



**Nottingham City Council  
Executive Board**

**Date:** Tuesday, 21 January 2025

**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

<b>Agenda</b>	<b>Pages</b>
<b>1 Apologies for Absence</b>	
<b>2 Declarations of Interests</b>	
<b>3 Minutes</b> Minutes of the meeting held on 17 December, for confirmation	3 - 18
<b>4 Local Council Tax Support Scheme 2025/26</b> Report of the Executive Member for Finance and Resources	To Follow
<b>5 2025/26 Budget Strategy Update</b> Report of the Executive Member for Finance and Resources	19 - 50
<b>6 Library Provision and Service Delivery to 2030</b> Report of the Executive member for Carbon Reduction, Leisure and Culture	To Follow
<b>7 Nottingham City Council Concessionary Travel Scheme Arrangements 2025-26</b> Report of the Executive Member for Strategic Regeneration, Transport and Communications	51 - 78

- 8 Letting of Suite 6, Second Floor, The Elizabeth Garrett Anderson Building (EGA), Nottingham Science Park, Jesse Boot Avenue, Nottingham NG7 2RU** 79 - 100  
Report of the Executive Member for Skills, Growth and Economic Prosperity
- 9 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
- 10 Letting of Suite 6, Second Floor, The Elizabeth Garrett Anderson Building (EGA), Nottingham Science Park, Jesse Boot Avenue, Nottingham NG7 2RU - Exempt Appendix** 101 - 116

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](http://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 Loxley House, Nottingham on 17 December 2024  
from 2.01 pm - 3.19 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 Sam Lux  
Councillor Andrew Rule  
Councillor Linda Woodings

##### Absent

Councillor Kevin Clarke

#### Colleagues, partners and others in attendance:

Beth Brown	- Interim Director of Legal and Governance
Jill Colbert	- Corporate Director of Children and Education Services
Stuart Fair	- Interim Corporate Director of Finance and Resources
Nicki Jenkins	- Interim Corporate Director for Growth and City Development
Tony McArdle	- Lead Commissioner
Vicky Murphy	- Corporate Director for Adult Social Care and Health
Colin Parr	- Corporate Director of Community, Environment and Resident Services
Sajeeda Rose	- Chief Executive
Phil Wye	- Governance Officer

#### Call-in

Unless stated otherwise, all decisions are subject to call-in. The last date for call-in is 27 December 2024. Decisions cannot be implemented until the working day after this date.

#### 67 Apologies for Absence

Councillor Kevin Clarke - leave

#### 68 Declarations of Interests

In relation to agenda item 8 – Schools Capital Maintenance Allocations (minute 74), in the interests of transparency Councillor Linda Woodings stated that she is a Governor of Heathfield Primary School.

#### 69 Minutes

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

## **70 Budget Monitoring Period 7 (2024/25)**

Councillor Linda Woodings, Executive Member for Finance and Resources, presented the report providing 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 7 (31 October 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. The recent 'cost of living crisis' is also impacting the various income streams of the Council. In addition to this pressure the Council is also seeing pressures across social care arising from withdrawal of health funding contributions towards cost of care.

Since June 2024, the Council has implemented a Financial Intervention Strategy which encompassed a range of measures alongside departmental management actions intended to mitigate the Council's in-year pressure.

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 will be refreshed over the coming months to reflect the current financial position 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 and tools does not fully close any in-year budget gap then use of reserves may be considered.

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 £37.669m (77.3%) either delivered or on track to be delivered in 2024-25. Additionally, the ongoing Finance Improvement Programme is expected to further streamline financial operations, ensuring continued fiscal prudence and resource optimisation.

The Council is forecasting a General Fund overspend of £4.687m (£1.31%) in Period 7 of 2024-25 which includes the planned management intervention.

The HRA forecast at Period 7 for 2024-25 is showing a net overspend of (£3.773m).

The revised Capital Programme of c£321m profiled for 2024-25 at Period 7 (combined General Fund and HRA) is forecasting to spend c£306m, a variance of (c£15m) when compared to 2024-25 budget.

The following points were raised during the discussion which followed:

- (a) historical accounts have now been audited up to the 2022-23 financial year. External auditors have completed their initial position from the 2023-24 accounts and these will be available next week ready for the Audit Committee to review in the new year. The outturn position for last year appears to be positive. There is pressure to manage the additional pressures for this year but there are positive signs that the Council is on the road to recovery;
- (b) a decision cannot be made as to whether council tax will be raised and by how much until a budget settlement has been confirmed by the government. Councils have a duty to deliver a balanced budget. The settlement will be for a single year but it is anticipated that from 2026-27 settlements will cover multiple years which would greatly help with forward planning;
- (c) a mapping exercise has been undertaken on community centres and this is currently being assessed. This has included engagement with adults' and children's services and the NHS to understand impact on delivery of their services. The aim is to keep as many as feasible, but a number of centres are in a poor state of repair and will require additional funding which will require increased fees for improvements to be made;
- (d) a review of the council's operational estate, including Loxley House, is being undertaken and proposals will be brought forward in the new year.

#### **Resolved to**

- (1) note the General Fund forecast gross overspend for 2024-25 at Period 7 of £15.660m reduced by (£10.973m) following application of mitigating actions reducing the net overspend to £4.687m against approved budget of £356.800m (Section 5) and risks set out in Section 10;**
- (2) note that the Corporate Leadership Team in consultation with the Section 151 Officer has developed a mitigation strategy and plan to bring the forecasted spend back in line with approved budget;**
- (3) note the General Fund budget includes the Exceptional Financial Support flexibility of £41.024m for 2024-25, which will be deployed through a combination of capital receipts and short-term borrowing;**
- (4) note the progress of the approved savings over the Medium-Term Financial Plan (2024-25 – 2027-28) period of £88.335m (£62.166m 70.4%) either delivered or on track to be delivered of which:**
  - £2.440m relate to undelivered 2023/24 savings brought forward;**
  - £35.229m relate to 2024/25 savings;**
  - £24.497m relate to savings over the MTFP period 2025/26 to 2027-28;**

- (5) note the HRA forecast of net overspend for 2024-25 at Period 7 of (£3.773m) resulting in a reduction to the planned contribution to reserves;
- (6) approve the 2024-25 Capital Programme net slippage of (£23.014m) and net underspend of (£0.190) with regards to the following:
- General Fund (£16.511m), HRA (£5.7525m) and Accountable Body (£0.751m) net slippage to be carried forward and reprofiled across the medium-term financial plan.
  - note £0.190m net underspend, for which budget amendments will be incepted into the capital programme;
- (7) approve net departmental General Fund net budget changes as summarised below:

Directorate	Revised Budget at Period 04	Net Movement between Period 05 and Period 07	Revised Budget at Period 07
	£m	£m	£m
Adults	89.714	(0.130)	89.583
Commissioning	2.922	(0.083)	2.839
Public Health	0.000	0.000	0.000
Adults & Public Health Subtotal	92.635	(0.213)	92.422
Children's	86.912	(0.284)	86.628
Education	4.241	(0.360)	3.881
Schools	0.004	0.000	0.004
Children's & Education Subtotal	91.157	(0.644)	90.513
Communities Environment and Resident Services	50.191	(1.946)	48.245
Growth & City Development	1.942	(0.481)	1.461
Finance & Resources	41.449	3.488	44.938
Chief Executive	10.882	(0.225)	10.658
Companies	0.576	0.000	0.576
<b>Total Departments</b>	<b>288.834</b>	<b>(0.021)</b>	<b>288.813</b>
Corporate	67.966	0.021	67.987
<b>Total</b>	<b>356.800</b>	<b>0.000</b>	<b>356.800</b>

Reasons for decisions:

- 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.
- Budget reporting to councillors is essential for informed decision-making, transparency, and effective governance in local authorities, ensuring accountability and sound financial management.

Other options considered:

- This is a monitoring report required by Financial Regulations and the Financial Accountabilities Framework which supports informed decision making, transparency and effective governance and therefore no other options were considered.

## **71 Budget Savings 2025/26 - 2028/29**

Councillor Linda Woodings, Executive Member for Finance and Resources, presented the report seeking approval to enter public and staff consultation on an initial range of new savings and other proposals.

The Council in March 2024 approved a Medium-Term Financial Plan (MTFP) based on the best available information at the time. Due to exceptional circumstances £41m Exceptional Financial Support (EFS) was required to set a legally balanced 2024-25 budget. The environment within which the Council is operating is constantly evolving and continues to present significant financial challenges.

An increase in core council spending and additional funding for adult and children's social care are expected following the recent change in government, but this will not be an instant fix following years of under-investment. Therefore the council still need to challenge itself to reform and modernise in order to not continue to rely on EFS and deliver best value for the citizens of Nottingham. Every aspect of the council requires transformation, and difficult decisions need to be made, to ensure that it finds itself on a firm financial footing.

Executive Members reiterated that the council needs to get its finances in order, and outlined the future ambitions for each of their areas of responsibility in Nottingham.

The following points were raised during the discussion which followed:

- (a) the review of direct payments in Adult Social Care is operational, to improve recoveries and make systems easier to use, making sure that citizens receive the funds they are entitled to. It is a statutory requirement for the council to provide these direct payments;
- (b) for the effective management of vacant posts, there is now a central database to enable the council to better understand vacancies held, and whether the posts are required to be filled;
- (c) the revised management model for museums and galleries is a completely different model from the previous Nottingham Castle Trust, and the council will still have oversight over decisions. This model is used by all other UK core cities so is seen as low risk.

### **Resolved to**

- (1) endorse the draft public consultation of saving proposals as set out in Appendix 1 of the report and to commence formal public consultation on these proposals and to note the on-going efficiency savings proposals that will form further savings within the 2025-26 base as outlined within Appendix 2;**
- (2) authorise the Corporate Director or Director(s) with responsibility for each proposal to carry out all necessary steps required in relation to each proposal, including undertaking any further consultation in accordance with**

**the Council's legal duties and responsibilities;**

- (3) approve, where any staffing reductions result from the savings proposals set out in this report, the reductions be supported through a targeted voluntary redundancy approach and that redundancy compensation be in accordance with the Council's agreed Discretionary Compensation Regulations Policy provisions for voluntary redundancies;**
- (4) note that further work is continuing to identify ways in which a balanced budget for 2025-26 and a robust MTFP can be achieved, and that these will form part of future reports to Executive Board as appropriate.**

Reasons for decisions:

- This report is part of the Council's continuing budget planning process and builds on the existing MTFP previously approved and considered by Full Council on 4 March 2024 and Executive Board on 18 June 2024, respectively.
- It sets out the saving proposals developed by officers for 2025-26 to 2028-29 under the budget strategy approved 18 June 2024 Executive Board. The proposed budget consultation will run for a four-week period between 17 December 2024 to 13 January 2025. The responses to the budget consultation and any proposed changes will be considered and agreed by the Executive Board in late February 2025 and Full Council in early March 2025. Where required and in accordance with the Council's legal duties and responsibilities, respective directorates may undertake additional targeted consultation in relation to specific proposals.
- The overarching objective of the budget strategy is to ensure that the Council have set a priority-led budget over the medium term that is balanced and realistically supported by achievable saving plans. However, it must be recognised that the Council is currently facing a significant budget challenge, which requires the Council to transform the way it delivers services and do some things differently.
- The saving proposals set out in this report will contribute towards reducing the budget gaps for 2025-26 to 2028-29. The final decision whether to implement any proposal will only be undertaken once all implications that may emerge from further preparatory work are known and final proposals will be appropriately amended.
- Proposals that include workforce reductions will be subject to collective consultation with Trade Unions and affected colleagues in line with established policy and procedures. Details of proposals may be amended during the consultation and consequently alter the way in which the identified proposals will be delivered.

Other options considered:

- Throughout the budget process a range of different options have been considered including various levels of council tax, investment, expenditure reductions and income generation proposals. This report presents the overall set of current draft savings proposals which together seek to balance levels of investment, income, cost reductions and an appropriate level of Council Tax.

**72 Nottingham Homelessness and Rough Sleeping Prevention Strategy  
2025-2029**



Councillor Jay Hayes, Executive Member for Housing and Planning, presented the report.

Local authorities have a statutory duty to produce a strategy outlining what they will do to prevent and respond to homelessness and rough sleeping in their area. The strategy should be developed with input from partners from across the public and community sectors, who have roles and responsibilities in homelessness prevention. The strategy should be updated every five years following an annual review of homelessness. The term of the current strategy is 2019- 2024 and the new strategy has been developed for 2025-2029 following the completion of a homelessness needs assessment.

### **Resolved to**

- (1) approve the content of the Nottingham Homelessness and Rough Sleeping Prevention Strategy 2025-29 and adopt it for delivery as in line with the statutory requirement;**
- (2) support the introduction of a Homelessness Reduction Board to provide cross sector accountability from senior leadership teams.**

Reasons for decisions:

- Local authorities have a statutory duty to lead on the development and implementation of a strategy outlining how they will work with partners to prevent and respond to homelessness.
- In Nottingham, homelessness assessment rates are high compared to comparator areas and around one third of households assessed present when they are already homeless. Most people who present before they are homeless (i.e. at Prevention duty stage) are homeless from a private rented sector tenancy. Most households who present when they are already homeless (i.e. at Relief duty stage) are homeless from their friends or family. The most significant increase in reason for homelessness since 2019/20 is because of Home Office support ending for new refugees.
- Similarly to most other comparable cities, in Nottingham there has been a reduction since 2019/20 in the proportion of housing outcomes being achieved before a household becomes homeless (i.e. under the Prevention duty). When a housing outcome is achieved it is most often a move to alternative accommodation rather than supporting the household to remain in their existing home. The rate of private rented sector tenancies secured at this stage is high in Nottingham compared to the other areas and consequently the rate of social housing secured is lower (primarily due to limited availability of social housing lets).
- In most comparable cities there have been an increased number of Relief duties ended but a lower proportion of housing outcomes secured. This means that more people are moving through to a Main duty decision which indicates that many local authorities are struggling to secure accommodation within two months of a household becoming homeless.
- In Nottingham, the average age of the main applicant within a homeless household has increased since 2019-20. There has been a notable increase in

ethnic diversity with the percentage applicants from Black and Minority Ethnicities being 5% higher than the percentage of people of Black and Minority Ethnicities in the population. Around one fifth of homeless households are working, two thirds are unemployed or not working due to a long-term illness or disability.

- In Nottingham, there has been an increase of 122% in the number of households in Temporary Accommodation from a snapshot of 349 households in 2019/20 to 776 households in 2023/24. The rate of households per thousand of the population is high for the region but low compared to other similar areas nationally. Considering that Nottingham had a higher-than-average rate of assessments, it could be determined that this means there is a lower assessment to Temporary Accommodation conversion rate in Nottingham. However, Nottingham does have a high proportion of families in Temporary Accommodation.
- Generally, Nottingham's Temporary Accommodation portfolio is varied and has increased significantly from around 250 units in 2019/20 to over 600 units in 2023/24. The profile of Nottingham's Temporary Accommodation portfolio is quite different to the average amongst the comparator areas. Less of Nottingham's portfolio is hotels, nightly paid temporary accommodation and private rented sector and the city uses a larger proportion of hostels and social housing stock.

Other options considered:

- Not to develop a new Homelessness and Rough Sleeping Prevention Strategy. This was rejected because the current strategy expires at the end of the year and it is a statutory requirement for local authorities to have one in place.

### **73 School Admission Arrangements 2026/2027**

Councillor Cheryl Barnard, Executive Member for Children, Young People and Education, presented the report.

Nottingham City Council is making changes to the admission arrangements for community schools and the processes for coordinating admissions with other admission authorities. The key changes include increasing the number of secondary school preferences available to parent/carers from 4 to 6, which will improve the chances of families securing a preferred secondary school and help streamline the appeals process. Additionally, we plan to extend the waiting list operating period, amending the closing date from May each year to June, offering more flexibility for families moving into the area whilst remaining mindful of the end of term. A new Year 6 waiting list will also be introduced to bring it in line with processes for other year groups, reduce repeat-applications and support vulnerable families that disproportionately find themselves applying for in-year transfers.

It was suggested that parents/carers continue to be encouraged to apply for more than one school and clarification be made that this will not impact the outcome for their first preference.

**Resolved to approve the local authority's proposed admission arrangements for introduction at the 2026-2027 academic year.**

Reasons for decisions:

- Proposal to expand the number of school preferences for secondary applications from 4 to 6. This adjustment will significantly improve parents chances of securing a school placement of their preference. By offering more choices, the aim is to decrease the number of appeals and late applications, which currently add complexity and delay to admissions processing. Ultimately, this change will streamline and simplify the admissions journey, resulting in a smoother experience for families and the Admissions Team processes.
- Proposal to extend the closing date for school waiting lists from the May half-term to the end of June. This extension will be particularly beneficial for families relocating to the area toward the end of the academic year, offering them a realistic opportunity to secure a suitable school placement without unnecessary delay, waiting for the new academic year. For schools, it provides a clearer understanding of their responsibilities and the numbers on roll ahead of the new academic year, minimising last-minute disruptions by still acknowledging any applications received from the beginning of July will not be considered for a start prior to September. By clarifying that applications received on or after July 1st will apply to the new academic year, a more organised and predictable transition will be ensured for all and benefits the administrative processes.
- Introduce Year 6 Waiting List: To address challenges faced by families, particularly vulnerable households and those with language barriers which are seen disproportionately as part of inward migration, it is proposed to introduce a dedicated Year 6 waiting list. This will eliminate the need for weekly reapplications which is the current process in order to continue being considered should a place become available. The change makes the admissions process more accessible and equitable for all families. By reducing barriers to securing a school place, it will ensure that more children, regardless of their backgrounds, have access to education when they arrive, or begin to be supported through processes where a place cannot be offered. the challenges of moving children in Year 6 are however still acknowledged so parents/carers will be informed of the potential impacts and families discouraged from doing so where an existing school place is available to them.
- The unamended sections of the arrangements continue to support the Council with complying with the School Admissions Code and providing services that are efficient and citizen focused.

Other options considered:

- The alternative option would be to make no change to the arrangements however, when considered, and taking into account the context this would not be in the interest of parent/carers of Nottingham. For context, there has been an increasing number of in-year applications due to inward migration which has placed addition pressures on KS2 and secondary phase capacity. In addition, the process for a Year 6 in-year application is different and more difficult to that of other years, which was previously to discourage movement in the last year of primary however as the demographic of the city continues to change with more inward migration and vulnerable groups navigating the process in-year, it is important to implement changes to support them.

## **74 Schools Capital Maintenance Grant Allocations 2024/2025**

Councillor Linda Woodings stated that she is a Governor of Heathfield Primary School and did not discuss or vote on this item.

Councillor Cheryl Barnard, Executive Member for Children, Young People and Education, presented the report seeking approval to accept the 2024-25 annual capital maintenance grant allocation from the Department for Education (DfE) for 2024-25, which was confirmed in March 2024, and to approve the fourteen schemes that have been prioritised using the Capital Maintenance draft strategy document. The total value of the grant is £2,692,168 and is to improve the condition of school buildings maintained by the Council.

The Primary Health and Safety budget (which is grant funded via historical Capital Maintenance underspends) has a balance of £204,518. Due to a high number of priorities and existing pressures, we are also seeking approval to include this amount within the overall funding envelope.

A contingency of £624,686 that is to be delegated to the Corporate Director for Children and Education Services to approve has been identified within the total grant funding to deal with any unforeseen issues that arise over the year within schools. To approve a payment of up to £0.300m from the Building Schools for the Future (BSF) Lifecycle Reserve fund to Rosehill Special School to undertake condition and maintenance works to the building. The building is reaching the point in the 25 year cycle where it is requiring some maintenance works to keep the building in good condition.

#### **Resolved to**

- (1) accept the Capital Maintenance Grant 2024/25 of £2,692,168 from the Department for Education and to include the £204,518 balance of the Primary Health and Safety fund into the funding envelope and to approve the fourteen schemes prioritised using the draft Capital Maintenance strategy document;**
- (2) approve a contingency of £624,686 and delegate authority to the Corporate Director for Children and Education Services to approve and authorise how the contingency is allocated;**
- (3) authorise the procurement of any necessary contracts (Construction and Professional Services including Legal) to carry out the programme of schemes using the 2024-25 funding and delegate authority to the Corporate Director for Children and Education Services to award any procured contracts;**
- (4) approve payments of up to £300,000 from the Building Schools for the Future (BSF) Lifecycle Reserve fund (Dedicated Schools Grant) to Rosehill Special School to undertake condition and lifecycle works to the school buildings.**

Reasons form decisions:

- The prioritisation of the school capital maintenance grant is based on technical advice and a review of the condition of the Nottingham City schools estate. The

process is articulated in the appended Business Case and the draft strategy document which is being used to prioritise the schemes in schools. There are two areas where funding is prioritised:

- i) Health and safety issues likely to impact on children and staff to ensure the safeguarding of the pupils within the school site, ensuring buildings are structurally sound and can be safely evacuated in the event of an emergency; and
  - ii) Condition issues likely to impact on the operation of the school, to ensure that school buildings are warm and dry to negate the potential of schools closing and loss of learning for the pupils.
- The programme of works is prioritised in line with the draft Capital Maintenance Strategy for Schools. This will be reviewed and reflect the priorities that are in the overarching Corporate Asset Management Plan.
  - The grant for 2024-25 is £2,692,168 and we are seeking to also include the £204,518 balance of the Primary Health and Safety fund into the funding envelope. There are fourteen schemes have been identified which will be delivered in the school summer holidays 2025 or earlier where possible, taking advantage of February half term and Easter 2025 school holidays respectively.
  - Delegating authority to the Corporate Director for Children and Education Services to approve and authorise how the contingency is allocated will ensure a timely response to any urgent issues that arise.

