

Public Document Pack



**Nottingham
City Council**

You are hereby summoned to attend a meeting of NOTTINGHAM CITY COUNCIL at the Council House, Nottingham, on Monday 13 October 2014 at 2.00 pm to transact the following business:

- 1 Apologies for absence
- 2 Declarations of interests
- 3 To receive:
 - (a) questions from citizens;
 - (b) petitions from Councillors on behalf of citizens.

Please note that questions to Council are received after the agenda has been published. Questions will be uploaded to this agenda by 5pm on Friday 10 October 2014

- 4 To confirm the minutes of the last meeting of Council held on 8 September 2014 3 – 22
- 5 To receive official communications and announcements from the Leader of the Council and/or the Chief Executive
- 6 To receive:
 - (a) answers from the City Council's lead Councillor on the Nottinghamshire and City of Nottingham Fire and Rescue Authority to questions on the discharge of that authority's functions;
 - (b) answers from a Councillor from the Executive Board, the Chair of a Committee and the Chair of any other City Council body to questions on any matter within their remit.
- 7 To consider a report of the Leader on decisions taken under urgency procedures 23 – 26
- 8 To consider a report of the Deputy Leader on Welfare Reform one year on 27 – 42
- 9 To consider a report of the Deputy Leader on the Capital Programme Update 2014/15 to 2018/19 To follow
- 10 To agree to hold a meeting of Council on 8 December 2014

- 11 To note the decision to hold to an Extraordinary Council meeting at 6.15 pm on Thursday 16 October 2014 at the Royal Concert Hall to consider the installation of Carl Froch as an Honorary Freeman of the City

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 BY MEMBERS OF THE PUBLIC. ANY RECORDING OR REPORTING ON THIS MEETING SHOULD TAKE PLACE IN ACCORDANCE WITH THE COUNCIL'S POLICY ON RECORDING AND REPORTING ON PUBLIC MEETINGS, WHICH IS AVAILABLE AT WWW.NOTTINGHAMCITY.GOV.UK. INDIVIDUALS INTENDING TO RECORD THE MEETING ARE ASKED TO NOTIFY THE GOVERNANCE OFFICER SHOWN ABOVE IN ADVANCE.



Dated 3 October 2014
Acting Corporate Director of Resources

To: All Councillors of Nottingham City Council

NOTTINGHAM CITY COUNCIL

held at the Council Chamber – at the Council House

on 8 September 2014 from 2.00 pm – 4.58 pm

ATTENDANCE

<ul style="list-style-type: none"> ✓ Councillor Ian Malcolm (Lord Mayor) 	
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<ul style="list-style-type: none"> ✓ Councillor Liaqat Ali ✓ Councillor Cat Arnold ✓ Councillor Mohammed Aslam ✓ Councillor Alex Ball ✓ Councillor Steve Battlemuch ✓ Councillor Merlita Bryan ✓ Councillor Eunice Campbell ✓ Councillor Graham Chapman ✓ Councillor Azad Choudhry ✓ Councillor Alan Clark ✓ Councillor Jon Collins ✓ Councillor Georgina Culley ✓ Councillor Emma Dewinton ✓ Councillor Michael Edwards ✓ Councillor Pat Ferguson ✓ Councillor Chris Gibson ✓ Councillor Brian Grocock ✓ Councillor John Hartshorne ✓ Councillor Rosemary Healy ✓ Councillor Nicola Heaton ✓ Councillor Mohammed Ibrahim ✓ Councillor Glyn Jenkins ✓ Councillor Sue Johnson ✓ Councillor Carole Jones ✓ Councillor Alex Norris ✓ Councillor Gul Nawaz Khan ✓ Councillor Neghat Nawaz Khan 	<ul style="list-style-type: none"> ✓ Councillor Ginny Klein ✓ Councillor Dave Liversidge ✓ Councillor Sally Longford ✓ Councillor Carole McCulloch ✓ Councillor Nick McDonald ✓ Councillor David Mellen ✓ Councillor Thulani Molife ✓ Councillor Eileen Morley ✓ Councillor Jackie Morris ✓ Councillor Toby Neal ✓ Councillor Bill Ottewell ✓ Councillor Jeannie Packer ✓ Councillor Brian Parbutt ✓ Councillor Ann Peach ✓ Councillor Sarah Piper ✓ Councillor Mohammed Saghir ✓ Councillor David Smith ✓ Councillor Wendy Smith ✓ Councillor Timothy Spencer ✓ Councillor Roger Steel ✓ Councillor Dave Trimble ✓ Councillor Leon Unczur ✓ Councillor Jane Urquhart ✓ Councillor Marcia Watson ✓ Councillor Sam Webster ✓ Councillor Michael Wildgust ✓ Councillor Malcolm Wood
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38 APOLOGIES FOR ABSENCE

Councillor Eunice Campbell – non-council business
Councillor Carole McCulloch – non-council business
Councillor Thulani Molife – non-Council business

39 DECLARATIONS OF INTERESTS

None.

40 QUESTIONS AND PETITIONS FROM CITIZENS

Questions from citizens

No questions from citizens were received.

Petitions from Councillors on behalf of citizens

No petitions from Councillors were received.

41 TO CONFIRM THE MINUTES OF THE LAST MEETING OF COUNCIL HELD ON 14 JULY 2014

The minutes of the meeting held on 14 July 2014 were confirmed as a correct record and signed by the Lord Mayor.

42 OFFICIAL COMMUNICATIONS

Honorary Alderman Roy Greensmith

The death of Alderman Roy Greensmith, who passed away on Monday 25 August was reported to Council. Born in the Meadows in 1929, Roy joined the army in 1947, serving in Egypt before returning to work for British Rail, where he remained for 47 years. An active member of both the trade union movement and the Labour Party, Roy was elected to the City Council in October 1992, representing Clifton East. Roy was appointed Sheriff of Nottingham in 1995 and served as Lord Mayor in 1997/98 and 2001/02. His funeral will take place on Friday 19th September at 2pm at Holy Trinity Church in Clifton.

The Lord Mayor, Councillors Georgina Culley, Michael Edwards and Chris Gibson spoke in tribute to Honorary Alderman Roy Greensmith. The Council stood in silent tribute to his memory.

43 QUESTIONS

Findings of the Rotherham report

Councillor Roger Steel asked the following question of the Portfolio Holder for Children's Services:

In the light of the findings of the Rotherham report, can the Portfolio Holder assure the Council that all appropriate steps have been taken to avoid similar circumstances within Nottingham, and what action has been taken following these terrible findings to make sure all of Nottingham's children have been safeguarded from abuse of this nature?

Councillor David Mellen replied as follows:

Thank you Lord Mayor and can I thank Councillor Steel for his question. The report on the findings of the Jay Independent Inquiry highlights terrible abuse and shocking failing of children and young people by officers at Rotherham Council and South Yorkshire Police. Since the publication of the report last week, I have sought reassurances from officers that our current arrangements protect Nottingham's young people from child sexual exploitation and that there are no uninvestigated incidents of this kind in the past.

