Purpose Built Student Accommodation	Potential Mitigation Measures
9. Waste	New Purpose Built Student Accommodation likely to be more intensively used than existing buildings/sites and result in additional waste created.	Mitigation by provision of waste management agreements/storage facilities where appropriate and promotion of recycling via Development Management process and policies of the Local Plan.
10. Energy & Climate Change	New Purpose Built Student Accommodation likely to be more intensively used than existing buildings/sites and result in more energy used. New build should be more energy efficient, however overall moderate negative impact likely.	Mitigation provided through promotion of energy efficient buildings, sustainable design and, where appropriate, on-site renewable energy generation via Development Management process and policies of the Local Plan.
11. Transport	Policy encourages appropriate car and cycle parking provision. Policy seeks to locate New Purpose Built student accommodation in accessible locations near to university campuses, in the City Centre or on main transport routes.	
12. Employment	New Purpose Built Student Accommodation may result in some additional employment associated with the management of the schemes however overall negligible impact.	
13. Innovation	Negligible impact	
14. Economic Structure	Negligible impact	

Broxtowe Borough Council & Nottingham City Council: Reduction of Carbon in New Development SPD

July 2024
Rev 02



Nottingham
City Council



Broxtowe
Borough
COUNCIL

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CN28
Carbon Neutral Nottingham 2028

Climate Change
& Green Futures

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chapter one

Introduction

- 1 Broxtowe Borough Council (BBC) and Nottingham City Council (NCC) are seeking to reduce energy demand, improve the energy efficiency and the use of renewable energy in new developments in their areas. To support existing Local Plan policy for BBC and NCC a *Reduction of Carbon in New Development Supplementary Planning Document (SPD)* has been created to provide more detailed guidance on how development can lower carbon emissions.
- 2 Nottingham City Council declared a climate and ecological emergency in 2019 and Broxtowe Borough Council declared a climate emergency also in 2019. Both councils have since prepared strategies which sets carbon reduction priorities within the Council districts. NCC along with partners set an ambition to be the first carbon neutral city in the UK by 2028, and this goal is known as Carbon Neutral Nottingham 2028, or CN28. Broxtowe Borough have prepared a Climate Change and Green Futures Strategy which sets carbon reduction priorities within the Council.



- 3 Under the Greater Nottingham Aligned Core Strategies Part 1 Local Plan, **all development proposals will be expected to mitigate against and adapt to climate change and comply with national and contribute to local targets on reducing carbon emissions and energy use**, unless it can be demonstrated that compliance with the policy is not viable or feasible.
- 4 This SPD provides guidance on how new development will be expected to address:
- Energy & carbon: reducing carbon emissions through:
 1. Passive design, passive cooling, and incorporation of green and blue infrastructure
 2. Improving the energy efficiency of buildings
 3. Utilising low carbon heat sources and technologies and incorporating renewable energy
 - Sustainable construction: the prudent use of materials through:
 1. The reuse and recycling of materials
 2. Sustainable material selection
 3. Embodied carbon
 4. Building reuse and retrofit

1.1 Purpose of this SPD

- 5 Supplementary Planning Documents (SPDs) provide more detailed advice and guidance on the implementation of policies within adopted Local Plans.
- 6 This SPD will provide further guidance relating to the existing [Greater Nottingham Aligned Core Strategies Part 1 Local Plan](#), covering Broxtowe Borough, and Nottingham City Council, [Nottingham City Council Land and Planning Policy Local Plan Part 2](#) covering Nottingham City and, [Broxtowe Local Plan Part 2](#) covering Broxtowe Borough.

1.2 Scope and Status of this SPD

- 7 This document is being prepared as a Supplementary Planning Document (SPD) under Regulation 14 of the Town & Country Planning Regulations (Local Plan) 2012, as amended.
- 8 This SPD provides detailed guidance, it cannot introduce new Local Plan policies. Once adopted by Broxtowe Borough Council and Nottingham City Council, this SPD will be taken into account by the Councils as a material consideration when determining planning applications. As such it is expected that developers will take account of the guidance when preparing their proposals.

- 9 The local validation requirements are listed in Table 1 below. To demonstrate compliance with relevant local plan policies applicants are required to submit a **Sustainability and Energy Statement, and a Site Waste Management (SWMS) Strategy**. This SPD provides further guidance on what information should be included in a Sustainability and Energy Statement.

Table 1: Local validation requirements

	Major	Minor	Exclusion
Sustainability and Energy Statement	✓	✓	<ul style="list-style-type: none"> Householder applications, ie. house extensions or outbuildings Non-residential changes of use for less than 1000 square meters of gross floor space Residential changes of use which create less than 10 units.
Site Waste Management Strategy (SWMS)	✓		<ul style="list-style-type: none"> Shopfronts. Extensions to existing commercial buildings less than 500 sqm. Any external alterations to commercial buildings that do not result in increased floorspace.

- 10 Where there are thresholds in Local Plan policy requirements, for example for major applications, then this is expressed clearly within the SPD.
- 11 Once adopted, this SPD will replace Nottingham City Council Informal Planning Guidance: The reduction of carbon in new development (June 2022) and supplement Nottingham City Council Design Quality Framework for developments within Nottingham City area. In respect of Broxtowe, there are no SPDs or informal guidance documents which will be replaced.
- 12 This document is borough wide guidance that is being prepared as a supplementary planning document (SPD) under Regulation 14 of the Town & Country Planning Regulations (Local Plan) 2012, as amended.

1.3 Structure of this SPD

- 13 This SPD is divided into the following chapters and sub-sections:

Chapter 2: Energy and Carbon

- Sub-Section 2.1 Introduction
- Sub Section 2.2 Energy Hierarchy
- Sub Section 2.3 Passive design
- Sub Section 2.4 Green and blue infrastructure
- Sub Section 2.5 Fabric first approaches

- Sub Section 2.6 Low carbon heating and efficient supply
- Sub Section 2.7 Renewable energy
- Sub Section 2.8 Site wide approaches including heat networks
- Sub Section 2.9 Link to useful external resources

Chapter 3: Sustainable Construction

- Sub Section 3.1 Introduction
- Sub Section 3.2 Reuse and recycling of materials, including keeping existing buildings in use via retrofit
- Sub Section 3.3 Sustainable material selection
- Sub Section 3.4 Embodied carbon and life cycle analysis
- Sub Section 3.5 Link to useful external resources

Glossary of key terms and Appendices including a Sustainability Checklist and Case Studies - to assist applicants in demonstrating how proposals comply with planning policies and guidance.

- 14 Each topic-based chapter provides a summary of relevant national and local planning policy, before outlining how applicants can integrate sustainable principles or measures into the proposed development and provides examples of what new development needs to achieve to meet policy but also how developments can go further and aspire towards best or exemplary practice.

Text shown in this text box will demonstrate how an application can demonstrate compliance with Local Plan policies. These correlate with the checklist in Appendix A. This checklist should be used for all applications in the preparation of planning applications, and to demonstrate where in the applications' documents this information is contained.

Text shown in this colour box refers to information relating to Nottingham City Council area only.

Text shown in this colour text box will demonstrate how developments can aspire towards best practice.

Text shown in this colour text box will demonstrate how developments can aspire towards exemplary practice.

- 15 At the end of each chapter a list of external resources that are thought to be useful in the preparation of compliant proposals are provided.

1.4 Policy Context

National Policy

- 16 The Climate Change Act 2008 (2050 Target Amendment) contains a statutory target of securing a reduction in carbon dioxide levels of 100% below 1990 levels by 2050. Furthermore, this legislation requires the Government set legally binding carbon budgets for each five-year period to 2050, the sixth carbon budget sets the target of reducing emissions by 78% compared to 1990 levels.
- 17 Section 182 of the Planning Act 2008 introduced a duty on local planning authorities to include policies that make a contribution to both climate change mitigation and adaptation in their plans. This sets a clear legal framework for the role of planning and local planning policy in responding to climate change.
- 18 The National Planning Policy Framework 2023 (NPPF) sets out the Government's planning policies for England and enshrines the overarching presumption in favour of sustainable development, which includes making effective use of land, helping to improve biodiversity, using natural resources prudently, minimising waste and pollution and mitigating and adapting to climate change.
- 19 The NPPF makes it clear that planning must address climate change. New development should be planned for in ways that minimise vulnerability and improve resilience, help the reduction of greenhouse gas emissions and support renewable and low carbon energy and associated infrastructure.
- 20 Planning Practice Guidance (PPG) also provides clarity on the interpretation of the NPPF. The PPG supports integrated solutions for adaptation and mitigation measures that support sustainable development.
- 21 The National Design Guide 2021 outlines that well-designed places and buildings conserve natural resources including land, water, energy and materials.

SPD relationship to Broxtowe Borough Council's and Nottingham City Council's existing policy

- 22 This SPD covers development in both Nottingham City Council and Broxtowe Borough Council areas. Local planning policy is aligned for both districts under the Greater Nottingham Aligned Core Strategy Part 1 Local Plan (ACS) which includes the overarching policy '**Policy 1 Climate Change**'. Individually for developments in Nottingham City, additional policies under the Nottingham City Land and Planning Policies (NCL&PP) apply, whilst developments in Broxtowe Borough must also comply with the Broxtowe Local Plan Part 2.

- 23 For the purpose of this SPD, local planning policy concerning the adaptation and mitigation to climate change, reduction of carbon and sustainable construction has been identified as illustrated in Table 2. Please note that within the scope of this SPD no additional Local Plan policies were identified in Broxtowe Borough's Local Plan Part 2.
- 24 Table 2 summarises the policies identified in the Greater Nottingham Aligned Core Strategies Part 1 Local Plan (ACS), and Nottingham City Land and Planning Policies (NCL&PP) where further guidance can be added to the adopted Local Plan Policies to address the implementation of the policies.

Table 2: Local Plan Policies

		ACS P1	ACS P1	ACS P1	NCL&PP	NCL&PP	NCL&PP
		Policy 1	Policy 10	Policy 16	CC1	CC2	DE1
Districts	Nottingham City	✓	✓	✓	✓	✓	✓
	Broxtowe Borough	✓	✓	✓			
Chapter & Themes	Energy Hierarchy	✓			✓		✓
	Sustainable design (orientation, overheating, cooling)	✓	✓		✓		
	Passive design	✓	✓		✓		
	Fabric First Approach	✓	✓		✓		✓
	Low carbon heating and efficient supply	✓			✓		✓
	Renewable energy technologies	✓			✓	✓	✓
	Heat and power networks and site wide approaches	✓				✓	
	Sustainable construction: re-use and recycling of materials				✓		✓
	Sustainable materials selection	✓					
	Embodied carbon	✓			✓		
	Building Re-use and retrofit	✓					
	Urban Heat Island: blue and green infrastructure	✓	✓	✓	✓		

Local Plan policies to be supplemented with additional guidance.

- 25 The Greater Nottingham Aligned Core Strategy Part 1 Local Plan for Broxtowe Borough and Nottingham City includes a number of policies which relate to climate change and to which this SPD can provide further guidance. The relevant planning policies are summarised below and within each chapter.

Policy 1: Climate Change: this is the overarching policy which requires that all development will be expected to mitigate against and adapt to climate change and comply with national and contribute to local targets on reducing carbon emissions and energy use. The policy also requires that all development make use of sustainable materials and minimises waste.

Policy 10: Design and Enhancing Local Identity: The policy requires that development is adaptable and meets the changing needs of occupiers and the effects of climate change.

Policy 16: Green Infrastructure, parks and Open Space: The policy outlines that green and blue infrastructure provided through development should tackle and adapt to climate change.

- 26 Nottingham City Land and Planning Policies applies to development in Nottingham City only and includes several policies which build on the foundations of the Aligned Core Strategy. These policies are:

CC1: Sustainable Design and Construction: this policy encourages both residential and non-residential buildings to be zero carbon. The policy outlines that development is expected to utilise sustainable design principles including passive design, utilisation of green and blue infrastructure and the use of recycled materials. The policy also supports improvements on buildings regulations where fabric efficiency and low carbon energy generation can be employed.

CC2 Decentralised Energy and Heat Networks: this policy encourages connection to existing decentralised energy and heat networks and supports the use of low carbon and renewable energy in development proposals.

DE1 Building Design and Use: supports applications which accord with the principles of sustainability including the use of renewable resources, recycled materials and ensuring the efficient use of buildings.

- 27 As noted previously, there are no policies within the Broxtowe Borough Local Plan Part 2 in addition to those noted above.

- 28 Throughout the chapters in this SPD, the relevant Local Plan policies are identified and expanded upon to guide the reader in demonstrating compliance with the policy criteria.

- 29 This SPD should be read alongside other relevant SPDs and guidance for each local authority area: [Nottingham City Council](#) and [Broxtowe Borough Council](#)

chapter two

Energy & Carbon

2.1 Introduction

National Carbon Commitments

- 30 The Climate Change Act 2008 (as amended) sets the national target for net zero carbon emissions by 2050 with legally binding carbon budgets every five years (the most recently set of which limits national emissions to 965MtCO₂e in the period 2032-2037).
- 31 The reduction of carbon emissions from buildings is a key strand to the Climate Change Committee's (CCC) strategy in driving emission reductions. To meet these targets, it is necessary to improve energy efficiency in existing buildings, switch to low carbon heating in existing and new buildings, implement stringent energy efficiency standards for new buildings and ensure that buildings are designed for a changing climate.



- 32 The UK Government’s Heat and Buildings Strategy (2021) aimed to set out the transition to low carbon buildings, starting with ensuring high efficiency levels and updating guidance throughout the next decade. The guidance included:
- Future Homes Standard which will introduce a 75-80% reduction in carbon emissions (above current standards) from new homes achieved by high building fabric standards and low carbon heating from 2025;
 - Future Building Standard applies the guidance to non-residential buildings;
 - Consultation on halting any new gas connections to homes from 2025, in favour of low-carbon heat strategies;
 - The Heat and Buildings Strategy also sets out how energy performance standards should be achieved using the Building Regulations Part L update (now in force).
- 33 Whilst these consultations and strategies are an important step in ensuring the UK’s houses and buildings are fit for the future, at the time of writing this SPD the implementation date of the Future Homes Standard and Future Buildings Standard is not yet established and as such it is essential at a local level that new homes and buildings are built to reduce carbon emissions.
- 34 The urgency of achieving net zero emissions by 2050 demands a fundamental shift in how the UK builds its future. While existing efforts towards energy efficiency and responsible construction practices are commendable, a “business as usual” approach simply won’t suffice.
- 35 The current rate of emissions reduction in the built environment is insufficient, and existing practices often fall short of the transformative changes required to meet mandated national climate targets and ambitious local targets. This Supplementary Planning Document (SPD) **outlines how new developments within Nottingham and Broxtowe can reduce their carbon impact and emissions**, to ensure they play a role in achieving net zero and fostering a more sustainable future for the region and the wider UK.

Local Context & Relevance

- 36 In Nottingham City, carbon emissions from buildings represent 25%¹ of the total carbon emissions of the city and in Broxtowe Borough they represent 34%². It is essential that new buildings do not add to the carbon deficit of the districts, as carbon reductions are required across all sectors, including buildings to meet the net zero targets of the councils.
- 37 Nottingham City have pledged to become the first carbon neutral city in the UK by 2028 through their Carbon Neutral Charter and Carbon Neutral Nottingham Action Plan 2020-2028. The action plan outlines that carbon reductions will be targeted through heating buildings through low carbon and renewable heating, encouraging energy efficiency improvements and adoption of technology and minimising emissions through the construction of new homes and buildings. The production of this SPD is a central part of the Carbon Neutral Action Plan for the built environment.

1 Carbon Neutral Nottingham Action Plan
2 BEIS data 2021

- 38 Broxtowe Borough Council are targeting carbon neutrality on their own operations by 2027. BBC's Climate Change and Green Futures Strategy 2023-2027 and Carbon Management Action Plan outlines that the council will prepare guidance for new buildings to improve energy efficiency and the generation of renewable energy (this guidance)
- 39 It should also be noted at the time of preparing this SPD, both districts are preparing the Greater Nottingham Strategic Plan which supports both Councils' journey towards net zero carbon.
- 40 Improvements to building standards, energy efficiency and employing low or zero carbon technologies are keyways to reduce carbon emissions from new and existing buildings and are the focus of this chapter.

Policy requirements

- 41 Table 3 provides a summary of Local Plan policy, outlining the requirements of policy for developments in Nottingham City (NCC) and Broxtowe Borough (BBC).
- 42 The overarching policy for all developments in NCC and BBC is **Policy 1** of the Aligned Core Strategy. Policy 1 requires that all developments mitigate against and adapt to climate change, to comply with national and local carbon emissions targets. To reduce carbon emissions, it is expected that all development will follow the energy hierarchy (see image below) in:
- Using less energy through energy efficient buildings, including thermal insulation, passive ventilation and cooling.
 - Utilising energy efficient supplies.
 - Maximising the use of renewable and low carbon technologies.

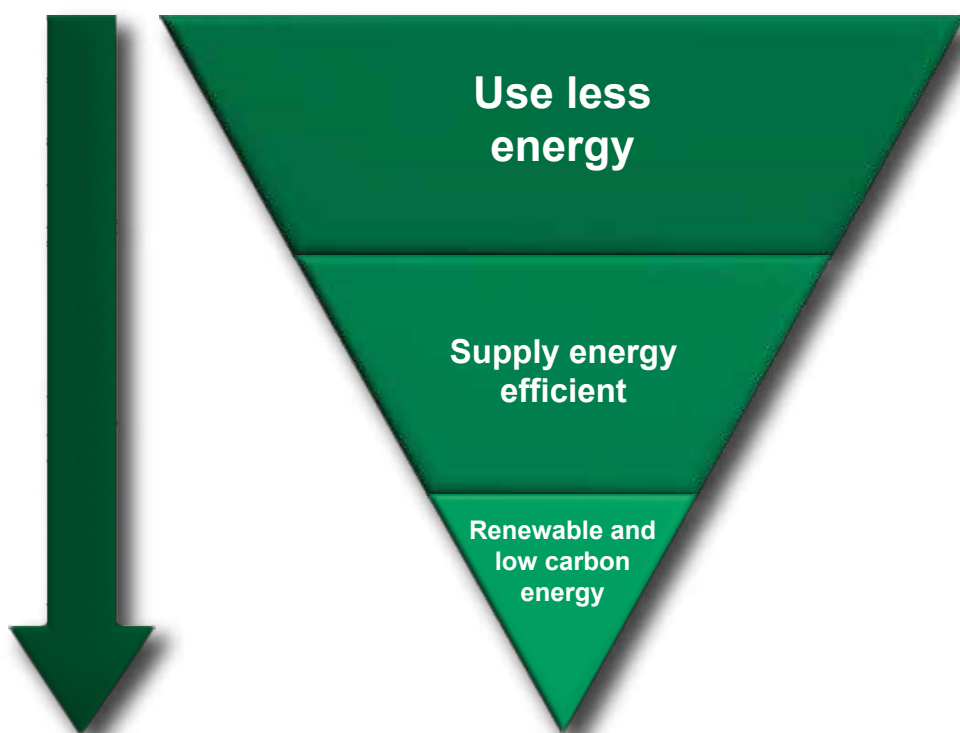


Figure 1: Energy Hierarchy

- 43 To comply with national, and contribute to local targets to reach net zero, Policy 1 indicates that buildings need to be designed and constructed to minimise carbon. As is demonstrated through this chapter, buildings being designed and built to meet current building regulations (2021) are not fit for a net zero future. Therefore ‘business as usual’ does not align with Nottingham City’s carbon target, nor national targets to reach net zero by 2050.
- 44 This chapter is organised to guide readers through the stages of the energy hierarchy to demonstrate what measures can be taken at each step to reduce carbon emissions in the design of new buildings. The SPD introduces established and emerging standards for new buildings to illustrate what measures are compatible with the UK’s net zero targets and seeks to encourage applicants to incorporate measures or apply standards in new development and the refurbishment of existing buildings.
- 45 A checklist is provided at the end of each chapter to assist applicants with checking the content of their Sustainability and Energy Statement.



Table 3: Local Plan policies requirements

Applicable to:	Threshold	Nottingham City Council	Broxtowe Borough Council	Relevant Requirements
ACS Policy 1 Climate Change	All development <ul style="list-style-type: none"> • Minor • Major • Applications for refurbishment to existing buildings (requiring planning permission) 	✓	✓	<ul style="list-style-type: none"> • Reducing carbon emissions to comply with local and national targets. • Compliance through the energy hierarchy: <ul style="list-style-type: none"> • Using less energy through energy-efficient building design • Implementation of decentralised renewable and low-carbon energy technology • Adaptation to future changes in climate
ACS Policy 10 Design and Enhancing Local Identity	All development <ul style="list-style-type: none"> • Minor • Major • Applications for refurbishment to existing buildings (requiring planning permission) 	✓	✓	<ul style="list-style-type: none"> • Development should be adaptable and meet the challenges and effects of climate change
ACS Policy 16 Green Infrastructure, Parks and Open Space	All developments	✓	✓	<ul style="list-style-type: none"> • Existing and proposed green infrastructure should help tackle climate change and be adaptable to effects of climate change.

Applicable to:	Threshold	Nottingham City Council	Broxtowe Borough Council	Relevant Requirements
NCCLPP CC1 Sustainable Design and Construction	All developments <ul style="list-style-type: none"> • Minor • Major • Applications for refurbishment and change of use (requiring planning permission) 	✓		<ul style="list-style-type: none"> • Energy efficiency over and above current Building Regulations will be supported • Low carbon energy generation will be supported • Sustainable design features (greywater recycling, green roofs and recycled materials) are expected • Sustainable design for solar gain and to minimise overheating is expected • Major non-residential developments to achieve BREEAM 'very good' and encourage 'excellent'
NCCLPP CC2 Decentralised Energy and Heat Networks	All new build development <ul style="list-style-type: none"> • Minor • Major 	✓		<ul style="list-style-type: none"> • Consideration to connection to existing decentralised heat and power networks • Development of low-carbon and renewable energy resources
NCCLPP DE1 Building Design and Use	All developments <ul style="list-style-type: none"> • Minor • Major • Applications for refurbishment and change of use requiring planning permission) 	✓		<ul style="list-style-type: none"> • Sustainable design leading to efficiency in use • Renewable resources and energy generation

2.2 Energy hierarchy

Towards net zero carbon

- 46 To avoid the worst of the impacts of the climate crisis, globally we must halve carbon emissions by 2030 and achieve net zero by 2050. The built environment is directly responsible for 25% of the UK's carbon emissions. [The UKGBC's Whole Life Carbon Roadmap](#) highlights the trajectory for the built environment industry to work towards net zero.
- 47 LETI defines net zero operational carbon as where a new building achieves a level of energy performance in-use in line with our national climate change targets, does not burn fossil fuels, and is 100% powered by renewable energy.
- 48 Net zero carbon means whole life carbon, which is formed of two key components:
- **Operational Carbon:** a new building with net zero operational carbon does not burn fossil fuels, is 100% powered by renewable energy, and achieves a level of energy performance in-use in line with our national climate change targets. Operational net zero carbon can be achieved through designing development to accord with the energy hierarchy.
 - **Embodied Carbon:** Best Practice targets for embodied carbon are met, and the building is made from re-used materials and can be disassembled at its end of life in accordance with the circular economy principles. Embodied carbon is considered in Chapter 3 of this SPD.
- 49 LETI, along with other industry leaders such as the World Green Building Council and Architecture 2030, believe that in order to meet our climate change targets all new buildings must operate at net zero carbon by 2030 and all buildings (including existing buildings) must operate at net zero carbon by 2050. Current building regulations alone will not enable the UK to meet these targets, and both operational and embodied carbon emissions must be addressed in building design, construction and operation.
- 50 Achieving net zero carbon emissions must be the responsibility of all design team members, including architects, building technicians and engineers throughout the design process, and through the appointed contractors, manufactures and sub consultants during construction. Irrespective of the on-site specification of a building, applicants are encouraged to procure electricity from providers using renewable energy sources as a route towards nationwide net zero carbon.

Energy hierarchy

- 51 Applicants should follow the energy hierarchy in preparation of their Sustainability and Energy Statement. The energy hierarchy is a sequence of steps that should be used to demonstrate how energy consumption has been minimised using the most effective and long-lasting measures first before resorting to less effective or short-term measures. This is measured using modelling of the building's energy use and carbon emissions at each step, and reductions are based on regulated energy use. The steps of the energy hierarchy, often referred to as the **Be Lean, Be Clean and Be Green stages**, are as follows:

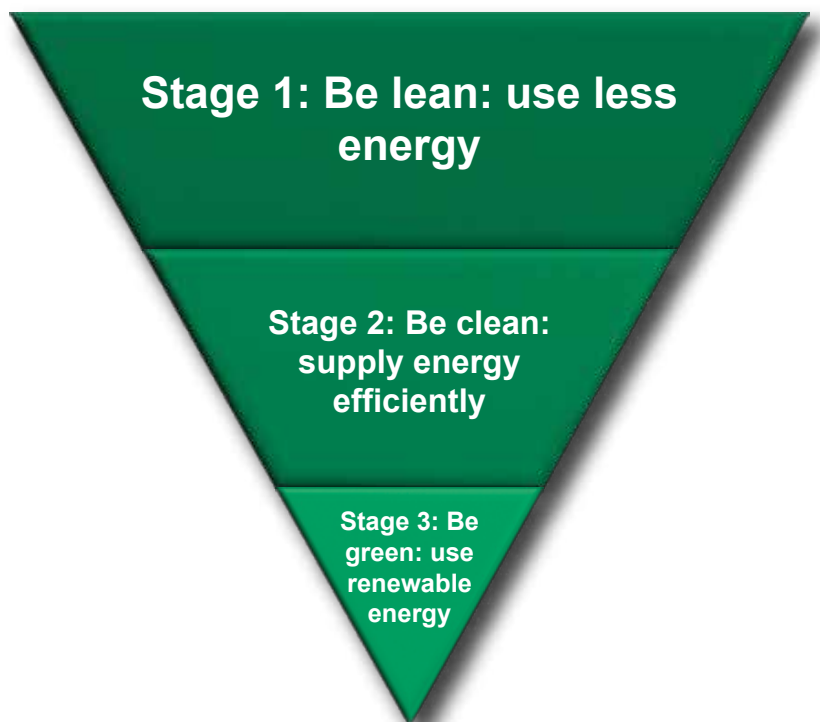


Figure 2: The Energy Hierarchy

1. Reduce energy demand and use energy efficiently (Be Lean)

Including energy efficient building fabric and building services, thereby reducing energy demand.

2. Supply energy efficiently and energy networks (Be Clean)

Including connection to existing heat and energy networks in the vicinity; providing a single point of connection and space / capability for future connection to local planned networks; and creation of site-wide networks and communal energy strategies with centralised generation of energy.

3. Renewable energy (Be Green)

Including: on-site generation of renewable energy; on-site storage of renewable energy and/or heat generated, thereby reducing the amount of electricity and/or gas that must be bought from the grid; and procurement of electricity from suppliers who have certified renewable sources for generation of energy.

- 52 Applicants are expected to demonstrate a meaningful percentage reduction over Building Regulations Part L baseline. Best practice and exemplary practice are provided in the blue and orange boxes below.
- 53 Applicants are encouraged to use the Energy Use Intensity (EUI) metric to set targets for energy consumption demonstrating how energy demand has been reduced through design. This metric shows a real commitment to reducing the energy consumption of buildings' users. Energy Use Intensity is the total annual energy consumption of a building, including regulated energy (heating, hot water, cooling, ventilation, and lighting) and unregulated energy (plug loads and equipment e.g. kitchen white goods, ICT/AV equipment), and excluding electric vehicle charging.
- 54 As EUI is measured in kWh/m²/year, it can be estimated at design stage and is displayed on energy bills so building users will be able to easily verify how the building is performing. It relies only on how the building performs, rather than considering the carbon factor of the grid. LETI argues that it should be the metric used across planning and design decisions because of this. Please also refer to LETI's [Climate Emergency Design Guide](#) for further guidance on energy efficiency measures and reducing carbon emissions.

Policy Compliance

To comply with ACS Policy 1 and national & local carbon reduction targets, have you demonstrated that through the application of the energy hierarchy the development achieves a reduction of carbon emissions against current building regulations?

The following best practice box indicates the % reductions to aim for.