Other options considered:

- To combine the 2024-25 Schools' Capital Maintenance Grant with Basic Need funding and the SEND capital funding to address the shortfall of SEND capacity and secondary places across the city. This option was rejected as it would leave schools at risk of temporary closure due to health and safety or condition issues. It could also mean that school buildings continue to deteriorate and may be subject to forced closure whilst emergency repairs are carried out.

## **75 To create a Special Educational Needs Provision at Rise Park Primary School and The Milford Academy Primary School**

Councillor Cheryl Barnard, Executive Member for Children, Young People and Schools, presented the report. Nottingham is experiencing considerable growth in the number of young people identified as having Special Educational Needs and Disabilities (SEND) and there is an urgent, significant and increasing need for additional capacity to meet this demand. The Council is committed to supporting our schools and settings within the city to offer high quality, inclusive education.

The need for SEN provisions at both Rise Park Primary School and the Milford Academy Primary School, as proposed in this report, were identified as priorities in Phase 1 of the Council's SEND Capital Strategy 2023-28, to support the Council's statutory sufficiency duties in relation to the delivery of suitable specialist educational provision for children and young people with complex SEND.

The development of provision at Rise Park Primary School and The Milford Academy Primary School, will offer access to high quality specialist educational provisions for local pupils. The developments set out within the SEND Capital Strategy are aspirational for pupils with SEND residing in Nottingham and are supported by local parent carer forums and schools. The provisions are also positive for the council's

general fund, ultimately reducing reliance on home to school transport by avoiding the need to place pupils in costly out of area independent provision, therefore avoiding longer distance transport provision.

It is evident from the work carried out as part of the development of the SEND Capital Strategy and the subsequent consultation, that there is a significant and increasing need for additional capacity for pupils with complex SEND, both within mainstream specialist units and in special school provision. The Strategy was consulted on and approved by Executive Board in September 2023. The schemes were still subject to design/feasibility investigations, to ensure the most appropriate and cost-effective solutions to deliver quality provision in areas of high need.

Additional specialist capacity is urgently needed for primary children in mainstream settings. Both SEN units will be within the mainstream schools, with the pupils taught partly in mainstream classes while also benefitting from additional specialist support according to their individual need. More specialist places are required to address the existing cohorts as well as to make provision for the identified growing need.

High Needs Capital funding received from central government is intended to support the Council to fulfil its sufficiency duties in relation to the availability of suitable specialist school places for young people with complex SEND. There is also an Education S106 funding contribution aligned to the scheme at Rise Park Primary, as set out in the recommendations and background to this report.

#### **Resolved to**

- (1) approve the total allocation of funding of £1,200,000.00 comprising £1,141,835 from the High Needs Capital Fund and £58,165 Education S106 funding contribution, to create a specialist SEN provision at Rise Park Primary School and to amend the capital programme accordingly;**
- (2) approve the total allocation of funding of £800,000 from the High Needs Capital Fund, to create a specialist SEN provision at The Milford Academy Primary School and to amend the capital programme accordingly;**
- (3) authorise the procurement of necessary contracts and consultants to develop and deliver the projects using the SCAPE framework and delegate authority to the Corporate Director for Children & Education Services to award any procured contracts, complying with the Council Constitution and the relevant regulations, subject to costs being contained within the financial envelope;**
- (4) authorise the procurement of the construction contract for the expansions utilising the SCAPE framework to carry out the building works and to delegate authority to the Corporate Director for Children & Education Services to award any procured contracts, complying with the Council Constitution and the relevant regulations, subject to costs being contained within the financial envelope;**
- (5) procure external legal resources using compliant frameworks and to delegate authority to the Corporate Director for Children & Education**

**Services to award any procured contracts, complying with the Council Constitution and the relevant regulations, subject to costs being contained within the financial envelope;**

**(6) enter into the necessary agreements with The Milford Academy Primary School to carry out the works and delegate authority to the Corporate Director for Children & Education Services in consultation with the Director of Legal Services to award the agreements**

Reasons for decisions:

- High Needs Capital funding is intended to support the Council to fulfil its sufficiency duties in relation to the availability of suitable specialist school places for young people with complex SEND. More specialist places are required to address the existing cohorts as well as to make provision for the identified growing need. The proposals align with strategic priorities and will deliver additional capacity which is accessible for pupils in high areas of need, evidenced by the data set out in the strategy.
- The provision at Rise Park Primary will create additional physical space, suitable to meet the needs of pupils with specialist needs who are already on roll at the school. The provision at The Milford Academy Primary will grow the number of specialist places beyond their normal admission number, creating additional places as set out below in 1.9 and 1.10, and which will be commissionable by the LA.
- It is essential that there are sufficient local places for the growing number of high needs pupils, to avoid the need to place pupils in costly out of area independent provision, while also helping to reduce the resultant requirement for longer distance transport provision.
- Remodelling of the high needs block was undertaken in November 2023 which confirmed affordability of all Phase 1 schemes in the SEND Capital Strategy at that point in time. The 2023-24 out turn position has suggested a different outlook following an in year deficit, and further modelling is now being undertaken to ensure sustainability
- The need for SEN provisions at both Rise Park and Milford Academy Primary Schools, were identified as priorities during Phase 1 of the SEND Capital Strategy 2023-28, which was consulted on and approved by Executive Board in September 2023. The LA has been working in successful partnership with both schools to develop specialist provisions within the mainstream schools and for the local area.

Other options considered:

- The schemes proposed in this report are two of the six schemes identified in Phase 1 of the SEND Capital Strategy. Risks of not investing the funds: there will be fewer specialist places for the growing numbers of children and young people identified with complex SEND. There is currently insufficient provision in primary settings.
- Without this investment, there could be a potential increase in independent school placement cost.
- The announcement from the DfE on a further allocation of High Needs capital funding to enable the LA to deliver more capacity is awaited, which will also be considered as part of remodelling the revenue impact to ensure sustainability.

## **76 Development of Laura Chambers Lodge for Social Housing**

Councillor Jay Hayes, Executive Member for Housing and Planning, presented the report on the development of Laura Chambers Lodge (a former care home in Clifton East) by Nottingham City Council for social housing. The development will be accounted for in the Housing Revenue Account and the scheme funded by a combination of Right to Buy Replacement Fund Receipts (RTB RF) and Section 106 contributions. The scheme capitalises on the recently enhanced accessibility of RTB RF to entirely fund new social housing, and would deliver up to 40 homes assisting in address of NCC's 10,000 plus waiting list and homelessness pressures to the General Fund.

Members acknowledged that the site has been vacant for a number of years and welcomed the development.

It was recommended that the flats be prioritised for elderly citizens.

### **Resolved to**

- (1) agree to the demolition and redevelopment of the site of Laura Chambers Lodge for approximately 40 units of social housing and this be reflected in the capital programme;**
- (2) agree the use of £8.37m RTB RF/HRA capital funding for this scheme;**
- (3) agree the use of £1.4m of s.106 contributions for this scheme;**
- (4) agree the appropriation of the site of Laura Chambers Lodge from General Fund to HRA and debt-reapportionment between GF and HRA equivalent of the market value of the land;**
- (5) agree delegation of approval for any change in unit cost to the Corporate Director of Growth & City Development in consultation with the Corporate Director of Finance and Resources/s.151 Officer.**

### Reasons for decisions:

- NCC currently has over 10,000 households on its housing register, and also faces significant general fund pressures from homelessness regarding the use of nightly paid temporary and emergency accommodation. Increasing the housing stock will allow for the allocation secure tenancies, creating throughput in established temporary accommodation and therefore reducing use of nightly paid accommodation from the private sector (e.g. Hotels).
- Increasing the HRA housing stock will help secure the necessary rental income over the medium to long term, which is vital for replenishment of the repairs reserves and operating budgets for existing and new stock.
- Changes to the RTB RF retention agreement allowing schemes to now be 100% funded by these receipts are in place until 31st March 2026 whereby they will be reviewed review, therefore maximum benefit is gained from assigning and spending in this period.

### Other options considered:

- Conversion to temporary accommodation. This could deliver 24 units of temporary accommodation, funded by general fund resource and s.106 commuted sums. As



the site sits in the general fund and cannot be appropriated and developed using HRA resource with the purpose of immediate onward disposal, the scheme would need to be delivered by and leased from the general fund to an external RP, in order to deliver support to the scheme and access exempt housing benefit levels. NCC would receive no rental income or no receipt, however savings could be made against the cost of private nighty paid/ emergency accommodation and the decommissioned sites security costs. Better outcomes regarding savings against the costs of homelessness accommodation can be delivered by converting decommissioned HRA independent living schemes with a greater number of units and therefore onward savings, at lower cost, using HRA resources and be ready more quickly. Security costs savings would apply to any development option. This option was therefore rejected.

- Sale on open market. This would generate a capital receipt that could be used to support the capitalisation of Exceptional Financial Support. The combination of the debt re-apportionment resulting from the appropriation, relief of homelessness spend pressures in the medium term, the availability of 100% RTB RF funding, and the challenges of finding pipeline sites in Nottingham city however, outweighs the short term benefit of the capital receipt and means social housing delivery presents more long term benefit. This option was rejected.

#### **77 Letting of Suites 1-4, First Floor, The Elizabeth Garrett Anderson Building, Nottingham Science Park**

Councillor Ethan Radford, Executive Member for Skills, Growth and Economic Development, presented the report on the letting of vacant first floor Grade A office suites at the Elizabeth Garrett Anderson Building, Nottingham Science Park, the terms of which represent best consideration. The unit has been openly marketed by a commercial property letting Agent which has recommended the Council accept the heads of terms for lease. The letting will provide a significant rental income and remove existing void costs.

#### **Resolved to**

- (1) approve the lease terms agreed with the prospective tenant in respect of the subject property as set out within the exempt appendix;**
- (2) approve the payment of associated fees;**
- (3) delegate the approval of any required final terms and conditions, save for rent, to the Director of Economic Development & Property.**

#### Reasons for decisions:

- The property is currently vacant, with the opportunity marketed by an external agent on behalf of the Council. Heads of terms for lease have been negotiated with the prospective tenant at market rental value representing Best Consideration.

#### Other options considered:

- Not to proceed with the letting to the prospective tenant – this is not recommended as this is a significant letting at the property on market facing terms

providing a rental income at market rental value over the lease term which will remove the Council's liability for ongoing void costs.

**78 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.**

**79 Exempt Minutes**

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

**80 Development of Laura Chambers Lodge for Social Housing - Exempt appendices**

Councillor Jay Hayes, Executive Member for Housing and Planning, presented the exempt appendix which was noted by the Board.

**81 Letting of Suites 1-4, First Floor, The Elizabeth Garrett Anderson Building, Nottingham Science Park - Exempt Appendix**

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

**Executive Board – 21 January 2025**

<b>Subject:</b>	2025/26 Budget Strategy Update
<b>Corporate Director(s)/Director(s):</b>	Stuart Fair, Interim Corporate Director of Finance and Resources (S151)
<b>Executive Member:</b>	Councillor Linda Woodings, Executive Member for Finance and Resources
<b>Report author and contact details:</b>	Clare Williams, Interim Director of Finance and Deputy S151 <a href="mailto:clare.williams@nottinghamcity.gov.uk">clare.williams@nottinghamcity.gov.uk</a>
<b>Other colleagues who have provided input:</b>	Corporate Leadership Team Colleagues within Technical, Strategic and Commercial Finance Teams
<b>Subject to call-in:</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Key Decision:</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Criteria for Key Decision:</b>	
(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
<b>and/or</b>	
(b)	Significant impact on communities living or working in two or more wards in the City <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Type of expenditure:</b>	<input checked="" type="checkbox"/> Revenue <input type="checkbox"/> Capital If Capital, provide the date considered by Capital Board Date: n/a
<b>Total value of the decision:</b>	n/a
<b>Section 151 Officer expenditure approval</b>	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:
<b>Commissioner Consideration</b>	The Commissioners are content with this report.  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.
<b>Wards affected:</b>	All
<b>Date of consultation with Portfolio Holder(s):</b>	Throughout
<b>Relevant Council Plan Key Outcome:</b>	Clean and Connected Communities <input checked="" type="checkbox"/> Keeping Nottingham Working <input checked="" type="checkbox"/> Carbon Neutral by 2028 <input checked="" type="checkbox"/> Safer Nottingham <input checked="" type="checkbox"/> Child-Friendly Nottingham <input checked="" type="checkbox"/> Healthy and Inclusive <input checked="" type="checkbox"/> Keeping Nottingham Moving <input checked="" type="checkbox"/> Improve the City Centre <input checked="" type="checkbox"/> Better Housing <input checked="" type="checkbox"/> Financial Stability <input checked="" type="checkbox"/> Serving People Well <input checked="" type="checkbox"/>
<b>Summary of issues (including benefits to citizens/service users):</b>	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 has been 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. The Council has identified further savings which were presented to the Executive Board in December 2024 and currently being consulted on where appropriate.

An updated budget strategy and approach to the MTFP, developed to meet the financial challenges faced by the Council, was endorsed by Executive Board in June 2024. This Budget Strategy sits alongside the Council's Improvement Plan and Commissioners' Exit Strategy.

This report represents an update in the Council's budget planning process, seeking to refresh the future budget gaps the Council is likely to be facing based on the latest available information including the provisional settlement announced in December 2024. This includes likely recurring budget issues identified as part of forecast in-year budget monitoring and expert external advice on possible settlement and related funding.

The working assumptions underpinning the MTFP previously assumed in March 2024 and reiterated in June 2024 have been refreshed with the 2025/26 gap reducing from £69.0m to the latest projection of £23.4m. A detailed explanation of the movement is set out within Appendix A.

A core assumption in setting the base for 2025/26 includes successfully managing demand related cost pressures within the current financial year 2024/25 and sustaining this position over the medium term. Closing the structural deficit is foundational to the medium- and longer-term financial stability of the Council. Successful delivery of transformational change and efficiency savings will be fundamental to the elimination of the embedded structural deficit.

The proposed budget strategy, process and modelling will be further refined and will include any further adjustments arising from the final budget settlement announcement and the outcome of the request to Government for Exceptional Financial Support.

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

No

**Recommendation(s):**

1. To note the revised forecast budget gap of £23.4m after new saving options currently being consulted on for delivery within 2025/26, with an indicative cumulative budget gap of £56.8m over the 4 years of the new MTFP period of 2025/26 to 2028/29 (table 2)
2. To note the updated Capital Programme
3. To note the progress made in delivering the agreed budget strategy and developing new saving proposals
4. Note the budget preparation timetable as set out in the report (section 15)

**1. Reasons for recommendations**

- 1.1 This report is a part of the Council's annual budget setting and business planning process and seeks to update the projected MTFP gaps so that decision makers are aware of the potential quantum of saving options that might be required to balance the budget.

- 1.2 The overarching objective of the agreed budget strategy is to ensure that the Council sets 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 continues to face budget challenges which requires the Council to transform the way it delivers services and doing things differently.
- 1.3 The Council continues to face budget pressures in future years and uncertainty, including the continuing level of support from Central Government, over the medium term as Ministry of Housing, Communities and Local Government (MHCLG) announced a one-year settlement in the provisional budget announcement in December 2024. Due to an increased demand for services, alongside the backdrop of the cost-of-living and 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.

## 2. **Background**

- 2.1. The budget strategy and medium-term financial plan for 2024/25 to 2027/28 was approved by City Council on 4 March 2024. The Council has only been able to set a balanced budget in 2024/25, discharging its legally duty through use of Exceptional Financial Support (EFS) as approved by the Ministry of Housing, Communities & Local Government (MHCLG) which was predicated on the Council approving the totality of officer developed proposals and increasing council tax by 4.99%.
- 2.2. As set out within the Capital Strategy reported to Executive Board at quarter two capital receipts form a key element of financing the EFS and continue to be a critical component of the Council's budget strategy not only with regards to the EFS but also due to financing the Council Transformation Programme and priorities. Since the Council has in place a voluntary debt reduction policy it is unable to borrow to finance any investment apart from the EFS.
- 2.3. The medium-term financial plan has been updated to reflect the latest budget assumptions including the provisional settlement and is reporting a budget gap over 2025/26 to 2028/29 of £56.8m. This excludes the proposed use of Exceptional Financial Support of up to £25m for 2025/26 and further ceiling of £10m in 2026/27. The projections assume the Council will be able to achieve a balanced position after two years with the recovery grant and the delivery of further efficiency savings. Therefore, it is essential that the Council looks to identify further transformational budget savings with the aim to deliver a balanced budget in 2026/27.

### **Exceptional Financial Support**

- 2.4. The council has been granted EFS of up to £66.143m (£25m in 2023/24 and £41.143m in 2024/25). The budget gap which may change with the final settlement to be announced early February 2025 and further refinements is currently £23.4m.
- 2.5. An application for EFS has been made for up to £25m for 2025/26, and up to £10m in 2026/27 with an expectation that the Council will be able to set a balanced budget for the start of 2027/28 financial year.

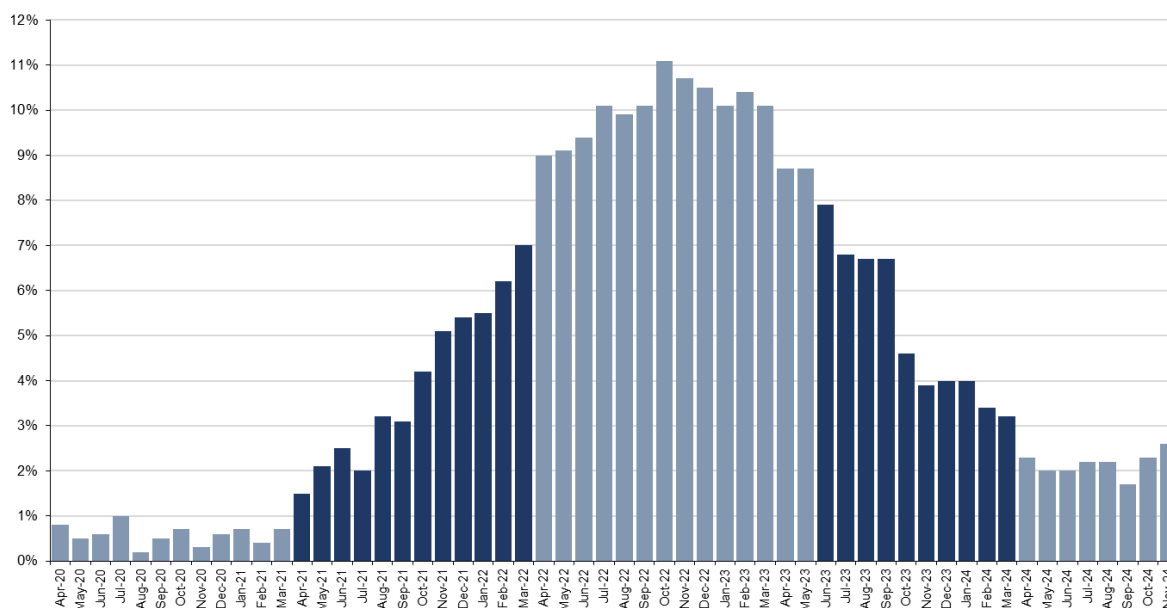
### **2025/26 Provisional Financial Settlement**

- 2.6. The provisional Local Government Settlement was announced on 18 December which only confirmed one-year figures, the key headlines which have been factored into the MTFP are:
- Within SFA the Revenue Support Grant (RSG) has increased by 2.4% or £0.8m, bringing total to £32.7m.
  - Top-up Grant has increased by 1.2% or £0.4m, bringing total to £38.0m.
  - The new one-off Recovery Grant is confirmed as £11.1m. This is an unringfenced grant targeted towards areas with greater need and demand for services (measured by deprivation), and less ability to raise income locally e.g. council tax.
  - The new Children’s Services Prevention Grant is provisionally £3.5m.
  - Existing Social Care grants have been confirmed for 25/26 at the following levels:
    - £42.8m Social Care – from a national total of £880m, a further £200m higher than was announced in the Policy Statement last month
    - This is £6.7m higher than the £36.1m level received in 24/25.
- 2.7. Other specific grants included within Core Spending Power:
- the settlement includes a further one-off New Homes Bonus (NHB) grant of £1.1m for 25/26.
  - Previous relatively minor Services grant has been rolled into Recovery Grant.
  - Domestic Abuse Duty Safe Accommodation grant of £1.1m is consolidated into CSP for the first time.
  - In calculating the core spending power MHCLG has also rolled previous grants into their revised 24/25 position before removing:
    - Electoral Integrity Programme
    - Tenant Satisfaction
    - Transparency Code
- 2.8. The budget announced increased employer national insurance contributions, and MHCLG confirmed funding to compensate for this increase will be confirmed in the Final Settlement. There is a risk that not all the additional cost will be funded; the MTFP reflects potentially 38% will be received and will be updated when the final settlement is announced.