In Nottingham we have a tradition of taking allegations of child abuse very seriously and investigate any historical concerns fully. Councillors will be aware that we have been undertaking an inquiry jointly with Nottinghamshire County Council and Nottinghamshire Police into historical allegations of abuse in care homes, dating back beyond the 1970's in some cases. Whilst these alleged incidents occurred when the law and frameworks for care were very different, abuse is never acceptable and we will always endeavour to bring to justice any perpetrators.

In terms of child sexual exploitation I am please to report that we have robust arrangements in place and that we have very strong links to Nottinghamshire Police's Sexual Exploitation Investigation Unit. Partners share relevant intelligence that enables us to work jointly to protect vulnerable young people from crimes of this nature. Where concerns have been identified in Nottingham City we have acted promptly and proactively to safeguard the young women involved and bring the perpetrators to justice.

The Local Safeguarding Children's Board, which has an independent chair, has a dedicated sub-group which brings together partners to look at issues around child sexual exploitation in the city. There is a strong strategy in place to ensure that all partners are aware of their responsibilities and we have multi-agency training available to all practitioners to help them identify the signs of child sexual exploitation and the appropriate steps to take to protect children who may be at risk. One hundred and seventeen city based staff have so far undertaken this training.

It has been identified nationally that children who are in care and who go missing from care are particularly vulnerable. Nottingham City has invested in a specialist Children in Care Police Officer who works proactively with our children in care to identify any potential issues of this nature. She also chairs a Child Sexual Exploitation Concerns Forum for front-line practitioners across partner agencies to ensure that they are able to access specialist advice and guidance if they have concerns that a child may be being sexually exploited.

We have also established a dedicated team who ensure that all children who go missing are safeguarded and supported robustly. For those children who have been the victims of child sexual exploitation or who are at risk we work closely with the

NSPCC on their Protect and Respect initiative. This initiative supports young people between the ages of 11 and 19 who are or have been at risk of child sexual exploitation undertaking direct work to ensure that vulnerable young people are able to identify the warning signs if they are at risk and gives them support to access services including housing advice and counselling. This Council also adopted the Barnardo's 'Set them free' campaign, aimed at reducing sexual exploitation of children following a debate in this chamber in June 2012.

Following our recent Ofsted inspection of services for children in need of help and protection, children in care and care leavers earlier this year we also have an independent view of our safeguarding services which said that: "Children who go missing from home, care and/or education, and those at risk of sexual exploitation are identified and tracked, to ensure that they receive appropriate service to reduce risks." Although we can never be complacent, it is reassuring to know that a thorough four week inspection involving examination of over 200 cases concluded that our work in this area is robust. Since the publication of the report we have taken steps to ensure front-line workers, schools and others know how to escalate any concerns they have to senior officers where they feel that they are not being listened to.

The local Safeguarding Children's Board will be leading a formal review of the implications from the Jay report to ensure that our local practice and procedure comply fully with the recommendations made.

Civics in ceremonial regalia

Councillor Georgina Culley asked the following question of the Leader of the Council:

Would the Leader of the Council state why Nottingham's civics have been allowed to wear full ceremonial regalia at political campaign events and in associated publicity? Could he state whether advice was taken on this and, if so, what advice was received? Does he agree with me that these actions undermine the impartiality of the civic roles and could he apologise to the electorate for the highly inappropriate use and detail what steps he will take to ensure it does not happen again?

Councillor Jon Collins replied as follows:

Thank you Lord Mayor, I have absolutely no idea what event Councillor Culley is talking about but I am confident that the use of ceremonial regalia by the civics has on all occasions been appropriate.

Fines issued on Station Street

Councillor Eileen Morley asked the following question of the Portfolio Holder for Planning and Transportation:

Considering the huge number of fines issued on Station Street, why did the Council let it go so far without investigating why so many people were being unwittingly caught out? Is this scheme not tantamount to entrapment?

Councillor Jane Urquhart replied as follows:

Thank you Lord Mayor and thank you Councillor Morley for your question, of course, this issue has recently featured in the Nottingham Post so I had somewhat been expecting it. The bus gate on Station Street was originally introduced to support the Nottingham Station closure that people will recall took place last summer. At that time, we couldn't have trains from the west entering the Station and only a limited service from the east, therefore considerable alternative transport provision had to be made.

We know that people travelling to the station have a very strong 'mental map' of the way they get there, so it was important to change the public's perceptions of access quite some way in advance of the works starting. So, the traffic routes were changed well in advance and were signed extensively with a mixture of large mobile variable message signs, they're not very pretty temporary signs, they're bright yellow, have variable messages on them and sit on junctions. They don't look fabulous but they serve a purpose in giving people a message that is different to the usual. So, there were large variable message signs, there were temporary signs and there were permanent signs. There were 22 signs in total.

The Council also widely communicated and promoted the bus gate in conjunction with Network Rail, Midland Trains, the Evening Post and the businesses along Station Street itself. I think I was interviewed twice on local radio and did at least one, if not two interviews on local television as well at the time the changes were made.

For the first 3 weeks of the restriction, warning notices were issued that did not incur a penalty to anyone. We issued 1,292 notices which gave motorists clear notice of the change without incurring any financial penalty at all. Now, clearly a Council only intent on making money or intent on entrapment wouldn't have taken such a step to warn when we had the power to issue notices right from the beginning but we chose not to because of course, our aim was to set up a traffic system which ensured that traffic could flow appropriately and sensibly around the station area to enable the station works themselves and those altered patterns of public transport that we were seeing at that time.

So, given the very large extent of the advance publicity, the on-site signage, the signage on the approach routes, both at BBC Island and at London Road, it could possibly be said, Councillor Morley, that people would have to be lacking in wit to fail to notice all of that.

The bus gate remained as works to extend the tram progressed and there was clearly, still, a good deal of work going on in the Station Street area until, ultimately, the bus gate was replaced by the road closure we can see today because of the nature of the works currently going on at Station Street. So, we issued over 17,000 Penalty Charge notices during the time that the gate was in operation and of those, there were 91 that were appealed against and went to the Adjudication Service. What we saw during the bus gate being in operation, and as with most new traffic regulation was that, initially, after the bus gate was in operation the number of violations was considerably higher than over the succeeding months. As is usual, you get higher levels of violation at first, and then once people get used to the new arrangements those levels start to decline.

So, 91 appeals out of 17,000 which represent an appeal rate of 0.56%. Our average across the city is 0.57%, so Station Street is no different to any of the other places in the city where we issue. So, if anybody is wondering if Nottingham's appeal rate is unusually high, perhaps people appeal more because perhaps all across the city our traffic regulation we are issuing tickets in too harsh a way, I can tell you that across the country again, that rate is about average. Rates vary from about 1% of tickets in some places to lower, at the lowest end 0.14%; we are about at the mid-point nationally as well.

The appeals process is one which is independently administered by the Traffic Penalty Tribunal through their parking adjudicators. Of those cases that have been to appeal the Council has won 25, lost 10 and we are awaiting the result on 5 cases. Of the remaining ones, 23, we did not contest as an authority and some of those were because of mitigating circumstances such as medical reasons for need for access, particularly to the NHS reception on Station Street, which emerged through the process of the appeal, as happens. Some of those that we didn't contest were actually people that were entitled to go through the gate and had mistakenly been sent tickets, so for example, Hackney taxis and even buses. The remainder that weren't contested, as is consistent with other traffic penalties from time to time, include a wide variety of reasons and those cases followed correspondence with the Traffic Penalty Tribunal about what we should do, and ultimately, there are far too many specific individual cases to describe here.