On-site energy and carbon improvements

Best practice

Benchmarks for on-site energy and carbon improvements vs Part L 2021

- 63% regulated carbon reduction on TER (Future Homes Standard)

Energy benchmarks and calculation methods

Exemplary

- Calculate 'Energy Use Intensity' (EUI) using CIBSE TM54 or Passivhaus PHPP
- Aim to hit [LETI/RIBA](#) targets:
 - Residential – energy use intensity of 35kWh/m²/yr and reduce space heating to 15 kWh/m²/yr
 - Commercial – energy use intensity of 55kWh/m²/yr and reduce space heating demand to 15kWh/m²/yr.
 - Schools - energy use intensity of 65kWh/m²/yr and reduce space heating demand to 15kWh/m²/yr

2.3 Passive design

Passive solar design: shading; window size/G-value

- 55 Step 1 of the energy hierarchy involves applicants considering the implementation of passive design measures to reduce heat demand before specifying active heating systems. Passive measures include improving the building envelope, minimising infiltration of outdoor air, using a simple building form and optimising solar gain.
- 56 Passive solar design is working with the sun's energy for the heating and cooling of dwellings and non-residential spaces by utilising exposure to the sun in winter and protection from the sun in summer. This includes glazing on south facades with external shading devices installed as an obstacle to the angle of the summer sun while allowing low-angle winter sun to pass. The aim is to get the best balance by reducing the need for space heating in winter, while avoiding the need for active cooling and fans in the summer so that that the winter efficiency gains are not cancelled out.
- 57 Applicants should demonstrate that the balance between achieving sufficient internal daylight levels and mitigating overheating has been achieved by glazing size and location. The optimum wall-to-(external) window ratio is approximately 20% for South, East and West orientations and 20-40% for North facing glazing.
- 58 The g-value of glass is used to describe how much solar heat energy can pass through and is shown on a scale from 1 to 0. For housing values of 0.6-0.5 are recommended, for offices 0.4-0.3 and for schools 0.5-0.4. Reducing the g-value to mitigate overheating is not recommended and must be balanced as larger areas of glazing have greater heat loss than an insulated wall resulting in reduced energy efficiency of the building. The applicant is encouraged to demonstrate the proposed g-value.
- 59 Demonstration of daylight and sunlight levels can be achieved using the [BRE Right to Light Guidance](#) and showing that the recommendations will be achieved in all dwellings and occupied spaces.

- 60 Internal shading can include the installation of blinds at a base build level for commercial spaces and dwellings (especially high-rise dwellings exposed to long periods of sunlight, without shading from buildings or trees). Applicants should confirm where internal shading is required and how this will be indicated to future tenants.
- 61 [Passivhaus](#) is a best practice standard that incorporates passive measures into building design and provides a verification process and implementable pathway to achieving good passive design. Applicants are encouraged to consider such standards and implement where possible..
- 62 Applicants should consider implementing a recognised quality standard such as Passivhaus, [NEF/GHA Assured Performance Process](#), or [Home Quality Mark](#) which ensures the finished building performs against the design intentions with regards to energy use, carbon emissions, indoor air quality and overheating risk. Applications using such quality assurance schemes will be looked on favourably. Applications using such quality assurance schemes will be looked on favourably. Applicants could also consider undertaking a [BREEAM assessment](#) for non-residential new build or refurbishment applications, please see section 3.2 of this SPD for further information and specific requirements for Nottingham City Council.

Best practice for solar gain and glazing ratio

- No main window orientation that faces North.
- No unnecessarily complex building shapes that results in a high form factor.
- Simple building shapes should be prioritised.
- Glazing ratio should not exceed 25 – 30% to manage overheating risk and heating demand.

Building form and orientation

- 63 The orientation of a building can impact its thermal performance due to the amount of sunlight entering the building. The space heating demand of a building can increase purely based on the orientation of the building, where a flat with the majority of glazing on a north-facing facade requires significantly more space heating over an annual period than a flat with the majority of glazing facing south, due to reduced levels of sunlight. Therefore, building orientation can also impact the thermal comfort of occupants, overheating risk, and internal light levels.

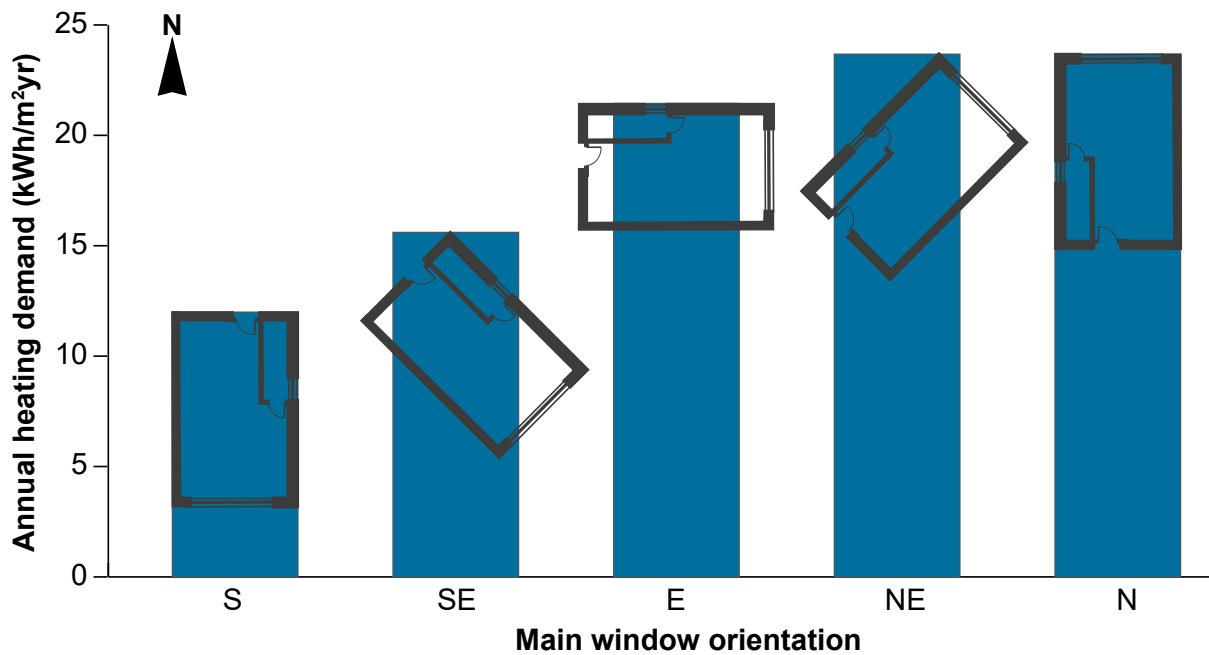


Figure 3 LETI orientation and heat demand study

- 64 The figure above ([LETI Climate Emergency Design Guide](#)) shows how a home's energy use for heating gets worse the further the window is oriented away from south. Please note the yellow bars represent energy use for space heating, not sunlight coverage.
- 65 A building's form factor is the ratio of internal floor area to external surface area; therefore, a detached house would have a higher form factor than a mid-floor flat in an apartment block. The higher the form factor the less efficient the dwelling would be due to exposure to outdoor conditions affecting the energy efficiency of the dwelling, requiring higher levels of energy consumption and increased fabric efficiency to meet required thermal performance. Simpler, more compact shapes achieve a better (lower) form factor than unnecessarily complex shapes.
- 66 Buildings with simpler shapes (and adjoining walls with neighbouring homes) are inherently more thermally efficient than standalone buildings or ones with complex shapes. Applications should aim for efficient building design, lowering the form factor to reduce the overall energy needs of the building.

Type	Form Factor	Efficiency
Bungalow house	3.0	 <p>Least efficient</p>
Detached house	2.5	
Semi-Detached house	2.1	
Mid-Terrace house	1.7	
End mid-floor apartment	0.8	

Figure 4: LETI form factor

Natural ventilation

- 67 Applicants should demonstrate a natural ventilation strategy has been followed where appropriate to the application. Windows should be openable to allow for purge ventilation, with noise and air pollution concerns considered during ventilation strategy design. Dual aspect homes should be prioritised, and single aspect homes should be avoided.
- 68 Ventilation design should also consider the unwanted accumulation of moisture in order to prevent damp and mould, especially in kitchen and bathroom spaces where extract ventilation should be adequately sized and appropriately located. The proposed natural ventilation strategies can be demonstrated to the Council as part of an overheating analysis.

Policy compliance

To comply with ACS Policy 1, have you demonstrated that the proposed development's form, orientation and solar gain have been optimised for energy efficiency and to reduce the risk of overheating?

Best practice for building form and orientation

- Orientation should be considered within the specific context of the development. The link between solar gain and orientation should be treated holistically.
- A building with a south-facing main window orientation will reduce heating demand but should be balanced with measures to mitigate overheating risk during summer.
- Form factor should be reduced as best as possible for the typology of the building.

Exemplary practice for building form and orientation

- Orientation should be considered within the specific context of the development. Main window orientation facing south is considered exemplary as long as this is balanced with measures to mitigate overheating.
- Form factor is dependent on the building type, but exemplary practice is considered to be <3, with Passivhaus buildings aiming to achieve 3 or less.
- Complete either a CIBSE TM52 (non-residential) or TM59 (residential) overheating assessment using TM49 weather files; and
- Demonstrate that a recognised quality regime will be used to ensure the as-built performance indoor air quality and overheating risk meets the as-designed performance (e.g. Home Quality Mark).

2.4 Green and Blue Infrastructure

- 69 The Urban Heat Island Effect (UHI) occurs due to the removal of natural vegetation surfaces and their replacement with hard surfaces: pavements, roads and buildings. The subsequent increase in thermal mass and darker-coloured surfaces results in significant heat absorption and retention, leading to higher temperatures in urban areas than less dense, more vegetated areas – the difference can be up to [7° in some cases](#).



- 70 Applicants should demonstrate how they have incorporated measures to combat UHI (whether by reducing UHI in existing urban fabric, or by avoiding the creation of UHI).
- 71 Mitigation measures to combat UHI consist of:
- Increased abundance of foliage and vegetation which is native and would be climate resilient.
 - Increasing canopy cover and shading from trees
 - Sustainable forms or urban drainage
 - More bodies of open water for enhanced evaporative cooling
 - Use of more reflective materials on hard surfaces
- 72 The role of materials in minimising the UHI effect can be significant, as roofs and pavements account for ~60% of urban surfaces and absorb in excess of 80% of the solar radiation received.
- 73 'Cool materials' can reduce this effect due to increased albedo, meaning that the surface can better reflect sunlight and emit heat from the building. Cool materials will therefore reduce overheating risks within the building and the wider urban area. For example:
- White and reflective roofs are up to 4 times more effective than dark roofs.
 - It is helpful to avoid dark, low reflectance surfaces adjacent to glazing.
- 74 New development in high-density urban areas has an opportunity to significantly reduce the level of heat absorbed and retained on-site, and importantly ensure it does not worsen existing urban heat island areas. Reducing the urban heat island effect should be addressed alongside biodiversity and ecology policy requirements, due to the role that increased vegetation can play.

Green roofs to mitigate heat gain

- 75 Green roofs containing vegetation, and sometimes water features, provide multiple benefits to a development. Water runoff reduction, evaporative cooling, increased biodiversity and reduced solar gain on the building surface are all key features.
- 76 Similarly to a rooftop garden, green roofs can reduce heat islands through the provision of shade, removing heat from surrounding air and reduce roof surface temperatures. Compared to standard roofs, green roofs can be over 4°C cooler at the surface, whilst [modelling simulations](#) have shown indoor temperature reductions from green roofs of up to 3°C.
- 77 Green roofs can be combined with solar panels to make 'biosolar roofs'. Although green roofs may reduce roof space for solar panels, this may be outweighed by efficacy gains of the panels due to the green roofs' mitigation of extreme temperatures. Panel efficiency is highest at a set operating temperature, and thus increases when paired with green roofs, as the panels are less likely to exceed this temperature. Panels should be placed at least 75cm above vegetation.



Figure 5: Example of a biosolar roof

78 It is anticipated that as policy requirements become more stringent for operational energy, overheating and biodiversity, a crucial balance in new development will need to be struck between:

- Installing sufficient on-site rooftop solar PV for a net zero energy/ carbon balance
- Mitigating overheating risk with reflective appropriate materials and design
- Integrating green roofs with other requirements

Trees for shading

79 Increased abundance of trees is a measure to address both climate adaptation and biodiversity, resulting in co-benefits. Shading from trees provides enhanced thermal comfort at street level and helps reduce health impacts of increased temperatures, which are exacerbated in urban areas. This is supplemented by the evapotranspiration ability of trees, providing a cooling effect.

80 Studies have found street air temperature with higher tree cover density to be 1.3°C lower than streets with lower densities. This benefit is even greater during summer months, where average air temperature under street trees can be up to 3.3°C cooler than open pavement streets.

81 Where trees are planted, it is vital that the underlying soil is appropriately assessed to determine that the quality and volume of soil is sufficient for predicted tree growth. Without soil assessments, trees are at risk of inhibited growth, impeding pavement surfaces and could die prematurely.

Policy compliance

To accord with ACS Policy 16, have you incorporated green and blue infrastructure into the proposed development?

Best practice: Green and blue infrastructure

- Appropriate material selection is made to mitigate urban heat island impacts
- Design is innovative to enable green and blue roofs and solar PV
- Trees and green spaces are integrated into the development to increase biodiversity, reduce overheating and promote outdoor recreation.

2.5 Fabric first approaches

- 82 A fabric first approach involves maximising the building fabric performance during design, before considering building services that will be required. This enables carbon emissions to be reduced as well as ongoing maintenance and ensure operational energy efficiency. 'Fabric first' could involve improving the thermal mass, insulation, airtightness, incorporating both natural and mechanical ventilation with heat recovery whilst considering solar gain, glazing ratios, and shading devices. A fabric first approach reduces energy demand through effective building fabric design before looking at heating/cooling systems and renewable energy. Applicants should demonstrate how the fabric first approach has been followed.
- 83 Energy modelling should be carried out using adopted modelling software: SAP for residential models; and SBEM for non-residential. For residential, the total Part L Fabric Energy Efficiency Standard (FEES) should be calculated and reported. However, the use of more accurate energy modelling methodologies such as TM54 or PHPP will be looked on favourably.
- 84 Irrespective of the method of energy modelling undertaken, applicants should demonstrate appropriate insulation (u-values of all elements) and airtightness levels have been met. The proposed values should be demonstrated against those of the Building Regulations notional building, showing where improvements have been made. Good practice would be to demonstrate a carbon emission saving of $\geq 15\%$ from fabric improvements compared to Part L 2021 Target Emission Rate for the building (non-residential).
- 85 Building Regulations Part L 2021 mandate the maximum u-values for building components for dwellings (Volume 1), including existing and new dwellings, and Buildings Other Than Dwellings (Volume 2). The guidance within Part L 2021 is a useful starting point to consider the properties of buildings' components, insulation, and thermal bridging. The table below demonstrates the Part L building performance requirements as well as LETI best practice guidance for different building types.

Element	Part L 2021 standard for new builds	FHS December 2023 Option 1	LETI guidance outlining exemplary practice
Floor U-value (W/m2.K)	0.13	0.13	0.08-0.10 housing, 0.10 -0.12 offices, 0.09-0.12 schools
External wall (W/m2.K)	0.18	0.18	0.13-0.15 housing & schools, 0.12-0.15 offices
Roof (W/m2.K)	0.11	0.11	0.10-0.12
Window (W/m2.K)	1.2	1.2	0.8 small scale housing (triple), 1.0 medium & large scale housing (triple), 1.0 triple – 1.2 double offices, 1.0 triple schools
Door	1.0	1.0	1.0 housing, 1.2 offices, 1.2 schools
Air permeability at 50 Pa	5.0m3/ (h.m2)	4 m3/m2.h @ 50Pa	<1 (m ³ /h. m ² @50Pa)
Heating appliance	Gas boiler	Notional ASHP equivalent to ErP A++	Recommend heat pump and MVHR, offices connection to community wide ambient loop
Heat emitter type	Low temperature heating	Low temperature heating	Low temperature heating
Ventilation system type	Natural (with extract fans)	dMEV	MVHR and openable windows
PV	40% ground floor area	High efficiency solar PV panels covering equivalent of 40% of ground floor area	Small scale housing – Maximise renewables so that 100% of annual energy requirement is generated on-site. Medium – large scale housing and schools maximise renewables so that 70% of the roof is covered. Offices maximise renewables to generate the annual energy requirement for at least two floors of the development on-site
Wastewater heat recovery	Yes	Yes	Recommended
y-value (W/m2.K)	0.05	-	0.04

86 At the time of writing, the consultation on the Future Homes Standard (December 2023) is in circulation and provides two options for the future of the standard. Option 1 is presented in the table above, which includes an airtightness value of 4 m³/m².h @ 50Pa as opposed to 5 m³/m².h @ 50Pa for Option 2. Option 2 does not include the provision of PV or WWHR and includes natural ventilation with intermittent extract fans as opposed to dMEV in Option 1.³

³ <https://www.gov.uk/government/consultations/the-future-homes-and-buildings-standards-2023-consultation/the-future-homes-and-buildings-standards-2023-consultation>

- 87 The building ‘fabric’ comprises of the materials that constitute the walls, floors, roofs, windows and doors. The more insulation contained within these elements, the better their thermal performance. However, the building fabric also includes the building’s overall airtightness, as well as the impact of thermal bridges where the insulation layer is not continuous. Therefore, insulation continuity must be achieved across elements of the building to ensure gaps do not lead to heat loss and potentially condensation and mould.
- 88 Thermal bridging occurs when areas of a building have significantly higher heat transfer than adjacent/surrounding areas (e.g. due to the conductivity of materials or reduced levels of insulation). Building fabric should be designed and installed to minimise thermal bridging.

Policy compliance

Have you demonstrated the fabric performance standards (U values) of superstructure components including external walls, floors, roofs, windows and doors?

It is expected that proposed developments seek to improve energy efficiency through fabric improvements to comply with ACS Policy 1.

Policy compliance

For Nottingham City, developments that can demonstrate a <20kWh/m2/year space heat demand through Part L FEE will be supported under policy CC1.

Best practice fabric energy efficiency

- Demonstrate a 10% reduction on the Building Regulations Part L TFEE (residential)
- Demonstrate a Part L FEE of ≤20kWh/m2/year (residential only)
- Demonstrate a carbon emission saving of ≥15% from fabric improvements compared to Part L 2021 Target Emission Rate for the building (non-residential)

Exemplary practice fabric energy efficiency

- Calculate space heat demand using TM54 or PHPP
- Aim to hit targets using those calculations, such as:
 - 15kWh/m2/year space heat demand (LETI target, all building types)
 - Other kWh/m2/year space heat demand targets by building type, to be developed via the industry-led UK Net Zero Carbon Buildings Standard.

Thermal mass

- 89 Materials that absorb heat when surrounding temperatures are higher and then give this heat back when the surroundings are cooler, are said to have higher levels of thermal mass. This enables the material to store heat.
- 90 Concrete, bricks, tiles, and stone have high thermal mass. Using these materials in the right amount in the right location can help maintain comfortable year-round indoor temperatures, absorbing the sun's heat and releasing it in the evenings when air temperature falls. Controlling and stabilising internal environments this way can reduce usage of heating and cooling systems; however, the materials must be exposed within the space to efficiently function. Applicants are encouraged to demonstrate how thermal mass has been considered within their proposals.

Air tightness

- 91 Air permeability tests should be carried out on all new dwellings and non-domestic buildings, this helps to identify and reduce unwanted heat loss that occurs through air infiltration into a building.
- 92 The Building Regulations Part F 2021 defines highly airtight dwellings as those with either:
- A designed air permeability of $<5 \text{ m}^3/\text{hr}/\text{m}^2@50\text{Pa}$
 - An as-built air permeability of $<3 \text{ m}^3/\text{hr}/\text{m}^2@50\text{Pa}$
- 93 Passivhaus certification requires air tightness of $<1 \text{ m}^3/\text{hr}/\text{m}^2@50\text{Pa}$. Applicants should provide the targeted design air permeability within their Sustainability and Energy Statement.
- 94 The following benchmarks are mostly applicable to residential buildings however other building types should be able to achieve this.

Basic expected limit	Best practice	Exemplary practice
$<5 \text{ m}^3/\text{hr}/\text{m}^2@50\text{Pa}$	$<3 \text{ m}^3/\text{hr}/\text{m}^2@50\text{Pa}$	$<1 \text{ m}^3/\text{hr}/\text{m}^2@50\text{Pa}$

Policy compliance

Have you targeted a lower (<) air permeability less than $5 \text{ m}^3/\text{hr}/\text{m}^2@50\text{Pa}$?

Guidance on retrofitting

- 95 In an average home or building, fabric improvements or the installation of low or zero carbon technology are unlikely to require planning permission. However, planning permission may be required where the proposed measures affect the external appearance of a building. Applicants are urged to check what permitted development rights are available to them, and if unsure contact the Council before implementing these measures or applying for planning permission.
- 96 ACS Policy 1 applies to both retrofit applications and new building proposals in Nottingham and Broxtowe in the same way. Where planning permission is required, applicants should demonstrate how retrofit proposals are targeting zero carbon in their Sustainability and Energy Statement.
- 97 Retrofit can be broken down into the level of intervention, including very low cost or free quick wins; low cost and technically easy measures, high cost and technically difficult measures and deep retrofit requiring technical expertise. Therefore, the measures can range between:
- energy and water saving measures during operation including reducing wasted energy, and water leaks.
 - building fabric interventions including glazing replacement, installation of secondary glazing, improved levels of insulation (cavity wall/ceiling insulation/raft roof/loft/floor), chimney improvements and increased levels of draughtproofing
 - building services upgrades such as replacement heating systems, radiator replacements, heat pumps, underfloor heating, installation of solar thermal or a PV array, mechanical ventilation with heat recovery and wastewater heat recovery systems.
- 98 Please also see the [Passivhaus Trust's retrofit guidance and Retrofit Primer \(2022\)](#) for detailed guidance on retrofit strategies.
- 99 Retrofit interventions have the opportunity to not only improve energy efficiency, potentially lower the cost of energy bills, but also to improve the thermal comfort of occupants and thus support the health and wellbeing of building users.

Historic Buildings and Contexts

- 100 Some measures noted in the above two sections require further consideration when dealing with historic buildings (designated and non-designated heritage assets, including locally listed buildings) and buildings in a Conservation Area. However, the sensitive retrofitting of energy efficiency measures and the appropriate use of micro-renewables will be encouraged, providing the special characteristics of the heritage assets are conserved in a manner appropriate for their significance. Applicants may find it useful to refer to [guidance from Historic England](#) on Retrofit and Energy Efficiency in Historic Buildings (updated Historic England, 2024).

- 101 In line with new buildings, building fabric upgrades and improved energy efficiency should be addressed prior to low carbon energy sources or renewable energy.
- 102 Full planning permission or listed building consent may be required from the local planning authority for these works to take place.

2.6 Low carbon heating & efficient supply

- 103 To ensure we maintain alignment with the trajectory zero carbon buildings is based on, the future of heat delivery within all new buildings **must be fossil-fuel free**. LETI argues that in order to achieve this, the timeline for this shift should be 2020-2025. The Committee on Climate Change has also expressed this view regarding the role that new buildings will need to play in order to be compatible with the UK's legislated net zero carbon targets.
- 104 Therefore, we strongly encourage all new development proposals with an expected completion date from 2025, to be fossil fuel free and to not use gas boilers, as this would constitute insufficient mitigation of climate change.
- 105 Supplying fossil fuel free energy is key to minimising carbon emissions. For new builds, heat pumps are the most efficient means of heating a building without reliance on fossil fuels. Heat pumps come in a variety of forms and can provide both space heating and domestic hot water, serving individual buildings or acting as communal heating systems. To ensure energy efficiency is maximised, and to minimise energy demand, the choice of system must be informed by the building and site's context and use.
- 106 Air source heat pumps (ASHP) use refrigerant fluid to absorb heat from the outside air, and as the refrigerant liquid boils, the gas is then compressed and condenses onto heat exchanger coils. ASHPs typically have an efficiency of 250-400% (dependent on system set up, size and application), but can be up to 500% for the most efficient available on the market at the time of writing this SPD. This is far higher than an efficient gas boiler (typically 80-90% efficient). Heat pumps also rely on electricity and therefore provide flexibility for the future, should systems need to be changed out, and also fit into decarbonisation strategies as the national grid continues to decarbonise.
- 107 Water source heat pumps (WSHP) and ground source heat pumps (GSHP) operate in a similar way, taking heat from surrounding land and bodies of water. The efficiency of the available systems is less variable than those for the currently available ASHP.
- 108 Please note, direct electric space heating strategies are preferably avoided, due to potential for higher energy bill costs to occupants (especially for hot water), and lower efficiencies of these systems, in addition to reduced flexibility for future adaptation of systems without deep retrofit which is costly and disruptive to occupants.

District Heat Networks

- 109 Step 2 of the energy hierarchy is the connection to existing and proposed future heat networks. Connecting to heat networks and the creation of networks within buildings on site should be reviewed before the options for renewable energy technologies are considered. Examining heat networks first helps design smarter heating systems, optimise efficiency, and allows for future integration of renewable sources, making sustainability efforts more strategic and cost-effective.
- 110 District heat networks enable development of a sustainable and flexible supply of energy on a city-wide or regional scale, using local waste heat efficiently and opening up opportunities for reducing primary energy demand. In urban areas with high heat demand, sharing heat demands and strategies can increase energy efficiency and balance demand with mixed-use developments. Heat networks can offer a solution to decarbonisation as they are technology agnostic and can be replaced with lower carbon technologies in the future.

Nottingham District Heat Network (DHN)

For developments within Nottingham City Council, connection to the DHN will be expected where feasible and viable in terms of the development's location and forecast annual heat consumption.

There is the potential for a major expansion of the network through the [Heat Network Zoning Pilot Programme](#) and planning permission for the Eastcroft Incineration to have a third line, this would increase capacity for future developments to connect.

High Res image needed



Policy compliance

To accord with Nottingham City policy CC2, have you explored the possibility of connecting to an existing or proposed District Heat Network as shown on the Nottingham City Polices Map?

Please cite the reasons if this is not feasible or viable.

Domestic Hot Water (DHW)

- 111 Applicants should demonstrate how domestic hot water will be generated and distributed around buildings. Following the energy hierarchy, communal systems should be considered as part of the Be Clean stage, for example where a communal energy centre with heat pumps is proposed, this system could also supply domestic hot water via a low temperature water distribution loop, with hot water boosted at the dwelling/building. Heat sharing loops like this also provide opportunities to recycle heat that is rejected from any part of the building that has active cooling.
- 112 Where other options are not feasible, applicants may propose direct electric hot water heaters in commercial buildings where the hot water demand may be very low (for example, in an office where it may be required for a single hand washing basin tap).
- 113 In accordance with the UK Health and Safety Executive, domestic hot water must be heated to and stored at a temperature of >60 degrees (amongst other storage and control measures) in order to prevent risk of exposure to Legionnaire's disease in residential and non-residential buildings. Where hot water is not stored, this requirement does not apply.

Thermal storage

- 114 Thermal storage of heating or cooling can be integrated into a communal system or individual system within a building. In winter the electricity grid is more likely to be constrained at periods when homes are heated and hot water demand is high, for example early in the morning. Thermal storage disassociates when heat is produced from when this heat is required. The thermal store can therefore be charged at a period when the grid is unconstrained or low carbon, then used to provide heating and hot water during peak grid times without putting extra load on the grid.
- 115 Thermal storage can also be utilised alongside renewable energy generation on site in periods where renewable energy generation is higher than the energy use. The surplus energy can be transferred into thermal storage, e.g. hot water for later use.

Heat recovery (MVHR, WWHR)

- 116 Mechanical ventilation with heat recovery (MVHR) uses a heat exchanger to recover heat from 'used' or extract air to pre-heat 'fresh' air to be supplied to the dwelling. MVHR is more heat-efficient than natural ventilation and should be considered where noise, air pollution or security concerns may prevent occupants from open windows. MVHR should be used in buildings where the proposed air-tightness triggers a need for mechanical ventilation and should be considered from early stages of design. Applicants should demonstrate that where mechanical ventilation is proposed it is adequate for the building. LETI recommends a 90% ventilation heat recovery may be needed in order to achieve the domestic hot water and space heating performance recommended in its Climate Emergency Design Guide.

- 117 Waste water heat recovery systems (WWHR) work by extracting the heat from the water a shower or bath sends down the drain and using this heat to warm the incoming mains water, reducing the energy required to heat the water up. Installation could reduce the energy required per shower use by up to 55%. WWHR is recognised to be an effective way to reduce energy demand for domestic hot water and applicants should consider this option, especially in buildings predicted to have high hot water demands.

Policy compliance

To accord with ACS Policy 1 (and NCC applications for NCL&PP Policy CC2), have you demonstrated that an efficient low or zero carbon energy system for the delivery of heat and/or power has been selected for the proposed development?