### **Economic Outlook – Inflation**

- 2.9. Currently inflation stands at 2.6% (Consumer Price Index (CPI) November 2024) which is still 0.6% above the Bank of England inflation target rate of 2%. Although current inflation rate is lower than October 2022 when it peaked at 11.1%, the highest rate since the last 40 years, it continues to have a significant impact on both the local and national economy. The next publication of monthly inflation figures by the Office of National Statistics will be 15 January 2025.
- 2.10. The chart below illustrates the high levels of monthly CPI inflation across recent years. As a result of the recent inflation volatility, it is hard to predict with any certainty the future impact on council services and therefore on council’s medium-term financial plan.

**Chart 1: Consumer Price Index Rate (April 2020 to November 2024)**



Source: [Office for National Statistics - Consumer price inflation UK](#)

2.11. Below is list of service areas or contracts which continue to be impacted by the economic context. In many cases the increases in prices are exacerbated by increases in demand due both to demographic changes, government policy changes and the cost-of-living crisis.

- a) The UK economy had showed signs of recovery in the first half of 2024 and GDP growth is expected to grow by 1.2% in 2025, however inflation (CPI) has risen above the target in recent months, rising to 2.6% in November. In addition, persistent challenges such as the cost-of-living crisis, the ongoing Russia-Ukraine war, and the escalating conflict in the Middle East continue to cast a shadow of uncertainty over the global economic outlook.
- b) The Council, like many local authorities, is facing a confluence of financial pressures. These include:
  - **Escalating Costs:** Rising inflation and increased demand for adult and children's social care services are significantly increasing operational expenses.
  - **Pressures in Health Care System:** Health colleagues are facing similar pressures with significant saving plans. Adults will be working closely to ensure system efficiencies are delivered jointly without cost shunting of care,
- c) Ongoing after-effects of record high inflation are continuing to impact our residents. Living costs have remained far higher than pre-pandemic levels, with inflation in essentials such as food, fuel and energy bills in particular remaining much higher than in recent years. As a consequence, demand-led services within the Council have felt the pressure of the needs of our residents who have turned to the Council for support.
- d) Social care (Adults and Children) faces significant cost increases. Care providers are demanding higher fees to offset rising operational costs,

exacerbated by labour shortages and limited placement options. This situation is further compounded by growing demographic demand, creating a challenging and unsustainable environment for the sector. Demand containment is a core assumption within the Budget and MTFP modelling.

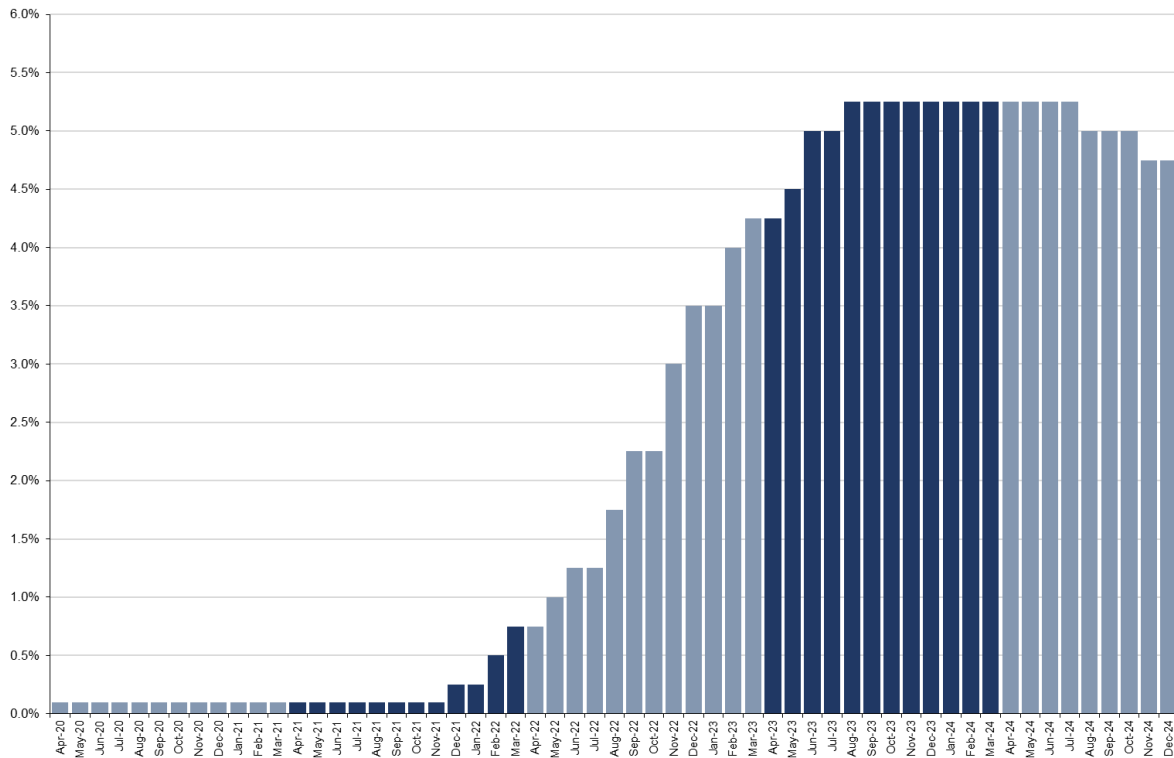
- e) Home to school transport - Rising costs due to inflation (fuel, driver wages) in addition to increased demand for services as well as limited government funding.
- f) The private rented sector is facing a perfect storm: higher interest rates impacting landlords' mortgage repayments, a cost-of-living crisis squeezing tenants, and the potential for insufficient increases to Local Housing Allowance (LHA). This confluence of factors threatens to significantly increase homelessness.
  - *Reduced affordability*: With landlords facing higher costs and tenants struggling to afford rent, the availability of affordable private rented properties is likely to decline.
  - *Increased homelessness*: This reduction in affordability, coupled with insufficient LHA increases, is pushing more households into homelessness, requiring costly temporary accommodation, including potentially increased use of bed and breakfasts.
  - *Strained council budgets*: The differential between LHA payments and actual rental costs for temporary accommodation is placing further strain on council budgets, exacerbating the financial burden of the homelessness crisis.
- g) Pay inflation – the National Joint Council (NJC) for Local Government services pay award for 2024/25 has been confirmed at:
  - An uplift of £1,290 to all pay spinal points for pay Grades B to J
  - 2.5% uplift for all other pay grades
- h) Energy and fuel prices in the UK have risen significantly and remain elevated compared to pre-crisis levels. Recent trends show a slight increase in January 2025, followed by a predicted small decrease in April 2025. Global energy market volatility, geopolitical events (like the Ukraine conflict), and various economic factors such as inflation continue to influence prices. This global impact on cost of energy and fuel will continue to impact service costs across many areas of the Council.

### **Economic Outlook - Interest Rates**

- 2.12. The Bank of England Monetary Policy Committee at its 19 December 2024 meeting confirmed the bank rate interest remains at 4.75%. This follows a second 0.25% reduction in early November 2024. The Monetary Policy Committee will review this next on 6 February 2025.

**Chart 2: Bank of England Interest Rate (April 2020 to December 2024)**





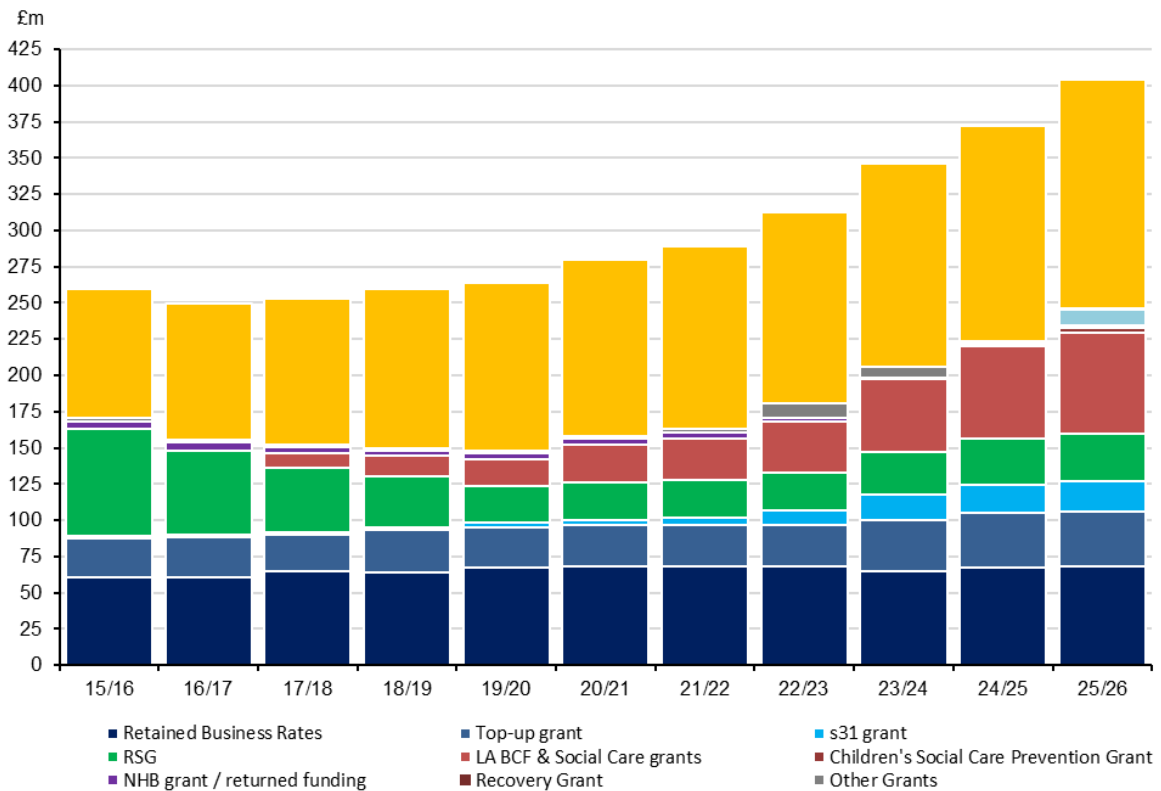
Source: [Bank of England - Interest rates and Bank Rate](#)

## Local Government Financial Landscape

- 2.13. The financial landscape facing the sector including the Council continues to be challenging, with an increasing number of councils, including noticeably those with social care responsibilities, give warnings about their ability to balance their budgetary positions in the coming years.
- 2.14. Many of the sectoral bodies (Local Government Association, County Councils Network, Society of County Treasurers and Special Interest Group of Municipal Authorities) published warnings in 2023 illustrating the current local government finance system is failing to tackle issues around social care funding (including children's), plus the continued impact of high inflation, have put many councils in a perilous financial position with many S151 Officers considering issuing of S114 reports for not being able to balance their budget over the next 12-24 months.
- 2.15. On 18 December 2024 MHCLG published the provisional settlement for the 2025/26 only and announced a Recovery Grant to support Councils. However, the lack of clarity regarding multi-year settlements makes budget planning, particularly in the current environment unnecessarily complex and challenging.
- 2.16. The balance of overall funding has altered in recent years with a greater proportion coming from Council Tax and key specific grants with significantly less coming from Revenue Support Grant (RSG). Whilst the RSG received by Nottingham has reduced by £41.1m (or 55.7%) between 2015/16 and 2025/26, the overall 'Core Spending Power' measure as utilised by MHCLG has increased by £143.9m (or 55.4%).

2.17. This is reflected in the chart below which shows MHCLG’s latest Nottingham ‘core spending power’ assumptions for 2015/16 to 2025/26. This illustrative approach encompasses estimated locally retained business rates income and top-up, estimated council tax along with RSG and other grants i.e. new recovery grant, social care, new homes bonus and compensation for business rates reliefs/under-indexing to give an overall indication of the funding available to the authority.

**Chart 3: Illustrative Core Spending Power**



Source: <https://www.gov.uk/government/publications/core-spending-power-table-provisional-local-government-finance-settlement-2025-to-2026>

2.18. The Government launched its proposed future funding reforms on 18 December 2024. These will include reform of the Settlement Funding Assessment, a reset of the Business Rates Retention System and a replacement to the New Homes Bonus. Further consultation papers and detailed exemplifications will be expected later in the year.

2.19. Funding formulas and business rates baselines have not been updated since 2013/14. The previous Fair Funding Review was launched in 2016, with the most-recent full consultation paper in December 2018. The proposed reforms are a continuation of the previous governments’ proposals and use many of the same principles.

2.20. The Government’s stated intention is to implement its reforms in 2026/27. At this stage it is not possible to robustly model projections for individual authorities due to the complexity of the local government financial system and the many possible interactions between the options available for ministerial decisions on its final shape.

**Budget Strategy**

2.21. The strategic approach adopted for the 2025/26 budget process was originally outlined in the Budget Strategy report considered by 18 June 2024 Executive Board. This set out

the direction of travel to how the Council plans to finance its operations and meet its strategic council priorities. It identified the themes and categories the Council will look to further develop as a means of delivering a balanced budget over the medium term and set out any underlying actions that need to be taken.

- 2.22. The initial range of new saving and income proposals developed using the budget strategy were reported in the Budget Savings report considered by 17 December 2024 Executive Board. These draft proposals were approved for public and staff consultation. The final proposals after considering the consultation results will be reported to the 11 February 2025 Executive Board for recommendation to Full Council. Closing the structural deficit is foundational to the medium- and longer-term financial stability of the Council. Dependency on reserves will not address the imbalance between net spend and available resources and reserves are finite. Successful delivery of transformational change and efficiency savings will be fundamental to the elimination of the embedded structural deficit.

### MTFP Approved March 2024

- 2.23. As approved by the Executive Board and City Council in February and March 2024 respectively and reiterated in Budget Strategy report to 18 June 2024 Executive Board, the previous Medium Term Financial Plan (MTFP) covered the 4-year period 2024/25 to 2027/28. It provides the financial framework to support achievement of the Council's overall objectives and delivery of services.
- 2.24. By necessity the MTFP needs to be reviewed and updated to reflect changing circumstances, updated priorities and ambitions, analysis of advice and information from relevant organisations and the likely effects of the local and national economic context such as Government funding settlements.
- 2.25. The table below reiterates the previously approved MTFP forecasts for 2024/25 to 2027/28 and its forecast cumulative budget gap of c£172m. The layout and some categorisations have been slightly revised from that previously published to better reflect the nature of budget adjustments and align with the presentation of the refreshed MTFP.

**Table 1: Previously Approved MTFP Summary 2024/25 to 2027/28 MTFP**

Budget Item	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m
<b>Net Budget brought forward</b>	<b>291.423</b>	<b>356.800</b>	<b>387.471</b>	<b>434.806</b>
Pay	24.288	11.374	11.261	10.318
Contractual Inflation	17.139	11.796	12.911	12.689
<b>Sub-total: Inflation</b>	<b>41.427</b>	<b>23.170</b>	<b>24.172</b>	<b>23.007</b>
Base Budget	1.175	0.000	0.000	0.000
Demographic/Demand Pressures	38.387	29.756	30.365	27.964
Service Pressures	23.883	10.049	9.577	20.000
Mitigations	(5.109)	(3.783)	(4.357)	(4.577)
Service Investments	2.751	0.000	0.000	0.000
Investments to deliver saving proposals	7.596	(7.596)	0.000	0.000
<b>Sub-total: Service Growth</b>	<b>68.683</b>	<b>28.426</b>	<b>35.585</b>	<b>43.387</b>
Technical Adjustments	(3.904)	3.379	0.186	(2.384)
Grants & Contributions	(11.204)	4.706	0.000	0.000
Reserve Movements	4.597	(2.513)	(0.005)	0.000
<b>Sub-total: Other Adjustments</b>	<b>(10.511)</b>	<b>5.572</b>	<b>0.180</b>	<b>(2.384)</b>

Budget Item	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m
Previously Agreed (incl. reprofiling)	(12.095)	(13.295)	(11.980)	(0.088)
Duties & Powers	(22.128)	(13.202)	(0.623)	(0.396)
<b>Sub-total: Saving &amp; Income</b>	<b>(34.223)</b>	<b>(26.497)</b>	<b>(12.603)</b>	<b>(0.483)</b>
<b>Total: Budget Adjustments</b>	<b>65.377</b>	<b>30.671</b>	<b>47.335</b>	<b>63.526</b>
<b>Projected Net Budget</b>	<b>356.800</b>	<b>387.471</b>	<b>434.806</b>	<b>498.332</b>
Business Rates, Top-up, S31 Grants & RSG	(165.689)	(169.003)	(172.383)	(175.831)
Council Tax	(148.879)	(149.511)	(150.140)	(150.772)
Collection Fund	(1.207)	0.000	0.000	0.000
<b>Projected Core Funding</b>	<b>(315.776)</b>	<b>(318.514)</b>	<b>(322.523)</b>	<b>(326.603)</b>
<b>Exceptional Financial Support</b>	<b>(41.024)</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
<b>Cumulative Gap</b>	<b>0.000</b>	<b>68.957</b>	<b>112.282</b>	<b>171.730</b>
<b>Incremental Gap</b>	<b>0.000</b>	<b>68.957</b>	<b>43.326</b>	<b>59.447</b>

### Revised MTFP Assumptions 2025/26 to 2028/29

- 2.26. This report sets out a refresh of the MTFP projections and reflects the results of a rigorous review of all Directorate growth and the initial funding updates as announced in the Provisional Settlement. The MTFP and budget strategy is being compiled in a period of continued financial uncertainty due to the lack of multi-year settlements and any estimate beyond one-year remains speculative. The potential future impact of Local Government Finance Reform expected in 2026/27 as announced alongside the Provisional Settlement has not been reflected in the MTFP.
- 2.27. Summarised below are the key assumptions which feed into the current MTFP refresh:
- A core assumption in setting the base for 2025/26 includes successfully managing demand related cost pressures within the current financial year 2024/25 and sustaining this position over the medium term.
  - The 2025/26 budget assumes Council Tax is increased by 4.99% which will generate £7.6m. Any proposal to reduce this will result in an increase to the budget gap or the requirement to identify savings to replace.
  - The Council Tax base is assumed to increase by 2.5% in 2025/26 due to underlying increase and introduction of 2<sup>nd</sup> home premium.
  - Future increases in Retained Business Rates and associated section 31 grants reflect only 2% CPI inflation projections with working assumption of nil underlying growth.
  - Assumed 'roll over' settlement increases linked with CPI inflation and MTFP does not attempt to quantify any potential future 'Fair Funding' policy changes
  - Where national increases are known for specific grants, an estimated future projection has been included based on best available information. Assume that all other specific grants will continue at their current level for all future years.
  - Assumed pay inflation equivalent to 4% for 2025/26 and all future years
  - No general increase for contractual inflation. Directorates have included known inflationary increases within their growth submissions.
  - Directorates have submitted risk assessed growth cases identifying specific demographic, service, and other pressures.
  - Creation of an ongoing corporate contingency of £15m in 2025/26 and then £10m in all future years

- k) Payback of previous internal borrowing from earmarked reserves of £20m for building financial resilience in 2023/24 continues at £2.3m per year with the final repayment in 2031/32.
- l) Subject to a further review, a further payback of £2.3m into the HRA due to NCH.
- m) Annual contribution of £1m to the General Fund Balance continues.
- n) Revenue contribution to fund capital expenditure of £1.1m

2.28. All these budget assumptions will continue to be reviewed considering any changing circumstances before the final MTFP is presented to Council in March 20205.

### Updated MTFP

2.29. Table 2 below summarises the overall position of the latest MTFP refresh with a new projected budget gap for 2025/26 of £23.4m after new saving, income proposals and an assumed 4.99% Council Tax increase. The MTFP refresh also builds on savings previously approved, with other assumptions updated to reflect current service and national information.

2.30. The Council will need to identify savings through transformation, efficiencies and income generation over and above what is already included in the MTFP. Successful delivery of such change and efficiencies will ensure the Council does not need to rely on Exceptional Financial support post-2026/27 financial year.