It is my view that in relation to the recently publicised cases, which may well have prompted the question, which the particular adjudicator has perhaps overlooked important evidence we supplied and we are taking that issue up with the Traffic Penalty Tribunal. I am satisfied that the Council has acted reasonably and fairly to the motoring public in terms of this particular junction, as we do with all changes to traffic regulations, in the amount of warning, in the amount of signage, in the amount of notice we gave to accommodate our station's transformation and the tram construction. So no, I don't think that we should have acted more quickly or sooner, I think we acted in the way that we should and of course, people who don't manage to take notice of the extensive signage in a range of places are liable to get penalty notices. That is the way that the traffic regulation process works, it is about keeping our traffic flowing appropriately and it is about making changes that we need to make from time to time to change the flow of traffic where we have particular circumstances to respond to.

Tragic revelations in Rotherham

Councillor Malcolm Wood asked the following question of the Portfolio Holder for Children's Services:

Given the tragic and disturbing revelations in Rotherham, will the Portfolio Holder for Children's Services assure Council that child protection issues are taken extremely seriously here in Nottingham and further, is he confident that there are robust scrutiny mechanisms in place to protect vulnerable young people?

Councillor David Mellen replied as follows:

Thank you Lord Mayor and can I thank Councillor Wood for his question. Nottingham City Council takes its responsibilities to safeguard and protect the most vulnerable children and young people very seriously. The Council has continued to invest in our front-line child protection resource, protecting them as far as is possible in the face of considerable cuts to our funding from central government. Unfortunately, due to the current government's policies on welfare reform we are seeing more families under stress and requiring our help. Demand for services that support these families has never been higher.

My previous response to Councillor Steel's question regarding child sexual exploitation should reassure the Council that we have strong arrangements in place with our key partners to identify and respond when we have concerns of this nature. I am equally reassured that our broader response to child protection issues is just as robust and concerns are taken just as seriously. Our recent Ofsted inspection of services for children in need of help and protection, children in care and care leavers found that Nottingham children were safe. The inspectors commended the work of our front-line social work colleagues in identifying and responding to concerns raised by the public and our partners. Scrutiny of these arrangements is led by our Local Safeguarding Children's Board and its sub-groups. The Board oversees the work of all our key partners to protect and safeguard our most vulnerable children. I am pleased to say that we have very strong engagement from our partners which enables the Board to effectively challenge where organisations could be doing more to fulfil their duties to protect Nottingham citizens. The Board is chaired independently of the Local Authority to ensure that scrutiny is robust.

Our Independent Chair has strong links into the Local Authority to enable him to raise any concerns with senior officers and councillors. He reports annually to the Children's Partnership Board, Health and Wellbeing Board and attends a quarterly Safeguarding Assurance Forum that includes other key individuals with a role in safeguarding children in the city. All of these opportunities ensure that scrutiny and independent challenge are well embedded in the city to ensure we are all doing all we can to protect our vulnerable young people.

Our own Overview and Scrutiny Committee has considered work in this area. In 2013, the Committee received a presentation and report relating to the work taking place by the Council and its partners to tackle Child Sexual Exploitation. On 12 November 2014, the Committee will be scrutinising the Nottingham City Safeguarding Children Board Annual Report 2012-13 and the action plan following the Ofsted inspection report published in May this year. Any recommendations relating to future scrutiny of this area of work can be included in the work programme for Overview and Scrutiny and its Scrutiny Review Panel.

Our residential homes are closely monitored by Ofsted annually and unannounced Regulation 33 internal visits to homes take place monthly. Lord Mayor, I take part in these visits on a regular basis and find them both informative but challenging for the staff. They involve conversations with young people without staff present and with their birth parents encouraging real dialogue. Young people in our care are also given independent advocates with whom they can discuss concerns or make complaints as well as with their social workers and carers.

I would say finally, that whilst we are confident that we have established a proactive system, we are not complacent and know that dangerous and unpleasant people can find ways to target vulnerable young people. We will always take any new concerns seriously but can only investigate what is reported. We would urge anyone who has concerns about child safety always to ensure that those concerns are reported to the City Council.

Green Flag awards in Nottingham

Councillor Neghat Nawaz Khan asked the following question of the Portfolio Holder for Leisure and Culture:

Could the Portfolio Holder for Leisure and Culture update Council on the progress of Green Flags in Nottingham's Parks and Open spaces?

Councillor Dave Trimble replied as follows:

Thank you Lord Mayor and can I thank Councillor Neghat Khan for her question. Our Parks and Open Spaces team have won the Association of Public Sector Excellence Awards for the National Best Parks Team of the year for the last two years and three times in the last five years. It has been short-listed again for the Award on Thursday.

The Green Flag Award Scheme recognises and rewards the best Parks and Green Spaces in the country and it is the only nationally recognised quality standards for Parks and Green Spaces in the entire country. In 2014, a record number of awards were made nationally with 1,476 parks and green spaces currently flying a Green Flag or Green Flag Community Award.

In Nottingham our award winning Parks Team has continued to drive forward a multi million pound improvement programme the vast majority of which has been externally funded. This, combined with active community involvement and improving maintenance standards, has enabled many of the city's parks to achieve the national standard again this year. My predecessor, Councillor Unczur started the policy of Green Flags and achieved four Green Flags early on. In the last seven years, that number has increased from four Green Flags to twenty this year. If you take all of the categories of Green Flags, the improvements in Nottingham's Parks and Open Spaces, this year has resulted in a very impressive thirty seven Green Flag Awards in total. Of this total, 20 are Nottingham City Council Green Flags including 3 new awards at Colwick Woods Local Nature Reserve, Harrison's Plantation Local Nature Reserve and Bulwell Forest Park. Plus another two special awards for Nottingham City Council called Heritage Green Flags, awarded to the Forest and the Arboretum. The universities have three Green Flags, two for the University of Nottingham and one for Nottingham Trent and there are twelve Green Flag Community Awards which are led by the Community such as Arkwright Meadows Community Gardens. We do work in partnership with the community and the initiatives are led by the communities.

The Green Flags the City Council has place us above all local authorities in the midlands, the best of all the core cities and at a national level, we are the third highest for Green Flags in the country and the fourth highest in UK behind the London Borough of Hillingdon, Edinburgh and Westminster City Councils, all of which are more cash rich than Nottingham and will have a much higher Council tax base

than we have here in Nottingham, and percentage wise, will have suffered much lower cuts than we have had to manage over the years.

Lord Mayor, we may not have the financial advantage of Westminster, Kensington and Chelsea or Richmond Borough, we don't have their advantage of having royal parks which are opened by the Queen and paid for by the government but, we do have a lot of parks in Nottingham that we can rightly be proud of. So, I am sure that you will agree with me that our Parks team deserve congratulations for all their hard work and entrepreneurial approach in securing millions of pounds in external funding. They deserve congratulations on their partnership working and the community engagement they carry out too. Our Labour councillors deserve congratulations for prioritising their ward budgets to improve local parks, without which any of these or previous awards would have been possible. Lord Mayor, we have made great progress in having lots of our parks recognised as amongst some of the best parks in the country, but I don't want Nottingham to be just the best in the east midlands or of the core cities, I want Nottingham to be the best in the country and we intend to secure even more Green Flags in the future in order to do that.