Best practice low carbon heating

- All new buildings to have a zero or low carbon heat supply e.g. no fossil fuel boilers
- Developments to consider connection to existing DHNs where feasible and viable.
- Developments to be designed to? follow the energy hierarchy of be lean, be clean, be green

2.7 Renewable energy

- 118 Step 3 of the energy hierarchy is incorporating low carbon and renewable energy technologies. Within the Sustainability and Energy Statement the Council expect that applicants undertake a feasibility assessment of renewable energy technologies to demonstrate which technologies are suitable for the type, form, use and context of the proposed development.
- 119 It is now widely accepted that heat pumps (including ASHPs, GSHPs, WSHPs) are renewable, due to the fact that they produce more units of heat than they consume in electricity to run. As the grid continues to decarbonise, the carbon of the electricity used by the heat pumps will also reduce.

Incorporating solar photovoltaics (PVs)

- 120 Applications should maximise opportunities for incorporating photovoltaic panels (PV) including horizontal and vertical arrays. Applicants should provide details of the proposed array including the area (m²) of the PV array, the number of panels, the panel wattage and efficiency, estimated energy generation per annum (kWh per annum), and an estimation of the carbon emissions that could be offset with the introduction of this technology. The optimum installation would be East-West facing at a 0-30 degree angle of inclination (or horizontal to the roof). The density of solar panel area to fit in the available roof area should be maximised, in order to capture maximum solar energy.
- 121 Bio-solar roofs are where PV panels are installed on top of green roofs. Applicants are encouraged to explore bio-solar roofs as they incorporate both biodiversity benefits of a green roof with the generation of renewable energy. See paragraph 78.

Solar thermal

- 122 A solar thermal collector gathers energy from sunlight (similar to PV panels), however rather than generating electricity it generates heat. This heat is used to contribute to meeting domestic hot water demand but can also contribute a small amount to space heat via central heating.

Biomass heat

- 123 Creating heat from direct combustion of biomass may be appropriate in some locations, usually where there are local sources of agricultural, forestry or industrial biomass waste suitable for burning, where preference should be given to fuels that are a by-product of local processes. The carbon impact of transporting the biomass fuel must be considered when specifying this technology, as must the localised impact on air quality from transport and combustion. Applicants proposing such systems must demonstrate that the impacts are acceptable.
- 124 Following selection of the low/zero carbon technology, applicants should provide details of the proposed systems including the proposed set-up and efficiencies.

Grid capacity constraints

- 125 It is important to discuss with the District Network Operator the capacity of the local electricity grid as this may have constraints on exports. The need to export energy generated on site can be solved with local energy storage. This could include battery storage for electrical energy, or in the case of surplus heat energy, thermal stores could be used. Using energy storage can allow consumers to meet peak demand with stored energy or could reduce operational energy costs during times of the day when energy costs peak.

- 126 The Councils encourage new buildings to be supplied via a three-phase power supply unless this is not viable. A three-phase system makes it more straightforward to install heat pumps, photovoltaic panels and electric car-charging systems, as the electrical demand is spread across the three-phases. Installing a three-phase supply allows homes to be future-proofed and supports future adaptability of buildings.

2.8 Site-wide approaches

- 127 Applicants are encouraged to consider energy-sharing strategies to further reduce operational energy demand and carbon emissions. These include local grids; heat recycling; energy clubs via smart meters and Time of Use tariffs.
- 128 A site-wide strategy could incorporate forms of energy storage such as electrical batteries or heat batteries. Also as previously noted, heat-sharing loops across larger sites or neighbourhoods can present opportunities for heat recycling from waste heat sources in or near the site.
- 129 Applicants are also encouraged to consider demand side response, which is the flexibility of the energy system to reduce or increase energy consumption during a period of time to respond to energy price changes or energy availability on the grid. Buildings or sites that can modify their energy use in real time through the use of demand response (including storage systems) will be able to reduce occupants' energy bills and LETI argues that in the future it would be expected that these systems are incorporated in every new building.

Policy compliance

To comply with ACS Policy 1, have you explored site wide approaches to centralised systems, energy generation, sharing and storage?

Please cite the reasons if this is not feasible or viable.

To comply with ACS Policy 1 (and NCC applications for NCL&PP Policy CC2), have you undertaken a feasibility assessment of renewable energy technologies and incorporated renewable energy generation into the scheme through on-site measures?

Best practice solar photovoltaics

- In the first instance, on-site renewable energy generation should be equal to total energy use to achieve a zero-carbon development without any off-site measures or offsetting.
- All 1- and 2-storey buildings should have sufficient roof space for PV generation to achieve a zero-carbon balance only through on-site measures.
- If exceptional circumstances are demonstrated for buildings of 3 storeys or above, standard performance percentages should still be achieved as a minimum.

2.9 Link to useful external resources

130 Further guidance, resources:

- NEF/GHA Assured Performance Process <https://kb.goodhomes.org.uk/tool/assured-performance-process/>
- Home Quality Mark <https://bregroup.com/products/home-quality-mark/>
- BREEAM assessments and certification <https://bregroup.com/products/breeam/>
- BSRIA Soft Landings process <https://www.bsria.com/uk/consultancy/project-improvement/soft-landings/>
- Building Regulations [Approved Document Part L: Conservation of fuel and power](#) (2021) ¹
- LETI [Climate Emergency Design Guide](#)
- LETI One-pager on [Net Zero Carbon](#)
- LETI Climate Emergency [Retrofit Guide](#)
- RIBA 2030 [Climate Challenge](#)
- Greater London Authority [Energy Assessment Guidance](#)
- Greater London Authority (GLA) [Carbon Offset Funds Guidance](#) (July 2022)
- Greater London Authority Carbon Emissions Reporting Spreadsheet
- UKGBC [Net Zero Carbon Buildings: A Framework Definition](#) (April 2019)
- UKGBC [Unlocking the Delivery of Net Zero Carbon Buildings](#) (November 2020)
- UKGBC [Renewable Energy Procurement & Carbon Offsetting Guidance for Net Zero Carbon Buildings](#) (March 2021)
- UKGBC [Whole Life Carbon Roadmap: A Pathway to Net Zero](#) (November 2021)
- Historic England guidance on retrofit ([energy efficiency](#) and [renewable energy](#))
- CIBSE [TM54 method for accurately modelling operational energy performance](#)
- PHPP (Passivhaus energy modelling method) [Technical Guidance Passivhaus Rules of Thumb other Passivhaus resources](#)

chapter three

Sustainable Construction

3.1 Introduction

- 131 It is estimated that the built environment is directly responsible for 25% of UK carbon emissions, and of that 25% approximately a quarter is embodied emissions of buildings and other infrastructure. The built environment sector must urgently address its responsibility in countering the climate emergency and collaboratively work to accelerate decarbonisation in the design, construction and operation of our homes and buildings.
- 132 The Climate Change Act 2008 (as amended) sets the national target for net zero carbon emissions by 2050. The 2050 target covers all sources of emissions including from the extraction, processing and transportation of materials, and any carbon released through waste and at the end-of-life of that materials' life.



- 133 As buildings become more energy efficiency and the carbon emissions from their operation reduces, embodied carbon emissions represent a greater proportion of the overall carbon from a development, as much as 50% of total emissions over a building's lifetime.
- 134 The value of embodied carbon within existing buildings is also recognised through statutory bodies such as Historic England, who acknowledge that the reuse of existing buildings can radically reduce the overall carbon emissions compared with a new building. Additionally, retrofitting to address energy efficiency should also make use of sustainable materials and construction methods to limit embodied carbon.
- 135 Furthermore, Historic England's research report '[Heritage Counts](#)' identifies the role of existing buildings to ensure sustainable materials and construction are pursued, rather than a sole focus on new builds. The UK will not be able to achieve the 2050 net zero target without appropriate policies and guidance in place for existing buildings, which primarily must include retention over demolition of existing buildings due to the high amount of embodied carbon that would result from a building replacement.
- 136 At the heart of the NPPF is a presumption in favour of sustainable development, which should be seen as the golden thread running through both plan-making and decision-taking. The NPPF 2023 through Chapter 14 states that the planning system should support the transition to a low carbon future through encouragement of the reuse of existing resources, including the conversion of existing buildings, and through Chapter 17 supports the use of secondary or recycled materials.
- 137 The Committee on Climate Change (CCC) recommends the substitution of high-embodied carbon materials with low embodied carbon materials, in addition to the use of recycled materials, and for the introduction of a mandatory whole-life carbon standard for buildings and infrastructure.
- 138 Recent industry-led [Part Z proposals](#) have the intention of amending Building Regulations to introduce new requirements on whole-life carbon reporting and minimum standards by 2027. Whilst not yet national policy, this demonstrates the direction of travel in respect of quantifying and managing embodied carbon in the near future.

Local Context & Relevance

- 139 Alongside the urgent need to reduce the operational carbon emissions of buildings through their everyday use, the sustainability of the materials and techniques used in the construction, its use through its lifetime and the end-of-life phase of a building is also vitally important to reducing carbon emissions now and in the future.
- 140 Nottingham City have pledged to become the first carbon neutral city in the UK by 2028. The Carbon Neutral Nottingham Action Plan 2020-2028 outlined that waste reduction was also a key part of achieving net zero by 2028.

- 141 Broxtowe Borough Council’s Climate Change and Green Futures Strategy 2023-2027 outlines that the Council promotes a circular economy approach to waste and seeks to reduce waste and increase recycling.
- 142 In respect of construction and demolition waste, this has historically made up more than half of the waste produced within Nottinghamshire and Nottingham, but this is estimated to have fallen in recent years to around 1 million tonnes per year⁴. Reduction in construction waste remains an important part of the Nottinghamshire and Nottingham Waste Strategy, and both Councils acknowledge that it is crucial to ensure that unnecessary emissions from waste practices and materials being demolished are re-used and recycled where possible to reduce carbon emissions against their targets.
- 143 Nottinghamshire Waste Core Strategy Part 1, policy WCS2 requires that all new development is designed, constructed and implemented to minimise the creation of waste, maximise the use of recycled waste and assist in the recovery of waste arising from the development.

Policy requirements

- 144 Table 5 provides a summary of Local Plan policy, outlining the requirements of policy to developments in Nottingham City (NCC) and Broxtowe Borough (BBC).
- 145 The overarching policy for all developments in NCC and BBC is again Policy 1 of the Aligned Core Strategy. **Policy 1** requires that all developments (including refurbishment to existing buildings where this requires planning permission), to:
- Employ sustainable design principles.
 - Make efficient use of resources including materials and water
 - Minimise waste
 - Through its construction, reduce’
- 146 This chapter is organised to guide readers through sustainable construction approaches, including the sustainable selection of materials, the reuse and recycling of materials, the retention and retrofit of existing buildings and the relationship between the construction process and embodied carbon.
- 147 A checklist is provided in Appendix 2 to assist applicants with checking the content of their Sustainability and Energy Statement and Site Waste Management Strategy,

⁴ Local estimate derived from Construction, Demolition and Excavation Waste Arisings, Use and Disposal for England 2008, Waste Resources Action Programme (WRAP)

Table 5: Local plan policy requirements

Applicable to:	Threshold	Nottingham City Council	Broxtowe Borough Council	Relevant Requirement. Further detail provided in chapter text.
ACS Policy 1 Climate Change	All development <ul style="list-style-type: none"> • Minor • Major • Applications for refurbishment to existing buildings (requiring planning permission) 	✓	✓	<ul style="list-style-type: none"> • Efficient use of resources and materials • Minimise waste • Minimise water use • Reduction of developments carbon footprint through construction
NCCLPP CC1 Sustainable Design and Construction	All developments <ul style="list-style-type: none"> • Minor • Major • Applications for refurbishment and change of use (requiring planning permission) 	✓		<ul style="list-style-type: none"> • Use of recycled materials
NCCLPP DE1 Building Design and Use	All developments <ul style="list-style-type: none"> • Minor • Major • Applications for refurbishment and change of use (requiring planning permission) 	✓		<ul style="list-style-type: none"> • Minimise the creation of waste • Maximise the use of recycled materials • Support the recovery of waste arising from developments

3.2 Reuse and recycling of materials, including keeping existing buildings in use via retrofit

148 The minimisation of waste is an integral criterion of the high-quality sustainable design that is expected of all new development. To inform decision-making on waste and re-use of materials, the waste hierarchy is a useful tool, set out below in order of preference. Applicants should demonstrate that they have used materials in line with the waste hierarchy, as follows:

1. **Reduce** - minimise the use of virgin raw materials and associated generation of waste
2. **Re-use (on-site first)** – re-use materials wherever suitable on-site and prepare materials for future re-use.
3. **Recycle (on-site first)** – although recycling uses additional energy, it is preferable to other forms of disposal as it enables the content of the material to be re-used
4. **Recover** – where re-using or recycling materials is not possible, energy can be recovered from materials through processes such as incineration, anaerobic digestion, gasification, and pyrolysis.
5. **Disposal** – as a last resort, where no opportunities for the above stages remain, materials are to be disposed of in landfill resulting in the end of a material's lifecycle



Figure 6: The Waste Hierarchy

149 All opportunities should be maximised to mitigate materials usage and wastage, followed by re-use and recycling of materials wherever possible. If the site contains existing structures, the waste hierarchy implies that designs should firstly seek to retain these to reduce waste generation and the need for new materials.

Policy compliance

To comply with ACS Policy 1, have you demonstrated the implementation of the waste hierarchy?

Pre-demolition and pre-redevelopment audits

- 150 Any proposals for demolition of existing structures should, to be considered acceptable, include a strong justification explaining why it was not possible to retain and reuse/refurbish the existing structures and narrative on what steps were taken to explore scope for retention/refurbishment and avoidance of the need for demolition and disposal. Materials should only be passed off to other management/landfill as a last resort where it is clear that there is not suitable purpose for the material on-site or on an alternative site.
- 151 One generally expected first key step in this process would be site materials audits: pre-demolition or pre-redevelopment. Pre-demolition or pre-redevelopment audits are an assessment of your site to understand what materials already exist there and identifying the potential for these materials to possibly be reused. Where your site contains existing buildings or structures, these audits are strongly encouraged as a means to evidence that you have made efforts to fulfil the first two steps of the waste hierarchy rather than resorting immediately to demolition and disposal.
- 152 A pre-redevelopment audit should:
- Assess whether existing buildings and structures on site can be fully or partially retained and refurbished as part of the proposals.
 - Be carried out by an independent third-party as early as possible (ideally during RIBA stages 1 or 2) and should provide robust justifications for the potential to fully or partially refurbish or demolish the existing development.
 - Include a description of existing buildings and structures, their age, key materials, and photos of internal and external aspects.
 - Clearly demonstrate how the proposed approach has been based on the embodied carbon and resource decisions of the existing site, and robust justification for decisions (demonstrating that they are not based on a purely economic basis).
 - See [BRE Code for Practice: Pre-redevelopment audits](#) (July 2017)
- 153 Once the decision for partial or full demolition has been made, a pre-demolition audit can be used to provide detail on the materials on site in existing buildings and structures (including façade, foundations, etc). If carried out at an early RIBA design stage, this audit can help identify where materials can be re-used on site and can help towards achieving targets for re-use and recycling both on and offsite (such as targets set in order to achieve credits towards a BREEAM certification).

Circular economy and potential for recycling/reuse on site

- 154 A circular economy is as one where materials are retained in use at their highest value for as long as possible and are then reused or recycled, leaving a minimum of residual waste. For example, at the design and construction stage of a new building, this may include constructing in a way that enables it to eventually be [disassembled and its components directly reused economically](#), instead of having to be demolished into mixed fragments that cannot (physically, technically, or financially) be separated into useful resources.
- 155 For a site involving existing buildings, it would involve making every effort to:
- i. Preferably keep the existing building in use in the redesign
 - ii. Next, pursue partial retention of functioning parts in situ or in their original form,
 - iii. If that is not possible then reusing their materials in another form.
- 156 Direct reuse in a 'high value' form is preferable to 'downcycling'. For example, if an existing building has marble slabs, these are a 'higher value form', whereas crushing them for aggregate infill would count as 'downcycling'.
- 157 To appropriately follow circular economy principles, the re-use of materials from any necessary demolition on-site must be entirely maximised. The recovery and re-use of such materials mitigates the need for new materials to be produced, whilst reducing material build-up in landfill. The following materials in particular should be salvaged as far as possible:
- **Bricks**
 - **Wood**
 - **Asphalt**
 - **Metals**
 - **Glass**
 - **Plastics**
- 158 The UK Green Building Council [guidance](#) on the circular economy of construction sets out some useful principles to be addressed throughout various phases:
1. **Maximise re-use:**
 - a) Re-use the existing asset
 - b) Recover materials and products on-site or from another site
 - c) Share materials for onward re-use
 2. **Design buildings for optimisation**
 - a) Longevity
 - b) Flexibility
 - c) Adaptability
 - d) Assembly, disassembly, and recoverability
 3. **Use standardisation**
 - a) Standardised, modular elements in buildings are created with less waste and are easier to re-use

4. Products as a service

- a) Create payment systems where materials are treated as a service

5. Minimise impact and waste

- a) Use low impact materials
- b) Use recycled content or secondary materials
- c) Design out waste
- d) Reduce construction impacts

Sustainable waste management in construction and operation

- 159 Site waste management plans are required for major development and for BREEAM assessments. Collectively, the plans should ensure that negative impacts to the environment from construction and the use of materials within the site are avoided as far as possible in accordance with local planning policies.
- 160 Waste management throughout the construction phase is likely to have a larger impact than during the operation of the development, however operational waste management for occupiers should remain a primary consideration in the design of developments in ensuring dwellings and buildings have optimum space for the storage of waste and recycling.

Policy compliance

To comply with ACS Policy 1, if the proposed development involves an existing building, have you demonstrated that a pre-development audit has taken place?

For major developments have the following been submitted:

- Circular Economy Statement that follows UKGBC guidance
- Pre-demolition/pre-development audit
- Site Waste Management Plan
- Construction Environmental Management Plan

Nottingham City Council BREEAM requirements

Nottingham City Council local policy CC1 states that non-domestic developments of >1,000m² of floorspace must achieve BREEAM 'Very Good' with an aspiration for 'Excellent'. For projects to achieve a BREEAM rating of 'Very Good' there are a number of minimum credits which must be achieved. These include:

- Sub-metering of major energy consuming systems
- Achievement of 1 credit for the water efficiency of sanitary fittings
- Specification of a water meter on the mains water supply to each building; this includes instances where water is supplied via a borehole or other private source
- All timber and timber-based products used on the project are legally harvested.

Best practice reuse and recycling of materials

- Developments to follow the waste hierarchy for design and construction decisions
- Prioritise retention of existing buildings
- All proposals should provide pre-redevelopment and pre-demolition audits to inform the reuse, recycling, and repurposing strategy for the site.
- Major proposals should submit a circular economy statement, site waste management plan, construction environmental management plan and evidence that a waste recovery rate of ≥70% is achieved
- Prioritise direct reuse of materials in their high value form
- Set minimum construction and excavation waste targets for the site

Exemplary Practice Reuse and recycling of materials

Greater London Authority [Circular Economy Guidance](#) contains 5 key targets to demonstrate the extent to which circular economy has been pursued. In London, only major projects referable to the Mayor are required to respond to these targets, but the guidance has also been applied to proposals below that threshold. The targets are as follows:

- **Demolition waste:** Minimum of 95% diverted from landfill for reuse, recycling or recovery.
- **Excavation waste:** Minimum of 95% diverted from landfill for reuse.
- **Construction waste:** Minimum of 95% diverted from landfill for reuse, recycling or recovery.
- **Municipal waste:** *Minimum 65% recycling rate by 2030.*
- **Recycled content of materials:** *Minimum 20% of the building material elements to be comprised of recycled or reused content.*

Development should set targets to limit material wastage. According to WRAP guidance, best practice targets should be:

Waste generation (tonnes/£100k)

- Residential new build: 6
- Other new build: 5
- Residential refurbishment: 4
- Other refurbishment: 3

Waste recovery (%)

- Construction: 70-80%
- Refurbishment/strip-out: 70-80%
- Demolition: 80-90%
- Excavation (non-hazardous): 100%.

3.3 Sustainable material selection

- 161 Embedding sustainable materials into design decisions should take place as early as possible within the design process. Generally, sustainable products such as timber should be prioritised over traditional building materials such as metals and cement, which emit large amounts of greenhouse gases throughout their extraction, manufacturing, and processing.
- 162 There are a wide range of environmental impacts associated with material production, use and waste including, but not exclusively: greenhouse gas emissions, air pollution, habitat loss and deforestation, minerals extraction and water wastage, and pollution. When selecting construction materials, developers should consider how they will reduce environmental impacts and limit carbon emissions.

- 163 Where an organisation does not have a company-wide procurement plan, a sustainable procurement plan can be created and implemented for refurbishment and new development projects. This can be applied to all involved in specification and procurement during the project and provide a framework for responsible and local sourcing of products and materials.

Local sourcing

- 164 Local sourcing of materials and also the re-use of existing materials, can provide multiple benefits from social to environmental and economic. There is the opportunity for the UK to grow its material reuse focus and for this to take prominence in construction practices. Supporting local businesses increases both the circularity of materials but also reduces associated impacts from sourcing materials out of the local area.
- 165 The operational ability, adaptability to future conditions, durability and longevity of a material are all important elements to consider alongside sourcing locally. For example, if comparing a stronger Scandinavian timber against a weaker UK timber, the negative impact of additional travel distance of the Scandinavian timber may be outweighed by requiring less of the material to form a building foundation, or a greater durability allowing the building to delay the need for replacement. If one material can be re-used following the lifespan of the existing building, then that is also an additional benefit over a locally sourced material that may not be re-usable.
- 166 Applicants are strongly encouraged to check and consider the [Environmental Product Declarations](#) of materials to make informed decisions on construction materials during both design and construction.

Responsible sourcing

- 167 Responsible sourcing involves the procurement of materials which can be third party verified with an auditable certification that the raw material has been legally harvested and traded, considering the supply chain impacts that have occurred before the material is used on site.
- 168 In the UK, it is not always easy to locally source all building materials, and this has led to the argument that responsible sourcing should be prioritised over locally sourcing materials in certain cases, where there are recognised certifications for products.
- 169 Although the sustainable selection of a material should always be the primary decision, the sustainable sourcing frameworks and certifications noted in this chapter can be of great use to reduce the carbon impact if more unsustainable materials are selected.
- 170 100% of timber and timber-based products used for building materials, but also all timber used on-site during construction (e.g. hoarding, pallets) should be sourced from sustainably managed sources and be legally sourced and harvested. This includes FSC and PEFC certified timber. This should also include timber-based products, such as timber composite decking.

- 171 Certification schemes are also available for major materials, such as [the CARES Sustainable Constructional Steel Scheme](#) and [Aluminium Stewardship Initiative](#), which can demonstrate sustainable sourcing and processing.
- 172 Environmental Management Systems (EMS) assess key processes for extracting raw materials such as ISO14001. EMS certifications partially comply with BREEAM criteria, based on the extent to which they cover the supply chain processes involved.
- 173 Environmental Product Declarations (EPD) disclose the embodied carbon (and other environmental impact factors) associated with the specific conditions in which an individual product is produced. Not all products on the market have EPDs, but many products claiming 'green' credentials do have these to evidence their claims. You can use embodied carbon data from EPDs in combination with generic embodied carbon data for other products or materials from the databases noted below. EPDs should be third-party verified and confirm to RICS guidance.

Cement replacement proportions

- 174 The production of concrete with Ground Granulated Blast-furnace Slag (GGBS) over cement can result in 1/5 of the energy used and 1/15 of CO₂ emissions. Targets for reducing embodied carbon in the building's structure can be achieved by cement replacement such as GGBS, low carbon concrete mix design, low carbon materials and using recycled/repurposed materials.

Recycled content of total construction material

- 175 A straightforward way to determine sustainable material selection is to achieve a certain percentage of recycled content. Best practice should achieve at least 25% and aim for 50%. Applicants are strongly encouraged to demonstrate their ambition for recycled content in line with this best practice.

Global Warming Potential (GWP) of materials

- 176 The Global Warming Potential (GWP) of materials is an important consideration, particularly with operational materials such as insulation and refrigerants. GWP was developed to allow the different global warming impacts of different gases to be compared. The GWP of insulation in particular should be carefully considered, as benefits from insulation properties relating to energy efficiency could be outweighed by high embodied carbon impacts due to high GWP in some cases.
- 177 The majority of closed-cell spray foams and rigid foam products have high GWPs (up to 3,400), particularly when compared to cellulose, sheep's wool and straw-based materials (which can have negative GWP as some of these natural materials also sequester carbon as they are growing).

Reducing material waste through efficient procurement

- 178 The construction industry is the leading contributor to the UK's total waste, with construction, demolition, and excavation accounting for 62% in 2018, according to DEFRA. This represents the significant impact the industry has and reveals the need for materials circularity to be improved.
- 179 Construction waste involves the waste that arises during the construction of a development and surplus materials due to inaccurate estimations or over-ordering and potentially poor storage of materials.
- 180 Wastage rates from construction materials can be reduced where suppliers offer buyback schemes, which means that any excess materials or wastage can be taken back by the supplier. The supplier is then able to resell the product or efficiently recycle it, instead of the developer sending the material for waste disposal in landfill. This means that the resource is not lost, which can also result in financial savings for the developer if there are excess materials that would otherwise cost more due to disposal fees.
- 181 Material efficiency plays an important role in reducing material wastage, as material mismanagement (e.g. purchasing more materials than required) will inevitably cause increased construction waste. An effective materials efficiency strategy must appropriately consider the impact of each material and ensure that exact amounts are specified, whilst specifying efficient designs to reduce the amount of material required in the first instance.

Policy compliance

To comply with ACS Policy 1, have you demonstrated consideration to sustainable material selection including: locally sourced materials, sustainable certifications and/or materials with low embodied carbon including recycled content?

Best practice Sustainable material selection

- Demonstrates how the balance between local and responsible material sourcing has been addressed
- Obtains certification for products where available for example, the Aluminium Stewardship Initiative
- Ensures recycled content is at least 25% and aims for 50%

3.4 Embodied carbon and life cycle analysis

- 182 Embodied carbon means the carbon that was emitted in the production and transport of building materials, and their assembly on site. It can also include the emissions associated with maintaining and eventually disposing of a building too. If the latter are included, this is termed 'whole-life embodied carbon'.

- 183 These emissions rise largely from fossil fuel energy use to extract and process raw materials such as minerals and metals, then transport them. There can also be emissions from chemical processes to produce building elements (such the carbon dioxide in concrete production) or from the breakdown of the material at the end of its lifespan.
- 184 Embodied carbon makes up a very large share of the total carbon emissions caused by the creation and use of a building across a typical ‘design lifetime’ of a building, usually 60 years (see UKGBC). Many commonly used building materials like ordinary cement, steel, aluminium, and zinc have inherently high embodied carbon because of how they are produced. Vice versa, plant-based materials like timber can have less than zero embodied carbon because the tree absorbed carbon dioxide from the atmosphere, and this is locked up in the material for as long as it is in use.
- 185 Applicants should demonstrate that embodied carbon during the construction phase has been considered and reduced where possible. This information should be contained within the Energy and Sustainability Statement.

Scope of embodied carbon

- 186 Embodied carbon means emissions associated with the materials and construction process of a development, measured in kgCO₂e. For example, carbon emissions associated with the energy use or manufacturing process of extracting and producing a product, transporting it to the site, assembling it into a building, both when the new building is created and when it is refurbished or maintained. Embodied carbon is usually measured against Gross Internal Area (GIA) (kilogrammes of carbon per m²), as defined under [NRM 2](#) produced by RICS.
- 187 In the RICS [Code of Measuring Practice](#), the GIA is the area of a building measured to the internal face of the perimeter walls at each floor level.
- 188 The industry standard method to account for a building’s embodied carbon is the [RICS Whole Life Carbon Assessment for the Built Environment](#). This is based on the relevant British Standard BS/EN 15978. The RICS method defines the various different parts of the building that should be assessed, and divides the stages of a building’s life into several stages or ‘modules’:
- **A1 – A5:** All stages up to completion of the building. This is also known as ‘upfront carbon’.
 - **B1 – B5:** The building’s in-use lifespan. (Sometimes also includes B6 and B7, which relate to operational energy use and operational water use respectively).
 - **C1 – C4:** End of life of the building and disposal of its waste materials.
- 189 [LETI Embodied Carbon Primer](#) (January 2020) sets out to provide supplementary guidance to their Climate Emergency Design Guide, and provide voluntary recommended embodied carbon reduction targets, broken down into three building types, which LETI states will contribute to whole life net zero carbon design, when combined with achievement of energy use intensity (EUI) targets and supplied with 100% renewable energy.