**Table 2: Refreshed MTFP Summary 2025/26 to 2028/29**

Budget Item	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	Table
<b>Net Budget brought forward</b>	<b>356.800</b>	<b>350.258</b>	<b>371.669</b>	<b>390.103</b>	
Pay	11.271	13.468	10.746	11.176	3
Contractual Inflation	11.487	7.513	7.621	6.058	4
<b>Sub-total: Inflation</b>	<b>22.759</b>	<b>20.981</b>	<b>18.366</b>	<b>17.233</b>	
Base Budget adjustments	7.397	(0.186)	(0.500)	(0.407)	
Demographic/Demand Pressures	3.973	10.803	3.044	2.875	
Service Pressures	13.489	1.675	(0.024)	(0.374)	
Mitigations	(1.252)	(9.629)	(1.590)	(0.500)	
Service Investments	4.016	(0.566)	0.000	0.000	
Investments to deliver proposals	(7.596)	0.000	0.000	0.000	
<b>Sub-total: Service Growth</b>	<b>20.027</b>	<b>2.098</b>	<b>0.930</b>	<b>1.594</b>	5
Technical Adjustments	17.185	(4.730)	(0.106)	0.800	6
Grants & Contributions	(25.304)	12.263	0.000	0.000	7
Reserve Movements	(3.079)	0.560	0.000	0.000	8
<b>Sub-total: Other Adjustments</b>	<b>(11.198)</b>	<b>8.094</b>	<b>(0.106)</b>	<b>0.800</b>	
Previously Approved	(19.764)	(3.650)	(0.483)	0.000	9
New Savings & income	(18.365)	(6.112)	(0.274)	0.105	10
<b>Sub-total: Saving &amp; Income</b>	<b>(38.129)</b>	<b>(9.761)</b>	<b>(0.757)</b>	<b>0.105</b>	11
<b>Total: Budget Adjustments</b>	<b>(6.542)</b>	<b>21.411</b>	<b>18.434</b>	<b>19.732</b>	
<b>Projected Net Budget</b>	<b>350.258</b>	<b>371.669</b>	<b>390.103</b>	<b>409.835</b>	
Business Rates, Top-up, S31	(166.678)	(181.126)	(184.749)	(188.444)	
Grants & RSG	(160.160)	(161.644)	(163.126)	(164.611)	
Council Tax	0.000	0.000	0.000	0.000	
Collection Fund					
<b>Projected Core Funding</b>	<b>(326.837)</b>	<b>(342.771)</b>	<b>(347.875)</b>	<b>(353.055)</b>	12
<b>Cumulative Gap</b>	<b>23.421</b>	<b>28.898</b>	<b>42.227</b>	<b>56.780</b>	
<b>Incremental Gap</b>	<b>23.241</b>	<b>5.478</b>	<b>13.329</b>	<b>14.553</b>	

- 2.31. Table 3 below summarises the projected net budgets for Directorates based on the above incremental MTFP changes and the 2024/25 base budget as of the writing this report. These figures will be updated as further detailed budget coding of adjustments are finalised, cross-cutting saving proposals and pay figures are reallocated to the appropriate directorate budgets.

**Table 3: Illustrative Directorate Net Budget Projections**

Directorate	2024/25 <sup>A</sup> £m	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m
Adult Social Care & Health	92.267	95.091	97.872	103.130	108.834
Children & Education Services	90.053	88.973	91.537	93.692	95.462
Communities, Environment & Resident Services	46.429	42.637	42.295	42.337	42.296
Growth & City Development	4.379	6.901	8.450	9.025	9.629
Finance & Resources	44.507	45.095	43.392	42.847	42.566
Chief Executive	10.622	13.796	14.095	13.588	13.588
Companies	0.576	0.679	0.770	0.841	0.841
Corporate <sup>B</sup>	67.966	57.086	73.258	84.643	96.619
<b>Net Budget</b>	<b>356.800</b>	<b>350.258</b>	<b>371.669</b>	<b>390.103</b>	<b>409.835</b>
<b>Core Funding</b>	<b>(315.776)</b>	<b>(326.837)</b>	<b>(342.771)</b>	<b>(347.875)</b>	<b>(353.055)</b>
<b>Cumulative Gap</b>	<b>41.024</b>	<b>23.421</b>	<b>28.898</b>	<b>42.227</b>	<b>56.780</b>
<b>Incremental Gap</b>	<b>41.024</b>	<b>23.241</b>	<b>5.478</b>	<b>13.329</b>	<b>14.553</b>

<sup>A</sup> Latest 2024/25 Period 9 budget amended to remove temporary in-year virements

<sup>B</sup> Includes 2024/25 and assumed future year pay awards to be allocated to directorates  
Also holds proposed 2025/26 cross-cutting proposals

- 2.32. The forecast MTFP position for 2025/26 is an improvement on that previously reported in March 2024 by £45.5m. However, significant risks remain in relation to the delivery of the current and proposed savings for delivery in 2025/26.

- 2.33. Table 4 and Appendix 1 track the various changes since the previously approved March MTFP. The most significant changes in 2025/26 include:

- £5.5m reduction in pay assumptions offset by assumed £5.2m net impact of change to Employers National Insurance Contributions
- £12.4m net reduction in identified Directorate pressures
- £11.6m net increase in Savings Programme after considering reprofiling of existing programme and addition of new savings and income proposals
- Creation of new £15m Corporate Contingency to cover risk of future saving non-delivery and emerging in-year pressures
- £25m extra income from Recovery and other grants
- Additional £10.6m Council Tax income from projected taxbase and assumed 4.99% B and D increase

**Table 4: Tracking MTFP changes since March MTFP (incremental)**

Budget item	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	cumulative £m
<b>March Council Budget Gap</b>	<b>68.957</b>	<b>43.326</b>	<b>59.447</b>	<b>0.000</b>	<b>171.730</b>
Pay Inflation	(0.102)	2.207	0.428	11.176	13.708
Contractual Inflation	(0.309)	(5.398)	(5.068)	6.058	(4.718)
Pressures	(12.415)	(32.922)	(42.456)	1.594	(86.200)
Investments	4.016	(0.566)	0.000	0.000	3.451
Technical Adjustments	13.806	(4.916)	2.278	0.800	11.969

Budget item	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	cumulative £m
Grants & Contributions	(30.010)	12.263	0.000	0.000	(17.747)
Reserve Movements	(0.566)	0.566	0.000	0.000	0.000
Reprofile previously approved savings	6.733	8.953	0.000	0.000	15.686
New Saving & income Proposals	(18.365)	(6.112)	(0.274)	0.105	(24.646)
<b>Budget Adjustments</b>	<b>(37.213)</b>	<b>(25.924)</b>	<b>(45.093)</b>	<b>19.732</b>	<b>(88.497)</b>
Settlement related	2.326	(11.069)	(0.175)	(3.695)	(12.613)
Council Tax - underlying tax base	(3.037)	(0.785)	(0.780)	(1.414)	(6.016)
Council Tax - assumed 4.99% Band D increase in 2025/26	(7.612)	(0.071)	(0.070)	(0.071)	(7.824)
<b>Funding Adjustments</b>	<b>(8.323)</b>	<b>(11.924)</b>	<b>(1.026)</b>	<b>(5.179)</b>	<b>(26.452)</b>
<b>Updated Budget Gap</b>	<b>23.421</b>	<b>5.478</b>	<b>13.329</b>	<b>14.553</b>	<b>56.780</b>

2.34. It should be noted that the above MTFP refresh is based on latest available assumptions and directorate updates and as such is at a point in time. Further movement in the future year gap projections may arise as assumptions are further reviewed and updated.

2.35. The MTFP does not yet reflect the following items due to information not being available. It will be updated when received for the final budget report:

- Approved tax base for 2025/26 - will be finalised by late January in line with Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012
- Projected retained business rates for 2025/26 - will be finalised by late January as part of submitting NNDR1 return to MHCLG
- Final settlement, including any grant conditions for new or increased specific grants along with funding towards the increase in national insurance– expected in early February

### Inflation - Pay

2.36. Table 5 below summarises the pay and pension items included in the MTFP. These form a significant driver to the increased MTFP gaps.

**Table 5: Pay (incremental)**

Item	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	cumulative £m
Revised 24/25 assumptions	(3.889)	0.000	0.000	0.000	(3.889)
Future pay resources	9.788	10.333	10.746	11.176	42.042
Potential direct cost of Employers NI Contribution (ENIC) increase	8.300	0.000	0.000	0.000	8.300
Assumed funding for ENIC	(3.135)	3.135	0.000	0.000	0.000
Holiday Pay / Overtime	0.208	0.000	0.000	0.000	0.208
<b>Pay</b>	<b>11.271</b>	<b>13.468</b>	<b>10.746</b>	<b>11.176</b>	<b>46.660</b>

2.37. The MTFP refresh currently assumes as a working assumption that the agreed 2024/25 flat rate pay award equates to c4.5% and that the eventual 2025/26 and future pay awards will be equivalent to 4.0%. These compare with the original assumptions in the March MTFP of assumed 6.8% for 2024/25, 5.0% for 2025/26, 4.5% in 2026/27 and 4.0% in 2027/28 and beyond.

2.38. It is estimated that the potential direct cost of the announced increase in Employer's National Insurance Contributions might be as high as c£8.3m. The available Government

funding is estimated to be only c£3.1m based on information released with the Provisional Settlement. The final funding will not be confirmed until the Final Settlement.

## Inflation – Contractual

- 2.39. Table 6 below summarises the contractual inflation increases included in the MTFP. This forms a significant driver to the increased MTFP gaps.

**Table 6: Contractual inflation** (incremental)

Directorate	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	cumulative £m
Adults	3.491	3.561	3.632	3.705	14.389
<i>Adult Social Care &amp; Health</i>	3.491	3.561	3.632	3.705	14.389
Children's	3.429	3.215	3.239	2.045	11.927
Education	0.108	0.068	0.068	0.000	0.244
<i>Children &amp; Education Services</i>	3.537	3.283	3.307	2.045	12.171
Communities, Environment & Resident Services	0.236	0.194	0.259	0.294	0.983
Growth & City Development	0.770	0.163	0.114	0.014	1.061
Finance & Resources	(0.076)	0.000	0.000	0.000	(0.076)
Chief Executive	0.011	0.298	0.299	0.000	0.609
Companies	0.019	0.014	0.009	0.000	0.043
Corporate	3.500	0.000	0.000	0.000	3.500
<b>Contractual inflation</b>	<b>11.487</b>	<b>7.513</b>	<b>7.621</b>	<b>6.058</b>	<b>32.678</b>

- 2.40. The significant items of contractual inflation include:
- Adults - £3.5m in 2025/26 rising to cumulative £14.4m by 2028/29
  - Children's - £3.4m in 2025-26 rising to cumulative £11.9m by 2028-29
  - £3.5m additional contractual costs (£0.8m CSE and £2.7m ASC)

The contractual inflation noted above for Adults and Children's relate to meeting the increased cost of provision by independent providers with a view to ensure market sustainability and statutory care is provided for Adults and Children in Nottingham.

## Growth – Pressures / Investment

- 2.41. Tables 7a and 7b below summarise the Service Growth identified by directorates and included in the MTFP by category and directorate respectively. These form a significant driver to the increased MTFP gaps.

**Table 7a: Demand/Service Pressures by category** (incremental)

Category	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	cumulative £m
Base Budget	7.397	(0.186)	(0.500)	(0.407)	6.304
Demographic / Demand Pressures	3.973	10.803	3.044	2.875	20.694
Service Pressures	13.489	1.675	(0.024)	(0.374)	14.766
Mitigations	(1.252)	(9.629)	(1.590)	(0.500)	(12.971)
Service Investments	4.016	(0.566)	0.000	0.000	3.451
Remove previous investment to deliver proposals	(7.596)	0.000	0.000	0.000	(7.596)
<b>Service Growth</b>	<b>20.027</b>	<b>2.098</b>	<b>0.930</b>	<b>1.594</b>	<b>24.649</b>



**Table 7b: Demand/Service Pressures by Directorate** (incremental)

Directorate	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	cumulative £m
Adults	8.211	2.000	2.000	2.000	14.211
Commissioning	0.000	0.000	0.000	0.000	0.000
Public Health	0.412	0.000	0.000	0.000	0.412
<i>Adult Social Care &amp; Health</i>	<i>8.623</i>	<i>2.000</i>	<i>2.000</i>	<i>2.000</i>	<i>14.623</i>
Children's	0.939	(0.835)	(0.824)	(0.274)	(0.994)
Education	0.795	0.425	(0.050)	0.000	1.170
<i>Children &amp; Education Services</i>	<i>1.734</i>	<i>(0.410)</i>	<i>(0.874)</i>	<i>(0.274)</i>	<i>0.175</i>
Communities, Environment & Resident Services	0.224	0.054	0.047	(0.451)	(0.126)
Growth & City Development	7.001	1.420	0.281	0.600	9.302
Finance & Resources	3.093	(0.967)	(0.524)	(0.281)	1.321
Chief Executive	3.456	0.000	0.000	0.000	3.456
Corporate	(4.103)	0.000	0.000	0.000	(4.103)
<b>Service Growth</b>	<b>20.027</b>	<b>2.098</b>	<b>0.930</b>	<b>1.594</b>	<b>24.649</b>

2.42. The significant items of service growth include:

- Adults
  - £2m allocation has been made in 2025/26 to meet the expected increase in demand for Adult Social Care services rising to cumulative £8m by 2028/29.
  - £6.2m of savings allocated to Adults in previous years has been proved to be, due to a variety of operational factors, undeliverable, bringing the total pressure to £8.2m in 2025-26.
- Children's
  - Overall Children in Care demand growth - £1.4m in 2025/26
  - Further to these mitigations that include change and transformation projects - £0.5m reduction in 2025/26 (reducing growth to £0.9m) increasing to cumulative £2.9m reduction by 2028/29
  - High Needs placement demand - £0.2m in 2025/26 rising to cumulative £0.9m by 2028/29
- Education
  - Reduction in the high needs block contribution to SEN transport - £0.5m in 2025/26 rising to cumulative £1.0m by 2026/27
  - Reprofile SEND saving in base budget - £0.4m in 2025/26
- Growth and City Development
  - Asset Rationalisation revenue impact of disposals - £2.6m in 2025/26 rising to cumulative £4.5m by 2028/29
  - Concessionary Fares - £0.7m in 2025/26 rising to cumulative £2.5m by 2028/29
  - Facilities Management & Building Services legacy budgets - £2.1m in 2025/26
  - Homelessness - £0.5m in 2025/26 falling to a cumulative -£0.6m by 2028/29
  - Loxley House - £0.3m in 2025/26 rising to cumulative £0.5m by 2026/27
  - Reactive Maintenance budget - £0.4m in 2025/26

- Finance and Resources
  - Procurement - reprofile £1.0m existing saving from 2025/26 into future years of MTP
  - Legal & Governance - £1.0m in 2025/26 to mostly to cover staff costs
  - Finance – remove previous £1.0m pressure for Finance Target Operating Model
  - Human Resources - £0.9m in 2025/26 to mostly cover staff costs, falling to cumulative £0.5m by 2028/29
  - Customer Services - £0.6m in 2025/26 falling to £0.5m by 2026/27
- Chief Executive
  - Transformation - Maintain CPMO/Digital team base budget after current time-limited transformation funding ends March 2025 - £3.4m
- Corporate
  - Remove previously assumed one-off investment funded through reserves for delivering Duties & Powers proposals in 2024/25 - £7.5m reduction in 2025/26
  - Assumption that Children's Services Prevention Grant may be required to fund additional budget (awaiting confirmation of grant conditions) - £3.5m in 2025/26

## Technical Adjustments

2.43. Table 8 below summarises the technical adjustments included in the MTFP.

**Table 8: Technical adjustments** (incremental)

Item	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	cumulative £m
Remove previous one-off 24/25 Risk Contingency	(4.000)	0.000	0.000	0.000	(4.000)
Create new Corporate Contingency	15.000	(5.000)	0.000	0.000	10.000
Financing Transactions	2.912	0.187	0.639	0.800	4.538
Pension Fund	(1.253)	0.000	0.000	0.000	(1.253)
Intervention Costs	(0.125)	0.000	(0.806)	0.000	(0.931)
Potential budget off-setting EPR funding	5.025	0.000	0.000	0.000	5.025
Other	(0.374)	0.083	0.061	0.000	(0.230)
<b>Technical Adjustments</b>	<b>17.185</b>	<b>(4.730)</b>	<b>(0.106)</b>	<b>0.800</b>	<b>13.149</b>

2.44. Technical adjustments include:

- Removal previous one-off 2024/25 risk contingency and replace with ongoing corporate contingency of £15m in 2025/26 (equivalent to c4% of projected net budget) and then £10m in all future years. This will be available to potentially cover non-delivery of savings or other emerging issues as they arise such as additional unforeseen demand led costs
- Updated Financing Transactions after review of Treasury Management costs, Minimum Revenue Provision & the short-term cost of Exceptional Financial Support
- The drop out of intervention costs reflecting residual IAB in 2025/26 and then assumed Commissioners in 2027/28

- A notional adjustment has been included off-setting the expected new Extended Producer Responsibility (EPR) funding included in table 7. The Government is yet to appoint a Scheme Administrator to oversee the operations of EPR, provide guidance on what we will be required to deliver and/or if it will be ringfenced for recycling related activities.

## Grants and Contributions

- 2.45. Table 9 below summarises the grant and contribution adjustments included in the MTFP. These reflect grants associated with the financial settlement announcement, public health grant and other changes to grant/contributions identified by directorates.

**Table 9: Grant / Contribution** (incremental)

Item	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	cumulative £m
Recovery Grant	(11.115)	11.115	0.000	0.000	0.000
Social Care Grant	(6.716)	0.000	0.000	0.000	(6.716)
Children's Services Prevention Grant	(3.451)	0.000	0.000	0.000	(3.451)
New Homes Bonus Grant - provisional settlement	0.319	1.148	0.000	0.000	1.467
Services Grant - removed	0.674	0.000	0.000	0.000	0.674
Other grants	0.010	0.000	0.000	0.000	0.010
Extended Producer Responsibility (EPR) new funding stream	(5.025)	0.000	0.000	0.000	(5.025)
<b>Grants/Contributions</b>	<b>(25.304)</b>	<b>12.263</b>	<b>0.000</b>	<b>0.000</b>	<b>(13.041)</b>

- 2.46. The key specific grant and other funding updates include:
- New one-off Recovery Grant as announced in Provisional Settlement. It is notionally assumed that the funding of this will be rolled into future settlement via RSG
  - Social care grant – increase announced in provisional settlement
  - Children's Services Prevention Grant – new grant announced in provisional Settlement
  - New Homes Bonus - extended for one further year
  - Extended Producer Responsibility (EPR) – new funding stream announced by Department of Environment, Food and Rural Affairs (DEFRA)

## Budgeted Reserve Adjustments

- 2.47. Table 10a below summarises the MTFP adjustments to the currently budgeted reserve use or contribution.

**Table 10a: Reserve Adjustments** (incremental)

Item	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	cumulative £m
Remove one-off 24/25 contribution to Financial Resilience Reserve	(10.000)	0.000	0.000	0.000	(10.000)
Remove budgeted reserve funding of potential 2024/25 redundancy & investment costs	7.554	0.000	0.000	0.000	7.554
Various Other	(0.633)	0.560	0.000	0.000	(0.072)
<b>Reserve Adjustments</b>	<b>(3.079)</b>	<b>0.560</b>	<b>0.000</b>	<b>0.000</b>	<b>(2.518)</b>

- 2.48. Reserve MTFP adjustments include:
- Removal of one-off £10m 2024/25 contribution to reserves approved in March 2024 - originally intended to manage potential 2023/24 outturn pressures which was required in 2024/25 and subsequently contributed to corporate reserves.
  - Removal of £7.5m budgeted 2024/25 use of reserve to fund potential investment and redundancy costs associated with delivery of Duties & Powers savings. As of 31 December 2024, there has been no actual spend against the budget and no forecast spend during the last quarter of 2024/25.
- 2.49. Table 10b sets out the budgeted reserve use and contributions assumed in future years after considering the above adjustments.

**Table 10b: Budgeted Reserve Use / Contribution**

Reserve	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m
General Fund Balance	1.000	1.000	1.000	1.000
Continued payback of previously internally borrowed earmarked reserves	2.334	2.334	2.334	2.334
IT Investment Fund	2.675	2.675	2.675	2.675
NET City Reserve Fund	2.700	2.695	2.695	2.695
Revenue Reserves for Capital	1.141	1.141	1.141	1.141
<b>Contribution</b>	<b>9.851</b>	<b>9.846</b>	<b>9.846</b>	<b>9.846</b>
Resilience Reserve	(0.566)	0.000	0.000	0.000
<b>Use of Reserves</b>	<b>(0.566)</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
<b>Reserve Use/Contribution</b>	<b>9.285</b>	<b>9.846</b>	<b>9.846</b>	<b>9.846</b>

- 2.50. The future reserve contributions reflect the continuation of previously approved corporate MTFP items:
- On-going annual contribution to General Fund Balance
  - Repayment of various internally borrowed earmarked reserves - £20m to be repaid over a profile ending in 2031/32
  - Annual contribution to IT Investment Fund
  - Tram figures based on PFI project model
  - On-going contribution to capital reserve to be used for any early year deficits
- 2.51. The proposed use of reserves in 2025/26 is to fund one-off staff investment to increase the pace and scale of asset disposal.
- 2.52. Table 11 summarises the current projected level of General Fund Balance and Earmarked Reserves. There is an opportunity to reclassify several previous earmarked reserves as available for transfer into a refreshed General Fund Balance. These reserves include:
- Resilience
  - Transformation
  - Rebasing
  - Workforce
  - Treasury Management/MRP
  - Revenue Reserves for Capital

**Table 11: 2024/25 Available General Fund (GF) Balance and Earmarked Reserves**

Reserve	Opening Balance 01/04/24 £m	Budgeted MTFP Contributions / Use of Reserve £m	Projected In-year Contributions / Use of Reserve £m	Closing Balance 31/03/25 £m
Previous GF Balance	22.718	0.000	1.000	23.718
Reclassify previous earmarked reserves	41.235	1.141	(2.739)	39.637
<b>Available GF reserves</b>	<b>63.953</b>	<b>1.141</b>	<b>(1.739)</b>	<b>63.355</b>
Earmarked Reserves	156.050	7.516	(14.093)	149.474
<b>Total</b>	<b>220.003</b>	<b>8.657</b>	<b>(15.832)</b>	<b>212.829</b>

## Previous Savings Programme

- 2.53. Table 12a summarises the continuing profile of all previously approved saving and income proposals as included in the March 2024 MTFP (i.e. Transformation, Duties & Powers, and other older proposals). These figures also reflect any subsequent reprofiling of originally approved savings where non-deliverability has been recognised as part of the 2025/26 budget process.