Lord Mayor, our parks are really important to Nottingham people and I hope that they are important to us. Of course, the more local members prioritise their parks with more match-funding, the better we will get and the quicker we will get there in being the best in the country for our parks.

Government's pledge on a 'family test'

Councillor Mohammed Saghir asked the following question of the Portfolio Holder for Children's Services:

Could the Portfolio Holder for Children's Services comment on Cameron's recent pledge to make sure all government policy passes a family test, and does he agree with me that Cameron's policies thus far would have failed his own test?

Councillor David Mellen replied as follows:

Thank you Lord Mayor and can I thank Councillor Saghir for his question. In August, David Cameron gave a speech stating that from October, all government policies would have to pass a 'family test' with every new policy examined for its impact on the family, helping families 'come together and stay together.' On the face of it laudable aims. In an attempt to show some 'real impact' he announced additional funding for the Troubled Families' Initiative and adoption, as well as more money for relationship counselling. Whilst we welcome addition time-limited funding to address the issues that workless families, living at or below the poverty line, face, and, whilst any additional help that enables us to find permanent families for children in our care is always a good thing, I believe that these initiatives are tacking the symptom and not the cause.

After four years of policy that has done anything but support families, especially those who are the most vulnerable, after a programme that appears to many as showing somewhere between wilful disregard and callous vindictiveness towards poorer families, David Cameron's announcement, I fear, is more based on polling data

showing that not enough voters see the Conservative party as family friendly and that his party is less popular with women.

Many of the coalition's own policies have had a significantly adverse affect on families in this city and would, indeed, fail their own family test. A recent report produced by the Advice Nottingham consortium presented a stark evaluation of the effects of the welfare reforms on children in Nottingham. The report states that families deemed to be under occupying their accommodation are experiencing financial hardship and face either increased costs or potentially moving home and losing social support networks. Children have to change schools or travel further to get to school if their families are forced to move. Whilst it may be thought that the bedroom tax mainly affects those whose children have left home, the facts show that in Nottingham, over 1500 households where children live have been affected by the bedroom tax – that's 35% of the total number of affected household. How would this policy fare against the Prime Minister's family test? Lord Mayor, I believe that it would fail the test.

The report also cites many parents who have been subject to the pernicious benefit sanctions system relying almost entirely on food banks to feed their children. So far 273 families with children have been beneficiaries of the Emergency Hardship Scheme. We know from national surveys of teachers that more children are coming to school hungry, without the right uniform and ill-prepared to learn due to their home circumstances. Demand for our services that support vulnerable children and families in the city has never been higher and reports across the country are of parents going without meals themselves to feed their children. This is happening in one of the world's richest countries. How has the government done in the family test exam? Lord Mayor, it has clearly failed.

Those losses can be added to if you look at policies outside those affecting the income parents are receiving. One of this government's first decisions was to scrap the Education Maintenance Allowance, a grant that supported 16-18 years old from low income families with travel and equipment costs for further education. These costs are now added to the family outgoings unless the young person can secure a bursary from their college. Funding for local authorities to facilitate work experience for 15 and 16 year olds was ended by the coalition government in April 2011. This has meant that whether a young person gets the benefit of a work placement is now a post code lottery; more policy changes not supporting young people and their parents, leading to worse preparation for the world of work, not passing the family test, but once again failing it.

Even those families in the city who are not facing severe poverty are experiencing the effects of the government's ill-conceived and poorly delivered policies. In Nottingham, we experienced the situation whereby a primary free school trust received government approval to open and began actively recruiting pupils. Premises (which the Council felt were inappropriate for a primary school – being a former Victorian industrial building with limited outdoor space) were secured, but, barely four months before the school was due to open, the same government that had approved the school opening pulled the plug on it, without ever revealing very convincing reasons for doing so. This left fifty or so children and their families confused, uncertain and clearly without a school place and the Council having to support them to find suitable places at very short notice.

As Council will be aware, this is during a time when there is city wide pressure for school places and very limited central government financial support to rectify it. The free school policy comes on top of the earlier decision to scrap the promised Building Schools for the Future funding thus leaving many of our secondary pupils' learning in buildings that badly need renovation.

So, to conclude, in the absence of a 'family test' to date the government has failed to protect vulnerable families and has only increased the burden on those who are only just coping. It has failed to deliver on its own policies to support parental choice and help families stay together. If the 'family test' in the future works to block such ill-conceived, ideologically-driven rather than evidence based decisions, I would support it whole-heartedly. My fear, however, is that this is merely a cynical attempt to bring those families this government has already failed so badly, back on board in the run up to a General Election in 2015.

GP services in the Meadows

Councillor Michael Edwards asked the following question of the Portfolio Holder for Adults, Commissioning and Health:

What matters does the Council need to consider in the light of the plan to change the provision of GP services in the Meadows?

Councillor Alex Norris replied as follows:

Thank you Lord Mayor and I thank Councillor Edwards for his question. I would like to take this opportunity to recognise Councillor Edwards' hard and swift work when he found out about planned changes to GP provision in his ward. I think without that they would not have been put quite firmly on the agenda as they might have been so I would like to take the chance to recognise that.

Councillor Edwards and I were both on the receiving end of a crash course in GP provision and precisely what GP surgeries might mean to us but actually what they mean in the law and in our communities. I think before this, we would consider GP surgeries to be community assets, things that sit in the heart of our communities that are much loved, much used and much needed in the way that we would other Council facilities. Similarly, recently there were proposed changes to a fire station in my ward and I, along with my colleagues, raised a community campaign to say that we didn't think these things were the right things to do and I think we would expect to do the same thing in respect of changes to the provision of GP services.

It is worth the chamber understanding that GP provision doesn't actually work this way and that is what this Council has learnt from this matter. I spoke to a GP colleague of mine who I work with on the Health and Wellbeing Board and we talked this through, he said, "Alex, you're looking at this the wrong way, you're thinking of them as community assets like fire stations but actually you need to think of them as small businesses, like the local corner shop." Actually, should that proprietor decide that he doesn't want to trade from those premises anymore and wishes to trade somewhere else or join with a colleague he is very much free to do so. It has happened in the Meadows and we are learning from that. Just before I go on to how

we are going to prepare ourselves for that in the future, it is very important that all members in the chamber that all our wards are very aware that there is a lot more of this to come.

The demography of our GPs, the nature of their practices and what we call 'single-handed' practices are increasingly less fashionable and as a result, we may see more practices merge and we need to be aware of that and ahead of those trends in our wards to make sure services do not suffer.

As part of that exercise, I have spoken to NHS England who are responsible for the commissioning of primary care to ensure that people in our city have access to the right GP surgeries and I have secured a number of commitments that they will be ensuring - whatever specific and individual changes there might be, that patients safety and access to the services they might need will always be protected and paramount, that the premises used will be fit for purpose, especially with regard to disability access but also local transport access which we know is very important to people in our communities. We use mergers in our communities as an opportunity to improve the range of services offered and extend access for appointments where possible and that critically, patients are involved in the process at an early stage so that they know what is happening and they can make sure the merger works for them, not just the individuals in charge.