- 190 [RIBA 2030 Climate Challenge](#) – sets voluntary targets for embodied carbon, operational energy, and water consumption. Version 2 of their targets has been updated so that embodied carbon targets align with LETI, GLA and UKGBC guidance.
- 191 [UKGBC](#) – According to the UKGBC, 20% of built environment carbon emissions are due to embodied carbon from the construction and refurbishment of buildings. The UKGBC recommends that minimum standards or embodied carbon limits are set by 2025 for large buildings (>1000m²) in mature sectors (where benchmark level data exists) and that by 2027, these minimum standards for embodied carbon are applied to all sectors.

Heavy embodied carbon impacts

- 192 The largest contributor to embodied energy is through stages A1-A5. Carbon emitted through these stages occurs ‘today’ and therefore will certainly affect the local and national carbon budgets as previously noted in relation to the Climate Change Act and Paris Agreement.
- 193 Heavy embodied carbon impacts tend to arise from:
- **Concrete and cement production**
 - **Steel production**
 - **Metal extraction and refinement (e.g. aluminium and copper)**
 - **Plastic and glass production**
 - **Transportation with long distances between source and site**
- 194 Material selection is of the utmost importance to reduce embodied carbon and should be considered at the earliest possible stage to ensure supply chain availability and integration into building design. Resources such as the [Materials Pyramid](#) can be particularly useful to understand the embodied carbon impact of particular materials and ensure sustainable material selection. All proposals should consider the use of such resources to appropriately account for embodied carbon, even if a full embodied carbon assessment is not required.

Policy compliance embodied carbon

To comply with ACS Policy 1, have you demonstrated in the Energy and Sustainability Statement that embodied carbon in the construction phase has been considered and reduced where possible.

Best practice embodied carbon

- Embodied carbon of construction is considered and reduced where possible throughout the design and construction.
- This is demonstrated through the completion of an embodied carbon assessment for RICS stages A1 – A5 (or similar methodology).
- The project sets embodied carbon targets to be achieved upon completion.

Exemplary Practice embodied carbon

- Aim for LETI or RIBA Climate Challenge embodied carbon targets
- Proposals to follow guidance in the [LETI Embodied Carbon Primer](#).

3.5 Link to useful external resources

- LETI [Climate Emergency Design Guide](#) focuses on the need to consider low-embodied carbon choices for key materials: concrete, timber/wood, bricks, structural steel, aluminium and glass. For example, the production of concrete with Ground Granulated Blast-furnace Slag over cement can result in 1/5 of the energy used and 1/15 of CO₂ emissions
- Certification schemes are also available for major materials, such as [the CARES Sustainable Constructional Steel Scheme](#) and [Aluminium Stewardship Initiative](#), which can demonstrate sustainable sourcing and processing.
- [BES6001 Framework Standard for Responsible Sourcing](#) includes organisational management, supply chain management and sustainable development requirements. It focuses on individual products, not organisations/companies.
- Independently certified Environmental Management Systems (EMS) which assess key processes for extracting raw materials such as ISO14001 EMS certifications partially comply with BREEAM criteria, based on the extent to which they cover the supply chain processes involved. BREEAM Guidance Note 18 provides detailed information on which EMS have been recognised by BREEAM and given a responsible sourcing weighting level by the BRE.
- [RIBA 2030 Climate Challenge](#) – sets voluntary targets for embodied carbon, operational energy, and water consumption.
- [RICS Whole Life Carbon Assessment for the Built Environment](#) – the industry standard method to account for a building's embodied carbon.

Glossary

Glossary



Air Permeability or Airtightness: A measure of how much (or how little) air leakage a building experiences, due to its fabric. Measured in air changes per hour at a pressure of 50 pascals, sometimes abbreviated to 'ACH@50PA'. Air permeability is one of notional building specification elements defined by Building Regulations Part L.

Air Source Heat Pump (ASHP): A form of low-carbon heat delivery in which an electrical pump utilises a reverse-refrigeration cycle to absorb free energy from outdoor air and emit it at a higher temperature indoors. Considered partially or fully renewable as the ASHP uses electricity to run but delivers more heat energy than it consumes in electrical energy. Can be fully renewable and zero carbon if run entirely on renewable electricity.

Broxtowe Borough Council (BBC): Broxtowe Borough Council

Building Emissions Rate (BER): A metric used in Building Regulations Part L to express the predicted carbon emissions rate of a non-residential building associated with its regulated energy uses. See also TER.

Building Regulations: National legal requirements for minimum quality standards in buildings. Different 'parts' of Building Regulations cover various topics including energy conservation, and access and use of buildings by people, including disabled people. The section relating to energy and carbon is 'Part L'.

Building Regulations Approved Document Part L: Conservation of fuel and power; this the part of Building Regulations that sets minimum standards for energy-related carbon emissions and efficiency of buildings.

Building Research Establishment (Group) (BRE): A building science research entity which, among many other roles, hosts and updates the calculation methods 'SAP' and 'SBEM' that are used to measure compliance with Building Regulations Part L. Formerly a civil service body; now owned by a charitable trust.

Building Research Establishment Environmental Assessment Methodology (BREEAM): A voluntary sustainability certification for buildings, covering topics including energy, materials, waste, water, health, ecology, pollution, transport, and management. Offers several levels of achievement from 'pass' to 'outstanding'. Mainly used in non-residential but is also available for multi-residential.

Carbon Offsetting: Payments made, or actions taken, to remove or reduce a certain amount of carbon to match a certain amount of emissions. Where a development must offset any residual carbon emissions, either through contribution a council-run fund or to a verified local off-site offsetting scheme.

Chartered Institute of Building Services Engineers (CIBSE): Professional association body for Building Services Engineers.

Circular Economy: A model of production and consumption that involves leading, sharing, reusing, repairing, refurbishing, and recycling products and material for as long as possible. In this way, the life cycle of products is extended.

Coefficient of Performance (COP): A ratio used to indicate the performance a heating, ventilation or air conditioning system offers.

Combined Heat and Power (CHP): A highly efficient process that captures and utilises the heat that is a by-product of the electricity generation process.

Direct Electric Heating: Systems in which heat is generated directly within a material by passing an electric current through; e.g. convector heaters or electrical underfloor heating. The source of electric can be renewable or non-renewable.

dMEV Decentralised Mechanical Extract Fan: A decentralised Mechanical Extract Ventilation (d-MEV) system is a low energy, continuous mechanical extract ventilation system designed to replace conventional [bathroom fans](#) and draw moisture laden air out of the wet rooms (bathrooms and utility)

Dwelling Emissions Rate (DER): A metric used in Building Regulations Part L to express the predicted carbon emissions rate of a dwelling, associated with its regulated energy uses. See also TER.

Embodied Carbon: Carbon that was emitted in the production, transport and assembly of materials that make up a building or product.

Environmental product Declarations (EPD's): A declaration attached to a product expressing the calculated environmental impacts associated with its production (and sometimes also its use and end of life) using life-cycle analysis. Usually includes embodied carbon and may include other information such as impact on ozone or ocean acidification.

Fossil Fuels: Non-renewable, carbon-based, carbon-emitting fuel sources.

Fuel Poverty: Households that cannot meet their energy needs at a reasonable cost.

Future Homes Standard (FHS): Central government proposed changes to Parts L and F of the national Building Regulations, anticipated to come into force in 2025.

Glazing Ratio: The proportional relationship between a building's opaque and glazed surfaces; i.e. a wall-to-window or roof-to-window comparison. Sometimes expressed as a ratio of glazed area to total *floor* area (for example in SAP, the notional dwelling has a *maximum* limit to the 'opening area' as a percentage of 'total *floor* area', while in SBEM the reference building has a *minimum* 'opening area' as a percentage of 'exposed *wall* area' and 'exposed *roof* area' which varies by building usage).

Global Warming Potential (GWP): A metric used to measure the impact of greenhouse gas emissions on climate change. In the construction industry, the use of materials with high GWP can significantly contribute to environmental harm.

Gross Internal Area (GIA): Gross Internal Area. A measure of total floor space in a building.

Ground Source Heat Pump (GSHP): A form of low-carbon heat delivery in which in which a pump captures the latent heat from the ground and uses it to heat a building or the hot water used in that building. Considered partially renewable as the heat captured is 'ambient' environmental heat from the ground, and the heat pump delivers more heat energy than it uses in electrical energy. Can be fully renewable and zero carbon if run entirely on renewably generated electricity.

G-value: Amount of sunlight energy transmitted through (a window's or door's) glass.

Home Quality Mark (HQM): A voluntary quality certification system for dwellings, which includes some environmental criteria as well as criteria relating to the resident's experience of using the home. This system is devised and run by the BRE (see BRE in this glossary).

Low Energy Transformation Initiative (LETI): A voluntary network of over 1,000 energy-related built environment professionals working to improve practices in relation to design for energy efficiency and carbon reduction to make the built environment compatible with the UK's net zero carbon future. It has devised and released publications relating to net zero carbon buildings including definitions, targets and design guidance including for new and existing buildings, operational and embodied carbon.

Low Impact Materials: Materials that have a lower environmental impact. This can include natural, reclaimed or reused materials and those sourced from local suppliers. Materials that don't require intensive manufacturing or refinement as well as those that do not need to be transported vast distances are often considered low impact.

Mechanical Ventilation and Heat Recovery (MVHR): A ventilation system which recovers heat from outgoing air, to warm up the fresh incoming air.

Nottingham City Council (NCC): Nottingham City Council

National Calculation Methodology (NCM): The methodology approved by the Secretary of State for calculating the energy performance of buildings.

Part L: See 'Building Regulations Approved Document Part L'.

Passivhaus: A standard and certification for buildings that achieve an exemplary level of energy efficiency. Certified by the Passivhaus Trust. Several levels of certifications are available; the lowest level relates to only energy efficiency, while the higher levels also require renewable energy generation.

Passive House Planning Package (PHPP): A modelling methodology used to very accurately calculate/predict the total energy use of a building. This method is used as part of the process for undergoing Passivhaus certification (see above), but can also be used as a design tool in its own right without any involvement in the certification scheme.

Photovoltaics (PV): A form of renewable, non-carbon-based electricity production which utilises sunlight as an energy source.

Publicly Available Specification 2035 (PAS 2035): A best practice standardised process for retrofitting dwellings for energy efficiency in the UK. It allows retrofits to be Trustmark certified, providing security and reducing risks for building owners.

Renewables: Renewable resources; usually energy.

Royal Institute of British Architects (RIBA): Professional association body for the architectural profession. Among its many and wide-ranging activities it has published a set of aspirational targets for buildings to aim for in energy efficiency, embodied carbon and water efficiency to ensure they are fit for the UK's net zero carbon future and also reduce the demands they place on the UK's water resources.

Royal Institute of Chartered Surveyors (RICS): Professional association body for the chartered surveyor profession. Among its many and wide-ranging activities it has published a methodology to account for the embodied carbon of buildings across their lifespan (the Whole Life Carbon Assessment) in a way that complies with the relevant British Standard, BS15978.

Simplified Building Energy Model (SBEM): The calculation method used to set and comply with energy- and carbon-related targets within Building Regulations Part L for non-domestic buildings.

Standard Assessment Procedure (SAP): The calculation method used to set and comply with energy- and carbon-related targets within Building Regulations Part L for domestic buildings.

Supplementary Planning Document (SPD): A document (like this one) that provides additional guidance on how to comply with policies set by a DPD or other part of the local plan.

Target Emissions Rate (TER): A metric used in Building Regulations Part L (for both dwellings and non-domestic buildings) to express a limit which must not be exceeded by the predicted carbon emissions associated with the building's regulated energy uses. The TER is set by applying a certain minimum standard of fabric and services to an imaginary building of the same size, shape and use as the proposed building. This minimum standard of fabric and services is laid out in Approved Document Part L, and is updated every few years. Expressed in kg of carbon dioxide per square metre of floor space (kgCO_2/m^2).

Target Fabric Energy Efficiency (TFEE): A metric used in Building Regulations Part L to express a limit on a dwelling's demand for heating and cooling, determined only by the *fabric* of the dwelling, irrespective of the type or efficiency of the various building services such as heating system. Expressed in kWh/m² floor space / year.

Water Source Heat Pump (WSHP): A form of low-carbon- heat delivery system in which in which a pump captures the thermal energy from a water source and uses it to heat a building or for hot water use within the building. Considered partially renewable as the heat captured is 'ambient' environmental heat, and the heat pump uses less electrical energy than it delivers in heat energy. Can be fully renewable and zero carbon if the heat pump is run on entirely renewably generated electricity.

Waste Water Heat Recovery (WWHR): A form of secondary heat delivery in which heat from wastewater (e.g. used shower or bath water) is captured for reuse in the building, for example to pre-heat water entering a boiler/water tank in order to reduce demand on primary methods of heating water to a set temperature.

Whole life carbon: The carbon emissions resulting from the materials, construction and the use of a building over its entire life, including its demolition and disposal.

U-values: The rate of thermal transmittance measured in Building Regulations.

Zero Carbon: Net Zero Carbon: When the amount of carbon emitted by a building is zero, through efficiencies and use of zero-carbon resources. This typical refers to operational carbon (inc regulated and unregulated emissions) **Operational:** Energy use and carbon emissions caused by the operation of a building. Operational carbon is almost entirely due to energy use, but can have other smaller causes, such as leaked refrigerant gases from air conditioning. **Regulated Emissions:** The share of those operational carbon emissions that are from an energy use that is regulated by Building Regulations, for example heating and hot systems, or fixed lighting circuits. **Unregulated Emissions:** The share of those operational carbon emissions that are from an energy use that is not regulated by Building Regulations, for example plug-in electrical appliances.

a

Appendix A – Sustainability Checklist



Chapter	Checklist question	Threshold	Applicable to Nottingham City Council	Applicable to Broxtowe Borough Council
<i>Energy Hierarchy Stage 1: Be lean</i>				
2: Energy and Carbon	Have you demonstrated that through the application of the energy hierarchy the development achieves a reduction of carbon emissions against current building regulations?	All development <ul style="list-style-type: none"> • Minor • Major • Applications for refurbishment to existing buildings requiring planning permission) 	✓	✓
2: Energy and Carbon	Have you demonstrated the fabric performance standards (U values) of superstructure components including external walls, floors, roofs, windows and doors?	All development <ul style="list-style-type: none"> • Minor • Major • Applications for refurbishment to existing buildings requiring planning permission) 	✓	✓
2: Energy and Carbon	Can you demonstrate that new dwellings achieve <20kWh/m2/year through Part L FEE?	All residential development <ul style="list-style-type: none"> • Minor • Major 	✓	

Chapter	Checklist question	Threshold	Applicable to Nottingham City Council	Applicable to Broxtowe Borough Council
2: Energy and Carbon	Have you targeted a lower air permeability less than <5 m3/hr/m2@50Pa?	All development <ul style="list-style-type: none"> • Minor • Major • Applications for refurbishment to existing buildings requiring planning permission) 	✓	✓
<i>Energy Hierarchy Stage 2: Be clean</i>				
2: Energy and Carbon	Have you demonstrated that an efficient system for the delivery of heat and/or power has been selected for the proposed development?	All development <ul style="list-style-type: none"> • Minor • Major • Applications for refurbishment to existing buildings requiring planning permission) 	✓	✓
2: Energy and Carbon	Have you explored the possibility of connecting to an existing or proposed District Heat Network as shown on the Nottingham City Polices Map? Please cite the reasons if this is not feasible or viable.	All development <ul style="list-style-type: none"> • Minor • Major • Applications for refurbishment to existing buildings requiring planning permission) 	✓	

Chapter	Checklist question	Threshold	Applicable to Nottingham City Council	Applicable to Broxtowe Borough Council
2: Energy and Carbon	<p>Have you explored site wide approaches to centralised systems, energy generation, sharing and storage?</p> <p>Please cite the reasons if this is not feasible or viable.</p>	<p>All development</p> <ul style="list-style-type: none"> • Minor • Major • Applications for refurbishment to existing buildings requiring planning permission) 	✓	✓
<i>Energy Hierarchy Stage 3: Be green</i>				
2: Energy and Carbon	<p>Have you undertaken a feasibility assessment of renewable energy technologies and incorporated renewable energy generation into the scheme through on-site measures?</p>	<p>All development</p> <ul style="list-style-type: none"> • Minor • Major • Applications for refurbishment to existing buildings requiring planning permission) 	✓	✓
<i>Adaptation and mitigation to climate change</i>				
2: Energy and Carbon	<p>Have you demonstrated that the proposed developments form, orientation, solar gain has been optimised for energy efficiency and to reduce the risk of overheating?</p>	<p>All development</p> <ul style="list-style-type: none"> • Minor • Major • Applications for refurbishment to existing buildings requiring planning permission). 	✓	✓

Chapter	Checklist question	Threshold	Applicable to Nottingham City Council	Applicable to Broxtowe Borough Council
2: Energy and Carbon	Have you incorporated green and blue infrastructure into the proposed development?	All development <ul style="list-style-type: none"> • Minor • Major 	✓	✓
2: Energy and Carbon	Have you demonstrated that the development would achieve water consumption of 105 litres per person per day, subject to viability.	All development <ul style="list-style-type: none"> • Minor • Major 	✓	✓
<i>Sustainable Construction</i>				
3: Sustainable Construction	Have you demonstrated the implementation of the waste hierarchy?	All development <ul style="list-style-type: none"> • Minor • Major • Applications for refurbishment to existing buildings requiring planning permission) 	✓	✓
3: Sustainable Construction	If the proposed development involves an existing building, have you demonstrated a pre-development audit has taken place?	All development <ul style="list-style-type: none"> • Minor • Major • Applications for refurbishment to existing buildings requiring planning permission) 	✓	✓

Chapter	Checklist question	Threshold	Applicable to Nottingham City Council	Applicable to Broxtowe Borough Council
3: Sustainable Construction	<p>For major developments have you submitted the following information:</p> <ul style="list-style-type: none"> • Circular Economy Statement that follows UKGBC guidance • Pre-demolition/ pre-development audit • Site Waste Management Plan • Construction Environmental Management Plan 	<p>All development</p> <ul style="list-style-type: none"> • Major. 	✓	
3: Sustainable Construction	<p>Have you demonstrated consideration to sustainable material selection including: locally sourced materials, sustainable certifications and/ or materials with low embodied carbon including recycled content?</p>	<p>All development</p> <ul style="list-style-type: none"> • Minor • Major • Applications for refurbishment to existing buildings requiring planning permission) 	✓	✓

Chapter	Checklist question	Threshold	Applicable to Nottingham City Council	Applicable to Broxtowe Borough Council
3: Sustainable Construction	Have you demonstrated that embodied carbon in the construction phase has been considered and reduced where possible?	All development <ul style="list-style-type: none"> • Minor • Major • Applications for refurbishment to existing buildings requiring planning permission) 	✓	✓
3: Sustainable Construction	Have you demonstrated that the development achieves (at the minimum) BREEAM 'very good'?	Major non-residential development	✓	

b

Appendix B - Local Case Studies



Prospect Place, Lenton, Nottingham

Prospect Place in Lenton, Nottingham will see the construction of 36 new affordable homes. The homes will be gas free and powered by Air Source Heat Pumps and PV solar panels. The building fabric of the homes will be highly insulated and energy efficient. The scheme will offer two, three and four bedroom homes to support housing need in the area, ten homes will be sold for shared ownership and the remaining 26 will be let as affordable rent by Nottingham City Council. The scheme is being built on a brownfield site, utilising land positively for affordable housing needs of Lenton and the wider community.



Image source: <https://www.ncha.org.uk/about-ncha/news/new-homes-and-developments/new-partnership-to-deliver-gas-free-affordable-homes-for-lenton/>

University of Nottingham, Jubilee campus buildings

The Jubilee Campus at the University of Nottingham is built on a former brownfield site and has embedded sustainability into its design and delivery. The campus has won many awards including the Millennium Marque Award for Environmental Excellence and the British Construction Industry Building Project of the Year. The buildings on the campus use natural materials such as cedar redwood cladding and recycled newspaper insulation. The lakes on the campus provide storm water attenuation and cooling for the buildings.

The building roofs are covered by low-growing alpine plants and use photovoltaic cells integrated into the atrium roofs. Several of the campus buildings make use of Lake Source Heat Pumps: these work similarly to GSHPs but extract heat from a body of water. The GSK Carbon Neutral Lab on the Jubilee campus includes the University's largest array of PV panels covering more than 45% of the roof area. Across all University of Nottingham sites there are approximately 6500m² of PV panels, contributing over 46% of onsite generation in 2019.



Image source: <https://www.nottingham.ac.uk/education/visiting/index.aspx>

Hobart & Pitcairn, The Meadows, Nottingham

This ten year phased development has seen 166 homes built in the Meadows area of Nottingham. In 2012, work completed on the first phase of development in the Meadows, Green Street, 38 townhouses. The homes include high levels of insulation, whole-house heat recovery, high levels of air tightness and maximum use of natural light. Energy is also generated on-site through their roof mounted solar PV. Phase II of Green Street, comprises of 21 homes, including seven custom build plots, allowing buyers at the time to fully customise the internal layout of their homes, a unique approach for housing in the East Midlands.

The third phase of development in the Meadows, Hobart & Pitcairn, was a partnership project between Blueprint, Asra Housing Group & William Davis completed in 2015. The site has delivered 35 homes for market sale, and 38 affordable properties through Asra, all designed to AECB Silver Standard, a fabric first approach based on Passivhaus principles. Hobart & Pitcairn homes meet both the Code for Sustainable Homes level 4 and AECB Silver Standard, a fabric first approach which seeks to reduce CO2 emissions by up to 70%.



Image source: <https://www.blueprintregeneration.com/project/hobart-pitcairn/>

The Centre for Sustainable Chemistry, Nottingham University

Collaboratively delivered by Nottingham University and GSK, the Centre for Sustainable Chemistry at Nottingham Universities Innovation Park is an award-winning carbon neutral laboratory. The building also achieves BREEAM outstanding and LEED Platinum certifications.

The building delivers carbon neutral development through a biofuel combined heat and power system, 230kWh solar array and mechanical heat recovery and ventilation. These systems along with the buildings passive design will result in offsetting all carbon emissions resulting from the construction of the building over a 25-year period. Beyond this point this building would be carbon negative in operation, in generating more energy than it uses, which powers nearby buildings on the campus.

The choice of materials was considered from the scheme's inception through a carbon model which required low embodied carbon materials and sustainable procurement and has led to its LEED & BREEAM certifications. An example of a sustainable material choice was the use of PEFC and FSC certified timber, transported by ship to lower carbon emissions, which is used for the superstructure of the building.



Sneinton, Nottingham

[Nottingham City Homes](#) undertook a net-zero pilot project, retrofitting 10 dwellings in 2017. Existing homes were retrofitted with prefabricated external insulation, insulated roofs with integrated PV panels, battery storage, and high performance double glazing. The properties also benefitted from being connected to a communal GSHP.

With the increased level of insulation, the space heating demand for these dwellings reached less than 40kWh/m²/year and overall has reduced carbon emissions by approximately 70%



Image source: [Transforming social housing in Nottingham \(energiesprong.uk\)](#) - [requires permission](#)

Fen Road and Ditton Fields

[Cambridge's first Passivhaus](#) social housing project delivered 18 net zero homes. The key to achieving this is a combination of energy efficiency (airtight building envelope, low U-values) and low carbon technologies (air source heat pumps, solar panels). Sustainability is a focus with responsible materials and low-flow fixtures. The development offers resident comfort with EV charging, private gardens, and improved biodiversity. This successful project has led Cambridge to adopt Passivhaus standards for all new council housing.



Image source: <https://kb.goodhomes.org.uk/case-study/fen-road-and-ditton-fields/>

Prologis Apex Park, Daventry

Located on [Prologis Apex Park](#), near Daventry the new 435,000 sq. Ft unit is the UK logistics hub for a large American multinational. The building utilises rainwater harvesting and EV charging points and a 1.4MW rooftop solar system that has also been installed. This results in the building returning more energy to the grid than it consumes on an annual basis. The new unit is BREEAM rated 'Outstanding' – placing it in the top 1% of UK non-domestic buildings. Additionally, the unit is the first to achieve an EPC rating of A+ meeting the UKGBC definition of net zero carbon for both embodied and operational carbon. It is predicted the unit will generate more energy than it uses, avoided 105tCO₂e per year, feeding unused energy back into the grid.



Image source: <https://www.eastmidlandsbusinesslink.co.uk/mag/property/first-uk-logistics-building-to-go-beyond-net-zero-built-in-daventry/>

Seaward Way - Minehead

[Somerset West & Taunton Council's](#) visionary project in Minehead is building a sustainable community. This development offers 54 brand new, affordable rent homes designed to be net zero carbon in operation. Solar panels are key, generating 100% of predicted energy needs. Air source heat pumps and high insulation minimize energy use, while the University of Bath monitors performance to ensure success. Sustainability is a priority, with 30% of building materials reused and low-carbon options chosen. Living comfort is important. All homes have EV charging points, and residents enjoy private gardens (houses) or balconies/terraces (apartments). A communal space with a play area, landscaping, and a pond fosters community spirit. Excellent connectivity includes a nearby bus stop and amenities within walking distance, with a cycleway for cyclists.



Image source: <https://kb.goodhomes.org.uk/case-study/seaward-way/>

Endnotes

1 Building Regulations Part L Conservation of Fuel and Power 2021

<https://www.gov.uk/government/publications/conservation-of-fuel-and-power-approved-document-l>



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Carbon Impact Assessment Report

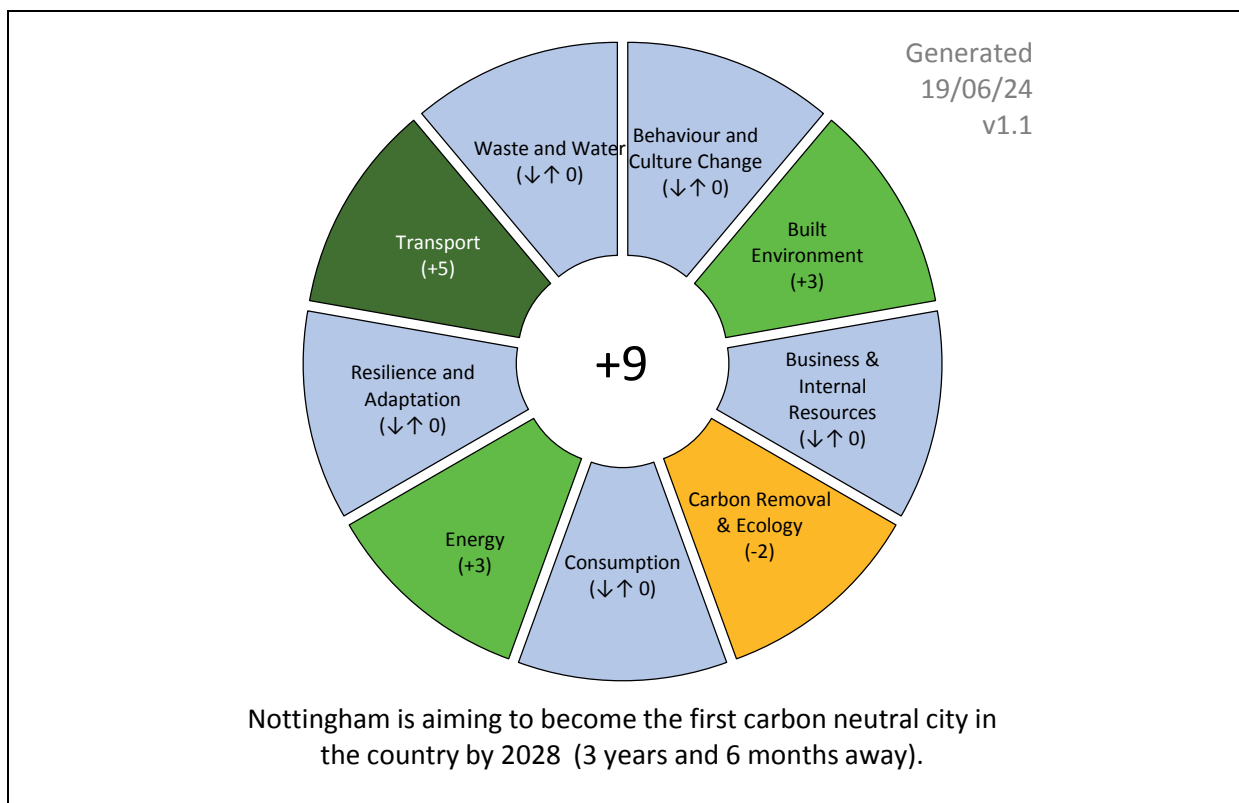
Purpose Built Student Accommodation (PBSA) Supplementary Planning Document (SPD)

Report Details

- **Report Date:** 13th June 2024
- **Report Author:** [Kate Perrey/Clare Foster](#)

Project Notes

The PBSA SPD provides guidance on the requirements for new PBSA schemes to ensure that developments meet the evolving needs of students. Specifically, it provides guidance on Policy HO5: Locations for Purpose Built Student Accommodation and Policy HO6: Houses in Multiple Occupation (HMOs) and Purpose Built Student Accommodation of the Land and Planning Policies Document - LAPP (2020) (Part 2 Local Plan).