**Table 12a: Previous Savings Programme (incremental)**

Directorate	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	cumulative £m
Duties & Powers	(13.202)	(0.623)	(0.396)	0.000	(14.220)
Transformation	(11.210)	(13.122)	(0.278)	0.000	(24.610)
Other directorate savings	(1.206)	0.450	0.000	0.000	(0.756)
<b>Previously Agreed Income &amp; Savings</b>	<b>(25.618)</b>	<b>(13.295)</b>	<b>(0.674)</b>	<b>0.000</b>	<b>(39.586)</b>
Saving Reprofile	5.854	9.645	0.190	0.000	15.689
<b>Previous Savings Programme</b>	<b>(19.764)</b>	<b>(3.650)</b>	<b>(0.483)</b>	<b>0.000</b>	<b>(23.897)</b>

- 2.54. The previously approved savings programme includes:
- Duties & Powers approved as part of 2024/25 budget
  - Transformation savings approved in 2022/23 to 2024/25 budgets
  - Directorate-led saving and income proposals approved in 2022/23 to 2024/25 budgets
- 2.55. The current 2024/25 savings programme (including under delivered 2023/24) is currently reporting a total £9.8m savings at risk of delivery. As part of the budget setting process the future delivery of previously approved proposals has been reviewed and planned savings in the following services have been deemed as no longer deliverable and without suitable alternative mitigations:
- Adults – £6.9m strength-based practice approach transformation (a further £6.2m of past savings in the directorate’s base budget has also been removed) but obviously replaced with additional risk based savings
  - Adults – £1.6m for Adult Social Care Assessment function duties & power restructure has been reprofiled from 2025/26 to 2026/27
  - Education - £0.4m for various proposals (a further £0.5m of past savings in the directorate’s base budget has also been removed)
  - Growth & City Development – £7.9m for Homelessness in 2026/27
  - Finance & Resources – £0.5m for various duties & powers savings

- 2.56. Table 12b summarises the continuing profile of savings approved March 2024 and income proposals by their Lead Directorate.

**Table 12b: Previous Savings Programme by Directorate (incremental)**

Directorate	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	cumulative £m
Adults	(5.209)	(2.780)	(0.374)	0.000	(8.363)
Commissioning	(0.095)	0.000	0.000	0.000	(0.095)
<i>Adult Social Care &amp; Health</i>	<i>(5.304)</i>	<i>(2.780)</i>	<i>(0.374)</i>	<i>0.000</i>	<i>(8.458)</i>
Children	(4.742)	(0.309)	(0.278)	0.000	(5.329)
Education	(0.020)	0.000	0.000	0.000	(0.020)
<i>Children &amp; Education Services</i>	<i>(4.762)</i>	<i>(0.309)</i>	<i>(0.278)</i>	<i>0.000</i>	<i>(5.349)</i>
Communities, Environment & Resident Services	(2.699)	0.000	0.000	0.000	(2.699)
Growth & City Development	(4.870)	0.176	0.190	0.000	(4.503)
Finance & Resources	(1.962)	(0.737)	(0.021)	0.000	(2.720)
Chief Executive	(0.168)	0.000	0.000	0.000	(0.168)
<b>Savings Programme</b>	<b>(19.764)</b>	<b>(3.650)</b>	<b>(0.483)</b>	<b>0.000</b>	<b>(23.897)</b>

### 2025/26 Saving and Income proposals

- 2.57. A report on the proposed 2025/26 new budget savings was presented at the Executive Board on 17 December 2024 and has been provisionally included within this MTFP update.
- 2.58. Table 13 summarises these savings and some further income generation that has been identified as part of a fees and charges review:
- Cross-cutting savings totalling £16.1m over the duration of the MTFP, with £10.8m scheduled for 2025/26, were proposed for public and staff consultation. The consultation period ends 13 January 2024, and the outcome will be reviewed and the MTFP updated accordingly
  - Efficiency savings and income proposals that do not involve significant service or policy changes were also identified totalling £8.1m over the duration of the MTFP with £7.1m scheduled to be delivered in 2025/26
  - A further £0.5m of income generation scheduled to be delivered in 2025/26 has also been identified since the December Consultation report

**Table 13: New Saving and Income Proposals (incremental)**

Directorate	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	cumulative £m
Digital Resident Experience	(0.029)	0.000	0.000	0.000	(0.029)
Fit-for-purpose Technology	(0.100)	0.000	0.000	0.000	(0.100)
Organisational Redesign - including Consolidating Spans, Layers & Functions	(4.009)	(1.336)	0.000	0.000	(5.345)
Improving Productivity & Performance	(1.222)	(2.333)	0.000	0.000	(3.555)
Strengthening Workforce Management	(4.928)	(1.643)	0.000	0.000	(6.571)
Reducing Third Party Spend	(0.500)	0.000	0.000	0.000	(0.500)
<b>Cross-cutting</b>	<b>(10.788)</b>	<b>(5.312)</b>	<b>0.000</b>	<b>0.000</b>	<b>(16.100)</b>
<b>Public and Staff Consultation</b>	<b>(10.788)</b>	<b>(5.312)</b>	<b>0.000</b>	<b>0.000</b>	<b>(16.100)</b>
Direct Payments Reviews	(0.805)	0.000	0.000	0.000	(0.805)

Directorate	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	cumulative £m
Residential and Nursing additional hours Reviews	(0.428)	0.000	0.000	0.000	(0.428)
High-cost package reviews	(0.270)	0.000	0.000	0.000	(0.270)
Review of ASC Transport	(0.250)	0.000	0.000	0.000	(0.250)
Recovery and Reablement	(0.950)	0.000	0.000	0.000	(0.950)
Grants Realignment	(0.881)	0.000	0.000	0.000	(0.881)
<b>Adult Social Care &amp; Health</b>	<b>(3.584)</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>(3.584)</b>
Children's Operating Model Redesign	(2.000)	0.000	0.000	0.000	(2.000)
<b>Children &amp; Education Services</b>	<b>(2.000)</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>(2.000)</b>
Redesign of Sport and Leisure services	(0.251)	(0.256)	0.000	0.000	(0.507)
A revised management model for Museums and Galleries	(0.467)	(0.334)	(0.264)	(0.085)	(1.150)
Theatre Royal Concert Hall	(0.093)	0.000	0.000	0.000	(0.093)
Reduce subsidy of the commissioned events programme	(0.086)	0.000	0.000	0.000	(0.086)
Managing government funded Programmes focused on sustainability and reducing carbon emissions	(0.200)	0.000	0.000	0.200	0.000
<b>Communities, Environment &amp; Resident Services</b>	<b>(1.098)</b>	<b>(0.590)</b>	<b>(0.264)</b>	<b>0.115</b>	<b>(1.836)</b>
Freestanding advertising units contract and review	(0.300)	(0.210)	(0.010)	(0.010)	(0.530)
Review of Facilities Management & Cleaning services	(0.080)	0.000	0.000	0.000	(0.080)
<b>Growth &amp; City Development</b>	<b>(0.380)</b>	<b>(0.210)</b>	<b>(0.010)</b>	<b>(0.010)</b>	<b>(0.610)</b>
Review early external debt repayment	(0.060)	0.000	0.000	0.000	(0.060)
<b>Corporate</b>	<b>(0.060)</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>(0.060)</b>
<b>Efficiencies and Income Proposals</b>	<b>(7.122)</b>	<b>(0.800)</b>	<b>(0.274)</b>	<b>0.105</b>	<b>(8.090)</b>
<b>December Exec Board</b>	<b>(17.910)</b>	<b>(6.112)</b>	<b>(0.274)</b>	<b>0.105</b>	<b>(24.190)</b>
Cemeteries & Crematoria (CE&RS)	(0.086)	0.000	0.000	0.000	(0.086)
Domestic Waste (CE&RS)	(0.280)	0.000	0.000	0.000	(0.280)
Commercial Waste (CE&RS)	(0.090)	0.000	0.000	0.000	(0.090)
<b>Further Income Generation</b>	<b>(0.456)</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>(0.456)</b>
<b>New Savings &amp; Income Proposals</b>	<b>(18.365)</b>	<b>(6.112)</b>	<b>(0.274)</b>	<b>0.105</b>	<b>(24.646)</b>

2.59. Table 14 summarises the total future Savings Programme by Directorate by combining the continuing profiles of previous savings with the proposed new saving and income proposals. New cross-cutting savings will be allocated to appropriate directorates once the proposals are further developed after consultation.

**Table 14: Total New Saving Programme (incremental)**

Directorate	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	cumulative £m
Adults	(8.793)	(2.780)	(0.374)	0.000	(11.947)
Commissioning	(0.095)	0.000	0.000	0.000	(0.095)
<i>Adult Social Care &amp; Health</i>	<i>(8.888)</i>	<i>(2.780)</i>	<i>(0.374)</i>	<i>0.000</i>	<i>(12.042)</i>
Children's	(6.742)	(0.309)	(0.278)	0.000	(7.329)
Education	(0.020)	0.000	0.000	0.000	(0.020)
<i>Children &amp; Education Services</i>	<i>(6.762)</i>	<i>(0.309)</i>	<i>(0.278)</i>	<i>0.000</i>	<i>(7.349)</i>
Communities, Environment & Resident Services	(4.252)	(0.590)	(0.264)	0.115	(4.991)
Growth & City Development	(5.250)	(0.034)	0.180	(0.010)	(5.113)

Directorate	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	cumulative £m
Finance & Resources	(1.962)	(0.737)	(0.021)	0.000	(2.720)
Chief Executive	(0.168)	0.000	0.000	0.000	(0.168)
Corporate	(0.060)	0.000	0.000	0.000	(0.060)
Cross-cutting – to be allocated to directorates	(10.788)	(5.312)	0.000	0.000	(16.100)
<b>Total New Savings Programme</b>	<b>(38.129)</b>	<b>(9.761)</b>	<b>(0.757)</b>	<b>0.105</b>	<b>(48.543)</b>

- 2.60. The savings proposals currently being consulted on have been risk assessed for delivery along with current savings and as of December 2024 there are £16.5m savings identified as potentially at risk.
- 2.61. Having robust and realistic operational delivery plans are key to ensuring successful delivery of the savings programme. The delivery of all savings will be regularly reported to the Finance and Resources Board, Transformation Board and the Executive Board to ensure progress is regularly monitored and risks highlighted early so that they can be appropriately managed and / or mitigated through the development of replacement plans.

### Core Funding

- 2.62. Table 15 below summarises the Core Funding adjustments since March which have been reflected in the refreshed MTFP.

**Table 15: Core Funding adjustments (incremental)**

Budget item	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	cumulative £m
Assumed Retained Business Rates	0.020	(1.256)	(1.281)	(1.307)	(3.825)
Top-up Grant	(0.449)	(0.761)	(0.776)	(0.791)	(2.777)
Assumed S31 Grants	0.194	(0.663)	(0.676)	(0.690)	(1.834)
Revenue Support Grant	(0.753)	(11.769)	(0.889)	(0.907)	(14.318)
<b>Settlement Funding</b>	<b>(0.988)</b>	<b>(14.449)</b>	<b>(3.623)</b>	<b>(3.695)</b>	<b>(22.754)</b>
Taxbase assumptions	(3.668)	(1.414)	(1.412)	(1.414)	(7.908)
Band D increase - 4.99% in 25/26	(7.612)	(0.071)	(0.070)	(0.071)	(7.824)
Revised Council Tax Support Scheme	TBC	0.000	0.000	0.000	0.000
<b>Council Tax Income</b>	<b>(11.280)</b>	<b>(1.484)</b>	<b>(1.482)</b>	<b>(1.484)</b>	<b>(15.732)</b>
Business Rates - remove 24/25 deficit	(1.997)	0.000	0.000	0.000	(1.997)
Council Tax - remove 24/25 surplus	3.203	0.000	0.000	0.000	3.203
<b>Collection Fund surplus/deficit</b>	<b>1.207</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>1.207</b>
<b>Core Funding increase</b>	<b>(11.062)</b>	<b>(15.933)</b>	<b>(5.105)</b>	<b>(5.179)</b>	<b>(37.279)</b>

### Council Tax

- 2.63. A key component of the budget strategy requires the Council to consider and explore the option for increasing Council Tax. Any increase above the referendum criteria annually published by MHCLG requires either permission from Secretary of State or the authority



must undertake a strictly prescribed local referendum. The referendum limit is set at 4.99% for 2025/26 (2.99% core council tax and 2% adult social care precept).

- 2.64. The 2025/26 budget assumes a provisional proposal to uplift the council tax by 4.99%. For illustrative purposes a 1% council tax increase in 2025/26 equates to £1.525m (based on current projected council taxbase), therefore a 4.99% increase will equate to £7.612m whilst a 9.99% increase will equate to £15.240m. Any increase above the referendum limit would likely need to consider the cost of additional support through the council tax support scheme and collection of debt.
- 2.65. Due to the significant financial challenge being faced by the Council, it is prudent for all options to be discussed with MHCLG in consultation with Commissioners and Leadership, with any final decision on level of Council Tax increase to be brought back for Members to take as part of the annual budget and council tax resolution decision scheduled for City Council in March 2025.
- 2.66. While Nottingham currently has the 2<sup>nd</sup> highest Band D in the country at £2,529.69 for 2024/25 (i.e. total bill inclusive of Police and Fire precepts) the average council tax actually paid per chargeable dwelling is 39<sup>th</sup> lowest and equates to only £1,383.56 (compared to national £1,667.69)
- 2.67. Nottingham has a particularly low Council Tax base with 80.0% of properties in Band A and B as compared to a national average of 43.2%. This means that a greater proportion of our residents pay at Band A and B than comparable councils and a higher rate of Council Tax is needed to derive the same yield compared as other Councils.
- 2.68. The current assumptions within the MTFP refresh reflect:
- Revised underlying tax base growth
  - An assessment of likely impact of 2<sup>nd</sup> home premium approved for 2025/26 in March Council report
  - Assumed collection rate remaining at 97.5%
  - Assumed the Council Tax Support Scheme remains unchanged. This will be considered as part of the separate report to Executive Board

### **Council Tax Support Scheme**

- 2.69. The Council operates a local council tax support scheme which takes the form of council tax discount. The scheme is currently being consulted on and the results and recommendations will be presented at the January Executive Board Committee for members to consider.

### **Capital Programme**

- 2.70. The budget setting process for the Capital Programme is underway and will be reported to Executive Board in February 2025. The capital financing requirement to deliver the programme has been included within the MTFP.
- 2.71. The basis for the draft budget will be the latest forecast position for 2024/25. And will be extended to include 2028/29. This will include indicative budgets for grants that are expected to be received based on past allocations, and any new projects fully funded from external sources.

- 2.72. The council has agreed a policy not to increase borrowing for capital investment and therefore new projects will be considered by exception and in line with the capital strategy and external funding will be explored to ensure there is no additional pressure on the MTFP.
- 2.73. A review of the capital receipts forecast, along with EFS requirements will take place to ensure EFS will be funded through capital receipts, as any additional borrowing to EFS will add pressure to borrowing costs and increase the budget gap.
- 2.74. The HRA Capital Programme is being finalised as part of the HRA Business Plan, update and will be presented alongside the budget report in February 2025.
- 2.75. The Capital Programme budget and Capital Strategy will be presented alongside the final budget proposals.

### Budget Timetable

- 2.76. It is proposed that the Council continues with the timetable as set in Table 15 so that all required proposals to balance the MTFP can be considered, as appropriate, before final decisions are made.

**Table 16: Budget Timetable**

Month	Activity
January	<ul style="list-style-type: none"> <li>• MTFP update to Executive Board setting out projected budget gap</li> <li>• Executive Board considers revised CTSS and recommends to Full Council for approval if appropriate</li> <li>• CFO agrees 2025/26 tax base and forecast collection fund surplus or deficit</li> <li>• Corporate Scrutiny Committee to consider Budget consultation</li> <li>• Schools Forum to approve Schools Budget</li> </ul>
February	<ul style="list-style-type: none"> <li>• Audit Committee to be consider Treasury Management &amp; Capital strategies</li> <li>• Final Local Government Financial Settlement</li> <li>• Executive Board to recommend Revenue &amp; Capital MTFP to Council, approve HRA rents &amp; service charges</li> <li>• Corporate Scrutiny Committee to consider Budget/MTFP</li> <li>• MHCLG to update on application for EFS</li> </ul>
March	<ul style="list-style-type: none"> <li>• City Council approves Budget, Treasury Management strategy and sets Band D Council Tax for 2025/26</li> </ul>

### 3. Other options considered in making recommendations

- 3.1. As a result of the financial challenge 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.

#### 4. **Consideration of Risk**

- 4.1. The Section 151 Officer is required to provide his statutory advice to Council on the robustness of the budget estimates and adequacy of reserves.
- 4.2. The Council has financial challenges ahead and made a request to MHCLG for EFS of up to £25m for 2025/26 and a further ceiling of £10m in 2026/27. The uncertainties of the economic environment over the short to long term also present a high risk for the Council with regards to its ability to deliver a balanced budget over the medium term.
- 4.3. It will be essential for CLT to continue to exercise firm financial management throughout this financial year and for the forthcoming year through the close monitoring of budgets and where needed, take appropriate action.
- 4.4. The risks identified through the budget setting process which need to be considered by the Section 151 Officer when determining adequacy of reserves and financial resilience are:
- The delivery of approved savings programmes
  - Likelihood of further in year variances (overspends) against approved budget in particular social care placement pressures, which continue to be partly mitigated by one-off spend controls
  - Unforeseen shocks or circumstances resulting in financial cost spikes
  - Subsidiary company risk - loans and risk of liabilities materialising
  - Assumptions regarding debt collection and impact on the collection fund
  - Economic factors such as inflation and interest rate environment
  - Major project challenges and failure
  - Capital receipts not being sufficient to meet existing capital obligations and to fund EFS
- 4.5. Given the Council's recent history, and in the context of the strategic risks, it is reasonable and prudent to set aside appropriate amounts within reserves to provide for either a single or multiple scenarios manifesting, which will be considered by the Section 151 Officer when determining adequacy of overall reserves as part of the annual budget setting process.

#### 5. **Best Value considerations**

- 5.1. 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.

#### 6. **Commissioner comments**

- 6.1. This report provides extensive background to the compilation of the budget, and the transparency of the information is to be welcomed, along with the overall reduction in the MTFs gap.
- 6.2. It reflects considerable work undertaken reviewing the finances of the authority and the finance team should be congratulated for this work.

- 6.3. Uncertainty remains on some areas of the budget including the final government settlement. The authority must monitor delivery of this budget carefully to ensure savings are delivered and risks managed.

**7. Finance colleague comments**

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

**8. Legal colleague comments**

- 8.1. The Council is required to set a balanced budget for 2025/26 before 11 March 2025 and this report is an integral step to achieving that requirement.
- 8.2. The setting of the balanced budget includes the duty to report to the Council on the robustness of the estimates provided and the adequacy of the financial reserves in place. Section 31A of the Local Government Finance Act 1992 and Section 25 of the Local Government Act 2003 refer. The Council's prospective expenditure must not be likely to exceed its resources available to meet that expenditure.
- 8.3. Councillors are subject to the Council's duty to set a balanced budget. Councillors must receive and take into account the advice of officers, particularly the Section 151 officer, when considering and deciding the Council's budget. As the decision makers, members must have due regard to the Council's equalities duties when setting the budget.
- 8.4. Exceptional Financial Support as approved by MHCLG is subject to conditions that must be complied with. The recommendations in this report raise no significant legal issues and are supported.

Beth Brown, Director of Legal and Governance, 8 January 2025

**9. Procurement comments**

- 9.1. Not applicable.

**10. Crime and Disorder Implications**

- 10.1. Not applicable.

**11. Social value considerations**

- 11.1. Not applicable.

**12. Regard to the NHS Constitution**

- 12.1. Not applicable.