I think we consider from the episode in the Meadows over the last couple of weeks that the consultation didn't take that form, and that the timeliness and the sequence of events meant that those who had a direct interest, whether it is local councillors or a patient group, didn't feel that they had an opportunity to actually shape the outcomes of the merger so that, certainly, is a keen learning point. So, from this, what I am currently developing from Councillor Edwards' very detailed notes, is a protocol that places scrutiny of this organisation's role within the Health and Wellbeing Board, so that we can be assured that the services delivered are meeting the test that NHS England have pledged to us, and I will be seeking to agree that with NHS England so that we know then, not just on an episode by episode basis, that we can be assured that quality provision is available.

There will always be a function for us, and something that we need to be aware of is to make sure that the quality of provision, either at existing practices or new/emerged practices, is that the quality of provision is there. Working through this exercise has certainly given me greater awareness of just how much information we can get from NHS England about the quality of our practices and I very much ask you to consider that in the course of your work.

44 REPORT OF THE LEADER ON RECORDING AND REPORTING ON PUBLIC MEETINGS

The Leader submitted a report on the Policy on recording and reporting on public meetings, as set out on pages 25 to 32 of the agenda.

RESOLVED to adopt the policy recording and reporting on public meetings.

45 REPORT OF THE LEADER ON GENERAL AMENDMENTS TO THE CONSTITUTION

The Leader submitted a report on general amendments to the constitution, as set out pages 33 to 50 of the agenda.

RESOLVED to agree and note the constitutional amendments as set out in Appendix 1 to the report.

46 REPORT OF THE LEADER ON DECISIONS TAKEN UNDER URGENCY PROCEDURES

The Leader submitted a report on decisions taken under the urgency procedures, as set out on pages 51 to 56 of the agenda.

RESOLVED to note the urgent decisions taken, as follows:

(1) Urgent decisions (exempt from call-in)

<u>ref</u>	<u>Date of decision</u>	<u>Subject</u>	<u>Value</u>	<u>Reasons for urgency</u>
1542	03/07/14	Approval of costs for a child in care	Exempt	To allow for a timely implementation of the decision.
1543	03/07/14	Approval of costs for a adult care package	Exempt	To allow for a timely implementation of the decision.
1544	03/07/14	Approval of costs for a adult care package	Exempt	To allow for a timely implementation of the decision.
1547	03/07/14	Building Foundations for Growth – Enterprise Zone Capital Grant Fund – Accountable Body	£5,500,000	In order for funding to be released, the City Council needed to have Accountable Body status, and the Department of Communities and Local Government wished to release the funding immediately.
1551	08/07/14	Approval of the costs of a placement for a Child in Care	Exempt	To allow for a timely implementation of the decision.

<u>ref</u>	<u>Date of decision</u>	<u>Subject</u>	<u>Value</u>	<u>Reasons for urgency</u>
1552	08/07/14	Approval of the costs of a placement for a Child in Care	Exempt	To allow for a timely implementation of the decision.
1557	11/07/14	2 year old children – Expansion programme	£805,000	Funding which dates back to a 2012/13 DfE grant allocation has not yet been approved, and a Primary school requires funding to pay a local builder for work that has already been completed.
1574	22/07/14	Approval of the costs of a placement for a child in care	Exempt	To allow for a timely implementation of the decision.
1575	22/07/14	Approval of the costs of an Adults care package	Exempt	To allow for a timely implementation of the decision.
1576	22/07/14	Approval of the costs of an Adults care package	Exempt	To allow for a timely implementation of the decision.
1580	24/07/14	IT Contract	Exempt	To extend current contracts to enable the Council to align and merge all telecommunication contracts under a single future contract.
1601	07/08/14	Approval of a business case, allocation of funding and procurement of a contractor in relation to the expansion of Djanogly Northgate at Sherwood Rise	£999,950	So that works can begin during the summer holiday to enable Year 1 children to attend the school in September this year.
1602	07/08/14	Approval of the costs of a placement for a child in care	Exempt	To allow for a timely implementation of the decision.

<u>ref</u>	<u>Date of decision</u>	<u>Subject</u>	<u>Value</u>	<u>Reasons for urgency</u>
1603	07/08/14	Approval of the costs of a placement for a child in care	Exempt	To allow for a timely implementation of the decision.
1604	07/08/14	Approval of the costs of an Adults Care Package	Exempt	To allow for a timely implementation of the decision.
1610	13/08/14	Purchase of Electoral Management Software	Exempt	To allow for a timely implementation of the decision.
1622	18/08/14	Retaining wall at the former Douglas School, Seely Road, Radford	Exempt	To allow for a timely implementation of the decision.

(2) Key decisions (special urgency procedure)

<u>Date of decision</u>	<u>Subject</u>	<u>Value of decision</u>	<u>Decision Taker</u>	<u>Reasons for special urgency</u>
03/07/14	Building Foundations for Growth – Enterprise Zone Capital Grant Fund – Accountable Body	£5,500,000	Leader	In order for funding to be released, the City Council needed to have Accountable Body status, and the Department of Communities and Local Government wished to release the funding immediately.
11/07/14	Review of Voluntary Sector Infrastructure Support	Exempt	Leader	There was an urgent need to sign the contract due to potentially tight timescales for any future contract negotiations.

47 REPORT OF THE PORTFOLIO HOLDER FOR PLANNING AND TRANSPORTATION ON THE BROXTOWE BOROUGH, GEDLING BOROUGH AND NOTTINGHAM CITY ALIGNED CORE STRATEGY

Councillor Jane Urquhart submitted a report on the Broxtowe Borough, Gedling Borough and Nottingham City Aligned Core Strategy Adoption, as set out on pages 57 to 84 of the agenda. Reference was made to an letter received from a planning consultant acting on behalf of some parish councils in Greater Nottingham, and advice received thereon.

RESOLVED to

- (1) adopt the Broxtowe Borough, Gedling Borough and Nottingham City Aligned Core Strategy;**
- (2) delete the policies in the Adopted Local Plan identified in Appendix E of the Core Strategy;**
- (3) delegate authority to the Portfolio Holder for Planning and Transportation to make any final minor changes required to correct typographical or other errors.**

48 MOTION IN THE NAME OF COUNCILLOR ALEX NORRIS

Following a vote, Council agreed to vary the order of business under Part 4 of the Constitution, Standing Order 5, to consider the motion as item 11 on the agenda.

Moved by Councillor Alex Norris, seconded by Councillor Ginny Klein:

“This Council understands the impact of smoking in our communities.

This Council believes that reducing smoking in our communities will improve health outcomes, help households tackle the cost of living crisis and benefit our local economy.

This Council recognises that illicit and counterfeit tobacco trade funds serious organised crime and increases children’s access to tobacco.