Categories and Impact Analysis

Carbon Impact Assessment (higher priority impacts shown in green)

Behaviour and Culture Change

1. **Communication & Engagement:** The Council encourages developers to consider wider benefits that could be offered voluntarily to local communities likely to be affected by a PBSA development. For instance, shared facilities may be opened up to wider community use, allowing students and residents to mix. **Score: 0**
2. **Wider Influence:** The Council is collaborating with the Universities and other parties. **Score: 0**
3. **Working with Communities:** The SPD has been prepared with assistance from universities and will undergo public consultation, with all comments assessed to help shape the final document. **Score: 0**
4. **Working with Partners:** The Council is collaborating with universities and other parties around PBSA. **Score: 0**

Built Environment

1. **Building Construction:** Newer PBSA developments are designed to be more environmentally friendly, contributing to lower CO2 emissions. The SPD encourages the delivery of PBSA in appropriate locations in line with Local Plan policies. Although these policies do not promote more student accommodation than already envisaged, they must comply with Sustainability policies and provide a Sustainability Assessment due to the Interim Planning Statement on Carbon. **Score: +2**
2. **Building Use:** New PBSA will encourage bicycle storage, recycling bins, automatic lighting, water fountains, or passive cooling, located in sustainable areas to encourage active travel and public transport usage. **Score: +2**
3. **Switching Away from Fossil Fuels:** Despite being environmentally friendly, these developments will result in carbon impact due to embodied carbon. Compliance with Local Plan policies, including a Sustainability Assessment, is required. **Score: -1**

Business & Internal Resources

1. **Developing Green Businesses:** Not applicable. **Score: 0**
2. **Marketable Skills & Training:** Not applicable. **Score: 0**
3. **Sustainability in Business:** Not applicable. **Score: 0**
4. **Material / Infrastructure Requirement:** The SPD encourages that appropriate steps are taken to ensure minimal resource use and high environmental standards. **Score: 0**

Carbon Removal & Ecology

1. **Carbon Storage:** The SPD does not include direct proposals to improve local low-carbon energy storage but would support such proposals in principle. **Score: -1**
2. **Biodiversity & Ecology:** New PBSA developments need to enhance biodiversity in line with local and national planning policies, though some loss could occur, even on brownfield sites. **Score: -1**
3. **Bee-Friendly City:** The guidance does not hinder having a bee-friendly city. **Score: 0**
4. **Carbon Offsets:** PBSA developments should strive for high environmental sustainability, aligning with the council's goal of achieving carbon neutrality by 2028. This includes a Carbon Reduction Energy Statement for new large-scale developments. **Score: 0**

Consumption

1. **Food & Drink:** Not applicable. **Score: 0**
2. **Products:** Not applicable. **Score: 0**
3. **Services:** Not applicable. **Score: 0**
4. **Local and Low-Carbon Production:** Building designs should reduce energy costs and incorporate renewable and low-carbon technologies, supported by a Carbon Reduction Energy Statement. **Score: 0**

Energy

1. **Local Renewable Generation Capacity:** The Council promotes designs that reduce energy costs and incorporate renewable and low-carbon technologies, requiring a Carbon Reduction Energy Statement for significant new developments. **Score: +1**
2. **Reducing Energy Demand:** PBSA developments must integrate sustainable principles, promoting walking or cycling, and incorporating energy efficiency and sustainable construction features. **Score: +2**
3. **Improved Energy Storage:** Not applicable. **Score: 0**

Resilience and Adaptation

1. **Green / Blue Infrastructure:** Local Plan policies encourage habitat creation, but the SPD itself is silent on this issue, resulting in a neutral score.
2. **Natural Flood Management:** While there are examples of PBSA reducing flood risk, the SPD itself is silent on this issue. **Score: 0**
3. **Drought Vulnerability:** Not applicable. **Score: 0**
4. **Flooding Vulnerability:** Potential flood risk mitigation through sustainable drainage is not addressed by the SPD. **Score: 0**
5. **Heatwave Vulnerability:** New buildings will mitigate solar gain, but the SPD is silent on this issue. **Score: 0**

Transport

1. **Staff Travel Requirement:** Not applicable. **Score: 0**
2. **Decarbonising Vehicles:** Not applicable. **Score: 0**

3. **Improving Infrastructure:** PBSA will include provisions for footpaths, cycle storage, and repair facilities. **Score: +1**
4. **Supporting People to Use Active Travel:** The SPD encourages minimizing car ownership and promotes sustainable active travel options in accessible locations. **Score: +2**
5. **Reduced Need to Travel:** PBSA is often located in accessible locations, reducing the need to travel and discouraging car use among students. **Score: +2**

Waste and Water

1. **Single-Use Plastic:** Not applicable. **Score: 0**
2. **End of Life Disposal / Recycling:** The SPD mandates adequate waste and recycling storage facilities and arrangements, with developers advised to consult the council's Planning and Waste Departments. **Score: 0**
3. **Waste Volume:** New PBSA will likely generate more waste than existing buildings/sites. **Score: -1**
4. **Water Use:** The SPD should result in water efficiencies being incorporated in new developments. **Score: +1**

Summary

The Carbon Impact Assessment of the Purpose Built Student Accommodation (PBSA) SPD shows a generally positive impact on reducing carbon emissions and promoting sustainability. Key areas of improvement include enhancing energy efficiency, encouraging active travel, and ensuring sustainable building practices. However, there are areas that require further attention, such as carbon storage, biodiversity, and addressing embodied carbon in new constructions. The overall score from the assessment is indicative of a positive contribution towards the city's goal of achieving carbon neutrality by 2028.

Carbon Impact Assessment Report

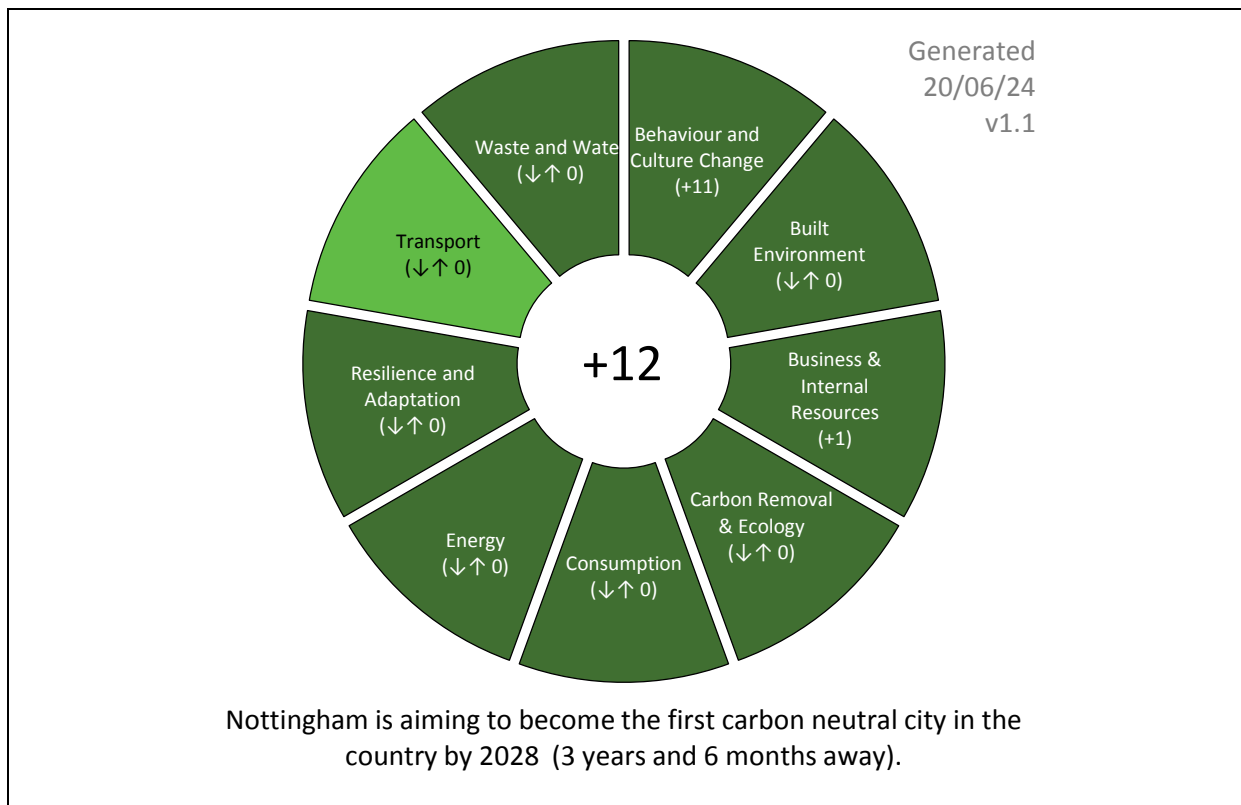
Reduction of Carbon in New Development Supplementary Planning Document (SPD)

Report Details

- **Report Date:** 19 June 2024
- **Report Author:** [Steve Ryder/Danielle Sample](#)

Project Notes

This Supplementary Planning Document (SPD) seeks to reduce energy demand, improve the energy efficiency and the use of renewable energy in new developments. The document (prepared jointly by Nottingham city and Broxtowe Borough Councils) supports the adopted Nottingham Local Plan by providing more detailed guidance on how development can lower emissions.



Categories and Impact Analysis

Carbon Impact Assessment (higher priority impacts shown in green)

Behaviour and Culture Change

1. **Communication & Engagement:** SPD communicates expectations and is additional mechanism to engage developers in considering sustainability measures. Suggested score of 3 as it doesn't seem a specific communications and engagement campaign will take place directly because of the SPD **Score: 3**
2. **Wider Influence:** The purpose of the SPD is to communicate the partner council's expectations and seek to influence developers to be more ambitious in embedding sustainability measures into construction. Impact is primarily as a communications tool, so this section can be scored highly **Score: 5**
3. **Working with Communities:** This section relates to work with communities, rather than stakeholders in general. Working with stakeholders considered in 'working with partners' section. Don't score here unless direct and specific citizen engagement of the SPD planned **Score: 0**
4. **Working with Partners:** Working in partnership with BCC to combine influences **Score: 3**

Built Environment

1. **Building Construction:** The SPD is a guidance document, therefore direct impact on construction not guaranteed **Score:0**
2. **Building Use:** This CIA relates to a guidance document, and therefore building use can't be directly attributed **Score: 0**
3. **Switching Away from Fossil Fuels:** This CIA relates to a guidance document, and therefore switching away from fossil fuels can't be directly attributed. **Score: 0**

Business & Internal Resources

1. **Developing Green Businesses:** This is speculative, but as developers will need to seek guidance on technical viabilities of sustainability measures as part of the consideration process will score as low impact . **Score: 1**
2. **Marketable Skills & Training:** No explicit direct impact. **Score: 0**
3. **Sustainability in Business:** The SPD is a construction guidance document; therefore, business sustainability practice can't be attributed to this. **Score: 0**
4. **Material / Infrastructure Requirement:** Resource use can't be directly attributed to the SPD **Score: 0**

Carbon Removal & Ecology

1. **Carbon Storage:** As no guaranteed impact from the guidance. **Score: 0**
2. **Biodiversity & Ecology:** Can't attribute impact from other local and national policy here, as no guaranteed impact from the guidance. **Score: 0**
3. **Bee-Friendly City:** The guidance does not hinder having a bee-friendly city. **Score: 0**

4. **Carbon Offsets:** Carbon offsets are last resort additional actions to reduce emissions that cannot be reduce further with currently available technologies..
Score: 0

Consumption

1. **Food & Drink:** Not applicable. **Score: 0**
2. **Products:** Not applicable. **Score: 0**
3. **Services:** Not applicable. **Score: 0**
4. **Local and Low-Carbon Production:** Not applicable.. **Score: 0**

Energy

1. **Local Renewable Generation Capacity:** Not applicable.. **Score: 0**
2. **Reducing Energy Demand:** Not applicable.. **Score: 0**
3. **Improved Energy Storage:** Not applicable. **Score: 0**

Resilience and Adaptation

1. **Green / Blue Infrastructure:** Not applicable.
2. **Natural Flood Management:** Not applicable. **Score: 0**
3. **Drought Vulnerability:** Not applicable. **Score: 0**
4. **Flooding Vulnerability:** Not applicable. **Score: 0**
5. **Heatwave Vulnerability:** Not applicable.. **Score: 0**

Transport

1. **Staff Travel Requirement:** Not applicable. **Score: 0**
2. **Decarbonising Vehicles:** Not applicable. **Score: 0**
3. **Improving Infrastructure:** Not applicable.. **Score: 0**
4. **Supporting People to Use Active Travel:** Not applicable. **0**
5. **Reduced Need to Travel:** Not applicable.. **Score: 0**

Waste and Water

1. **Single-Use Plastic:** Not applicable. **Score: 0**
2. **End of Life Disposal / Recycling:** Not applicable. **Score: 0**
3. **Waste Volume:** Not applicable. **Score: 0**
4. **Water Use:** Not applicable. **Score: 0**

Summary

The Carbon Impact Assessment of the SPD reveals that while it has strong potential in influencing developers and setting a positive example (particularly in communication and engagement), it does not have direct impacts on many specific aspects of construction, business sustainability, or ecological measures. The overall scores reflect its role primarily as a guiding and communicative tool rather than an operational one.

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Subject:	Local Authority Housing Fund Round 3
Corporate Director(s)/Director(s):	Sajeeda Rose, Corporate Director of Growth & City development
Executive Member(s):	Cllr Jay Hayes, Executive Member for Housing and Planning
Report author and contact details:	Laura Marsden/Mark Lowe, Head of Housing & Regeneration Telephone: 0115 8763532 Email: mark.lowe@nottinghamcity.gov.uk
Other colleagues who have provided input:	Dawn Cafferty, Head of Procurement Thomas Straw, Senior Accountant Vendie Charles, Commercial Solicitor
Subject to call-in:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Key Decision:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Criteria for Key Decision:	
(a)	<input type="checkbox"/> Expenditure <input type="checkbox"/> Income <input type="checkbox"/> Savings of £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 checked="" type="checkbox"/> Yes <input 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: 8 th May 2024
Total value of the decision:	£1.633m
Section 151 Officer expenditure approval	Has the spend been approved by the Section 151 Officer? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/a Spend Control Board approval reference number:
Commissioner Consideration	Has this report been shared with the Commissioners' Office? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Any comments the Commissioners wish to provide are listed below.
Wards affected:	City Wide
Date of consultation with Executive Member(s):	20/06/24
Relevant Council Plan Key Outcome:	
Clean, Green 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):	
The government has allocated £1.633m of Local Authority Housing Fund (LAHF) funding to Nottingham City Council (NCC) for the purpose of providing homes for Afghan Citizen Resettlement Scheme (ACRS) families and accommodation for homeless families. The third round of the LAHF was announced in the Autumn Statement 2023 and runs over the 2024-25 and 2025-26 financial years. The fund directly allocates a sum to Nottingham City Council (NCC), which we have approval to provisionally accept through the signing of the Memorandum of Understanding (MOU) once it is made available by the Department of Levelling Up, Housing and Communities (DLUHC) which was signed subject to formal approval. Nottingham City Council (NCC) is looking to utilise a partnership model for the delivery of accommodation to support these specialist groups and the intention is to select a third party Registered Provider (RP)	

partner to utilise the grant funding and provide the match funding required
Does this report contain any information that is exempt from publication? No
Recommendation(s):
1 To accept the Local Authority Housing Fund (LAHF) grant allocation from the Department of Levelling Up, Housing and Communities (DLUHC) and delegate authority to the Corporate Director of Growth and City Development to formally enter the MOU
2 To identify a Registered Provider (RP) to deliver the agreed outputs via a compliant open procurement process
3 To award the Local Authority Housing Fund (LAHF) funding to the selected Registered Partner (RP) via a Grant Funding Agreement
4 To delegate authority to the Corporate Director of Growth and City Development to approve and enter into subsequent grant agreement and nominations agreement with appropriate conditions and restrictions

1. Reasons for recommendations

- 1.1 If the above recommendations are accepted and implemented, they will enable the Local Authority Housing Fund (LAHF) allocation to be retained by the city rather than returned to the Department of Levelling Up, Housing and Communities (DLUHC)
- 1.2 This funding will enable 5 units of Afghan Citizens Resettlement Scheme (ACRS) homes and 12 additional units of affordable homes for homeless families to be delivered for the benefit of Nottingham citizens and Nottingham City Council (NCC)
- 1.3 The delivery of housing for homeless families will enable savings to general funds homelessness expenditure on Nightly Paid Temporary Accommodation (NPTA)

2. Background (including outcomes of consultation)

- 2.1 Autumn Statement 2023 announced that the Department for Levelling Up, Housing, and Communities (DLUHC) would be launching a third round of the Local Authority Housing Fund (LAHF), to the value of £450 million, to run over the financial years 2024-25 and 2025-26
- 2.2 The funding guidance published by Department of Levelling Up, Housing and Communities (DLUHC) states that the Local Authority Housing Fund Round 3 (LAHF R3) will:
 - support local authorities to acquire good quality, and better value for money Temporary Accommodation (TA) for families owed a homelessness duty. This will reduce the usage of B&B accommodation and will enable local authorities to grow their housing stock, creating sustainable assets to help manage local housing pressures.
 - continue to provide resettlement housing for those on the Afghan Citizens Resettlement Scheme (ACRS). These homes would then become available to support wider local authority general housing and homelessness responsibilities after the resettlement needs of the eligible cohort have been addressed.
 - Support local housing markets by assisting the delivery of new housing stock or new developments to grow overall housing supply

2.3 Nottingham received an initial LAHF R3 funding allocation from DLUHC in March 2024 and an initial expression of interest was returned on 25th March 2024. The Memorandum of Understanding (MOU) detailing the agreed allocation between the Council and DLUHC is being finalised by DLUHC and once this is provided to the Council we intend to sign as per the delegated approval granted by S151 Officer at the councils Corporate Leadership Team (CLT) on 7th May

2.4 The funding offer from DLUHC for Nottingham consists of an indicative allocation of £1,633,500 of capital grant funding (under section 31 of the Local Government Act 2003) and we are required to deliver:

- a minimum of 12 homes for the Temporary Accommodation or housing to prevent or alleviate homelessness.
- a minimum of 4 homes for the ACRS Resettlement Accommodation
- a minimum of 1 home for the ACRS Large Resettlement Accommodation

2.5 The allocation has been based on the following:

Total Funding Allocation	£1,633,500	
<i>Based on:</i>		
Area Median Property Price	(£185,000)	
Base Grant Rate (40% of Median)	£74,000	
Large Resettlement Unit (50% of Median)	£92,500	
On Costs per unit	£21,000	
DLUHC Funding Offer		
TA	12	£888,000
Resettlement	4	£296,000
Large Resettlement	1	£92,500
Total On-Costs		£357,000
Total	17	£1,633,500
Revenue Funding available		£12,125

2.6 The funding for the 12 units of homelessness accommodation is contingent of the delivery of the 5 units of ACRS accommodation. Accommodation for refugees in Nottingham is provided by third party organisations rather than by the Council directly as part of the Councils commissioning and enabling role. The intention is to continue with this approach in relation to this funding by selecting an RP partner to deliver both elements of the accommodation

2.7 Further, due to existing commitments within the capital programme, there is not sufficient match resource available in the required timeframe. The base grant rate awarded is 40% of the average 2/3 bed home cost of £185k in Nottingham. Working with a third-party RP partner will provide a mechanism for partners to lever in match funding

2.8 It is therefore proposed to secure a third party Registered Provider (RP) and award the allocated funding via a funding agreement to enable them to provide both elements of the funding requirement

- 2.9 A condition of the grant transfer will be entering into a nominations agreement with NCC, that will stipulate the homes be let to either refugees or people/families on the Homelessness register and where homeless relief duty will be ended (dependent on the element of the funding, in line with DLUHC requirements)
- 2.10 The LAHF programme allows NCC to work in partnership with third party Registered Providers to deliver the homes and to ensure that any contractual arrangements or MOU frameworks adopted with delivery partners contain appropriate mechanisms to enable delivery of the LAHF programme objectives
- 2.11 Although the programme promotes the provision of Temporary Accommodation (TA) for the homeless families allocation of funding, where appropriate, local authorities can use this funding flexibly to procure accommodation which supports them to prevent homelessness or provide relief duty for eligible families. In order to provide a longer-term solution for families at risk of homelessness, we intend that the properties acquired by the partner RP will be let as Affordable rent homes on Assured Short hold Tenancies (AST's). This will provide a longer term, settled housing solution with a tenancy rather than temporary accommodation which families will ultimately need to move on from. This will also be applicable to all Afghan Citizens Resettlement (ACRS) units as the fund should be used to increase access to settled accommodation for this target cohort
- 2.12 In the event that a third party cannot be secured then the Council will have to return the funding and could do so without penalty
- 2.13 If NCC is successful in securing a partner and 100% nomination rights to these properties, then the homeless element of this funding will deliver a significant saving to the Council's temporary accommodation budget. Homes for 12 households on the homelessness register could potentially save the Council circa £393k per annum compared to the cost of bed and breakfast accommodation (£90 night x 7 days x 52 weeks x 12 units)

Procurement of a Registered Provider Partner

- 2.14 NCC will undertake a competitive call for competition to enter into a grant funding agreement, which will ensure a compliant route to market appropriate for the size of the grant allocation. The successful RP will enter into a funding agreement and nominations agreement with the Council, which will contain monitoring obligations/KPIs mirroring those the Council will be expected to provide to DLUHC as per the MoU or subsequent grant agreement
- 2.15 The provision of affordable housing in Assured Shorthold Tenancies (ASTs), means that there is no support anticipated and therefore no requirement for onward revenue support to the RP
- 2.16 The grant agreement will specify that the funding needs to deliver 1x large unit and 4x smaller units for Afghan Citizens Resettlement Scheme and 12 x units for homeless households to be delivered by end 2025/6. They will be available on Assured Shorthold Tenancies for Affordable Rent in line with the selected Registered Provider's letting and allocations policy and requirements

- 2.17 The selected RP will be required to enter into a Nominations agreement with the Council for all properties and this will stipulate the homes be let to ACRS families or people/families on the Homelessness register and where homeless relief duty will be ended. It will include a minimum term for operation for the specified use and permitted subsequent use. This mechanism will support the delivery of a 'housing legacy', by which the funding programme aims "to create a lasting supply of affordable housing for the general population" which is available for the lifetime of the properties
- 2.18 A specification will be provided that will include the type and location of properties to be acquired, tenure type and management and maintenance expectations will be made available. The specification will also specify the term and detail of the nominations agreement, the minimum term for which the properties are to be used for the stipulated purpose and what purpose they can be used for after this period, as well as conditions and restrictions should the scheme need to cease or partner cease operation
- 2.19 Submissions will be recommended from RPs and private RPs who can demonstrate established good practice in management and maintenance, as well as the financial capacity to deliver the scheme initially and into the future. Tenders will be assessed as to the ability to meet the specification and timescales of the scheme, quality expectations regarding management and maintenance (e.g. complaints, allocations and safeguarding procedures), a proven track record of experience with client groups and financial capacity
- 2.20 A Subsidy control assessment will be completed once the final MOU from DLUHC has been received

Grant/Funding Agreement

- 2.21 The funding agreement will need to include details of the arrangements between the parties, the payments to be made, funding timescales and other general provisions to ensure that it is able to meet the requirements under the Council's LAHF MOU with DLUHC
- 2.22 This will include but not be limited to;
- monitoring, accountability and reporting requirements
 - compliance with internal governance and constitutional requirements, including but not limited to subsidy control measures, equalities duty, its procurement rules, and measures
 - requirement to monitor timescales, spend, outputs and outcomes as per agreed indicators
- 2.23 The funding agreement must cascade all the obligations imposed on the Council by the LAHF MOU and thereafter have, in addition, provisions that afford the Council some protection should the funds not be used as envisaged and/or DLUHC seek to clawback some, or all, of the funding for some other reason as stated in the MOU
- 2.24 The Council itself could be subject to DLUHC suspending, withholding or recovering funding if the Council fails to comply with the MOU including funding commitment and spend deadlines. The risk of clawback of already paid grant is minimal due to the funding being a section 31 grant, however the Council will need to ensure that its agreement with the selected RP, gives the

Council sufficient rights to suspend, withdraw or recover funding if the Council is subject to this from DLUHC

- 2.25 The Council will also need to ensure that its agreement with the selected RP gives the Council sufficient rights to suspend, withdraw or recover funding from the RP if the specified units are not delivered and the funding has not been defrayed. Also, if determined the rights to recover any remaining funding from the RP partner if the full allocation of units are not delivered and the funding has been partly defrayed
- 2.26 The LAHF funding allocation provides a revenue amount of £12,125. This amount may be utilised to support the legal works required to produce the funding

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

- 3.1 **The Council to utilise funding and deliver units:** Although the Council could choose to utilise this funding ourselves, we already have subsidy available from the Right to Buy Replacement Funds (RTB RF) to support the purchase of properties within the Housing Revenue Account (HRA) which can be used for either Permanent or Temporary Accommodation. If RTB RF are not used, then these will have to be repaid to the Government with a punitive interest. NCC already have an agreed purchase programme in place where the match funding is sourced via HRA revenue contributions to capital. The number of properties identified for purchase within this programme are a realistic assessment of what the Council will be able to source and complete within the timescale. Given this, the maximum benefit of the LAHF3 funding can be achieved by locating a third-party partner to supplement our own programme by sourcing additional properties. The LAHF3 funding can only be used for additional units so could not be put towards the conversion of existing properties

Additionally, the Council does not directly deliver ACRS housing and relies on third parties to provide this accommodation, as such the Council would therefore be unable to deliver this element of the funding in the timescales which is conditional on being able to access the funding for the accommodation for homeless families

There is an increased risk of properties (especially larger homes required by the LAHF scheme) exiting their intended use via RTB if they are delivered by a local authority as opposed to a RP

- 3.2 **Different RP's are selected to deliver the separate ACRS/TA elements of the funding:** The homelessness funding is contingent of the delivery of ACRS homes and a proportion of the latter needs to be in train before the TA funding can be accessed. The two streams are interdependent and therefore we would want to offer the grant as one package to one RP. This would prevent the need for partnership arrangements between two RPs in addition to our own agreement
- 3.3 **Do not utilise funding and forfeit back to DLUHC:** In the event that a third party cannot be secured or there if approval is not granted to deliver the scheme as outlined in this report, then the Council will have to return the funding and could do so without penalty. However, this would mean that the funding would not be utilised in the city for the benefit of Nottingham citizens

and to help reduce the budgetary pressures in delivering temporary accommodation

4. Consideration of Risk

4.1 No RP partner is identified via the identified procurement route: In the event that a third party cannot be secured then the Council will have to return the funding and could do so without penalty

4.2 RP partner goes bankrupt after the funding has been defrayed and units acquired: This is an unlikely risk that will have to be managed if it occurs. A suitable clause could be included in the grant agreement which could provide a level of security for the funding however as it is external grant there would be limited financial risk to the council anyway. In addition, clauses and restrictions on the property register could be included to ensure the properties are transferred to another register provider of social housing in the event of the appointed RP ceasing to operate

4.3 Grant conditions not adhered to by RP/MOU is breached: The proposed grant agreement will ensure that the council are able to meet its requirements under the MOU with DLUHC. If they are not adhered to by the RP there will be mechanisms within the grant agreement that will allow for funding to be recovered by the Council from the RP. Through the competitive call for competition we will also ensure that the selected RP have a suitably experienced delivery/management team and delivery/programme plan in place

4.4 Clawback of grant if MOU is breached: This is a section 31 grant and therefore the risk of grant clawback is minimal however the payment of the grant is made in tranches subject to the meeting of conditions within the MOU. These will be mirrored in the funding agreement with the Registered provider and the Council will need to ensure that its agreement with the selected RP, gives the Council sufficient rights to suspend, withdraw or recover funding if the Council is subject to this from DLUHC