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

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

No

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. Although an EIA is not required at this time, relevant proposals will be subject to an EIA, as appropriate which will be considered prior to any decisions being taken.

At this time an EIA is not required for this report

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

14.1. Not applicable.

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

15.1. Not applicable.

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

16.1. None

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

- Budget Savings 2025/26 – 2028/29 December 2024  
<https://committee.nottinghamcity.gov.uk/documents/s167058/DRAFT%20Budget%20Strategy%20MTEFP%20202526%20to%20202829%20v1.2%20003.pdf>
- 2025/26 Budget Strategy – 18 June 2024 Executive Board  
<https://committee.nottinghamcity.gov.uk/documents/s161638/2025-26%20Budget%20MTEFP%20EB%20Jun24%20v9.3%20FINAL.pdf>
- 2024/25 Budget and Council Tax Resolution – 4 March 2024 City Council  
<https://committee.nottinghamcity.gov.uk/documents/s158707/2024-25%20Budget%20Council%20Tax%20Resolution%20Report.pdf>
- 2024/25 Budget and Medium-Term Financial Plan – 13 February 2024 Executive Board  
<https://committee.nottinghamcity.gov.uk/documents/s158020/2024-25%20Budget%20MTEFP%20EB%20Feb24%20v7.1%20FINAL.pdf>

## Appendix A – Detailed tracking of MTFP changes since March MTFP

Budget item	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	cumulative £m
<b>March Council Budget Gap</b>	<b>68.957</b>	<b>43.326</b>	<b>59.447</b>	<b>0.000</b>	<b>171.730</b>
Revised 24/25 pay resources	(3.889)	0.000	0.000	0.000	(3.889)
Revised 25/26+ pay resources	(1.586)	(0.928)	0.428	11.176	9.089
Potential direct cost of Emp NI contributions increase	8.300	0.000	0.000	0.000	8.300
Assumed Funding for Employers NI	(3.135)	3.135	0.000	0.000	0.000
Holiday Pay / Overtime payment	0.208	0.000	0.000	0.000	0.208
<b>Pay Inflation</b>	<b>(0.102)</b>	<b>2.207</b>	<b>0.428</b>	<b>11.176</b>	<b>13.708</b>
Adults Provider Fee Uplifts	(3.642)	(4.039)	(4.353)	3.705	(8.330)
Children's Fostering Allowances & Provider Fee Uplifts	0.241	0.017	0.017	2.045	2.320
Other potential contractual payments	3.500	0.000	0.000	0.000	3.500
Waste Disposal	0.093	(0.067)	0.217	0.294	0.538
Housing Related Support	0.250	0.013	0.014	0.014	0.291
Facilities Mgt./Building Services	0.320	0.000	0.000	0.000	0.320
Public Transport / Concessionary Fares	(0.471)	(0.572)	(0.214)	0.000	(1.257)
Corporate contractual inflation	(0.600)	(0.750)	(0.750)	0.000	(2.100)
<b>Contractual Inflation</b>	<b>(0.309)</b>	<b>(5.398)</b>	<b>(5.068)</b>	<b>6.058</b>	<b>(4.718)</b>
Adults – reverse historic Transformation saving	6.211	0.000	0.000	0.000	6.211
Education – reverse historic saving	0.470	0.000	0.000	0.000	0.470
Revenue & Benefits - reverse historic target shortfall	0.268	0.000	0.000	0.000	0.268
IT- reverse historic income target	0.356	0.000	0.000	0.000	0.356
Procurement - re-profile saving	1.093	(0.186)	(0.500)	(0.407)	0.000
Remove previous Finance Target Operating Model resources	(1.000)	0.000	0.000	0.000	(1.000)
<b>Base Budget</b>	<b>7.397</b>	<b>(0.186)</b>	<b>(0.500)</b>	<b>(0.407)</b>	<b>6.304</b>
Remove previous notional MTFP growth held centrally	(20.000)	(17.000)	(20.000)	0.000	(57.000)
Adults' placement costs	(3.462)	(3.736)	(4.021)	2.000	(9.219)
Children in Care placement costs	(2.965)	1.138	(0.984)	0.226	(2.586)
Waste Disposal	0.000	(0.001)	(0.001)	0.049	0.047
Homelessness	0.599	0.000	0.000	0.000	0.599
Concessionary Fares	0.044	0.037	0.087	0.600	0.768
<b>Demographic/Demand</b>	<b>(25.784)</b>	<b>(19.562)</b>	<b>(24.919)</b>	<b>2.875</b>	<b>(67.390)</b>
Remove previous notional MTFP growth held centrally	(9.050)	(8.000)	(20.000)	0.000	(37.050)
Children's Staffing	0.210	(0.210)	0.000	0.000	0.000
Education SEN transport	0.500	0.500	0.000	0.000	1.000
Community Centres	0.039	0.000	0.000	0.000	0.039
Fleet	0.332	0.000	0.000	0.000	0.332
Victoria Market	0.500	0.000	0.000	(0.500)	0.000
Waste Collection	0.160	0.000	0.000	0.000	0.160
Economic Development	0.100	0.000	0.000	0.000	0.100
Planning	0.100	0.000	0.000	0.000	0.100
Homelessness	0.900	0.000	0.000	0.000	0.900

Budget item	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	cumulative £m
Asset Valuations	0.500	0.000	0.000	0.000	0.500
Loxley House	0.306	0.153	0.000	0.000	0.459
FM & Building Services	2.149	0.000	0.000	0.000	2.149
Reactive Maintenance	0.400	0.000	0.000	0.000	0.400
Procurement	0.332	(0.100)	(0.062)	0.000	0.170
HM Coroner	0.300	0.000	0.000	0.000	0.300
Customer Services	0.221	0.000	0.000	0.000	0.221
Legal & Governance	1.007	0.000	0.000	0.000	1.007
Finance	(0.062)	0.031	0.078	0.126	0.173
IT	0.016	0.000	0.000	0.000	0.016
Human Resources	0.853	(0.276)	(0.040)	0.000	0.538
Audit & Risk	0.128	0.000	0.000	0.000	0.128
Chief Executive	0.052	0.000	0.000	0.000	0.052
Transformation	3.446	0.000	0.000	0.000	3.446
<b>Service Pressures</b>	<b>3.440</b>	<b>(7.902)</b>	<b>(20.024)</b>	<b>(0.374)</b>	<b>(24.860)</b>
Adults care package income	2.768	2.907	3.052	0.000	8.727
Remove previous Children's	0.400	0.450	0.350	(0.500)	0.700
Education Catering	(0.010)	0.075	0.075	0.000	0.140
Waste & Street Cleansing	(0.160)	0.000	0.000	0.000	(0.160)
Fleet	(0.217)	0.000	0.000	0.000	(0.217)
Homelessness	0.000	(8.704)	(0.490)	0.000	(9.194)
Coronial & Celebratory Services	(0.250)	0.000	0.000	0.000	(0.250)
<b>Mitigations</b>	<b>2.531</b>	<b>(5.272)</b>	<b>2.987</b>	<b>(0.500)</b>	<b>(0.254)</b>
<b>Pressures</b>	<b>(12.415)</b>	<b>(32.922)</b>	<b>(42.456)</b>	<b>1.594</b>	<b>(86.200)</b>
Children's Services Prevention Grant will fund additional budget	3.451	0.000	0.000	0.000	3.451
Increasing the Pace and Scale of Asset Disposal	0.566	(0.566)	0.000	0.000	0.000
<b>Investments</b>	<b>4.016</b>	<b>(0.566)</b>	<b>0.000</b>	<b>0.000</b>	<b>3.451</b>
Create Corporate Risk Contingency	15.000	(5.000)	0.000	0.000	10.000
Financing Transaction review	(5.753)	0.084	2.278	0.800	(2.590)
Transfer NNDR Cost of Collection allowance	(0.466)	0.000	0.000	0.000	(0.466)
EPR expenditure for Waste	5.025	0.000	0.000	0.000	5.025
<b>Technical Adjustments</b>	<b>13.806</b>	<b>(4.916)</b>	<b>2.278</b>	<b>0.800</b>	<b>11.969</b>
Recovery Grant	(11.115)	11.115	0.000	0.000	0.000
Children's Services Prevention Grant	(3.451)	0.000	0.000	0.000	(3.451)
Social Care Grant	(9.945)	0.000	0.000	0.000	(9.945)
New Homes Bonus Grant	(1.148)	1.148	0.000	0.000	0.000
Service Grant	0.674	0.000	0.000	0.000	0.674
<b>Provisional settlement</b>	<b>(24.985)</b>	<b>12.263</b>	<b>0.000</b>	<b>0.000</b>	<b>(12.722)</b>
Extended Producer Responsibility (EPR) new funding stream	(5.025)	0.000	0.000	0.000	(5.025)
<b>Grants &amp; Contributions</b>	<b>(30.010)</b>	<b>12.263</b>	<b>0.000</b>	<b>0.000</b>	<b>(17.747)</b>
Asset Disposal investment	(0.566)	0.566	0.000	0.000	0.000
<b>Reserve Movements</b>	<b>(0.566)</b>	<b>0.566</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
Adults Strength Based Approach	3.677	3.212	0.000	0.000	6.889
Adults Assessment restructure	1.567	(1.567)	0.000	0.000	0.000

Budget item	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	cumulative £m
Education	0.357	0.089	0.000	0.000	0.446
Homelessness	0.332	7.533	0.000	0.000	7.865
Procurement	0.314	(0.314)	0.000	0.000	0.000
Legal & Governance	0.347	0.000	0.000	0.000	0.347
Audit & Risk	0.140	0.000	0.000	0.000	0.140
<b>Reprofiled savings</b>	<b>6.733</b>	<b>8.953</b>	<b>0.000</b>	<b>0.000</b>	<b>15.686</b>
Saving proposals as per December Executive Board report	(17.910)	(6.112)	(0.274)	0.105	(24.190)
Newly identified Income Generation	(0.456)	0.000	0.000	0.000	(0.456)
<b>New proposals</b>	<b>(18.365)</b>	<b>(6.112)</b>	<b>(0.274)</b>	<b>0.105</b>	<b>(24.646)</b>
<b>Saving &amp; income Proposals</b>	<b>(11.632)</b>	<b>2.841</b>	<b>(0.274)</b>	<b>0.105</b>	<b>(8.960)</b>
<b>Budget Adjustments</b>	<b>(37.213)</b>	<b>(25.924)</b>	<b>(45.093)</b>	<b>19.732</b>	<b>(88.497)</b>
Business Rates, Top-up, S31 Grants	2.440	0.049	0.050	(2.788)	(0.249)
Revenue Support Grant	(0.115)	(11.118)	(0.225)	(0.907)	(12.364)
<b>Settlement related</b>	<b>2.326</b>	<b>(11.069)</b>	<b>(0.175)</b>	<b>(3.695)</b>	<b>(12.613)</b>
Council Tax - underlying tax base	(3.037)	(0.785)	(0.780)	(1.414)	(6.016)
Council Tax - assumed 4.99% Band D increase in 2025/26	(7.612)	(0.071)	(0.070)	(0.071)	(7.824)
<b>Council Tax</b>	<b>(10.649)</b>	<b>(0.855)</b>	<b>(0.851)</b>	<b>(1.484)</b>	<b>(13.839)</b>
<b>Funding Adjustments</b>	<b>(8.323)</b>	<b>(11.924)</b>	<b>(1.026)</b>	<b>(5.179)</b>	<b>(26.452)</b>
<b>Updated Budget Gap</b>	<b>23.421</b>	<b>5.478</b>	<b>13.329</b>	<b>14.553</b>	<b>56.780</b>



<b>Subject:</b>	Nottingham City Council Concessionary Travel Scheme Arrangements 2025-26
<b>Corporate Director(s)/Director(s):</b>	Nicki Jenkins, Interim Corporate Director for Growth and City Development
<b>Executive Member(s):</b>	Cllr Neghat Khan, Executive Member for Strategic Regeneration, Transport and Communications
<b>Report author and contact details:</b>	James David Howe <a href="mailto:james.howe@nottinghamcity.gov.uk">james.howe@nottinghamcity.gov.uk</a> and mob. 07960 199 657
<b>Other colleagues who have provided input:</b>	Steve Tough
<b>Subject to call-in:</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Key Decision:</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Criteria for Key Decision:</b>	
<b>(a)</b>	<input checked="" type="checkbox"/> Expenditure <input type="checkbox"/> Income <input type="checkbox"/> Savings of £750,000 or more taking account of the overall impact of the decision
<b>and/or</b>	
<b>(b)</b>	Significant impact on communities living or working in two or more wards in the City <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Type of expenditure:</b>	<input checked="" type="checkbox"/> Revenue <input type="checkbox"/> Capital If Capital, provide the date considered by Capital Board Date:
<b>Total value of the decision:</b>	£10.883m
<b>Section 151 Officer expenditure approval</b>	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: 11611
<b>Commissioner Consideration</b>	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.
<b>Wards affected:</b>	
<b>Date of consultation with Executive Member(s):</b>	
<b>Relevant Council Plan Key Outcome:</b>	
Clean, Green and Connected Communities	<input 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"/>
<b>Summary of issues (including benefits to citizens/service users):</b>	
<p>The Nottingham Concessionary Travel Scheme is made up of statutory and discretionary elements.</p> <p>Concessions must be provided on bus services under the statutory English National Concessionary Travel Scheme (ENCTS), which guarantee free off-peak local travel to eligible older and disabled people anywhere in England. Off-peak is defined as being between 9.30am and 11.00pm on weekdays and at any time on weekends and bank holidays.</p> <p>There are also discretionary elements in the Scheme, as follows;</p>	

1. free travel on the tram for city residents during the same period as per ENCTS conditions
2. a companion travel facility attached to passes issued for certain disabilities to city residents and;
3. free travel on the bus or tram for disabled city residents before 9:30am on weekdays, from start the of service. The free travel before 9:30am on weekdays is funded using Bus Services Improvement Plan (BSIP) funding provided directly by the government, which is currently committed until at least March 2025.

The report seeks approval for the Nottingham Concessionary Travel Scheme for 2025/26, and to publish the Scheme, which it is required to do by 3<sup>rd</sup> March 2025, 28 days prior to the Scheme commencing from 1 April 2025.

Public Transport functions are due to transfer to the East Midlands County Combined Authority (EMCCA), and this will include responsibility for managing Concessionary Fare Schemes across the area. To ensure that clear arrangements are put in place, the legislation also allows for a two-year transition period up to April 2026, during which functions will transfer. The detailed arrangements for transferring functions, including timescales and reviewing variations in discretionary elements between the constituent authorities, are currently being worked through, and this may lead to the Nottingham Concessionary Travel Scheme being reviewed and amended during 2025/26. Updates will be provided to the Board as required. Following the transfer, it is expected that the Council will continue to fund part or all of the Nottingham Concessionary Travel Scheme through the payment of a Transport Levy to EMCCA.

Ahead of publishing the Scheme, the Council is required to agree reimbursement arrangements with the six local bus operators and tram concessionaire to cover each operator's loss of fares revenue, based on guidance from the Department for Transport (DfT). A significant review of the guidance was undertaken by DfT ahead of the scheme arrangements for 2024/25 as datasets and methodologies used previously were very dated and travel habits/demands post COVID had also changed. No further significant changes are expected to the guidance and calculator when they are expected to be re-issued in November 2024.

The actual costs for the scheme in 2025/26 will be determined through calculating and agreeing on a reimbursement rate per journey with operators that is based on historic passenger data. This reimbursement rate will then be applied to actual travel demand to determine the actual costs throughout the year.

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

No.

**Recommendation(s):**

- 1 To approve the Nottingham Concessionary Travel Scheme (NCTS) for 2025/2026, and the publication of the final scheme statutory notice on 3 March 2025
- 2 To approve the following additional discretionary elements of the scheme from April 2025;
  - a. free travel on the tram by city residents that possess a valid City Council issued concessionary travel pass and;
  - b. the companion facility attached to passes issued to city residents for certain disabilities.
  - c. free travel on the bus or tram for disabled city residents before 9:30am on weekdays, from start the of service. This is funded by the government's Bus Services Improvement Plan (BSIP).

- 3** To grant delegated authority to the Corporate Director for Growth and City Development, in consultation with the Executive Member for Strategic Regeneration, Transport and Communications to;
- a. agree reimbursement arrangements and associated financial commitments for statutory and discretionary concessionary fare payments for 2025/26 and;
  - b. review the Scheme throughout 2025/26 as part of the transitioning process to a new East Midlands Combined County Authority (EMCCA).

## 1. **Reasons for recommendations**

- 1.1 The recommendations ensure that the Council meets its statutory duty in relation to concessionary fares and also continues to provide a wide range of travel opportunities and choices for the residents of Nottingham, aligning with the Council and Government's strategic objectives in the context of public transport.

## 2. **Background (including outcomes of consultation)**

### Strategic Background

- 2.1 The aim of the Council's Local Transport Plan is to deliver a world-class, low carbon, sustainable transport system for Nottingham, to support the local economy, enable growth and help to meet the Council's CN28 objectives. In 2021, the National Bus Strategy was published, and it set out a vision for improving bus services in England, outside London, through greater local leadership, to reverse the recent shift in journeys away from public transport and encourage passengers back to using the bus.
- 2.2 To help achieve the aims of the national strategy, a Greater Nottingham Bus Services Improvement Plan (BSIP) was finalised and supported with a financial package of £12m provided by Government. Further BSIP funding has since been awarded, taking the total package up to nearly £15m. An Enhanced Partnership Scheme (approved by Executive Board in June 2022) was set up with local bus operators to help identify, deliver, and monitor the key objectives of the Plan, which includes several key initiatives and projects.
- 2.3 The East Midlands Combined County Authority (EMCCA) was established in spring 2024, with a Mayor elected in May 2024. The government announced that the new Authority would have access to £1.5bn to fund sustainable transport improvements to help grow public transport attractiveness in the future, contributing to the Council's objectives to grow the economy and meeting its CN28 ambitions.

### Concessionary scheme requirements

- 2.4 Nottingham City Council is a Travel Concession Authority (TCA) for the purposes of mandatory bus concessions for older and disabled people. Travel Concession Authorities are required to implement the mandatory travel concessions set out in the Transport Act 2000 and under the English National Concessionary Travel Scheme (ENCTS), which guarantee free off-peak local bus travel to eligible older and disabled people anywhere in England. Off-peak is defined as between 9.30am and 11.00pm on weekdays and anytime at weekends and bank holidays.

- 2.5 The publication requirements set out in section 150 of the Transport Act 2000 require details of the proposed arrangements, or variations to the proposed arrangements, for the mandatory scheme to be published at least four months before coming into operation. Publication includes sending copies to the relevant operators, which the Council has completed. The final scheme statutory notice then needs to be finalised and published by 3 March 2025, 28 days prior to the scheme commencing from 1<sup>st</sup> April 2025. This notice should include the final scheme entitlements and reimbursement arrangements.
- 2.6 Section 149 of the Transport Act 2000 also imposes a duty on the Council to reimburse operators providing such concessionary travel; the proposal will, subject to approval, allow the Council to meet this statutory duty. TCAs receive funding from central government via the Local Government Finance Settlement (LGFS) as a contribution towards this statutory duty. The manner in which reimbursement will be calculated also follows Secretary of State guidance. This is particularly important as reimbursement will follow the principle that operators should be left 'no better and no worse off' as a result of the operation of the scheme. This will mean that the payment will not constitute a subsidy for the purposes of the Subsidy Control Act 2022.

Discretionary elements of scheme and formation of the East Midlands Combined County Authority (EMCCA).

- 2.7 The Nottingham Concessionary Travel Scheme (NCTS) provides a range of concessionary travel benefits for Nottingham's elderly and disabled residents, enabling those residents to access work, training, health, shopping, and leisure facilities as part of the wider strategic vision.
- 2.8 In addition to the statutory scheme, the Council, at its own discretion, provides discretionary elements using powers set out in the Transport Act 1985. There are currently three additional travel entitlements for eligible residents.
- 2.9 Free off-peak travel on the tram network is provided, at the same times as on local bus services, between 9.30am and 11.00pm on weekdays and anytime at weekends and bank holidays. Free travel on the tram is non-statutory because it is not included in English National Concessionary Fare Scheme legislation. The estimated cost to reimburse Tramlink in 2025/26 is £1.429m.
- 2.10 The Council also funds a companion pass for eligible residents who are blind, have a severe walking disability or a severe learning disability and would have difficulty travelling alone. The pass allows one additional person to travel with the pass holder at the same discounted rate for all journeys commencing within the city boundary. This additional discretionary concession is estimated to cost the Council £0.100m in 2025/26.
- 2.11 Free travel is also provided on the bus or tram for disabled city residents before 9:30am on weekdays, from start of service. The free travel before 9:30am on weekdays is funded using Bus Services Improvement Plan funding provided directly by the government until at least March 2025.
- 2.12 Public Transport functions are due to transfer to the East Midlands County Combined Authority (EMCCA), and this will include responsibility for managing Concessionary Fare Schemes across the area. To ensure that clear arrangements are put in place, the legislation also allows for a two-year transition period up to April 2026, during which functions will transfer. The

detailed arrangements for transferring functions, including timescales and reviewing variations in discretionary elements between the constituent authorities, are currently being worked through, and this may lead to the Nottingham Concessionary Travel Scheme being reviewed and amended during 2025/26. Updates will be provided to the Board as required. Following the transfer, it is expected that the Council will continue to fund part or all of the Nottingham Concessionary Travel Scheme through the payment of a Transport Levy to EMCCA.