This Council will:

- Endorse and support the principles set out in the Local Government Declaration on Tobacco Control
- Call on partners and other relevant organisations in the city to sign up to the Declaration.
- Maximise the powers held by the Council to tackle illicit and counterfeit cigarettes
- Work with local traders to explore a way to ensure under-age sales are prevented – such as implementing a Challenge 25 scheme.
- Continue to work in partnership with colleagues and citizens to reduce smoking prevalence and prevent the uptake of smoking amongst children and young people
- Build on the successful prohibition of smoking at playgrounds, and, where local people want it, use new legislation to designate further smoke-free public places.
- Lobby government to:
 - support the introduction of standardised packaging
 - consider further legislation to protect our young people from the harmful effects of tobacco
 - ring-fence a proportion of duty from cigarettes for prevention activity in communities.”

RESOLVED to carry the motion.

49 TO CONSIDER A REPORT OF THE PORTFOLIO HOLDER FOR ADULTS, HEALTH AND COMMISSIONING ON THE LOCAL GOVERNMENT DECLARATION ON TOBACCO CONTROL

Councillor Alex Norris submitted a report on the Local Government Declaration on Tobacco Control, as set out on pages 85 to 90 of the agenda.

RESOLVED to become a signatory to the Local Government Declaration on Tobacco Control.

COPY OF WRITTEN QUESTION TO BE ASKED BY COUNCILLOR TIM SPENCER OF THE PORTFOLIO HOLDER COMMUNITY SAFETY, HOUSING AND VOLUNTARY SECTOR AT THE MEETING OF THE CITY COUNCIL TO BE HELD ON MONDAY 8 SEPTEMBER 2014

The Portfolio Holder will be aware that a joint tenancy will automatically be passed on to a surviving partner when a tenant dies, and that as a tenancy can only be inherited once, for example, any remaining child residing at the property would have no right to succession in the event of their remaining parent passing away. Nottingham City Homes' website confirms this, stating that "succession can only happen once, so an adult child cannot take over the tenancy if succession has already taken place." However, this continues "They would have to ask if the tenancy could be assigned to them as long as certain conditions are met."

There has recently been a couple of instances in my ward where Housing Officers have refused a tenancy to pass down to a child where the second parent has died after themselves inheriting the tenancy. If, as the NCH information suggests, there is some discretion that can be taken, can the Portfolio Holder inform me whether or not in cases where, for example, the surviving tenant has a severe disability, there is anything we can do for vulnerable tenants at such a traumatic time?

Councillor Dave Liversidge replied as follows:

Thank you for your question regarding the succession of tenancies. As you rightly point out in law there is only one automatic right to succeed to a tenancy on the death of a tenant. This legal right is to succeed to a tenancy and not necessarily the property.

However, it is the policy of Nottingham City Homes (NCH) to take a sensitive approach in cases where there are other people residing with a tenant in the event of a tenants death. If there is a remaining resident who has lived at the property for at least 12 months and would normally qualify for succession, as a spouse/partner, qualifying family member or qualifying unpaid carer, should there not have already been a succession, NCH do consider what is known as a 'second succession'. Please note we will only consider a second succession in these cases where:

- the prospective tenant is eligible for a social housing tenancy,
- the tenancy has been conducted satisfactorily, particularly in relation to anti-social behaviour, and
- if the prospective tenant does not owe former tenancy arrears or has no history of anti-social behaviour.

As pointed out above, second successions are only to a tenancy and not necessarily a property. Generally NCH would only allow applicants to stay in a property if the prospective tenant and their household would qualify for the tenancy in terms of size and facilities and any specific occupancy/eligibility criteria, in line with the NCC allocation policy. In circumstances where the prospective tenant does not meet the

criteria to remain in a property, NCH would however offer an alternative property, which is suitable to the prospective tenant's household needs.

I should like to reassure you that NCH take an extremely sensitive approach in these sad circumstances. All cases, whether or not there is a right to succession in law, are treated sensitively with the Housing Patch managers adopting a supporting role for surviving relatives during this emotional and unsettling time. A home visit will be carried out to advise and support remaining residents according to their individual circumstances. If remaining residents do not qualify for a 'second succession' the Housing Patch manager will advise about alternative housing options. The Housing Patch manager will also consider whether there may be exceptional circumstances which would support the need for a non-qualifying resident to be offered a tenancy. If this is the case a report will be presented to the Allocation and Tenancy Manager panel to consider whether the circumstances are such that there is an urgent need to offer the remaining resident a tenancy with NCH. No remaining resident will be asked to leave before 3 months has elapsed, unless they expressly request otherwise.

In relation to the specific cases you have raised in your enquiry, please let me have the specific details i.e. names and addresses and I will get the relevant Tenancy and Estate Manager to look into the cases to ensure that both the cases were handled sensitively and correctly. I will then provide an update to you on the current position. It may be that the remaining residents in these cases did not qualify to remain in the tenancy as opposed to the resident not qualifying for a tenancy. If this is the case the remaining resident should have been supported and advised of alternative housing options as detailed above.

I would again like to assure you that cases are treated with sensitivity. NCH prides itself in our understanding of the diverse needs of vulnerable customer and providing a service which takes account of those needs. I hope this clarifies the general process in relation to second successions. Please do not hesitate to contact me if you require any further advice in this matter.

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CITY COUNCIL – 13 OCTOBER 2014

REPORT OF THE LEADER

DECISIONS TAKEN UNDER URGENCY PROCEDURES

1 SUMMARY

- 1.1 As required by the Council's Constitution, this report informs Council of urgent decisions taken under provisions within both the Overview and Scrutiny Procedure Rules and Access to Information Procedure Rules.

2 RECOMMENDATIONS

- 2.1 It is recommended that Council notes the urgent decisions taken, as detailed in the appendices.

3 REASONS FOR RECOMMENDATIONS (INCLUDING OUTCOMES OF CONSULTATION)

- 3.1 To ensure compliance with the procedures detailed in the Council's Constitution.

4 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

- 4.1 None.

5 BACKGROUND

5.1 Call-in and Urgency (Overview and Scrutiny) Procedure Rules

- 5.1 Council will be aware that the call-in procedure does not apply where the decision taken is urgent. A decision is urgent if any delay likely to be caused by the call-in process would seriously prejudice the Council's or the public's interests. Part 4, paragraph 15, of the Constitution requires that where a decision is taken under the urgency procedure, that decision needs to be reported to the next available meeting of Council, together with the reasons for urgency. The urgency procedure requires that the Chair of the Overview and Scrutiny Committee must agree both that the decision proposed is reasonable in all the circumstances and that it should be treated as a matter of urgency. In the absence of the Chair, the Vice-Chair's consent is required. In the absence of both, the Chief Executive or his nominee's consent is required. Details of the decisions made where the call-in procedure has not applied due to urgency are set out in Appendix 1.

5.2 Special Urgency – Access to Information Procedure Rules

- 5.3 The Local Authorities Executive Arrangements (Access to Information) (England) Regulations 2012 introduced a requirement for 28 clear days public notice to be given of all proposed key decisions. Where it is not possible to give the full 28 days notice, but there is time to give at least 5 clear days notice, then the General Exception procedure (as set out in Part 4 of the Constitution, paragraph 13 of the Access to Information Procedure Rules) applies. Where 5 clear days notice is also not possible, the above regulations provide for a Special Urgency Procedure (Part 4 of the Constitution, paragraph 14)

- 5.4 An urgent key decision may only be taken under the Special Urgency procedure where the decision taker has obtained agreement that the decision is urgent and cannot reasonably be deferred from:
- (i) the Chair of the Overview and Scrutiny Committee or
 - (ii) if there is no such person, or if the Chair of the Overview and Scrutiny Committee is unable to act, the Lord Mayor (as Chair of the Council) or
 - (iii) where there is no Chair of either the Overview and Scrutiny Committee or Lord Mayor, the Sheriff (as Vice Chair of Council).