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

5.1 The recommended proposal to transfer the LAHF funding to an RP partner will enable the funding to be utilised for the purposes of providing additional housing for ACRS and homeless families but will require no additional financial contribution from the Council. The city will be able to benefit from this funding opportunity but at no financial cost to the council

6. Commissioner comments

6.1 The Commissioners are content with this report

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

7.1 The expenditure within this decision is classed as Capital Expenditure and formal approval of this decision will increase the approved capital budget in the following years:

	2024/25 £m	2025/26 £m	Total £m
Forecast Expenditure	0.720	0.914	1.634

7.2 The assets are to be owned by a third party (i.e. the appointed RP), therefore, this project does not lead to any future maintenance risk for the Council. As detailed in the body of the report this project will reduce the need of B&B for homelessness and reduce homelessness pressures in future years

7.3 The grant agreement between Nottingham City Council and the appointed RP needs to ensure that the Council's financial position is protected from any financial clawback as part of the MoU

7.4 This scheme has been endorsed by Capital Board in May 2024

Tom Straw, Senior Accountant (Capital Programmes) – 17th June 2024

8. Legal colleague comments

8.1 The report seeks authority to accept Local Authority Housing Fund (LAHF) grant funding from the Department of Levelling Up, Housing and Communities (DLUHC) of £1.633,000 to be used to acquire 5 properties under the Afghan resettlement scheme (ACRS), and 12 properties for Temporary accommodation (TA), with a requirement that these properties create a housing legacy. The report author has indicated that NCC does not intend to utilise the grant funding directly due to the match funding requirement, but instead propose to elect to award grant funding to a Registered Provider (RP) to acquire these properties. I understand that an open competitive procedure call to competition would be undertaken to select a provider and enter into a grant funding agreement with the selected RP

8.2 The proposal to award grant funding to an RP is allowed under the MOU, however, utilising this option does present financial risks to NCC if subsequent grant conditions are breached, with claw back, suspension or withdrawing of grant funding implications for NCC. It is incumbent on NCC to ensure that any recipient of grant funding receives all obligatory documents cascade down to the RP for which the Council remains primarily liable under any grant agreement/MOU with DLUHC to safeguard against any potential breach. NCC must ensure that all conditions and restrictions regarding the use of the properties, ensure the properties creates a housing legacy in accordance with grant funding conditions

8.3 It is prudent that a carefully designed grant funding application procedure is applied, with all relevant conditions and restrictions clearly identified, along with robust drafted grant agreements, dealing with all relevant conditions and restrictions required on use of properties with the RP and how properties would be held and relevant restrictions placed on each property register for NCC's protection on any proposed future disposal or transfer, to comply with

the requirement that properties creates a housing legacy in perpetuity under grant funding conditions

- 8.4 There is an overarching duty on the Section 151 Officer to ensure that services are discharged as per the grant funding requirements. Therefore, contract manager must ensure that they are strict in complying with their contract management duties, including complying with all its internal governance and constitutional requirements, including equalities duty, its procurement rules, and subsidy control principles are complied with, all assurance arrangements as per grant condition are in place, and the added requirement that NCC guard against fraud risks in all aspects of the contract management, by applying robust due diligence. It is imperative that competent contract management is in place to ensure Grant finding conditions are complied with
- 8.5 Legal colleagues in property should be consulted to assist on drafting relevant property conditions/restrictions for grant agreement to enter on property register at Land Register and in procurement document and the finer workings on any potential disposal or transfer. Consideration must be given that any grant funding not used for the intended purpose, or incomplete projects, exposes NCC to substantial financial risk and liable to claw back, with the Council having the overall liability to DLUHC by way of repayment. It is advisable that any proposed property disposal by the RP should require repayment of grant funding to NCC due to claw back from DLUHC
- 8.6 The grant funding has strict requirements that the Section 151 Officer provides a statement at different phases of the project, stringent contract monitoring and reporting requirements of phases of the project delivery, the author of the report would need to provide further information on how they would ensure compliance and how they would retain a substantial level of control over the RP to ensure compliance. The proposal of using an RP to deliver the properties under the grant funding raises financial risks to NCC, it is therefore prudent for NCC ensure robust due diligence is employed in securing the right RP with all notable restrictions and conditions clearly included for transparency
- 8.7 In selecting any RP from an open competitive procedure, particular care in financial due diligence must be carried out in assessing that the RP is financially viable and can comply with all grant funding conditions and the ability to match grant funding and deliver all properties under the grant funding in perpetuity (consideration should be given in the procurement application process that requires RPs' provide proof of matched funding clearly identified at the time of the competitive procedure application in compliance with proof of matched funds from the RP
- 8.8 NCC must ensure that in receiving grant funding that it is able to comply with the conditions laid out in the final MOU and grant conditions from DLUHC, and that any grant funding award to an RP, that all grant funding conditions and restrictions are cascade down in any grant agreement
- 8.9 The report author must obtain the necessary prior approval from the Section 151 Officer, to ensure compliance with the restrictions imposed upon the Council within the Section 114 Notice

- 8.10 The information that is available, supports that the proposal falls outside the Contract Procedure Rules (and relevant procurement legislation), thus the report author proposing a call for competition to enter into a grant funding agreement
- 8.11 Provided grant funding terms are complied with and any onward spend of monies by an RP for the acquisition of 17 properties, are in accordance with the Council's Constitutional requirements, and procurement rules. Further consideration would need to be given to the commercial and financial mechanism of the proposal and a review of the final MOU and grant funding agreement, to alleviate any legal concerns with the recommendations
- 8.12 Legal services will continue to support the report author as required to complete the necessary formalities required by government in terms of putting in place the necessary grant agreements and work along with procurement colleagues

Vendie Charles, Contracts Commercial Solicitor - 17th June 2024

9. **Procurement colleague comments**

- 9.1 This paper relates to the receipt and allocation of Local Authority Housing Fund grant funding from DLUHC for the provision of homeless accommodation. It is proposed to transfer the funding to a Registered Provider (RP) to acquire property, meeting the requirements of the grant. From the information currently available this is understood to be outside the scope of Contract Procedure Rules (and relevant procurement legislation), and that an appropriate route to secure an RP would be a call for competition to enter into a grant funding agreement. It should be noted that this advice is given in principle to enable progress to receipt of funding and is pending receipt of the final MOU from DLUHC. It is recommended that further detailed consideration is given to the commercial and legal risks when the document is made available. This should include an assessment of Subsidy Control Principles. Following this further consideration, the final funding mechanism and route to secure the RP will be confirmed. The Commercial Hub will support as necessary with the chosen route to market

Dawn Cafferty, Head of Procurement - 5th June 2024

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

10.1 N/A

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

11.1 N/A

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

12.1 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 this regarding a transfer of grant for the delivery of a project led by an external organisation

14. Data Protection Impact Assessment (DPIA)

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

No



An DPIA is not required because this regarding a transfer of grant for the delivery of a project led by an external organisation

15. Carbon Impact Assessment (CIA)

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

No



An CIA is not required because this regarding a transfer of grant for the delivery of a project led by an external organisation

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

16.1 N/A

17. Published documents referred to in this report

17.1 N/A

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Subject:	Approval for the development and delivery of a neighbourhood electric vehicle charging programme utilising Local Electric Vehicle Infrastructure (LEVI) grant funding.
Corporate Director(s)/Director(s):	Sajeeda Rose, Corporate Director of Growth & City Development
Executive Member(s):	Councillor Neghat Khan - Executive Member for Strategic Regeneration, Transport and Communications
Report author and contact details:	Anne-Marie Barclay, Senior Project Manager annemarie.barclay@nottinghamcity.gov.uk , Tel: 01158764095
Other colleagues who have provided input:	
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 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: 10 May 2023
Total value of the decision:	£1,704,000
Section 151 Officer expenditure approval	Has the spend been approved by the Section 151 Officer? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/a Following completion of the tender exercise approval will be sought from the Spend Control Board before any funding is committed.
Commissioner Consideration	Has this report been shared with the Commissioners' Office? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Any comments the Commissioners wish to provide are listed below.
Wards affected:	Citywide
Date of consultation with Executive Member(s):	14 June 2024
Relevant Council Plan Key Outcome:	
Clean, Green 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"/>
Living Well in Our Communities	<input type="checkbox"/>
Keeping Nottingham Moving	<input checked="" type="checkbox"/>
Improve the City Centre	<input type="checkbox"/>
Better Housing	<input type="checkbox"/>
Serving People Well	<input type="checkbox"/>
Summary of issues (including benefits to citizens/service users):	
The Government's Local Electric Vehicle Infrastructure (LEVI) Fund was launched in 2022 to support local authorities in England to work with the charge point operator industry to improve the roll out of local charging infrastructure, with a focus on supporting residents who do not have access to private off-street parking.	

In May 2023 the Government advised that Nottingham City Council's LEVI capital allocation had been confirmed at £1,704,000, alongside separate capability revenue funding to fund resources to support the delivery of the LEVI programme.

Funding is being made available in two tranches: 90% of the capital grant allocation (£1,533,600) was received on 27 March 2024 and the remaining 10% allocation (£170,400) is planned to be released by 31 March 2025 once a series of conditions have been met, including completion of procurement activities.

A Leaders Key Decision was approved in March 2024 to accept the capital grant allocation. The purpose of this report is to secure approval to deliver the capital programme in full.

The revenue allocations are being approved separately linked to an Executive Member Decision. The revenue funding needs progressing in advance of the capital decision as it relates to securing the additional resources required to deliver the overall programme.

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

No

Recommendation(s):

- 1** To approve the allocation of £1,704,000 LEVI grant funding for the development and delivery of a neighbourhood electric vehicle charging programme amending the Capital Budget as detailed in the body of the report. If for any reason the second 10% grant payment of the grant is not awarded the programme to be reduced accordingly to remain within budget.
- 2** To approve the Council's participation in the consortium procurement for a new charge point operator(s) led by Nottinghamshire County Council and Midlands Connect.
- 3** To approve the submission of the Stage 3 application to DfT following completion of procurement activities.
- 4** To delegate authority to the Corporate Director of Growth & City Development to enter into any call-off contracts with the appointed charge point operator(s) for the Nottingham City area.

2. Reasons for recommendations

- 2.1 The Local Electric Vehicle Infrastructure (LEVI) Fund is a Government funded scheme which is allocating £343m of capital funding across the UK for the installation of on-street charging infrastructure for electric vehicles, with £33.744m allocated to the East Midlands region.
- 2.2 In accordance with the funding requirements, the first stage of the process in receiving the LEVI funding was to submit an Expression of Interest form, which was completed in May 2023, followed by a Business Case submission in November. The final stage of the process will be the stage 3 contract review following completion of procurement activities in order to appoint our chosen provider(s). This is currently programmed for early 2025 and sign off of this application will trigger release of the final 10% of funding in March 2025.

- 2.3 The full £1,704,000 capital grant will be used for the charge point contract, with £1,533,600 (90%) received on 27 March 2024 allocated to the 2024/25 financial year, and £170,400 (remaining 10%) expected in March 2025 to be allocated to the 2025/26 financial year. In the event that the final 10% of funding is not secured, the contract would only be awarded for the value of funding received, with fewer charge point sockets being delivered. A separate Executive Member Decision is being progressed for £399,710 revenue capability funding, which will be used to provide project team support for delivery of the capital scheme.
- 2.4 Midlands Connect are the regional strategic transport body, who work to bring together the Midlands based local authorities to deliver a regional approach to transport projects. To support delivery of the LEVI programme, Midlands Connect are coordinating delivery for three local authority consortiums across the Midlands, alongside providing support to meet the various LEVI deadlines and sign-off of tasks.
- 2.5 The City Council has joined a consortium with Nottinghamshire County Council, Derby City Council, Derbyshire County Council and Staffordshire County Council. Whilst each local authority has its own funding award and is responsible for their own application and project delivery, the consortium approach will enable each member to achieve better economies of scale, value for money and maximise outcomes by leveraging private sector investment from charge point operator(s) to increase the number of charge points across the area and secure a better deal for the area.
- 2.6 Nottinghamshire County Council are the lead procuring authority for our consortium and will be responsible for legal and procurement activities and will provide call-off contracts for the other consortium members to create their own individual contracts once the tender exercise has been completed. It is proposed that the contract will operate as a concession, from which the City Council will receive a guaranteed minimum payment and revenue share to support in the ongoing project management, scheme development, contract management, and marketing activities.
- 2.7 A joint soft market test with potential charge point operator(s) was carried out in May 2024 and the Invitation to Tender and contract documentation is currently being produced by Nottinghamshire County Council ahead of publication. Following completion of the tender exercise approval will be sought from the Spend Control Board before any funding is committed.
- 2.8 Within the City Council area we will be seeking the installation of 860 7kW and 50kW sockets across 280 sites, in residential areas to best serve those residents without access to private off-street parking. The charge points will be located on land owned by the City Council, predominantly within the Adopted Highway boundary, predominately in the form of electric vehicle charging hubs (i.e. 3-5 charge points co-located together).
- 2.9 The tender documents will also include our own technical specification and site list, setting out the specific requirements for works within the Nottingham City area, including the appropriate licences and requirements needed for working on highway land.
- 2.10 Once installed, the underground connections in our area will be owned by the City Council, whilst all above ground assets will belong to the concessionaire. At the end of the contract the concessionaire will be required to remove their

charge points at no cost to the Council. This will also enable future assets under subsequent contracts to be installed with relative ease.

- 2.11 A project delivery group is to be established including representatives from Transport Strategy, Communications, Major Programmes/Transformation, Parking, Traffic and Highways Services. The purpose of this group will be to help identify the key requirements (for example Road Safety Audits, Licences or Traffic Regulation Orders) for each site, along with securing buy-in from ward Councillors and local residents before sites are implemented.
- 2.12 Delivery of the project will be in line with the Council's established corporate approach to programme and project management, including submission of monthly monitoring reports to the Corporate Portfolio Management Office, including procedures for managing risk, budget, change controls etc. and the Project Assurance Group review process.

3. Background (including outcomes of consultation)

- 3.1 The Energy Saving Trust alongside PA Consulting and Cenex, have been appointed by DfT to act as a support body to the LEVI programme and have produced an information pack highlighting the aims of the LEVI fund and scope of the project, which can be found at:
<https://energysavingtrust.org.uk/wp-content/uploads/2023/10/LEVI-capital-fund-info-pack-v12.pdf>
- 3.2 Details of how DfT arrived at the funding allocations for each of the Local Authorities can be found at: <https://www.gov.uk/government/publications/local-ev-infrastructure-levi-funding-amounts/local-electric-vehicle-infrastructure-levi-funding-allocation-methodology>

4. Other options considered in making recommendations

- 4.1 Three alternative options to those recommended were considered. The first was to reject the funding awards and the second would be to accept the funding but continue with our own procurement outside of the Midlands Connect Consortium.
- 4.2 In the absence of this funding the Council would be unable to deliver the proposed infrastructure, which would not be in the best interest of our citizens. Utilising the grant funding means the infrastructure can be delivered at no additional cost to the Council. The Council receives a steady stream of electric vehicle infrastructure requests. Delivery of this project supports the Council's strategic goals of improving air quality and contributing to the Carbon Neutral 2028 Plan. This option was therefore rejected.
- 4.3 The Council could reject the funding and procure a fully funded option however market engagement suggests we would not get as many favourable terms from the market or as many chargepoints if we didn't use the grant funding. This is likely to include being unable to deliver the priority or equity sites, as they are not likely to be commercially attractive to the market. This option was therefore rejected.
- 4.4 Benefits of the consortium approach include fulfilling the DfT's business case requirements, sharing best practice and achieving better economies of scale

by leveraging private sector investment from charge point operator(s) to increase the number of charge points across the area. Significant additional work would be required if the Council were to procure alone. In addition, undertaking our own procurement would require additional support from internal legal and procurement teams (both of which currently have limited resource available). This approach could make the DfT's strict timescales for the procurement stage challenging to meet, adding further risk that the final 10% of the funding could be lost. This option was therefore rejected.

5. Consideration of Risk

- 5.1 A risk register has been produced as part of the overall consortium approach, with Nottingham City Council bespoke risks also recorded within the project management Toolkit.
- 5.2 Funding will need to be spent in accordance with the grant conditions, and it is recognised that the final 10% of the grant allocation may be at risk if the timescales for contract award are not adhered to. On-going discussions are continuing with the LEVI team at DfT to mitigate this risk, who recognise their sign-off of both the tender documentation and contract award will be crucial to achieving this deadline. DfT have clearly defined eligible costs that the grant funding can be used for. To ensure this condition is complied with eligible costs will be listed within the tender documentation, highlighting that the concessionaire will be responsible for the remaining capital project costs not covered by the LEVI grant funding, and all other ongoing costs for the duration of the contract.
- 5.3 Key risks related to the current pre-procurement phase are related to challenges to the proposed procurement approach and DfT approvals being in place in line with their deadlines. The need for DfT sign-off of both the Invitation to Tender documents and approve the final proposals ahead of contract award. Draft documentation has been shared as the tender documentation is being finalised currently.
- 5.4 The main risk from a procurement perspective is the number of LEVI tenders that will be out to the market at the same time, potentially leading to lower number and poorer quality of bids, or the market being in a position to cherry pick their preferred contracts. Early engagement is taking place with charge point operators to ensure the market is aware of our proposals, and the consortium approach will help to ensure the proposed contracts are more attractive to the market.
- 5.5 From an operational perspective the main risk for the City Council is to identify required number of locations/chargepoints and ensure any Traffic Regulation Orders (TROs) required can be secured. Work is currently ongoing to identify the required sites, and as the programme develops a project working group will be established working with colleagues in Communications, Parking, Traffic and Highways Services to ensure that a robust list of supported locations can be progressed.
- 5.6 Future maintenance costs and liability associated with the infrastructure will be the responsibility of the charge point operator. Revenue capability funding has been made available to the Council to cover the project team costs i.e. staff time, contract management, marketing, maintenance etc. for the initial delivery phase. As part of the tender we are seeking a guaranteed minimum payment and/or revenue share from potential operators to cover subsequent contract management communications and marketing activity related to contract delivery.

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

- 6.1 The consortium approach to tendering will offer the City Council the opportunity to achieve better economies of scale from private sector investment from charge point operator(s) than could be achieved if we were to undertake a single procurement exercise for the City area alone.
- 6.2 The selected charge point operator will be investing a significant proportion of the overall project cost, with a number of commercially attractive sites having been identified for chargepoint installation. The intended procurement approach is that each member of the consortium will have a list of equity sites that should be delivered by the selected provided as part of the contract. These sites will not necessarily be as commercially attractive, such as in lower-income or rural areas, but will be based on local requirements to support long-term demand and to ensure a widespread distribution of charge points throughout the concession.
- 6.3 The contract will follow the concession model, in which the successful bidder will operate the charge point network for the contract duration, and the Council will receive a revenue share and guaranteed minimum payment. Income received from the operator will be ring-fenced to support the Transport Strategy service to oversee delivery of the scheme, including contract management, engagement with residents and Councillors, and marketing activities.

7. Commissioner comments

- 6.1 The Commissioners are content with this report

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

- 8.1 As detailed in the report the future maintenance costs of the charge points is the responsibility of the service provider, while the Council will receive revenue capability funding to cover the Council's revenue costs. This revenue funding is to be covered by a decision that is a separate Executive Decision.
- 8.2 This project has been endorsed by Capital Board and following formal approval the Capital Budget will be amended as follows:

Table 1 – Capital Budget Amendment			
	2024/25 £m	2025/26 £m	Total £m
LEVI Capital Forecast	0.100	1.604	1.704

- 8.3 The project manager is required to ensure that expenditure is in accordance with the grant conditions to reduce any risk of grant clawback. This project is entirely funded by external grant with no requirement of match funding.
- 8.4 The project is required to be delivered within the external grant funding as approved in the capital programme due to funding pressures in the capital

programme, any potential overspends will need to be curtailed by descoping the project to ensure it is within budget.

Tom Straw – Senior Accountant (Capital Programmes), 19th June 2024

9. **Legal colleague comments**

- 9.1 This report seeks approval for the proposed expenditure of approx. £1.7M of DfT LEVI funding through a consortium approach, approval for the application of the final tranche of funding and delegation to the Corporate Director of Growth & City Development to enter into required contracts.
- 9.2 In making use of the LEVI funding, the Council must comply with all conditions attached to that funding. The oversight of the project by the DfT is considerable and, as identified, may be a risk to the Council in meeting prescribed deadlines. Pragmatically, regular dialogue with DfT may ameliorate the risk and/or allow the Council an improved chance of some tolerance should deadlines be missed due to engagements with DfT.
- 9.3 Legal Services has already had input into the proposed contractual documentation and is happy to continue to support this project, especially prior to contracts being entered into.
- 9.4 There are noted benefits from being part of the consortium, as detailed in the report. In continuing to be a part of the proposed consortium, the Council must ensure that its own requirements continue to be met through the consortium.
- 9.5 It is noted that Traffic Regulation Orders will be required where it is proposed that charge points are to be located on highway, along with other relevant permissions and licences where works are required to or on the highway. These are subject to separate application and authorisation processes and requirements, and it should be noted that Traffic Regulation Orders include requirements for public consultation, the results of which must be taken into account before a decision is made whether or not to make such an Order. In making such Orders, there is a cost which should be factored into the budgeting work. It should also be noted that, should such Traffic Regulation Orders be made, there is potential for such Orders to subsequently be challenged.

Tamazin Wilson, Solicitor, and Anthony Heath, Head of Legal, 6th June 2024

10. **Other relevant comments**

10.1 Procurement Comments

- 10.1.1 The estimated value of the proposed concession agreement is above the relevant threshold and therefore must be conducted in accordance with the Concession Contracts Regulations 2016 (or the Procurement Act 2023 if the process commences once this legislation has been implemented), including publication of the appropriate Find a Tender notices.
- 10.1.2 Key risks are noted in relation to the timeframe for procurement, and to a market environment in which a limited pool of suppliers is expected to be competing for a number of local authority tenders simultaneously. These risks are mitigated by the collaborative approach to procurement, which is

supported.

- 10.1.3 Nottinghamshire County Council is leading on the procurement activity on behalf of the Midlands Connect Consortia to appoint a contractor/s for the installation of charging points across the region. The City Council's procurement team will work with the service area to maintain oversight of the process ensuring that the contract(s) are concluded and carried out in accordance with the funding agreement and relevant legislation.

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

- 11.1 The Council has built up vast experience and knowledge regarding deployment of publicly accessible electric vehicle charge points across the city. Vandalism and anti-social behaviour can be an issue if the chosen location is not appropriate. Factors such as footfall, appropriate lighting, visibility, safety and accessibility will be considered as part of final site selection and design in consultation with key colleagues such as parking services, traffic management and highway services.

- 11.2 Maintenance and repair of charge points will be the responsibility of the charge point operator.

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

- 12.1 The investment of this funding will help support the growth of electric vehicles in residential areas for those without access to off-street parking, supporting growth in low emission technology and contributing to Nottingham's clean air ambitions.

- 12.2 As part of the procurement approach a list of priority and equity sites have been identified, that the operator(s) will be required to deliver as part of the contract. These sites be based on local requirements, such as in lower-income areas rather than just the commercial viability that would be desirable to the market. The bidder's approach to social value will be tested as part of their tender response.

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

- 13.1 N/A

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

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

No

An EIA is not required because an EIA will be undertaken as part of the project design work following the completion of procurement activities when the type of technology to be implemented, the charge point operator offer and the site locations have been confirmed.

Yes

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

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

No
A DPIA is not required because it will be the responsibility of the concessionaire to handle all customer interactions including billing and payments, so no personal data is coming to us. We are procuring a supplier/s to do the full end to end service and GDPR compliance will be assessed as part of tenders.

Yes

16. Carbon Impact Assessment (CIA)

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

No

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

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

17.1 N/a

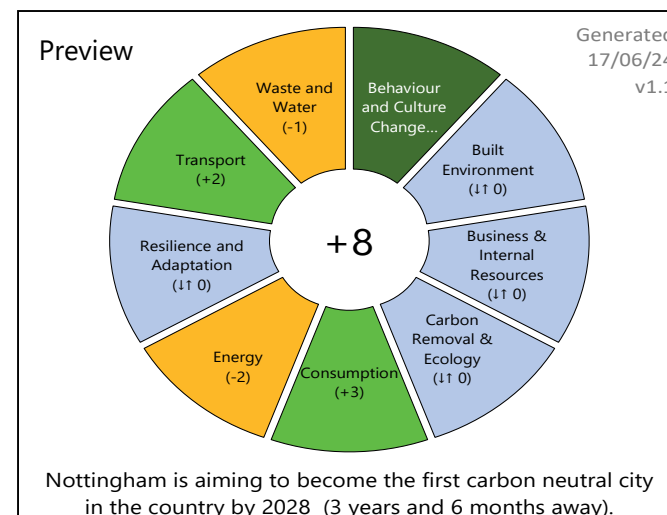
18. Published documents referred to in this report

18.1 Leaders Key Decision 5106 – acceptance of grant funding from the Department for Transport, March 2024

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Carbon Impact Assessment Dashboard Tool (v1.1)

Report Name	Local Electric Vehicle Infrastructure Concession
Report date	17/06/2024
Report author	Anne-Marie Barclay
Project Notes	This report sets out the potential carbon impacts from the implementation of an electric vehicle chargepoint network across the city to meet the anticipated 2030 demand
Export filename	Local Electric Vehicle Infrastructure Concession CIAD 17.06.2024 .png



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Category	Impact	Notes / justification for score / existing work (see guidance sheet or attached notes for more information)	Score (-5 to +5)
Behaviour and Culture Change	Communication & engagement	The procurement process will test bidders on their approach to social value, including debunking myths around electric vehicles and the associated infrastructure, to support both the uptake of electric vehicles and the City Councils carbon neutral aspirations.	-
Behaviour and Culture Change	Wider influence	Implementation of the chargepoint network aims to support the anticipated demand in 2030, ensuring the supporting infrastructure is in place prior to increased demand for chargepoint availability. This will also the City ensure it is prepared for the current government proposals to ban the sale of all new petrol and diesel vehicles from 2035.	+2
Behaviour and Culture Change	Working with communities	The chargepoint network will look to provide charging facilities for those with no access to off-street parking. The project team will work with local communities and ward Councillors ahead of implementation to ensure community support, and bidders will be tested on their commitment to working with communities where installations are taking place as part of the tender process.	+2
Behaviour and Culture Change	Working with partners	The City is delivering this project as part of a consortium with other east midlands local authorities, delivering regional collaboration to ensure rural and less affluent areas are also supported.	+2
Built Environment	Building construction	N/A	-
Built Environment	Building use	N/A	-
Built Environment	Switching away from fossil fuels	N/A - no impact in relation to static fossil fuel usage. Impacts of change in transport covered separately	-
Business & internal resources	Developing green businesses	N/A	-
Business & internal resources	Marketable skills & training	N/A	-
Business & internal resources	Sustainability in business	N/A	-
Business & internal resources	Material / infrastructure requirement	N/A	-
Carbon Removal & Ecology	Carbon storage	N/A	-
Carbon Removal & Ecology	Biodiversity & Ecology	N/A - chargepoint sites to be located on existing highway	-
Carbon Removal & Ecology	Bee friendly city	N/A - chargepoint sites to be located on existing highway	-
Carbon Removal & Ecology	Carbon offsets	N/A	-
Consumption	Food & Drink	N/A	-
Consumption	Products	Bidders will be required to demonstrate their organisations sustainability as part of the tender process detailing any relevant ISO standards held, and for how long, and what their process is for resolving any significant actions. In addition, the charging equipment and its major components provided under this contract must be manufactured in a facility that is ISO 9001 (quality management system) certified (or successor/equivalent certification).	-
Consumption	Services	At part of the tender process bidders will be required to share their sustainability strategy and carbon reduction plan, highlighting how this aligns to the Council's carbon neutral policy.	+1
Consumption	Local and low-carbon production	The specification will require the concessionaire shall consider the whole carbon lifecycle of the EV Infrastructure including the chargepoint design, manufacture, transport, installation, operation within local area and decommissioning. All servicing and maintenance shall be undertaken using zero emission vehicles.	+2
Energy	Local renewable generation capacity	N/A	-

Energy	Reducing energy demand	Introduction of additional electric vehicle chargepoints will increase energy demand, and contract duration (15 years) will increase impact of this, however the specification will require this to be from renewable sources, and these must be identifiable.	-2
Energy	Improved energy storage	N/A	-
Resilience and Adaptation	Green / blue infrastructure	N/A - chargepoint sites to be located on existing highway	-
Resilience and Adaptation	Natural flood management	N/A - chargepoint sites to be located on existing highway	-
Resilience and Adaptation	Drought vulnerability	N/A	-
Resilience and Adaptation	Flooding vulnerability	N/A - chargepoint sites to be located on existing highway	-
Resilience and Adaptation	Heatwave vulnerability	N/A	-
Transport	Staff travel requirement	The chargepoint network is unlikely to impact the frequency of staff travel, however in making charging infrastructure accessible it will provide a greener alternative when using a private vehicle.	-
Transport	Decarbonising vehicles	Project focused on delivering chargepoint infrastructure to support residential locations without off-street parking. Contract will also require concessionaire to support priority areas for the City Council (for example lower income areas) not just those which are commercially desirable.	+4
Transport	Improving infrastructure	The service will utilise existing highway parking bays so will not impact on the provision of paths supporting active travel.	-
Transport	Supporting people to use active travel	The chargepoint network will form part of the City's sustainable transport offer alongside active travel modes of walking and cycling. It is more likely that driving would be the option taken when active travel does not present a realistic option (such as longer distance, or moving bulky/heavy items), however in making it more accessible there is a risk the service could dissuade people from active travel options	-1
Transport	Reduced need to travel	Delivery of the chargepoint network will not reduce the need to travel. It will provide the option for people to move from petrol vehicles to greener electric vehicles, however this may also result in more car journeys	-1
Waste and Water	Single-use plastic	N/A	-
Waste and Water	End of life disposal / recycling	The concessionaire will be required to ensure that all refuse and waste from the installation, operation and maintenance, and end-of-life, from this contract is segregated and disposed of in a responsible and environmentally conscious manner in full compliance with relevant recycling and waste disposal regulations.	-1
Waste and Water	Waste volume	N/A	-
Waste and Water	Water use	N/A	-
Other	Other 1		
Other	Other 2		
Other	Other 3		
Other	Other 4		

Subject:	Expansion of Bluecoat Wollaton Academy
Corporate Director(s)/Director(s):	Ailsa Barr – Corporate Director for People, Interim Corporate Director for Children’s Integrated Services
Portfolio Holder(s):	Councillor Cheryl Barnard, Executive Member for Children, Young People and Education
Report author and contact details:	April Corey April.corey@nottinghamcity.gov.uk
Other colleagues who have provided input:	Lucy Juby, School Organisation & Place Planning Manager Lucy.Juby@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 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: 04.06.2024
Total value of the decision:	£10,300,936.23
Section 151 Officer expenditure approval	Has the spend been approved by the Section 151 Officer? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/a Spend Control Board approval reference number: 4384
Commissioner Consideration	Has this report been shared with the Commissioners’ Office? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Any comments the Commissioners wish to provide are listed below.
Wards affected:	Wollaton West
Date of consultation with Portfolio Holder(s):	05.06.2024
Relevant Council Plan Key Outcome:	
Clean, Green 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 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):	
<p>This project aims to increase secondary school capacity by two forms of entry / 60 places per year group at Bluecoat Wollaton Academy, in order to meet the demand for places. This includes science rooms, general classrooms and specialist technology spaces as well as a 3-court sports hall and ancillary spaces as necessary.</p> <p>There is a mixed and complex governance of secondary school provision in the City, with 19 secondary</p>	

academies operating across 9 separate trusts. However, school place sufficiency remains a statutory duty of Local Authorities under section 14 of the Education Act 1996, operating as commissioners of education. Our priority is to ensure there is sufficiency of school places in quality provision in areas of need, to promote high educational standards, ensure fair access to educational opportunities, promote diversity and increased parental choice and to promote the fulfilment of every child's educational potential.