#### DfT guidance on reimbursement

- 2.13 Ahead of 3 March 2025, the Council is required to agree reimbursement arrangements with the six local bus operators and tram concessionaire to cover each one's loss of fares revenue. The Department for Transport issues annual Concessionary Fares Reimbursement guidance to assist with the calculation of reimbursement due to the operator based on actual trips made, and the underlying principle of the calculation is to ensure that each transport operator is "no better or no worse off" as a result of carrying the concessionary passengers.
  - 2.14 The Department for Transport undertook a thorough review of the reimbursement guidance and calculator in 2023/24 as the datasets and methodologies used were very dated and travel habits/demands post COVID had also changed, leading operators to highlight a concern that they have been under-reimbursed. The final guidance and calculator issued were then available to calculate reimbursement due to operators in 2024/25.
  - 2.15 For 2025/26, the guidance and calculator are broadly expected to remain unchanged. The actual costs for the scheme in 2025/26 will be determined through calculating a reimbursement rate per journey based on historic passenger data, and actual travel demand. The total forecasted cost of reimbursement in 2025/26 is £10.883m and this accounts for possible increases to fares and patronage and the impact of inflation. Funding approval is being sought through approval of the Medium-Term Financial Plan by Full Council in March 2025.
- 3. Other options considered in making recommendations**
- 3.1 No other options are available for the national scheme as the provision of concessionary travel for elderly and disabled people is a statutory duty.
  - 3.2 Consideration was given to removing the free tram travel benefit for city resident concessionary pass holders and the companion facility attached to passes issued to city residents with certain disabilities. If the tram was excluded from the concessionary travel scheme there would be a large migration from tram to bus as Nottingham residents would most likely have a local bus service available as an alternative option to the tram, meaning there would still be a considerable cost to the Council. There would also be a loss of accessibility for the elderly and for people with mobility difficulties. NET is particularly well suited for travel by people with mobility difficulties as it is designed to offer fully accessible trams and stops. Trams are 100% low floor throughout with level boarding at stops. Removal would also mean that a large number of residents would not have a public transport service within walking distance on which they could use their concessionary card. These restrictions would not align with Nottingham's strategic aims. The companion

card ensures that residents who cannot travel alone are able to use public transport, and removal would create barriers to travel and potentially result in vulnerable people being isolated.

#### **4. Consideration of Risk**

- 4.1 The cost of the scheme is budgeted to be £10.883m in 2025/26. The final costs will be subject to several factors, including actual demand for travel on public transport services during the financial year, fares increases and inflation or deflation. Patronage data will be closely monitored and any variation to predicted costs will be reported.

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

- 5.1 Reimbursement payments to operators are calculated using DfT issued guidance to help ensure that payments are calculated appropriately. Consideration was given to discontinue funding free tram travel and the companion facility attached to certain disabled persons' passes. This is not recommended for the reasons outlined in paragraph 3.2.

#### **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 current total estimated cost for the Nottingham Concessionary Travel Scheme for 25/26 is £11.013m including the pre-09:30am weekday travel, which is separately funded by the Bus Service Improvement Plan (BSIP) (please note this is currently at a forecasted £0.13m for 25/26 does not form part of this decision).
- 7.2 The remaining £10.883m is based on the latest patronage model of which £9.354m of this relates to the cost of statutory travel. This statutory element is funded as part of the Revenue Support Grant (RSG) received each year. The amount of RSG the Council receives for concessionary fares and other services has reduced in recent years, causing additional pressure to the Councils budget.
- 7.3 The Budget currently stands at £10.080m and there has been a significant change to the previous year's costs due to increased reimbursement rates as detailed in paragraph 2.11 above. This equates to an increase of £1.068m from the in-year forecast of £9.815m (for 24/25) compared to last year.
- 7.4 The amounts paid out for Concessionary Fare reimbursement in 25/26 will be monitored and any variation to Budget will need to be closely monitored and included within the monthly forecast and mitigation actions taken where required. In addition, any ongoing impact will be included within future MTFPs and the budget setting process.

7.5 The amounts identified within the report are included within these figures.

Paul Rogers – Finance Business Partner (G&CD) 29/11/2024

## 8. **Legal colleague comments**

- 8.1 The proposal in this report seeks approval and publication of the Nottingham Concessionary Travel Scheme for 2025/26, approval to continue with the existing discretionary elements of the scheme and to delegate authority to the Corporate Director for Growth and City Development, in consultation with the Executive Member for Strategic Regeneration, Transport and Communications, to agree financial reimbursement to travel operators.
- 8.2 Nottingham City Council is a Travel Concession Authority for the purposes of mandatory bus concessions for older and disabled people. Travel Concession Authorities are required to implement the mandatory travel concessions set out in the Transport Act 2000, which guarantee free off-peak local bus travel to eligible older and disabled people anywhere in England. Off-peak is defined as between 9.30am and 11pm on weekdays and anytime at weekends and bank holidays.
- 8.3 Specifically, the Council has a statutory duty to offer concessions for prescribed bus journeys starting in its area between designated times by the s145A Transport Act 2000. The proposal will, subject to budget approval, allow the Council to meet this statutory duty. The proposal also follows Secretary of State for Transport guidance, which the Council are required to have regard to.
- 8.4 Section 149 Transport Act 2000 also imposes a duty on the Council to reimburse operators providing such concessionary travel; the proposal will, subject to budget approval, allow the Council to meet this statutory duty. The manner in which reimbursement will be calculated also follows Secretary of State for Transport guidance. This is particularly important as reimbursement will follow the principle that operators should be left 'no better and no worse off' as a result of the operation of the scheme. This will mean that the payment will not constitute a subsidy for the purposes of the Subsidy Control Act 2022.
- 8.5 The publication requirements set out in section 150 Transport Act 2000 require details of the proposed arrangements, or variations to the proposed arrangements, for the mandatory scheme to be published at least four months before coming into operation. Publication includes sending copies to the relevant operators and having copies available at the Council's principal office. The guidance issued by the Secretary of State for Transport has previously been issued sufficiently prior to the date when publication is required by section 150 Transport Act 2000; this year (as with last year) there was again a very short period of time between publication of the guidance and the relevant date under section 150 Transport Act 2000. The Council has sent copies of the draft scheme to relevant operators as it usually does. As the scheme follows closely the guidance issued by the Secretary of State for Transport, and has changed little from the previous arrangements, the risk of challenge seems low and the risk of a successful challenge seems low.
- 8.6 The proposal also seeks to continue the existing discretionary elements of the scheme. The Council can offer such discretionary elements using powers set out in the Transport Act 1985. If the Council are minded to change or remove

the discretionary elements of the scheme, a process that includes widespread consultation and an assessment of Equality Act 2010 considerations would need to be undertaken before such a decision is considered.

- 8.7 In the delegation of agreement for financial reimbursement, colleagues will need to still comply with the Council's Constitution. Further, auditable evidence of the consultation between the Corporate Director and the Executive Member should be created and retained.
- 8.8 It is noted that the East Midlands Combined County Authority Regulations 2024 include powers for statutory and discretionary concession schemes will be concurrent between the new Authority and the constituent Authorities. The report cites that the legislation also allows for a two-year transition period up to (but excluding) 1 April 2026. The detailed arrangements, including timescales and funding allocations, are currently being worked through, and this may lead to the Concessions Scheme being amended during 2025/26, with updates to be provided to the Executive Board as required. From a legal risk perspective, it may be prudent to set out this context in any communications around the concessionary travel arrangements for 2025 – 2026 to raise awareness and start to mitigate risks of challenge should the eventual scheme differ markedly from that being adopted by this Council.
- 8.9 Finally, consideration should be given as to the likelihood of the transfer of the concessions schemes to EMCCA during the year 2025-2026 as to whether and to what extent provision is made within the reimbursement arrangements with travel operators to assist with such in-year transfer, if applicable.

Tom Button, Team Leader - Contracts and Commercial, Legal and Governance 3 December 2024

**9. Other relevant comments**

N/a

**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

Yes

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



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

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

No

A DPIA is not required because this report does not contain any personal data.

Yes

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

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

No

Yes

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

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

16.1 N/a

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

17.1 N/a

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## Equality Impact Assessment (EIA) Tool

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

### Document Control

<b>Control Details:</b>	
Title of EIA/ Decision (DDM):	Concessionary Travel Scheme Arrangements 2025/26
Budget booklet code (if applicable):	N-10686-100-5120
<b>If this is a budget EIA, please ensure the title and budget booklet code is the same as the title used within the budget booklet</b>	
Name of author (Assigned to Pentana):	James Howe
Department:	Growth & City Development
Director:	Paul Seddon
Division:	Transport Operations
Contact details:	<a href="mailto:James.howe@nottinghamcity.gov.uk">James.howe@nottinghamcity.gov.uk</a>
Strategic Budget EIA:	Yes
<a href="#">Exempt from publication:</a>	No
Date decision due to be taken:	21.01.25

### Document Amendment Record

Version	Author	Date
1.0	James Howe	11/11/2024

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

Name	Title role	Date
Rosey Donovan	Equality and Employability Consultant	21/11/2024 / 18/11/2024

### Glossary of Terms

Term	Description
<b>Travel Concession Authority</b>	Nottingham City Council in this case as the authority responsible for setting a Concessionary Travel Scheme for Nottingham.
<b>English National Concessionary Travel Scheme (ENCTS)</b>	National concessionary scheme which allows you to enjoy free off-peak travel on local buses anywhere in England: Monday to Friday: 9.30am to 11pm. Weekends and public holidays: all day.
<b>Bus Service Improvement Plan</b>	Annually reviewed improvement plan which is required in order to access all discretionary funding provided by government for bus services.

<b>Nottingham City Council Discretionary Concessionary Travel Scheme</b>	A non-statutory scheme that provides additional travel benefits to city resident concessionary pass holders above and beyond the statutory duty as outlined in the English National Concessionary Travel Scheme. It is wholly funded by the Council, not central government.
<b>Local Government Finance Settlement (LGFS)</b>	A revenue grant payment paid from central government to English Councils to help fund a variety of local services, which includes the costs of running the English National Concessionary Travel Scheme at a local level.
<b>Local Transport Plan (LTP)</b>	Sets out the transport strategy for Nottingham and outlines a programme of measures to be delivered over the short, medium and long term. The strategy covers all types of transport including public transport, walking, cycling, cars and freight.
<b>East Midlands Combined County Authority (EMCCA)</b>	A regional authority that sits above Derby City, Derbyshire County, Nottingham City and Nottinghamshire Council Councils, which will receive funding and powers devolved from a national level to a regional level to help the 2.2 million people that live in the catchment area.
<b>NET</b>	Nottingham Express Transit
<b>EIA</b>	Equality Impact Assessment

## Section 1 – Equality Impact

(NCC staff/ Service users/ Citizen/ Community impact)

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

The Council is a Travel Concession Authority (TCA) and has a duty to provide free travel on local bus services for holders of a valid English National Concessionary Travel Scheme (ENCTS) pass for journeys that commence within the council’s administrative boundary. The free travel window is between 09:30 and 23:00 on weekdays and at all times on weekends and on bank holidays anywhere in England. Concessionary travel passes are available to those who qualify on the grounds of age or disability.

ENCTS free travel is funded by central government via the Local Government Finance Settlement (LGFS) grant provided annually to each English Council. The Council is responsible for reimbursing transport operators for all statutory free concessionary travel commencing within Nottingham, irrespective of which TCA issued the pass.

TCAs can also offer, and locally fund, additional travel entitlements using discretionary powers from Section 93 of the Transport Act 1985 (<https://www.legislation.gov.uk/ukpga/1985/67/section/95>) The Council currently offers three additional travel entitlements for our Nottingham residents, namely;

- free travel on the entire Nottingham tram network at the same times as per the national scheme for free bus travel, which is between 09:30 and 23:00 hours on weekdays and at all times on weekends and bank holidays;

- a companion travel facility attached to passes issued for certain severe disabilities;
- free travel on weekdays for boardings made before 09:30 on buses for travel made wholly within the Nottingham City Council administrative boundary and on the tram across its entire network.

Unlike the reimbursement duty for the statutory bus concession, the Council is responsible under the current non-statutory arrangement for reimbursing the tram operator for all travel by Nottingham pass holders only.

Nottingham issues a disabled person's concessionary travel pass with an additional companion entitlement to residents who are either;

- registered as blind with the Council's Sensory Team.
- have a severe walking disability (need to use a wheelchair at all times indoors and outdoors) or;
- have a severe learning disability, are registered under the care of the adult learning Team and would have difficulty travelling alone.

This type of pass allows one additional person to travel with the pass holder at the same discounted rate for all journeys made in Nottingham and the Council uses its own budget to fund the companion trips.

For information only, the Council currently receives external grant funding in the form of the Bus Services Improvement Plan (BSIP) to fund free travel made by city residents possessing a disabled persons travel pass on bus and tram before 09:30 on weekdays. This travel benefit is subject to a separate approvals process.

Officers are due to issue a report to Executive Board for the meeting dated 21 January 2025 to seek approval to continue providing the following additional travel benefits as outlined above to eligible city residents;

- free travel on the entire Nottingham tram network at the same times as per the national scheme for free bus travel, which is between 09:30 and 23:00 hours on weekdays and at all times on weekends and bank holidays;
- a companion travel facility attached to passes issued for certain severe disabilities.

The offering of the above benefits aligns with the strategic ambition of the Council, as outlined in the Local Transport Plan (LTP), found at [www.transportnottingham.com/policies/transport-strategy-plan](http://www.transportnottingham.com/policies/transport-strategy-plan) aimed at delivering a world-class, low carbon, sustainable transport system for Nottingham, to support a thriving economy and enable growth. To help realise this vision; the Council provides enhanced concessionary travel benefits for Nottingham's elderly and disabled residents, enabling those residents to more easily access work, training, health, shopping and leisure facilities.

The additional benefits provided can also support the strengthening of communities, sustainable town and district centres within the Greater Nottingham area, and connect disabled and isolated people, thus improving helping mental health well-being and quality of life.

Public Transport functions are due to transfer to the East Midlands County Combined Authority (EMCCA), and this will include responsibility for managing statutory and discretionary concession schemes across the area. To ensure that clear arrangements are put in place, the legislation also allows for a two-year transition period up to April 2026, during which functions will transfer. The detailed arrangements for transferring functions, including timescales and reviewing variations in discretionary elements between the constituent authorities, are currently being worked through, and this may lead to the Nottingham Concessionary Travel Scheme being reviewed and amended during 2025/26. Updates will be provided to the Board as required. Following the transfer, it is expected that the Council will continue to fund part or all of the Nottingham Concessionary Travel Scheme through the payment of a Transport Levy to EMCCA.

## 1. b. Information used to analyse the equalities implications

Various sources of data and survey information were analysed to assess the equalities implications. These were;

### **Usage data**

Nottingham has around 55,000 residents that possess a Concessionary Travel pass.

There were around 7,325,532 concessionary pass journeys undertaken in 2023/24 that the Council were responsible for reimbursing local bus and tram operators for.

Around 994,990 of these trips were undertaken by city residents on the tram network and broken down further into the following pass types;

- 275,691 were mobility pass holders
- 18,278 were mobility + companion pass holders
- 2,068 were senior + companion pass holders
- 698,253 were senior pass holders

Of the 7,325,532 journeys made by concessionary pass holders, 5,441,225 were made by city residents, including the 994,990 trips on the tram. Of the 4,446,235 bus trips made by city residents, 194,571 were made by city residents possessing either a disabled person's pass, a disabled person + companion pass or a senior person + companion pass.

### **National surveys**

The National Highways Survey for 2022 (<https://nhtnetwork.org/survey-results/>) recognised Nottingham City Council as being the number one local Authority area in the country for Public Transport. The area received some very high ranking including;

Ease of getting off and onto a vehicle - 80% satisfaction – 10% above average.  
Raised kerbs to help with access to vehicles – 69% satisfaction - 6% above average  
Information available on accessible buses - 60% satisfaction - 13% above average.

The 2023 survey undertaken by Transport Focus also show that satisfaction across a range of factors is higher than the national average, with results including;

Passenger satisfaction – 90% satisfaction - 9% above average

These results suggest high levels of satisfaction for public transport, and in particular on accessibility issues for the elderly and mobility impaired and wider ticketing availability.

### **Local surveys and research**

An evaluation undertaken in 2018 following opening of NET Phase Two identified the following;

- The number of wheelchair users in particular has increased significantly with the introduction of NET Phase Two, and the tram has significantly increased the quality of life for mobility impaired users, with 86% saying it had improved considerably.
- Around 17% of mobility impaired users accessing their place of work in Nottingham City Centre had changed employment in the last five to six years. Of these, 50% said their change of workplace would not have been practical without the introduction of NET. Whilst the sample size is small, this suggests there is a clear benefit from NET in providing individuals with enhanced access to a choice of employment opportunities.
- Increase in the quality of life for mobility impaired users, with 86% saying it had improved considerably.

A Bus and tram user survey was undertaken by the City Council in 2023 and respondents were provided multiple options when asked to provide a reason why they chose to use the bus or tram. They could provide more than one reason, and the most common reason provided was because of 'ease of access'.

### **Bus Service Improvement Plan survey October 2021**

When citizens were asked if better facilities to cater for disabilities would make you use local bus services in Nottinghamshire, 18% indicated yes, a great deal, and 20% said yes, to some extent.

These results indicate the importance to citizens of making public transport as accessible as possible for people with disabilities.

1. c. Who will be affected and how?

Equality group/ individual	Impact type	Positive	Negative	None
<b>People from different ethnic groups</b>	<input type="checkbox"/> NCC staff <input checked="" type="checkbox"/> Service users <input checked="" type="checkbox"/> Citizens <input checked="" type="checkbox"/> Community	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Reasons for your assessment (Including evidence)	Accessibility to free public transport if you possess a concessionary pass helps to facilitate important to access to essential services and amenities, and helps to avoid isolation and a loss of quality of life for parts of the community.			
Details of mitigation/ actions taken to advance equality				
Details of any arrangements for future monitoring of equality impact (Including any action plans)	Bus and tram user surveys are undertaken at least annually and via different entities, and they provide respondents with a chance to state whether they benefit from the discretionary travel benefits offered to concessionary pass holders. We will monitor the results to help understand the impact of the extra services provided.			
Equality group/ individual	Impact type	Positive	Negative	None
<b>Men</b>	<input type="checkbox"/> NCC staff <input checked="" type="checkbox"/> Service users <input checked="" type="checkbox"/> Citizens <input checked="" type="checkbox"/> Community	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Reasons for your assessment (Including evidence)	Accessibility to free public transport if you possess a concessionary pass helps to facilitate important to access to essential services and amenities, and helps to avoid isolation and a loss of quality of life for parts of the community.  Well over a third of senior or disabled person pass holders are men.			