Once agreement has been sought and as soon as reasonably practicable, the decision maker must publish a notice at the Council's offices and on the Council's website that the decision is urgent and cannot reasonably be deferred.

In addition the procedure requires that the Leader submits quarterly reports to Council containing details of each executive decision taken during the period since the last report where the making of the decision was agreed as a case of special urgency (paragraph 16.2, Part 4 of the Constitution).

- 5.5 Details of key decisions taken under the special urgency procedures are set out in appendix 2.

6 FINANCIAL IMPLICATIONS (INCLUDING VALUE FOR MONEY)

- 6.1 None.

7 RISK MANAGEMENT ISSUES (INCLUDING LEGAL IMPLICATIONS, CRIME AND DISORDER ACT IMPLICATIONS AND EQUALITY AND DIVERSITY IMPLICATIONS)

- 7.1 None.

8. EQUALITY IMPACT ASSESSMENT (EIA)

- 8.1 An EIA is not required as the report does not relate to new or changing services or policies.

9 LIST OF BACKGROUND PAPERS OTHER THAN PUBLISHED WORKS OR THOSE DISCLOSING CONFIDENTIAL OR EXEMPT INFORMATION

- 9.1 None

10 PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT

- 10.1 The Council's Constitution
- 10.2 The delegated decisions and committee reports detailed in the appendix to this report.

**COUNCILLOR JON COLLINS
LEADER OF THE COUNCIL**

URGENT DECISIONS (EXEMPT FROM CALL-IN)

<u>Decision reference number</u>	<u>Date of decision</u>	<u>Subject</u>	<u>Value of decision</u>	<u>Decision Taker</u>	<u>Consultee on urgency</u>	<u>Reasons for urgency</u>
1637	01/09/2014	D2N2 Local Enterprise Partnership Growing Places Fund Loan Approvals	£238,000	Deputy Chief Executive, Corporate Director of Development and Growth	Chair of Overview and Scrutiny Committee	To enable the release of funds in a timely manner following approval.
1652	15/09/2014	Transfer of Banking Services - Preparation of Financial Systems	£45,500	Deputy Leader	Chair of Overview and Scrutiny Committee	Urgent approval is sought in order to meet the Council's deadline.
1653	16/09/2014	Approval of costs for a Adults Care Package	Exempt	Portfolio Holder for Adults, Commissioning and Health	Chair of Overview and Scrutiny Committee	To allow for a timely implementation of the decision.
1654	16/09/2014	Approval of costs for a Adults Care Package	Exempt	Portfolio Holder for Adults, Commissioning and Health	Chair of Overview and Scrutiny Committee	To allow for a timely implementation of the decision.
1670	26/09/2014	Taking a 15 year lease of 24-32 Carlton Street & 31-33 Warser Gate, followed by the grant of a 15 year sub-lease to GameCity Ltd	Exempt	Deputy Leader	Chair of Overview and Scrutiny Committee	To allow for a timely implementation of the decision.
1673	30/09/2014	Tender to Oldham Borough Council for Billing and Metering Services	Exempt	Portfolio Holder for Energy and Sustainability	Chair of Overview and Scrutiny Committee	To allow for a timely implementation of the decision.

KEY DECISIONS – SPECIAL URGENCY PROCEDURE

<u>Date of decision</u>	<u>Subject</u>	<u>Value of decision</u>	<u>Decision Taker</u>	<u>Reasons for special urgency</u>
30/09/2014	Tender to Oldham Borough Council for Billing and Metering Services	Exempt	Portfolio Holder for Energy and Sustainability	To allow for a timely implementation of the decision.

CITY COUNCIL – 13 OCTOBER 2014

REPORT OF THE DEPUTY LEADER

WELFARE REFORM – ONE YEAR ON

1 SUMMARY

- 1.1 This report presents an overview of the impact of the welfare reforms introduced since April 2013. In the context of the Council motion adopted in January 2014, setting out the Council's concerns of the effects of the welfare reforms, the purpose of the report is to provide Council with an update of the effects of welfare reform for Nottingham citizens and services and what actions have been and are being taken to respond and to mitigate the impacts for Nottingham citizens.

2 RECOMMENDATIONS

- 2.1 To consider the impact of welfare reforms, introduced since April 2013, on Nottingham's citizens and economy.

3 REASONS FOR RECOMMENDATIONS (INCLUDING OUTCOMES OF CONSULTATION)

- 3.1 On 22 July 2014 Executive Board recommended that Council consider the impact of welfare reforms, introduced since April 2013 on Nottingham's citizens and economy.

4 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

- 4.1 None.

5 BACKGROUND

- 5.1 At the meeting of City Council on 27 January 2014, a motion was carried which set out the Council's concern about the effects of the cuts in welfare and local government spending on citizens and on the economy in Nottingham.
- 5.2 The report *Welfare Reform – One Year On* (appendix 1) presents an overview of the impact of the welfare reforms introduced since April 2013. The purpose is to provide an update for Council on the concerns raised by the Council motion in January 2014, note the impacts of welfare reforms for citizens and services and the actions that have been and are being taken to respond and to mitigate the impacts for Nottingham citizens.
- 5.3 The Welfare Reform Act 2012 became law on 8 March 2012. The Act introduces the most fundamental changes to the benefits and tax credits system for 60 years. The changes began in 2010 and will continue into 2014 and beyond. In 2013 a number of very significant changes to the funding and administration of welfare and benefits were introduced across England.
- 5.4 During 2012/13 Nottingham City Council responded to the Government's welfare reforms and tried as much as possible to mitigate the adverse effects of the reforms for the most vulnerable citizens in Nottingham. The Council continues to closely monitor its policies and works with partners to understand the ongoing impacts for citizens and services and to manage the risks.

6 FINANCIAL IMPLICATIONS (INCLUDING VALUE FOR MONEY)

6.1 None.

7 RISK MANAGEMENT ISSUES (INCLUDING LEGAL IMPLICATIONS, CRIME AND DISORDER ACT IMPLICATIONS)

7.1 Not applicable.

8 EQUALITY IMPACT ASSESSMENT (EIA)

8.1 Has the equality impact been assessed?

Not needed (report does not contain proposals or financial decisions)

9 LIST OF BACKGROUND PAPERS OTHER THAN PUBLISHED WORKS OR THOSE DISCLOSING CONFIDENTIAL OR EXEMPT INFORMATION

9.1 None.

10 PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT

10.1 Welfare Reform Act 2012

10.2 Council Motion – 27 January 2014

10.3 Welfare Reform – One Year On (Nottingham City Council Policy Alert)

10.4 Welfare Reform One Year On – Executive Board 22 July 2014

**COUNCILLOR GRAHAM CHAPMAN
DEPUTY LEADER**

policy alert

July 2014

[@NCCPolicy](#)

Welfare Reform One Year On (2013-2014)

Introduction

This Policy Alert presents an overview of the impact of the welfare reforms introduced since April 2013. The purpose is to provide senior decision makers and council partners with an understanding of the impacts of welfare reform for Nottingham citizens and services and what actions have been and are being taken to respond and to mitigate the impacts for Nottingham citizens.