Despite the investment in secondary capacity to date, there are still significant capacity challenges to meet the needs of the City's population. There has been a 32% increase in demand for secondary Year 7 admissions since 2016, as the larger cohorts have moved through from primary education into secondary, and significant place pressure is currently set to continue up to 2029. Whilst this cohort growth was anticipated to a degree, the demand has increased further due to increased inward migration to the city, adding to the pressure in the year of entry and across year groups.

It is essential that there are sufficient places for the growing number of secondary aged pupils within an accessible distance and to ensure quality and diversity of provision. Bluecoat Wollaton Academy delivers excellent educational outcomes, with an Ofsted rated 'Outstanding' provision. The school is significantly oversubscribed for applications and draws pupils from a wide geographical area, in particular the West and Central areas where the place pressure is high.

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 sensitive commercial 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 this would release commercially sensitive information about the works and funding sources and as disclosure of this information at this stage could jeopardise the Council's negotiating position.

Recommendation(s):

- 1** To approve the allocation of funding from the Basic Need Fund and contribution from Archway Learning Trust totalling £10,300,936.23 for the expansion of Bluecoat Wollaton Academy (subject to approval by the Department of Education regarding the academy's 'significant change application' to expand the school) as set out in exempt appendix A and to amend the capital programme accordingly.
- 2** To authorise the procurement of necessary consultants to develop and deliver the expansion project using the SCAPE framework and delegate authority to the Corporate Director for People to award any procured contracts, complying with the Council Constitution and the relevant regulations subject to costs being contained in exempt appendix A.
- 3** To authorise the procurement of the construction contract for the expansion utilising the SCAPE framework to carry out the building works and to delegate authority to the Corporate Director for People to award any procured contracts, complying with the Council Constitution and the relevant regulations subject to costs being contained in exempt appendix A.
- 4** To procure external legal resources using compliant frameworks and to delegate authority to the Corporate Director for People to award any procured contracts, complying with the Council Constitution and the relevant regulations subject to costs being contained in exempt appendix A.
- 5** To enter into the necessary agreements with Archway Learning Trust to carry out the works and delegate authority to the Corporate Director for People in consultation with the Director of Legal Services to award the agreements.

1. Reasons for recommendations

- 1.1 Local Authorities (LA) have a statutory duty to ensure that there are sufficient school places under section 14 of the Education Act 1996. The Basic Need capital grant which Local Authorities receive from Government is intended to fund the expansion of physical capacity to create additional places.

- 1.2 Since 2017, Nottingham City has delivered capital investment in secondary schools to meet the significant growth in demand. Working in collaboration with trusts and academy schools, this has been delivered through a variety of measures, including permanent expansions, increased Pupil Admission Numbers (PANs) and temporary increases. Additionally, the LA supported the successful bid to the DfE for a new 1,200 place secondary school through the Department of Education's Central Free Schools Programme. Bluecoat Trent Academy opened on a temporary site in September 2021 and it will move to the new build on the permanent site in September 2024.
- 1.3 There are still, however, capacity challenges in order to meet the needs of the City's population and analysis of pupil forecasting data evidences that significant place pressure is currently set to continue up to 2029. There has been a 32% increase in demand for secondary Year 7 admissions since 2016. Demand is also growing across all year groups due to the number of in-year applications. There is a need for additional secondary capacity across all areas of the city, however, the greatest need is in the central, west, south west and north areas of the city. It is essential that there are sufficient places for the growing number of secondary aged pupils within an accessible distance and to ensure quality and diversity of provision.
- 1.4 To address this continued secondary place challenge, we are working positively with the Archway Learning Trust to seek approval for a 300 place expansion (60 extra places per year group) at Bluecoat Wollaton Academy, funded predominantly by the Basic Need funding the LA has received from Government for this purpose, with a contribution from the Archway Learning Trust, as set out in Appendix A.
- 1.5 Local Authorities are required to support the expansion of schools which are Ofsted rated 'Good' or above. Bluecoat Wollaton Academy deliver excellent educational outcomes, with an Ofsted rated outstanding provision in all categories. They are also well located in terms of pupil demand across a large geographical area of the city including the South West, West and Central areas of the city where more places are required now and for the foreseeable future. This will enable more pupils in the City to access a high performing school that performs consistently above national averages in every measure.

2. **Background (including outcomes of consultation)**

- 2.1 It is for LAs, academy trusts and schools to work to ensure the delivery of statutory functions and to balance the supply and demand of school places, in line with changing demographics locally and the longer term demand for places. Local factors need to be weighed up and the number of places available should be increased in response to need. To drive consistency and best practice in determining the most appropriate approach, there is also a requirement to work collaboratively with the Department of Education's (DfE) Regional Place Planning and Regional Director teams on these matters.
- 2.2 The DfE provides capital funding through Basic Need grant allocations to support LAs to meet their statutory duty, based on pupil forecasts and school capacity data. The LA Place Planning Lead ensures strong engagement and early discussions with the DfE to raise our local place planning challenges and rationale to inform proposals for the identification of good quality schools that are in the right locations and which have the potential capacity to expand provision. The DfE have been engaged early on the proposal to expand Bluecoat Wollaton Academy and to ensure it aligns with the wider area-based commissioning process and priorities.
- 2.3 The LA's Place Planning Lead has transparently shared and agreed the underpinning pupil forecast data with the DfE Regions Group. Forecasting demand for school places is inherently difficult, and additional factors like changes in international migration patterns make it even more challenging, as has been significant in the most recent years. The DfE Regions Group also provide support and challenge to LAs each year on submission of capacity and forecast data and

proposals identified to address need. The forecast methodology is then reviewed and updated as part of a continuous process to incorporate best practice and changing demographics.

- 2.4 The growth in secondary cohorts has been a challenge for many Local Authorities nationally and locally, with Nottinghamshire County Council also experiencing significant place pressure in their secondary schools. This also has an impact on the City's place planning challenges, particularly as the net loss of pupils from the city attending schools in the county has reduced from approximately 12% to 8% over the past decade, which has contributed to the growing demand in the city.
- 2.5 Councils have no powers to direct academies to expand. All secondary schools within Nottingham City are academies which can be a constraint when deciding on the location and types of accommodation to be provided. The LA's place planning strategy has been to work in partnership with all providers to deliver the required capacity, in a way that meets our educational priorities.
- 2.6 We have engaged with all trusts and secondary academies across the city to share pupil projections data, to reiterate the pressures and to urge that they collaboratively work with us to meet our statutory sufficiency duty to provide school places and to avoid children being without a place. Any solutions to meet the demand for school places requires academies to have the willingness to expand, as the Local Authority is unable to enforce this.
- 2.7 One of the solutions to meet the increase in secondary demand, has been the new 1,200 place secondary school, namely Bluecoat Trent Academy, run by Archway Learning Trust, which opened on a temporary site in September 2021 providing a further 8 forms of entry (FE). It will move to the new building on the permanent site in September 2024 and will already be full across years 7, 8, 9 and 10.
- 2.8 Despite this, there are still capacity challenges to meet secondary school place need for the City's population. Significant place pressure is currently set to continue up to and including 2029. The expansion proposed in this report is one of the solutions to address this challenge. The LA has been working positively with the Archway Learning Trust since September 2023, to explore the potential of a two form entry expansion of Bluecoat Wollaton Academy (BWA). This would grow the school each year by 60 extra places per year group, which over the five year period is an additional 300 places. The school would not be at full capacity until 2028, and with 210 places per year group, its size would be consistent with other schools operated by the same Trust.
- 2.9 Due to the current capacity of BWA, a Sports Hall and increased science provision will be provided in order to support the curriculum of the school in line with the Department for Education's Building Bulletin (BB)103 guidance.
- 2.10 A permanent expansion of BWA would alleviate some of the current space challenges as the school have been admitting additional children in recent years, to support the growing need in the communities they serve. Bluecoat Wollaton Academy deliver excellent educational outcomes, with an Ofsted rated 'Outstanding' provision, rated in all categories. They are significantly and consistently oversubscribed for applications (second highest in the city) and they draw pupils from a wide geographical area, in particular the South West, West and Central areas where the place pressure is high. Bluecoat Wollaton Academy is both distinctively Christian and inclusive in terms of its admissions criteria. It is clear about its ethos whilst also welcoming children of other faiths or no faiths from across the city. It also promotes an inclusive ethos for pupils with Special Educational Needs and disabilities. Pupils with SEND make strong progress and are exceptionally well supported.
- 2.11 Bluecoat Wollaton Academy also draws some pupils from the bordering County areas but on average this only makes up approximately 15% of the intake. Based on

this % average, with an expansion creating 60 extra places per year group (and 300 overall), approximately / on average 9 of the 60 pupils could be pupils living in the County. Therefore, expanding Bluecoat Wollaton remains a good option for addressing the capacity pressures in the city regardless of this trend in pupil movement. Other schools considered for an expansion also draw pupils from the County areas.

- 2.12 This expansion proposal aligns with the LA's school place planning priorities and will deliver high quality additional capacity which is accessible for pupils in areas of need and therefore reducing the resultant requirement for longer distance transport provision for pupils living further afield.
- 2.13 Bluecoat Wollaton Academy will accommodate additional pupils from September 2024 in temporary mobile classrooms, with a view to securing a permanent expansion, which will provide the education facilities required to meet the growth in pupil numbers. The additional capacity the Academy can provide from September 2024 will accommodate an extra 60 Year 7 pupils in a high quality and diverse provision. This capacity is vital to ensure sufficiency of places and to avoid pupils being without a school place this September 2024.
- 2.14 A contractor has been engaged from the SCAPE framework to carry out a feasibility study to understand the viability of the expansion project and its funding envelope as well as procuring temporary accommodation for the site. Temporary accommodation is required from September 2024 until the building works are complete in Summer 2026.
- 2.15 The feasibility report which has been completed by the SCAPE contractor, Lindum Group shows the entire project to be in-budget as noted in appendix A. The feasibility has been checked and challenged by independent technical advisers who have been procured by the NCC project team for this purpose.
- 2.16 Prior to contract award, there will be a further review by the independent technical advisers appointed by NCC in order to fully review costs and provide a best value/ recommendation report to NCC before the main contract is signed.
- 2.17 The Academy Trust must also submit a 'significant change' application to the DfE to approve the expansion proposal. A requirement of this application is for the Academy to undertake a four week statutory consultation process with all affected stakeholders including parents, schools and local residents. This consultation took place from 5th February to 11th March 2024. Details about the proposal to expand Bluecoat Wollaton Academy were set out and shared on the school website, via social media, direct letters to the local primary and secondary schools, to the LA, the Diocese and in leaflets distributed to residents in the local area. The LA also informed the local ward councillors of the proposal. Responses to the proposal were invited either via an online consultation feedback form or a dedicated email address, to capture the views of all stakeholders.
- 2.18 The Academy received 98 responses during the consultation period; 14 were in support of the proposal and 84 were objections. The main concerns identified were relating to traffic, parking, existing school facilities, school size, behaviour and the pace of implementing the expansion. Following this, the Academy held a meeting with existing parents/carers, to provide a further opportunity to share the rationale for the proposal and to voice their concerns and questions. A meeting is also being arranged with local residents to discuss the concerns they have raised about traffic and parking on the main two access roads to the school. This will be jointly supported by the Academy and the LA. There will then be a further opportunity for residents to make a formal submission as part of the Planning Permission consultation process.
- 2.19 It should be noted that concerns about school expansions are very common, both from existing parents and from residents. Although this level of objection is normal, it is important that both the Academy and the LA work collectively to consider and

mitigate any concerns as much as is possible and practical, for example, issues regarding travel and access will be investigated as a priority and captured in a Travel Plan as part of the planning submission documents.

- 2.20 It should also be noted that the LA has successfully expanded many schools across the city to meet the significant growth in demand and meet our statutory duties to ensure that every child can secure a school place. These successful school expansions have included both LA maintained primary schools in Wollaton and The Fernwood School (secondary academy). These have been vital projects to ensure there are sufficient school places in the Wollaton area and beyond. This increased demand has been driven by the initial birth rate increase and now the larger cohorts moving through to secondary, as well as increased growth from new housing developments. All of these expanded schools have continued to be high performing and successful post-expansion.
- 2.21 Two separate Delegated Decisions have already been approved to date for the spend of temporary accommodation and design costs. The overall costs of the scheme are laid out in the attached appendix A.
- 2.22 The project has been subject to a Project Assurance Review by external members of the project team for challenge and scrutiny. The recommendations of the review have been captured and included within the project.
- 2.23 The proposal would also be subject to the full Planning Permission process which would incorporate a statutory consultation process. The expansion is supported in principle by the local development plan, which comprises both the Aligned Core Strategies (ACS - part 1 document) and the Land and Planning Policies (LAPP – part 2 document). Policy 12 (Local Services and Healthy Lifestyles) of the ACS and policy LS5 (Community Facilities) of the LAPP provide the overriding support, subject to detailed site considerations.
- 2.24 With regards to Planning, the importance of issues arising from increased pedestrian and vehicular movements to and from the school as a result of the increased school capacity within the adjacent part of the highway network will be considered and a detailed travel plan to mitigate any impacts will form an integral part of the associated planning application.
- 3. Other options considered in making recommendations**
- 3.1 If no expansion options are considered, the Council are potentially in breach of their duty to ensure a sufficiency of places under section 14 of the Education Act 1996.
- 3.2 Expansion of an alternative school, The Nottingham Emmanuel School (NES), run by the Archway Learning Trust, has also been considered. This is a popular and oversubscribed school delivering good outcomes for pupils and there is a need for additional places in this area. However, the need for additional capacity is less significant in the East and South East of the city, where NES is located.
- 3.3 In addition to pressures in the South West / West and Central areas of the city, there is also significant pressure in the North. When The Bluecoat Trent Academy moves to its new permanent site on Pelham Avenue in September 2024, this will be accessible for some pupils in the north of the city, e.g. Sherwood, Bestwood and Top Valley. However, additional capacity is still expected to be required, particularly with increase inward migration and the growth in pupils expected from the significant housing being built in the Bestwood area.
- 3.4 In recent years, the growth in demand in the North of the City has been partially addressed by The Bulwell Academy admitting temporary increases to their admission number in agreement with the Local Authority. However, this option has now been exhausted and there is no remaining physical capacity at this school to admit more

pupils.

- 3.5 As an alternative consideration, the option to expand the other two secondary academies in the North of the city (Oakwood and Park Vale Academies) has been explored with the Redhill Academy Trust. The Trust currently has no plan to expand either school, instead, opting to admit over their Pupil Admission Numbers (PANs) to accommodate pupils in their catchment area who may otherwise be without a local school place. They are also both Private Finance Initiative (PFI) schools therefore any expansion project could be protracted and / or costly, and therefore could pose risk in terms of delivering value for money.
- 3.6 As a result, the pressure on places in the North and other areas of the city still remains. Ongoing dialogue with the trusts and schools operating across the City will be required and collaborative solutions will be crucial to meeting the sufficiency demand over the next five academic years. Furthermore, five other academies have agreed to admit a permanent or temporary increase to their PAN for a further year. Notwithstanding this, demographic trends and pupil forecasting data indicate that this could still leave insufficient capacity by 2026/27 or sooner, depending on demographic changes and further solutions identified through the ongoing collaborative work with academies and trusts.
- 3.7 We await the announcement from the DfE on a further allocation of Basic Need funding to enable the LA to deliver capacity beyond the expansion at Bluecoat Wollaton Academy. This is now expected to be in March 2025, after a general election.

4. **Consideration of Risk**

- 4.1 Local Authorities have a duty to ensure a sufficiency of places under section 14 of the Education Act 1996. That power has to be exercised with a view to securing diversity in the provision of schools: section 14(3A). Section 14A requires them to consider parental representations as to the exercise of the section 14 power. However, Councils have no powers to direct academies to expand. All secondary schools within Nottingham City are academies which constrains the Council when deciding on the location and types of accommodation to be provided. A key challenge is working in partnership with them to deliver the new secondary places needed.
- 4.2 Planning permission will need to be sought, however, there is an additional constraint at Bluecoat Wollaton Academy as the school is adjacent to the Wollaton Park Conservation Area and Middleton Boulevard Conservation Area. The design and project team will work closely with the Planning, Highways and other necessary stakeholders to mitigate and integrate requirements into the scheme, where possible.
- 4.3 Delay of the completion of the scheme increases the cost of temporary accommodation. The programme for the building works will be strictly managed with the contractor. An end to end programme has been produced alongside the feasibility carried out which completes building works before September 2026 when the hire of the temporary accommodation ends.
- 4.4 Expectations of Scheme: Expectations regarding the quality and size of the accommodation must be carefully managed with stakeholders to match the budget envelope throughout project ensuring all communication is minuted and emailed and signed if required to minimise scope creep.
- 4.5 Possible risks regarding highways, access and the constrained residential area: Mitigations will include early engagement with the Planning team and Highways teams and wider stakeholders to overcome and/or to integrate requirements into the scheme, where possible.
- 4.6 Risk: Increase of the capital costs. The costs are based on the Contractor's Viability Report that has been reviewed and agreed by independently appointed Technical

Advisors. These costs include allowances for inflation and a priced Risk Register. The contract will be a fixed price contract and will again be subject to a detailed review by the Council's Technical Advisors prior to the contract being signed. There will be a robust change request process to support the management of the stakeholder and their expectations and to avoid scope creep. There is a client contingency of 11% to deal with any changes in the contract that are agreed as necessary by the Project Team and approved by the Senior Responsible officer.

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

- 5.1 The Scape framework is an OJEU compliant framework which competitively tenders for a direct award, to fix core staff and site set-up costs and the overheads and profits elements of every project.
- 5.2 The project delivered through the SCAPE framework is fully market-tested with overhead and profit rates fixed for the framework term, ensuring protection from rising market forces which mitigates risk and the damaging propensity to over-spend.
- 5.3 Sub-contracted work packages are tendered at the point of delivery, opening the market to local suppliers. The process is open book, to develop a managed supply chain. Delivery partners are required to obtain three quotes for all works packages as standard which is shared with the wider project team for challenge.

6. Commissioner comments

- 6.1 The Commissioners note the contents of this report. Section 4 of this report sets out the key risks of the project and associated mitigations. It is important that tight control is maintained over the to ensure delivery is made on time. Whilst capital costs of the project are mitigation as much as possible through the use of a fixed price contract, any overruns may well incur significant temporary accommodations which cannot be mitigated in the same way. It will be important that regular monitoring of the situation is put in place.

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

- 7.1 Following the approval of this project, the General Fund Capital Programme will be amended as detailed in the exempt appendix A as this amendment is an addition to the Capital Programme. As detailed in the Capital Strategy, all additions are required to be endorsed by Capital Board prior to obtaining formal approval. This scheme was endorsed by Capital Board on 4th June 2024.
- 7.2 As defined in the Capital Strategy, all funding is required to be secured prior to capital resources being committed. The body of the report confirms that the Basic Need Grant is secured and received by the Council and the other funding as set out in exempt appendix A is secured.
- 7.3 The project manager is required to ensure all funding conditions are complied with to mitigate any funding risk to the Council.
- 7.4 Due to funding pressures within the Capital Programme, specifically in relation to corporate resources, the project is required to be delivered within the approved budget. Any potential overspend will require further approval and funding to be identified, any funding is required to come from specific resources within the Schools Capital Programme.

Comments provided by Tom Straw – Senior Accountant Capital Programmes 9th May 2024

8. Legal colleague comments

- 8.1 This report seeks approval of funding for the expansion of the Bluecoat Wollaton Academy, subject to a significant change application to the Department for Education being successful and a formal Planning Permission process, and authority to procure and contract with the required consultants, contractors and external legal support to facilitate the project.
- 8.2 The Council is under a duty pursuant to section 14 Education Act 1996 to secure sufficient schools for providing primary and secondary education in its area. In assessing “sufficiency”, the Council needs to consider number, character and equipment to enable all pupils the opportunity of appropriate education. The report, if approved, appears to support the Council in meeting this duty. Note should be made, however the reports view that “Despite this, there is still capacity challenges to meet secondary school place need for the City’s population.”; there appears a clear risk that the Council might be in breach of the duty thus enhancing the need for this project.
- 8.3 In using this Basic Need grant funding, the Council must comply with all funding conditions imposed on the use of such Basic Need funding. When engaging 3rd parties to facilitate the project, the Council must ensure such engagements are regulated by appropriate legal agreements that ensure obligations are imposed on 3rd parties that support the Council in meeting these funding conditions. Those agreements can also be used to further mitigate some of the risks identified in section 4, for example ensuring there is a clarity of specification and requirements will assist in managing the expectations of stakeholders.
- 8.4 The Council is proposing to use frameworks to access the market for consultants, contractors and external legal advisers; this should provide a route to market that complies with the requirements of the Public Contract Regulations 2015 and, once in force, the Procurement Act 2023. In particular, Legal Services can support colleagues with procuring external legal support.
- 8.5 The report details responses from the consultation process and offers what appear to be reasonable steps to seek to address the concerns raised through that process. It is also noted that there will be a further statutory consultation as part of the full Planning Permission review; this seems a reasonable and proportionate response, at this stage, to that initial consultation.

Comments provided by Anthony Heath, Head of Legal and Deputy Monitoring Officer (Interim) 19th June 2024.

9. Procurement Comments

- 9.1 It is proposed to use Scape’s construction and professional services frameworks to carry out the installation of the temporary classrooms following on throughout the main construction works and to provide ongoing technical support for the delivery of the scheme.
- 9.2 Scape’s single supplier frameworks are fully compliant with Public Contract Regulations and therefore pose no procurement issues, however care should be taken to ensure compliance with the terms set out within the relevant Framework Agreements especially in relation the overall scheme costs. Call-offs to engage Lindum’s from the Scape Framework is capped at £10M and therefore the total contract with Lindum’s must not escalate beyond this level.
- 9.3 These works are grant funded and therefore no savings are anticipated.

Comments provided by Sue Oliver – Procurement Category Manager for Places 8/05/2024.

10. Other relevant comments

- 10.1 The Bluecoat Academy hold a 125-year lease for the Margaret Glenbott School site dated 30/12/11. It has full repairing and insuring terms on the lessee, and consideration will need to be given, in conjunction with colleagues from the Legal Services Conveyancing team to ensure that there are no issues with any part of this lease as a result of the Council undertaking the recommended decision and addressing issues such as future re-instatement and existing repairing liabilities. Due to the size of the project, it is particularly important to clarify the insurance arrangements both during and at the end of the works, including a re-assessed sum insured.
- 10.2 It is crucial that it is understood by all parties, and reflected in relevant agreements that the control, repair and maintenance of these new buildings are passed to the Bluecoat Academy at practical completion, or on a clearly defined timetable thereafter (taking in to account warranty periods etc). It is the intent of the Council that the proposed works should be included and treated in line with the site and buildings as were in place at the time of signing the lease.

Comments provided by Andy Nuttal – Estates Surveyor, Property 20/06/2024

11. Crime and Disorder Implications (If Applicable)

- 11.1 Not applicable

12. Social value considerations (If Applicable)

- 12.1 Delivering Social Value, benefits to the surrounding community and local economy is a key success criteria of the wider project delivery in regards to the procurement of the contractor under the SCAPE framework.

13. Regard to the NHS Constitution (If Applicable)

- 13.1 Not applicable

14. Equality Impact Assessment (EIA)

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

No

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

15. Data Protection Impact Assessment (DPIA)

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

No
A DPIA is not required because records will be managed in compliance with the Council's legislative requirements and in compliance with the wider regulatory environment described in the Records and Information Management Policy January 2021 v5.0.

Yes

16. Carbon Impact Assessment (CIA)

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

No

Yes

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

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

17.1 N/A

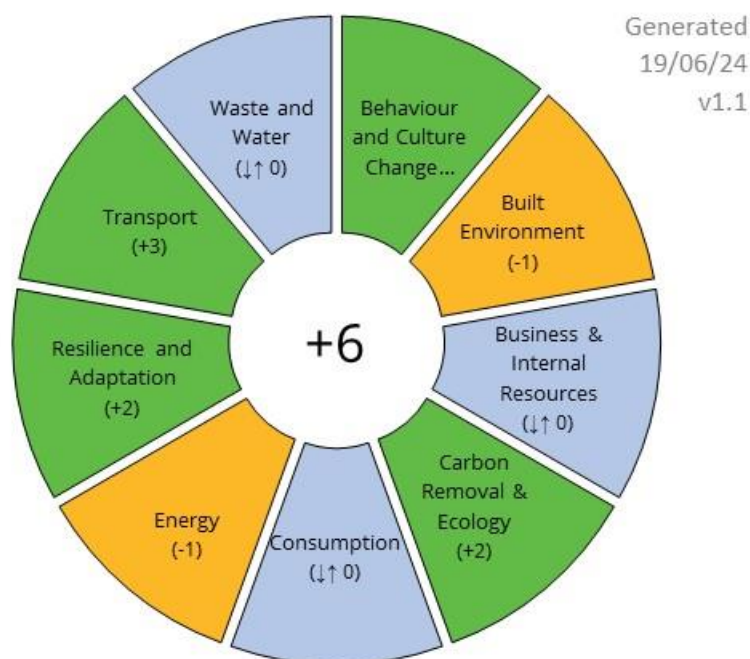
18. **Published documents referred to in this report**

18.1 **DDM 5098**

18.2 **DDM 5128**

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Appendix B



Nottingham is aiming to become the first carbon neutral city in the country by 2028 (3 years and 6 months away).