Details of mitigation/ actions taken to advance equality				
Details of any arrangements for future monitoring of equality impact (Including any action plans)	Bus and tram user surveys are undertaken at least annually and via different entities, and they provide respondents with a chance to state whether they benefit from the discretionary travel benefits offered to concessionary pass holders. We will monitor the results to help understand the impact of the extra services provided.			
Equality group/ individual	Impact type	Positive	Negative	None
<b>Women</b>	<input type="checkbox"/> NCC staff <input checked="" type="checkbox"/> Service users <input checked="" type="checkbox"/> Citizens <input checked="" type="checkbox"/> Community	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Reasons for your assessment (Including evidence)	<p>Accessibility to free public transport if you possess a concessionary pass helps to facilitate important to access to essential services and amenities, and helps to avoid isolation and a loss of quality of life for parts of the community.</p> <p>Over half of senior or disabled person pass holders are women.</p>			
Details of mitigation/ actions taken to advance equality				
Details of any arrangements for future monitoring of equality impact (Including any action plans)	Bus and tram user surveys are undertaken at least annually and via different entities, and they provide respondents with a chance to state whether they benefit from the discretionary travel benefits offered to concessionary pass holders. We will monitor the results to help understand the impact of the extra services provided.			
Equality group/ individual	Impact type	Positive	Negative	None
<b>Trans</b>	<input type="checkbox"/> NCC staff <input checked="" type="checkbox"/> Service users <input checked="" type="checkbox"/> Citizens <input checked="" type="checkbox"/> Community	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

<p>Reasons for your assessment (Including evidence)</p>	<p>Accessibility to free public transport if you possess a concessionary pass helps to facilitate important to access to essential services and amenities, and helps to avoid isolation and a loss of quality of life for parts of the community.</p> <p>Over half of senior or disabled person pass holders are women.</p>			
<p>Details of mitigation/ actions taken to advance equality</p>				
<p>Details of any arrangements for future monitoring of equality impact (Including any action plans)</p>	<p>Bus and tram user surveys are undertaken at least annually and via different entities, and they provide respondents with a chance to state whether they benefit from the discretionary travel benefits offered to concessionary pass holders. We will monitor the results to help understand the impact of the extra services provided.</p>			
Equality group/ individual	Impact type	Positive	Negative	None
<p><b>Disabled people/ Carers</b></p>	<p><input type="checkbox"/> NCC staff <input checked="" type="checkbox"/> Service users <input checked="" type="checkbox"/> Citizens <input checked="" type="checkbox"/> Community</p>	<p><input checked="" type="checkbox"/></p>	<p><input type="checkbox"/></p>	<p><input type="checkbox"/></p>
<p>Reasons for your assessment (Including evidence)</p>	<p>Disabled city residents are statistically less likely to have access to their own car and so it is particularly important that this group has extensive public transport options with the addition of free tram travel. The tram is a highly accessible, high frequency, mode of public transport with ease of access boarding and it has a good level of priority seating and wheelchair space available. The tram can also provide important links to medical appointments, leisure and shopping facilities, employment and education and it also further facilitates socialisation.</p> <p>Carers are permitted to travel for free on bus and tram with a city resident disabled person that possess a valid concessionary travel pass to support the disabled person, who may or may not be able to travel alone, with their journey.</p> <p>Undertaking earlier journeys before 09:30 on weekdays provides greater flexibility to the service user in terms of being able to attend early morning health appointments, for example.</p>			

Details of mitigation/ actions taken to advance equality				
Details of any arrangements for future monitoring of equality impact (Including any action plans)	Bus and tram user surveys are undertaken at least annually and via different entities, and they provide respondents with a chance to state whether they benefit from the discretionary travel benefits offered to concessionary pass holders. We will monitor the results to help understand the impact of the extra services provided.			
Equality group/ individual	Impact type	Positive	Negative	None
<b>Pregnancy and maternity</b>	<input type="checkbox"/> NCC staff <input checked="" type="checkbox"/> Service users <input checked="" type="checkbox"/> Citizens <input checked="" type="checkbox"/> Community	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Reasons for your assessment (Including evidence)	Accessibility to free public transport if you possess a concessionary pass helps to facilitate important to access to essential services and amenities, and helps to avoid isolation and a loss of quality of life for parts of the community.			
Details of mitigation/ actions taken to advance equality				
Details of any arrangements for future monitoring of equality impact (Including any action plans)	Bus and tram user surveys are undertaken at least annually and via different entities, and they provide respondents with a chance to state whether they benefit from the discretionary travel benefits offered to concessionary pass holders. We will monitor the results to help understand the impact of the extra services provided.			
Equality group/ individual	Impact type	Positive	Negative	None
<b>Marriage/ Civil Partnership</b>	<input type="checkbox"/> NCC staff <input checked="" type="checkbox"/> Service users <input checked="" type="checkbox"/> Citizens <input checked="" type="checkbox"/> Community	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Reasons for your assessment (Including evidence)	Accessibility to free public transport if you possess a concessionary pass helps to facilitate important to access to essential services and amenities, and helps to avoid isolation and a loss of quality of life for parts of the community.			
Details of mitigation/ actions taken to advance equality				
Details of any arrangements for future monitoring of equality impact (Including any action plans)	Bus and tram user surveys are undertaken at least annually and via different entities, and they provide respondents with a chance to state whether they benefit from the discretionary travel benefits offered to concessionary pass holders. We will monitor the results to help understand the impact of the extra services provided.			
Equality group/ individual	Impact type	Positive	Negative	None
<b>People of different faiths/ beliefs and those with none</b>	<input type="checkbox"/> NCC staff <input checked="" type="checkbox"/> Service users <input checked="" type="checkbox"/> Citizens <input checked="" type="checkbox"/> Community	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Reasons for your assessment (Including evidence)	Accessibility to free public transport if you possess a concessionary pass helps to facilitate important to access to essential services and amenities, and helps to avoid isolation and a loss of quality of life for parts of the community.			
Details of mitigation/ actions taken to advance equality				
Details of any arrangements for future monitoring of equality impact (Including any action plans)	Bus and tram user surveys are undertaken at least annually and via different entities, and they provide respondents with a chance to state whether they benefit from the discretionary travel benefits offered to concessionary pass holders. We will monitor the results to help understand the impact of the extra services provided.			
Equality group/ individual	Impact type	Positive	Negative	None

<b>Lesbian/ Gay/ Bisexual people</b>	<input type="checkbox"/> NCC staff <input checked="" type="checkbox"/> Service users <input checked="" type="checkbox"/> Citizens <input checked="" type="checkbox"/> Community	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Reasons for your assessment (Including evidence)	Accessibility to free public transport if you possess a concessionary pass helps to facilitate important to access to essential services and amenities, and helps to avoid isolation and a loss of quality of life for parts of the community.			
Details of mitigation/ actions taken to advance equality				
Details of any arrangements for future monitoring of equality impact (Including any action plans)	Bus and tram user surveys are undertaken at least annually and via different entities, and they provide respondents with a chance to state whether they benefit from the discretionary travel benefits offered to concessionary pass holders. We will monitor the results to help understand the impact of the extra services provided.			
Equality group/ individual	Impact type	Positive	Negative	None
<b>Older</b>	<input type="checkbox"/> NCC staff <input checked="" type="checkbox"/> Service users <input checked="" type="checkbox"/> Citizens <input checked="" type="checkbox"/> Community	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Reasons for your assessment (Including evidence)	<p>People within this group have more travel choice with the addition of free tram travel and the tram is a highly accessible, high frequency, mode of public transport with ease of access boarding and priority seating available. The tram can also provide important links to medical appointments, leisure and shopping facilities, employment and education and it also further facilitates socialisation.</p> <p>Olders persons may be eligible to have any carers travel for free on the bus and tram with them if they possess a valid concessionary travel pass, to support them during their journey. Without this support, they may not be able to travel alone.</p> <p>Undertaking earlier journeys before 09:30 on weekdays provides greater flexibility to the service user in terms of being able to attend early morning health appointments, for example.</p>			

<p>Details of mitigation/ actions taken to advance equality</p>				
<p>Details of any arrangements for future monitoring of equality impact (Including any action plans)</p>	<p>Bus and tram user surveys are undertaken at least annually and via different entities, and they provide respondents with a chance to state whether they benefit from the discretionary travel benefits offered to concessionary pass holders. We will monitor the results to help understand the impact of the extra services provided.</p>			
<p>Equality group/ individual</p>	<p>Impact type</p>	<p>Positive</p>	<p>Negative</p>	<p>None</p>
<p><b>Younger</b></p>	<p><input type="checkbox"/> NCC staff  <input checked="" type="checkbox"/> Service users  <input checked="" type="checkbox"/> Citizens  <input checked="" type="checkbox"/> Community</p>	<p style="text-align: center;"><input checked="" type="checkbox"/></p>	<p style="text-align: center;"><input type="checkbox"/></p>	<p style="text-align: center;"><input type="checkbox"/></p>
<p>Reasons for your assessment (Including evidence)</p>	<p>Younger persons with a disability may qualify for a disabled persons pass and this group may therefore be able to use public transport for free before 09:30 on weekdays, as well on their return leg home, to travel to and from school or further education. They also have the facility to travel for free in the evenings or at weekends to support any social, leisure or other important activities.</p> <p>Those that have carers may also qualify for a pass type that allows their carer to travel for free with them, to support them on any journey.</p> <p>Some disabled children receive independent travel training from their school, an initiative started by the Council, and it is therefore important for their future independence that they have the facility to travel for free on public transport, making use of the skills they have learnt.</p>			
<p>Details of mitigation/ actions taken to advance equality</p>				
<p>Details of any arrangements for future monitoring of equality impact (Including any action plans)</p>	<p>Bus and tram user surveys are undertaken at least annually and via different entities, and they provide respondents with a chance to state whether they benefit from the discretionary travel benefits offered to concessionary pass holders. We will monitor the results to help understand the impact of the extra services provided.</p>			

Equality group/ individual	Impact type	Positive	Negative	None
<b>Care Experience</b> (Please refer to the guidance notes for further information)	<input type="checkbox"/> NCC staff <input checked="" type="checkbox"/> Service users <input checked="" type="checkbox"/> Citizens <input checked="" type="checkbox"/> Community	☒	☐	☐
Reasons for your assessment (Including evidence)	Accessibility to free public transport if you possess a concessionary pass helps to facilitate important to access to essential services and amenities, and helps to avoid isolation and a loss of quality of life for parts of the community.			
Details of mitigation/ actions taken to advance equality				
Details of any arrangements for future monitoring of equality impact (Including any action plans)	Bus and tram user surveys are undertaken at least annually and via different entities, and they provide respondents with a chance to state whether they benefit from the discretionary travel benefits offered to concessionary pass holders. We will monitor the results to help understand the impact of the extra services provided.			
Equality group/ individual	Impact type	Positive	Negative	None
<b>Other</b> (E.g. Cohesion/ good relations, vulnerable children/ adults), socio- economic background (e.g. financial vulnerable)	<input type="checkbox"/> NCC staff <input checked="" type="checkbox"/> Service users <input checked="" type="checkbox"/> Citizens <input checked="" type="checkbox"/> Community	☒	☐	☐
Reasons for your assessment (Including evidence)	Nottingham has a large proportion of its population without a car, so accessibility to free public transport if you possess a concessionary pass helps to facilitate important to access to essential services and amenities, and helps to avoid isolation and a loss of quality of life for parts of the community.			
Details of mitigation/ actions taken to advance equality				
Details of any arrangements for	Bus and tram user surveys are undertaken at least annually and via different entities, and they provide respondents with a chance to state whether they			

future monitoring of equality impact (Including any action plans)	benefit from the discretionary travel benefits offered to concessionary pass holders. We will monitor the results to help understand the impact of the extra services provided.
-------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

1. d. Summary of any other potential impact  
(Including cumulative impact/ human rights implications):

No further impacts other than those listed in 1.c.

## 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 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.				
Advance equality of opportunity between those who share a protected				




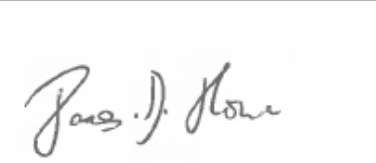
characteristic and those who don't				
Foster good relations between those who share a protected characteristic and those who don't				
(Please add other equality outcomes as required – e.g., mitigate adverse impact identified for people with a disability)				

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

<input checked="" type="checkbox"/> No major change needed	<input type="checkbox"/> Adjust the policy/proposal
<input type="checkbox"/> Adverse impact but continue	<input type="checkbox"/> Stop and remove the policy/proposal

Please note: All actions will need to be uploaded onto Pentana

**Section 3 – Approval and publishing**

<p><b>The assessment must be approved by the manager responsible for the service /proposal.</b></p> <p><b>Approving Director details</b> (name, role, contact details):</p> <p><b>Approving Director Signature:</b></p>	<p><b>Date sent for advice:</b> 26.11.24</p> <p>Nicki Jenkins, Interim Corporate Director for Growth &amp; City Development</p> 
<p><b>Author Signature:</b></p>	

<b>Equality Team Signature:</b>  <i>Rosey Donovan</i>	<b>Date of final approval:</b>  28/11/2024
-------------------------------------------------------------	--------------------------------------------------

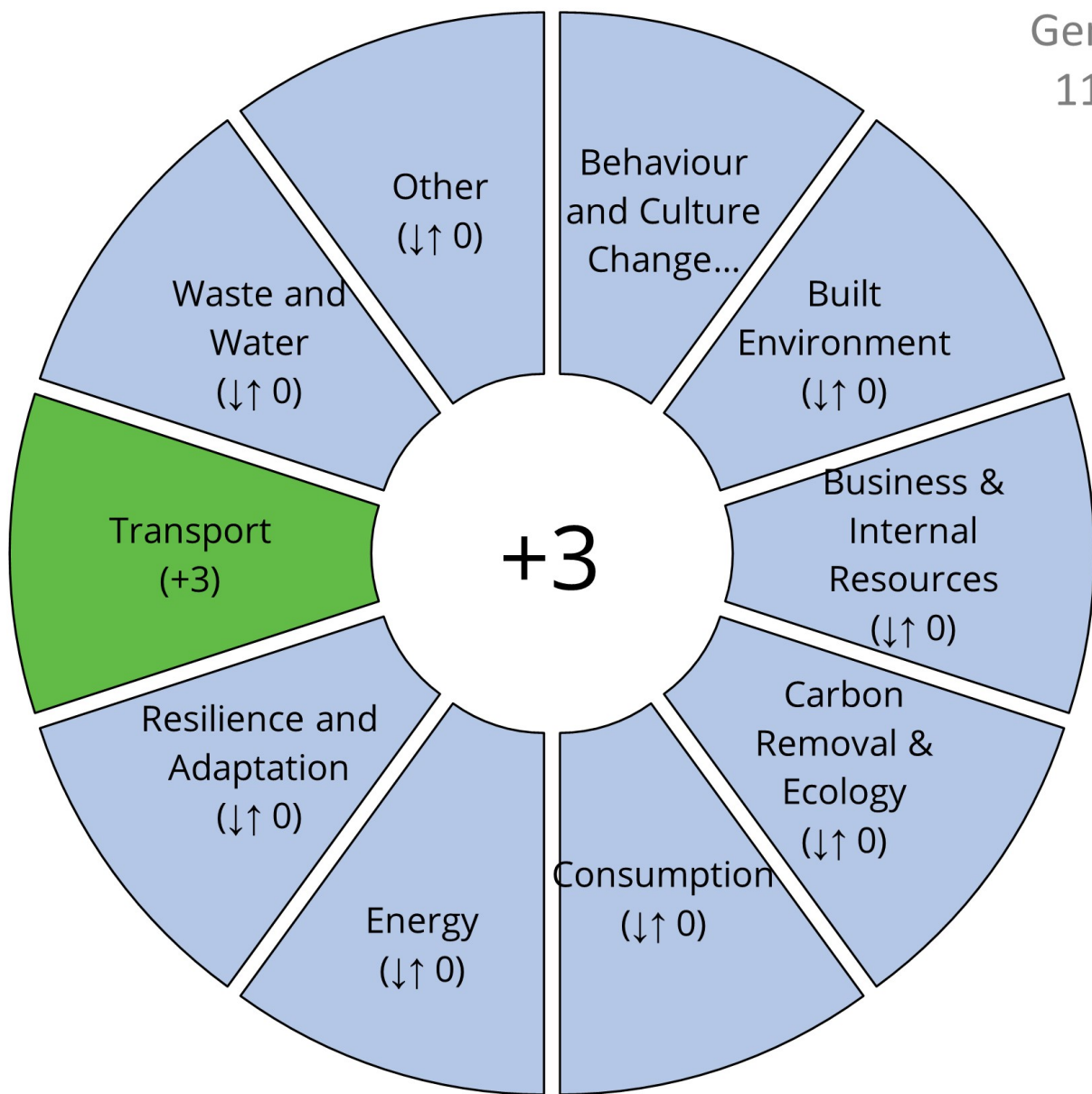
For further information and guidance, please visit the [Equality Impact Assessment Intranet Pages](#)

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](mailto:edi@nottinghamcity.gov.uk)

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

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Nottingham is aiming to become the first carbon neutral city in the country by 2028 (3 years and 1 months away).

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<b>Subject:</b>	Letting of Suite 6, Part Second Floor, The Elizabeth Garrett Anderson Building, Nottingham Science Park, Jesse Boot Avenue, Nottingham NG7 2RU
<b>Corporate Director(s)/Director(s):</b>	Nicki Jenkins – Corporate Director for Growth and City Development Beverley Gouveia – Interim Director of Economic Development & Property
<b>Executive Member(s):</b>	Councillor Ethan Radford – Deputy Leader & Executive Member for Skills, Growth and Economic Development
<b>Report author and contact details:</b>	Andy Nuttall – Senior Estates Surveyor <a href="mailto:andy.nuttall@nottinghamcity.gov.uk">andy.nuttall@nottinghamcity.gov.uk</a>
<b>Other colleagues who have provided input:</b>	Bevis Mackie – Corporate Portfolio & Investment Manager Mick Suggett – Solicitor - Team Leader Conveyancing Sarah Baker – Senior Commercial Business Partner (Strategic Assets & Property)
<b>Subject to call-in:</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Key Decision:</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Criteria for Key Decision:</b>	
(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
<b>and/or</b>	
(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
<b>Type of expenditure:</b>	<input checked="" type="checkbox"/> Revenue <input type="checkbox"/> Capital If Capital, provide the date considered by Capital Board Date:
<b>Total value of the decision:</b>	See Exempt Appendix
<b>Section 151 Officer expenditure approval</b>	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:
<b>Commissioner Consideration</b>	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.
<b>Wards affected:</b>	Lenton & Wollaton East
<b>Date of consultation with Executive Member(s):</b>	9 <sup>th</sup> January 2025
<b>Relevant Council Plan Key Outcome:</b>	
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 type="checkbox"/>
Serving People Well	<input checked="" type="checkbox"/>
<b>Summary of issues (including benefits to citizens/service users):</b>	
Letting of part second floor Grade A office suites at the Elizabeth Garrett Anderson Building,	

Nottingham Science Park, the terms of which represent best consideration.

The premises have been openly marketed by a commercial property letting agent which has recommended the Council accept the heads of terms for lease.

The letting will provide a significant rental income and remove existing void costs.

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

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

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

**Recommendation(s):**

**1** To approve the lease terms agreed with the prospective tenant in respect of the subject property as set out in the attached exempt appendix.

**2** To approve the payment of associated fees.

**3** To delegate the approval of any required final terms and conditions, save for rent, to the Director of Economic Development & Property

**1. Reasons for recommendations**

- 1.1 Suite 6 is currently vacant, with the opportunity marketed by an external agent on behalf of the Council. Heads of terms for lease have been negotiated with the prospective tenant at market rent and a deal which represents Best Consideration.
- 1.2 External agents' fees have been incurred to secure the letting and approval to their payment is required.
- 1.3 A delegation to the Director of Economic Development & Property will enable the transaction to progress at pace and generate revenue and remove void costs.

**2. Background (including outcomes of consultation)**

- 2.1 The subject property is a second-floor suite totalling 6,125 sq.ft. forming part of the Elizabeth Garrett Anderson Building (EGA), a three storey Grade A office Building comprising 22,723 sq.ft. with café and conference room located on Nottingham Science Park. The suite is vacant and has been marketed by an external commercial property agent on the Council's behalf.
- 2.2 A letting of the first floor has been secured and approved and coupled with the letting set out in this report over 75% of the building will be occupied. The remaining space is being actively marketed.

2.3 Following negotiations with the prospective tenant, Heads of Terms for a lease have been agreed and are recommended for approval. The terms are at market rental value and represent best consideration to the Council. By granting the lease the Council will reduce costs associated with the existing void and produce a significant income towards the Council's income targets.

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

3.1 Not to proceed with the letting to the prospective tenant – this is not recommended as this is a significant letting at the property on market facing terms providing a rental income at market rental value over the lease term which will remove the Council's liability for ongoing void costs.

### 4. **Consideration of Risk**

4.1 Security of Income - The proposed letting would ensure office suite 6 is let providing a secure revenue stream and remove ongoing void costs. The proposed tenant is a secure covenant which provides income security and mitigates the risk of non-payment of rent and compliance with lease terms.

4.2 The letting not proceeding – There is always a risk that a letting may not proceed. This risk will be mitigated by working with our appointed agent and the tenant to complete the lease agreement quickly.

4.3 Compliance with the Science Park user clause – The tenants business model meets with the requirements of the wider R&D user clause across the science park.

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

**Please detail how best value is demonstrated including consideration of the following:**

- DIY- do it yourself through redesign- this is not applicable to the decision being considered. The assets are not part of any service redesign.
- BIY- buy it yourself e.g. procurement - the appointment of a specialist property consultant will be completed in line with Best Value having regard to pricing and quality of the service offering.
- BIWO- buy it with others- joint procurement - not applicable, the Council is the sole owner of the asset.
- DIWO- do it with others e.g. shared services/ partnerships with local authorities – not applicable
- DIFO – do it for others- trading and income enhancement – not applicable
- EO- enable others – not applicable.
- REDUCE- service standards commensurate with affordability – not applicable.
- STOP - this is not an option, there is a potential opportunity to generate rental income.

### 6. **Commissioner comments**

6.1 Commissioners have reviewed and approved with no further commentary

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

7.1 Finance comments are contained in the exempt appendix to this report.

**8. Legal colleague comments**

8.1 Legal comments are contained in the exempt appendix to this report.

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

9.1 Other comments are contained in the exempt appendix to this report.

**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 this decision does not include principles for new or changing policies, services or functions

Yes

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

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

No   
N/a

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 decision is concerned with the granting of a lease for a commercial property asset to the prospective tenant which will occupy the premises for the purpose of carrying out its business activities

Yes



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

16.1 None

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

17.1 None

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