In response to the new Council policy to achieve net carbon neutral status by 2028, the project has outlined its response to attempting to fulfil this vision:

- Adopting a 'carbon neutral by design' ethos.
- Utilise the Carbon Neutral Supplementary Planning Document to influence more sustainability in the design and technology to be used in new builds.
- Reduce the risk of flood damage to people and property through improved surface water management and drainage.
- Energy efficiency of all buildings including appropriate insulation, LED installation, natural ventilation and other adaptations where design and the budget allows. Electric charging points and bicycle racks will be also be included in the design.

The project team will outline its objectives in terms of the carbon neutral impact when first working with the design team and throughout.

In addition, the Project Manager will work alongside the Carbon Neutral team to encourage the partnership between the CN2028 and the academy to influence the following activities:

- Identify sites for woodland creation and promote tree planting across school sites to increase woodland cover in appropriate places and manage sustainable woodlands. This will be enacted through the mandatory BNG legislation as a minimum.
- Work with the school estates to become pollinator friendly.
- Encourage pupils, parents, and employees to travel by walking and cycling where possible and in so doing create an increased uptake of active travel and availability of safe and green walking/ cycle networks.
- Reduce the total volume of waste generated through the use of technological and behavioural changes: Engage schools through behavioural change initiatives and

Appendix B

information campaigns to provide a greater understanding of waste issues, where local waste goes and best practices to reduce the volume of waste and recycle correctly.

The school has excellent access links which decreases the requirement for individual travel (bus/tram is accessible to the school).

As per the recent national legislation, the project will be subject to Biodiversity Net Gain. This ensures that habitats for wildlife are left in a measurably better state than they were before the development and as such, 10% BNG must be delivered. This means a development will result in more or better quality natural habitat than there was before development.

Equality Impact Assessment (EIA) Tool

Document Control

Control Details:	
Title of EIA/ Decision (DDM):	To expand Bluecoat Wollaton Academy by 2 forms of entry (300 places overall)
Name of author	April Corey
Department:	Education
Director:	Nicholas Lee
Division:	Education Services
Contact details:	April.corey@nottinghamcity.gov.uk
Strategic Budget EIA:	No
Exempt from publication:	No
Date decision due to be taken:	Executive Board – 16 th July 2024

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Document Amendment Record

Version	Author	Date
1	April Corey	13.06.2024
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Contributors/Reviewers (Anyone who has contributed to this document to be named)

Name	Title role	Date
April Corey	Senior Project Manager – Major Projects	13.06.2024
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Nasreen Miah	Development and Change Facilitator	14.06.2024 / 20/06/2024

Glossary of Terms

Term	Description
NCC	Nottingham City Council
LA	Local Authority
BWA	Bluecoat Wollaton Academy
CYP	Children & young people
DfE	Department for Education
2FE	Two forms of entry
OfSTED	Office for Standards in Education, Children’s Services and Skills
PAN	Pupil Admission Number
SEND/ SEN	Special Educational Needs & Disabilities
SCAPE	Systems, Components, Architectural Products and Environments, which is a Procurement Framework to appoint designers and contractors
LAPP	Land and Planning Policies

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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

Local Authorities have a statutory duty to ensure a sufficiency of places under section 14 of the Education Act 1996 – see digital link - <https://www.legislation.gov.uk/ukpga/1996/56/section/14> to ensure that there are sufficient school places, to promote high educational standards, ensure fair access to educational opportunities and promote the fulfilment of every child’s educational potential.

Since 2017, Nottingham City has delivered capital investment in secondary schools to meet the significant growth in demand. Working in collaboration with trusts and academy schools, this has been delivered through a variety of measures including permanent expansions, increased Pupil Admission Numbers (PANs) and temporary increases.

There are still, however, capacity challenges in order to meet the needs of the City's population. Analysis of pupil forecasting data evidences that significant place pressure is currently set to continue up to 2029 and there has been a

32% increase in demand for secondary Year 7 admissions since 2016. Demand is also growing across all year groups due to the number of in-year applications. There is a need for additional secondary capacity across all areas of the city, however, the greatest need is in the central, west, south west and north areas of the city.

To address this continued secondary place challenge, we are working positively with the Archway Learning Trust to seek approval for a 300 place expansion (60 extra places per year group) at Bluecoat Wollaton Academy. The Basic Need capital grant Local Authorities receive from Government is intended to fund the expansion of physical capacity to create additional places as well as a contribution from the Academy Trust.

Local Authorities are required to support the expansion of schools which are Ofsted rated 'Good' or above. Bluecoat Wollaton Academy deliver excellent educational outcomes, with an Ofsted rated 'Outstanding' provision in all categories. They are also well located in terms of pupil demand across a large geographical area of the city including the South West, West and Central areas of the city where more places are required now and for the foreseeable future. This will enable more pupils in the City to access a high performing school that performs consistently above national averages in every measure.

The main contractor will be procured through the Scape Regional Framework.

1. b. Information used to analyse the equalities implications

It is essential that there are sufficient places for the growing number of secondary aged pupils, within an accessible distance and to ensure quality and diversity of provision. The North, South West, West and Central areas of the city are the most challenging in terms of capacity shortfall. We have engaged with all trusts and secondary academies across the city to share pupil projections data, to reiterate the pressures and to urge that they collaboratively work with us to meet our statutory sufficiency duty to provide school places and to avoid children being without a place. Any solutions to meet the demand for school places requires academies to have the willingness to expand, as the Local Authority is unable to enforce this.

Bluecoat Wollaton Academy deliver excellent educational outcomes, with an Ofsted rated 'Outstanding' provision, in all areas of their inspection framework including Overall Effectiveness, Outcomes, Teaching, Learning and Assessment, Personal Development, Behaviour and Welfare and Leadership and Management.

BWA are significantly and consistently oversubscribed for applications (second highest in the city) and they draw pupils from a wide geographical area, in particular the South West, West and Central areas where the place pressure is high. Bluecoat Wollaton Academy is both distinctively Christian and inclusive in terms of its admissions criteria. It is clear about its ethos whilst also welcoming children of other faiths or no faiths from across the city. It also promotes an inclusive ethos for pupils with Special Educational Needs and disabilities. Pupils with SEND make strong progress and are exceptionally well supported.

Bluecoat Wollaton Academy are also prepared to accommodate additional pupils from September 2024 in temporary mobile classrooms on the understanding that the Local Authority commits to a permanent expansion to secure the education facilities they need to meet the growth in pupil numbers. The additional capacity they can provide from September 2024 will accommodate an extra 60 Year 7 pupils which is needed to meet the Local Authorities statutory school place sufficiency duty and to avoid pupils being without a school place. Despite the investment in secondary capacity to date, there are still significant capacity challenges to meet the needs of the City's population. There has been a 32% increase in demand for secondary Year 7 admissions since 2016, as the larger cohorts have moved through from primary education into secondary, and significant place pressure is currently set to continue up to 2029. Whilst this cohort growth was anticipated to a degree, the demand has increased further due to increased inward migration to the city, adding to the pressure in the year of entry and across year groups.

Expanding schools contributes to Nottingham City Council's priority to ensure that all young people thrive and achieve. It will provide quality learning and teaching environments and meet the Council's objectives to expand good and outstanding schools across the City. In addition, expanding secondary places will support the City Council's commitments to be a "Child Friendly city" and guarantee a choice of places at a local primary and secondary school for every Nottingham child.

This expansion proposal aligns with the LA's school place planning priorities and will deliver high quality additional capacity which is accessible for pupils in areas of need, and therefore reducing the resultant requirement for longer distance transport provision for pupils living further afield.

If the report is approved then contractors will be procured using the Scape Regional Framework, which is a direct award process, although it is a competitive tender to get on the framework. All of these are compliant routes for procuring works. Contractors on the SCAPE framework have key performance indicators in place to ensure they monitor local spend and involve small to medium enterprises where possible. The information is monitored by SCAPE and reviewed by the City Council Procurement team.

The Academy Trust must also submit a 'significant change' application to the DfE to approve the expansion proposal. A requirement of this application is for the Academy to undertake a four week statutory consultation process with all affected stakeholders, including parents, schools and local residents. This consultation took place from 5th February to 11th March 2024. Details about the proposal to expand Bluecoat Wollaton Academy were set out and shared on the school website, via social media, direct letters to the local primary and secondary schools, to the LA, the Diocese and in leaflets distributed to residents in the local area. The LA also informed the local ward councillors of the proposal. Responses to the proposal were invited either via an online consultation feedback form or a dedicated email address, to capture the views of all stakeholders. The Academy received 98 responses during the consultation period; 14 were in support of the proposal and 84 were objections. The main concerns identified were relating to traffic, parking, existing school facilities, school size, behaviour and the pace of implementing the expansion. Following this, the Academy held a meeting with existing parents/carers, to provide a further opportunity to share the rationale for the proposal and to voice their concerns and questions.

As a result of the above, a meeting is being arranged with local residents to discuss the concerns they have raised about traffic and parking on the main two access roads to the school. This will be jointly supported by the Academy and the LA and will take place before the end of the school term 2024. There will then be a further opportunity for residents to make formal submission as part of the Planning Permission consultation process. This is likely to take place at the end of 2024/ start of 2024 and will be independently led by the NCC Planning department. As part of the consultation, letters are sent to all neighbouring residents inviting them to make their comments which could be electronically or in writing. This Equality Impact Assessment will be updated to reflect the results of the consultation.

The expansion is supported in principle by the local development plan, which comprises both the Aligned Core Strategies (ACS - part 1 document) and the Land and Planning Policies (LAPP – part 2 document). Policy 12 (Local Services and Healthy Lifestyles) of the ACS and policy LS5 (Community Facilities) of the LAPP provide the overriding support, subject to detailed site considerations.

With regards to Planning, the importance of issues arising from increased pedestrian and vehicular movements to and from the school a result of the increased school capacity within the adjacent part of the highway network will be considered and a detailed travel plan to mitigate any impacts will form an integral part of the associated planning application. This EIA will be updated should any changes occur, identifying mitigations where necessary.

1. c. Who will be affected and how?

Impact type (NCC staff/ Service users/ Citizens/ Community)	Equality group/ individual	Positive X	Negative X	None X	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)
Pupils Page 292	People from different ethnic groups	X			The school serves a diverse community. The proportions of pupils from minority ethnic groups and those who speak English as an additional language are above the national averages.		
	Men			X			
Pupils	Women			X			
	Trans			X			
Pupils	Disabled people/ carers	X			Pupils with SEND make strong progress and are		

<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 293</p>					<p>exceptionally well supported.</p> <p>The schools most recent Ofsted rated 'Outstanding' report noted "Teachers work well with adults who support pupils who have SEN and/or disabilities. Teaching assistants help pupils with specific learning difficulties to make strong progress in developing their knowledge, skills and understanding. They ask searching questions and encourage positive engagement from the pupils, which contributes to their excellent progress.</p>		
	<p>Pregnancy and maternity</p>			<p>X</p>			

	Marriage/Civil Partnership			X			
Page 294	People of different faiths/ beliefs and those with none	X			<p>The Academy is both distinctively Christian and inclusive. It is clear about its Christian ethos whilst welcoming children of other faiths or no faiths.</p> <p>The schools most recent Ofsted rated 'Outstanding' report noted "Leaders provide pupils with rich opportunities to develop their spiritual, moral, social and cultural understanding and to explore British values. Leaders use the school environment well to convey spiritual messages that are relevant to pupils of any faiths or none."</p>		
	Lesbian/Gay/			X			

	Bisexual people						
	Older			X			
Pupils	Younger	X			<p>Secondary aged pupils 11-16 years old:</p> <p>Bluecoat Wollaton Academy deliver excellent educational outcomes, with an Ofsted rated 'Outstanding' provision, rated in all categories. They are significantly and consistently oversubscribed for applications (second highest in the city) and they draw pupils from a wide geographical area.</p>		
	Care Experience (Please refer to the guidance notes for			X			

	further information)						
<p>Vulnerable children</p> <p>Page 296</p>	<p>Other (e.g. cohesion/ good relations, <u>vulnerable children/ adults</u>), socio-economic background.</p>	X			<p>Bluecoat Wollaton Academy promotes an inclusive ethos for pupils with Special Educational Needs and disabilities. Pupils with SEND make strong progress and are exceptionally well supported.</p>		<p>When the works are complete, we will ask the academy to complete an end-user feedback form regarding the performance of the project and how works were managed on site.</p> <p>As part of the benefits realisation stage of the project, post-occupancy reviews will be undertaken to ensure the project has met the benefits as set out in the Business Case including the scope as agreed with the academy. If any equality impacts have arisen, the EIA will be updated to reflect the impacts as well as the mitigation.</p>

1. d. Summary of any other potential impact (including cumulative impact/ human rights implications):

The latest Ofsted Inspection reported that at this school *“Pupils enjoy school and feel they ‘belong’. Attendance is high for all pupils, including those who are disadvantaged...Disadvantaged pupils make outstanding progress as a result of the targeted support they receive...Pupils thrive in the school due to its culture of inclusivity and acceptance...Pupils who have special educational needs (SEN) and/or disabilities make strong progress. They are exceptionally well supported.”*

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
Eliminate unlawful discrimination, harassment, victimisation and any other conduct prohibited by the Equality Act 2010.	No further actions required			
Advance equality of opportunity between those who share a protected characteristic and those who don't	No further actions required			

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<p>Foster good relations between those who share a protected characteristic and those who don't</p>	<p>A meeting is being arranged with local residents to discuss the concerns they have raised about traffic and parking on the main two access roads to the school. This will be jointly supported by the Academy and the LA. There will then be a further opportunity for residents to make formal submission as part of the Planning Permission consultation process. The statutory Planning consultation will be independently managed by the NCC Planning team and the results will be available at the start of 2025.</p>			
<p>Please add other equality outcomes as required – e.g. mitigate adverse impact identified for people with a disability)</p>	<p>No further actions required</p>			

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>
--	-------------------------------------

Approving Manager Signature: Lucy Juby	Date of final approval: 20.06.2024
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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

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Subject:	Disposal of The City Ground, Pavilion Road, Nottingham
Corporate Director(s)/Director(s):	Sajeeda Rose, Corporate Director for Growth and City Development
Executive Member(s):	Councillor Ethan Radford, Executive Member for Skills, Growth and Economic Development
Report author and contact details:	Beverley Gouveia, Head of Property Beverley.gouveia@nottinghamcity.gov.uk
Other colleagues who have provided input:	Bevis Mackie – Corporate Portfolio & Investment Manager Mick Suggett – Conveyancing Team Leader Glenn Hammons – Technical Finance Team Leader
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 checked="" type="checkbox"/> Capital If Capital, provide the date considered by Capital Board Date: N/A
Total value of the decision:	Exempt
Section 151 Officer expenditure approval	Has the spend been approved by the Section 151 Officer? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/a Spend Control Board approval reference number: N/A
Commissioner Consideration	Has this report been shared with the Commissioners' Office? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Any comments the Commissioners wish to provide are listed below.
Wards affected:	Outside of administrative boundary
Date of consultation with Executive Member(s):	
Relevant Council Plan Key Outcome:	
Clean, Green 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):	
<p>This report considers the sale of assets from the Property Trading Account. The disposal if approved will deliver a capital receipt that can be used in line the Councils Capital Strategy but will result in an annual revenue loss which will need to be mitigated. The sale will enable significant redevelopment which will benefit the city and wider area.</p> <p>The Executive Board being asked to approve the recommendations considering the significant negotiations and due diligence which has been undertaken to date and will be undertaken as part of the disposal process. The decision will be subject to further legal, property and financial</p>	

review and due diligence but a decision at this point will allow a disposal and a significant receipt in 2024/25.

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 disposal negotiation between the Council as vendor and the purchaser 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 disclosure at this stage could materially prejudice any required negotiations and ultimately the disposal.

Recommendation(s):

- 1** Approval to declare the site known as 'Land & Buildings situated at Pavilion Road and Trentside and 672 sq. yards or thereabouts, Trentside, West Bridgford, Nottingham' surplus to the Property Trading Account and make the property available for disposal.
- 2** To delegate approval of the final sale terms (Heads of Terms) for the freehold sale of the site to the Corporate Director for Growth and City Development in consultation with the Corporate Director of Finance and Resources (s151 Officer).
- 3** To delegate the final decision to dispose of the asset to the Corporate Director for Growth & City Development in consultation with the Corporate Director of Finance and Resources (s151 officer) once all required due diligence has been satisfied.
- 4.** To delegate the approval of any required licences/agreements/deeds to ensure completion of the sale to the Director of Economic Development & Property.

1. Reasons for recommendations

- 1.1 Recommendation 1:** To facilitate a sale the assets comprising 'Land & Buildings situated at Pavilion Road and Trentside and 672 sq. yards or thereabouts, Trentside, West Bridgford, Nottingham' will need to be declared surplus to the Property Trading Account and made available for sale on terms to be agreed and approved. If suitable terms are not agreed the assets will remain part of the Property Trading Account.
- 1.2 Recommendation 2:** Delegating agreement of the final sale terms as documented in the Heads of Terms will allow the disposal to proceed without the need to bring a decision back to the Executive Board. Agreement will be in consultation with the s151 Officer.
- 1.3 Recommendation 3:** The final decision to sell the asset will be delegated to allow the sale to complete when all documentation has been agreed. This decision will only be made following the satisfactory conclusion of all required legal, financial, and commercial due diligence. Such due diligence will include:
 - a. Obtaining independent valuation advice to confirm viability and that the Council has complied with its Best Consideration obligations.

- b. Any required financial due diligence such as anti-money laundering checks, financial viability checks, purchaser identity checks and any other required due diligence.
 - a. Any additional finance/legal/property due diligence identified during the disposal process.
- 1.4 The appointment of external specialists to advise on this disposal is key to the Council ensuring the Council meets its Best Consideration obligations, completes the disposal in a timely manner if approved and ensures that all prior due diligence/risk mitigation measures have been completed satisfactorily. External appointments will extend to specialist agency advice and valuation work, externalised legal work, and specialist financial appraisal work if required.
- 1.5 **Recommendation 4:** The delegation of any required licences/agreements/deeds to the Director of Economic Development & Property has been included to ensure the disposal, if approved, progresses at pace.
2. **Background (including outcomes of consultation)**
 - 2.1 The assets which are subject to this disposal are shown edged red on plans in the exempt appendix and are held under two lease agreements with one expiring in 2061 and the second in 2029.
 - 2.2 The principal tenant has occupied the site since the late 1800s and to ensure continued and successful occupation, a significant redevelopment of the site is required. This redevelopment will also include the smaller asset hence its inclusion in this report.
 - 2.3 After considerable negotiation and appraisal of all options, an in-principal agreement has been reached regarding terms for the freehold sale of the asset.
 - 2.4 The recommendations set out in this report, if approved, will provide the Council with a significant capital receipt in 2024/25 but will also result in a significant revenue loss. The disposal will facilitate the significant redevelopment of the site which will allow the tenant to invest and improve their facility which will benefit the local area and wider Nottingham City catchment.
 - 2.5 The disposal has been considered alongside the Council's adopted Disposals Policy (adopted September 2022) which states that the Council might dispose of an asset to an individual or special purchaser through a private treaty disposal (either freehold or leasehold).
 - 2.6 To justify a special purchaser disposal, the proposal should meet one, or more of the following criteria: -
 1. The proposed disposal involves both Council land or buildings and an adjoining property or piece of land owned or controlled by the prospective purchaser.
 2. The disposal to an existing tenant.

3. The disposal to a third party who, whilst not an adjoining landowner, would bring additional quantifiable social, environmental, or economic benefit.
 4. To enable the purchase of another site, which the Council considers necessary to meet its priorities and Council Plan objectives.
 5. For the grant of permanent and non-permanent rights, as by definition these are normally a request from a third party.
- 2.7 In addition to the one or more of the above criteria being met, an independent external valuation will be procured to advise the Council on the value of the asset and to ensure the authority is complying with its best consideration obligations.
 - 2.8 In all circumstances a private treaty disposal would seek to produce financial benefits, which would be at least equivalent to those obtainable through an open market disposal and should be supported via recommendation from the Head of Property. Should this not be the case then the policy for disposals at less than best consideration should be followed.
 - 2.9 Any decision to pursue a private treaty special purchaser disposal is entirely at the discretion of the Council and is the exception rather than the general rule.
 - 2.10 The proposed disposal meets with criteria 2 and 3 above and a sale to the tenant will release the highest value due to the marriage value of the freehold and leasehold interests which can only be achieved in this disposal scenario.
 - 2.11 The policy also requires the sale to be endorsed by the Head of Property. A disposal as set out in the exempt appendix is endorsed by the Head of Property who is also the author of this report.

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

- 3.1 The Council has considered all available options which include do nothing, extend/re-gear the occupational leases and the recommended option of disposal. The appraisal of the options in the appendix sets out the commercial and finance opportunities and risks associated with each option and considers the results of ongoing historic and current negotiations.
- 3.2 **Do nothing and retain the current arrangement** - The option of do nothing would maintain the current landlord and tenant position. The current long lease has circa 37 years to expiry with a rental income received which is subject to upward and downward review which therefore makes it higher risk from a revenue performance perspective.

The benefits of the 'do nothing' option is:

- Officer time will be saved by not negotiating with the tenant.
- The asset becomes more valuable to the Council as the lease moves to expiry as its ability to charge a market rent becomes closer.
- The Council continues to receive a rental income from the site.

- Upon expiry of the lease there would be potential redevelopment/disposal options available for the Council as freehold owner although this option is in 37 years and therefore calculation of the benefit to the Council currently cannot feasibly be determined.

The risks associated with the 'do nothing' option:

- The tenant has stated that failure to redevelop the property could adversely impact the future viability of the asset and in this scenario the tenant may not undertake the redevelopment and could ultimately look to relocate.
- Relations with the tenant could breakdown which will impact the ongoing landlord & tenant relationship and may have wider implications for both parties. It is noted that the site sits outside the Nottingham City administrative boundary but the economic benefits to the city are realised.
- The tenant may be unable to undertake the significant redevelopment due to funding restrictions associated with a short unexpired lease.
- The Council's revenue is dependent on tenant performance for the next circa 37 years which represents a risk to income security.
- The Council could lose the opportunity to secure a longer-term lease agreement on more financially stable terms later.
- The Council could lose the opportunity to secure a significant capital receipt until lease expiry if a disposal was not progressed.

3.3 Lease Re-Gear:

3.4 A lease re-gear would result in the surrender of the current lease agreement and simultaneous grant of a long new lease on agreed terms.

The benefits of this option are:

- A lease re-gear could potentially provide a rental income based on market values.
- The longer lease would enable the tenant to draw down funding to facilitate the redevelopment of the site which would deliver economic benefits to the City.
- A long lease with secure income with uplifts to market rent could be sold in the future to raise additional capital.
- The Council maintains an element of control over a significant asset outside the administrative area.

The risks of this option are:

- Agreement requires a willing landlord and tenant, and the tenant has made its position clear that it would only wish to proceed with acquiring the freehold interest.
- If terms fail to be agreed – this would revert to the risks associated with option 1.
- Locking the land into a long lease agreement means the Council's control is limited.
- Agreeing terms of a new lease which cater for re-development/wider use of the site will be complex to agree therefore taking up significant officer time and resulting in higher costs for specialists.

- The value of the Council's freehold interest would decrease significantly particularly in the event of a 99-year lease or longer being granted.
- If a premium payment was negotiated the revenue pressure would need to be mitigated.
- A longer lease would defer any ability for the Council to review its disposal/redevelopment options.

4. Consideration of Risk

4.1 The following risks have been considered:

Risk	Mitigation	Considerations
That the Council does not obtain best consideration as set out under s123 of the Local Government Act 1972.	Independent valuation to be provided confirming best consideration has been met.	The sale price set out in the exempt appendix can only be obtained through the marriage of the freehold and leasehold interests. Sale of the asset on the open market would not release the same capital value.
Loss of recurring annual revenue that supports the General Fund budget.	Revenue pressure funding is to be used to cover annual revenue loss from the Property Trading Account.	The Council has an approved revenue pressure funding budget and an asset rationalisation reserve available to manage the pressure created. This budget is a finite amount and is sufficient to cover the revenue impact of this disposal.
Transaction not completed in require	Agency, valuation and legal representation is to be outsourced to ensure the transaction is completed in line with agreed timescales.	External appointments to key workstreams will ensure sufficient capacity to undertake this disposal.
Complicated disposal in terms of legal drafting.	The disposal will be complicated and will require significant resource which is mitigated by outsourcing.	There will be regular meetings with agents/legal/finance representatives to work through any issues.
Adverse public relations impacts or slows the disposal process for both vendor and purchaser.	Management of a co-ordinated communications programme between both parties.	N/A
Loss of latent uplift in land values if site is redeveloped.	The Council has legal mechanisms to ensure the Council obtains a share of any uplift in value created by redevelopment.	N/A
Unable to conclude exchange and	Legal and finance resource will be in place to consider	N/A

completion due to last minute changes to terms/contract documentation.	any proposed changes to agreed terms and the delegation of decisions will enable the Council to act quickly.	
Other risks contained in exempt appendices as they relate to commercial sensitivities		

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

5.1 The Council will has obtained independent advice to confirm the disposal price meets with its best value and best consideration obligations. Appointment of external advisors will be via frameworks or quotations and will comply with Council procurement guidelines.

6. **Commissioner comments**

6.1 The Commissioners note the contents of this report. Section 4 of this report sets out the key risks of the project and associated mitigations. It is noted that paragraph 2.7 outlines the steps the Council is taking to gain assurance that it is meeting its best value obligations and legal responsibilities. On this basis the commissioners are content with the steps being taken at this time

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

7.1 In exempt appendix.

Comments provided by Glenn Hammons, Technical Finance Team Leader, 21st June 2024.

8. **Legal colleague comments**

8.1 In exempt appendix.

Comments provided by Mick Suggett – Team Leader, Conveyancing 21st June 2024.

9. **Other relevant comments**

9.1 **Please ensure that, where relevant, the report is sent to authorised colleagues in:**

Procurement

In relation to this disposal, the service area has identified several professional services requirements which must be procured in accordance with the Council's Contract Procedure Rules. These are each anticipated to be valued below threshold for the purpose of compliance with the Public Contracts Regulations 2015.

Specific advice is as follows:

The service area, with agreement from Legal Services, is seeking to appoint a provider of Legal resource via the Kent County Council Legal Services

Framework. This Framework is compliantly procured and available to the Council to use, so is an appropriate route to market. The framework terms allow for direct award where the customer is satisfied that, following their own due diligence, they can identify the supplier that offers best value for their requirement or where the supplier is able to supply the required services within the customers timescales.

In relation to specialist Agency advice this is anticipated to be valued below £100k. An exemption to competitive quotations under the Council's Contract Procedure Rules may be justified on the grounds that continuity of service with an existing provider offers best value for money. This should be supported with benchmarking of prices against market rates and clear contractual performance requirements to ensure value for money.

External valuation is anticipated to be valued below £25k, therefore a contract may be awarded in response to a quotation from one or more suitable providers. To ensure value for money, benchmarking of prices against market rates and clear contractual performance requirements are recommended.

If additional financial due diligence advice is required, this must be procured in accordance with Contract Procedure Rules as appropriate to the value of the work. The Procurement Team will assist in identifying a suitable framework or alternative compliant route to market as needed.

Dawn Cafferty - Interim Head of Procurement, 20/06/2024

Strategic Assets and Property

In exempt appendix.

Comments provided by Bevis Mackie, Corporate Portfolio & Investment Manager – 21st June 2024.

10. Crime and Disorder Implications (If Applicable)

10.1 There are none associated with the decision.

10.2 The disposal of the freehold interest in the subject site will enable to the tenant to undertake a significant redevelopment of a long-established leisure /sporting facility which draws significant public interest. The development will provide social and economic benefits to the local area comprising both Rushcliffe Borough Council and Nottingham City Council's administrative areas.

11. Social value considerations (If Applicable)

Not applicable.

12. Regard to the NHS Constitution (If Applicable)

Not applicable.

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 the decision does not impact on Council policy.

Yes

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 the decision does not have any DPIA considerations.

Yes

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 there are no proposals relating to CIA in this decision.

Yes

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

16.1 N/A

17. Published documents referred to in this report.

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