Background

The Welfare Reform Act 2012 became law on 8 March 2012. The Act introduces the most fundamental changes to the benefits and tax credits system for 60 years. The changes began in 2010 and will continue into 2014 and beyond (see Appendix 3 for a summary of changes to welfare and benefits between 2011 and 2014). The Government's stated aims of the reforms are to simplify the welfare system and to encourage people on benefits to find and stay in paid employment.

The changes were originally expected to save £18bn however, in 2012 the Government's budget outlined a further £10bn of cuts to welfare spending and in the Chancellors Autumn Statement on 5th November 2012, an additional £3.7bn savings were identified bringing the overall cuts in welfare expenditure nearer to £22bn a year by 2014-15.

In 2013 a number of very significant changes were introduced; council tax benefit and elements of the social fund were abolished with funding and responsibility for local Council Tax Support Schemes and welfare assistance schemes passing to local authorities. The Benefits Cap was implemented in September and the phased introduction of a new benefit, Personal Independence Payment, began in October.

Headlines

- **Welfare Reform is having a significant impact on some of the most financially vulnerable citizens living in Nottingham, particularly in areas with high concentrations of benefits claimants.**

The maps in Appendix 1 and 2 attempt to show the areas of the city most likely to be affected by benefit reforms.

- **The reforms could take circa £18.3m out of the Nottingham economy – through reductions in available household income.**

We have calculated this by mapping the number of people or households affected by benefit reforms and the financial implications for both the people affected and the City as a whole.

- **The welfare reforms present significant challenges to Nottingham City Council (NCC) and exposure to significant financial risk.**



The transfer of reduced funding and additional responsibility from central Government for local Council Tax Support and welfare (hardship) assistance came at a time of significantly reduced funding for local authorities. As a result of the additional financial pressure facing NCC and partners, additional resources were committed to provide advice and support services for citizens affected by the welfare reforms.

Key Messages – What have the policy changes achieved?

- **It is too early to tell whether the Government's overall policy objective from the welfare reforms to support improved work incentives has been achieved.**
An overview of benefits claimants in Nottingham is provided below. Benefit reforms are likely to have had an impact on people transferring between benefits however; it is not clear how benefit claimants in Nottingham have responded to the changes affecting them such as a reduction in their household income.
- **The change to under occupancy rules for social housing tenants has not achieved the objectives of the policy which were to encourage greater mobility within the social rented sector and to make better use of available social housing stock.** 3% of Nottingham City Homes (NCH) tenants who were affected by the under occupancy rules have successfully moved to more appropriate sized properties. In April 2014 NCH has reported £270k of rent arrears for tenants affected by the under-occupancy changes.
- **NCC introduced a local Council Tax Support Scheme while at the same time the Council's funding to support such a scheme was reduced. Approximately 19,000 citizens are now paying Council Tax for the first time.** NCC has reported an increase in the levels of Council Tax arrears.
- **It is not clear in Nottingham whether the Benefits Cap has achieved the Government's aim of supporting people into work. The impact of the cap will be felt by larger households, particularly those with children. The Council retains a statutory duty to house homeless families.**
- **The Council, Council partners and voluntary, community and advice sector services have targeted significant resources (human resources, time, material and financial resources) to prepare citizens for the reforms and to respond to the needs of those citizens affected by the reforms to date.** In 2013 Advice Nottingham undertook a monitoring exercise to map client numbers. Findings strongly indicated that support and advice agencies across the City experienced an increase in demand for advice about changes to benefits and debt. Discussions with other cities suggest that this is being mirrored across the Core Cities.
- **Citizens facing the biggest potential financial losses as a direct result of welfare changes will be those in receipt of Incapacity Benefit (IB) and the Disability Living Allowance (DLA).** We estimate relatively big average financial losses for a fairly large group of people who are likely to have limited opportunities to earn extra income, who face greater challenges in finding suitable employment and who also have additional medical or living costs.
- **The number of people being referred for sanctions has gone up since the new stricter sanctions regime was introduced in October 2012. Referrals for sanctions each month in the first year of the new regime were 35% higher than the previous year.** The main increase in Nottingham has been in referrals which are either cancelled or are decided in the claimant's favour. Young people (18-24 year olds) are disproportionately more likely to be sanctioned (source: DWP sanctions decisions data 2012/13)

Appendix 2 (Map 3) shows the numbers of individuals receiving sanctions between October 2012 and September 2013 by Super Output Area.

- **Further reforms such as the introduction of Personal Independence Payments and Universal Credit (UC) are likely to have implications for Nottingham citizens, however the impacts of these reforms are not yet known.** UC will affect large numbers of citizens in Nottingham both in-work and out of work. By 2015/16, the Government intends to reduce working age DLA expenditure by 20% and they expect around 500,000 fewer individuals to be in receipt of Personal Independence Payment by 2015/16 compared to what would have happened under DLA (source: DWP DLA reform impact assessment, May 2012).

Benefit claimants in Nottingham

The latest Nottingham City Council Benefits Bulletin (February 2014) reports that:
Since March 2010:

- The total number of benefit claimants of working age fell,
- The number of Job Seekers Allowance (JSA) claimants increased from 11,503 to 12,651 and,
- The number of people on out of work benefits in Nottingham has fallen from 36,810 (February 2010) to 33,960 (August 2013);

The fall in the total number of benefits claimants and the number of unemployed people in Nottingham reflects a number of factors including improvements in the economy and actions by NCC to generate local employment opportunities. In 2013/14, a total of 2,524 people have been helped into jobs through the Apprenticeship Hub (482 jobs), the Employer Hub (956 jobs), the Nottingham Jobs Fair (500 people). The Innovation Fund has helped 260 young people into work and helped 286 achieve a level 1-4 qualification. The Nottingham Jobs Fund created 271 jobs between April 2013 and March 2014. There has also been a natural increase in the working age population in the city along with some inward migration.

Although fewer people in Nottingham are claiming benefits and the transfer from other benefits such as Incapacity Benefit and Income Support to JSA has slowed, there remains a relatively high proportion of JSA claimants who have been claiming the benefit in the long-term (2 years and over). Benefit reforms are likely to have had an impact on this trend because the people transferring to JSA are likely to have significant issues such as long breaks from the labour market or childcare commitments.

What the Council did to prepare citizens for these changes

Communications

- The Council worked closely and where appropriate, shared information with key partners to raise awareness of the welfare changes due to come in and to prepare them to help our citizens.
- We also shaped communications for our citizens, colleagues and partners to help raise awareness and signpost people to appropriate help and advice.
- We wrote directly to all households affected (where we could identify them) to advise them of the changes and offer support.

We also:

- Created bespoke welfare reform web pages and a comprehensive information booklet and wrote to all citizens affected by changes to Council Tax and the Benefits Cap,
- Worked with partners to develop communications strategies and ensure citizens received timely information and key messages about the reforms.
- Took opportunities to make sure people knew about the changes through targeted communications such as radio campaigns and faith sector/volunteer briefing events.

Policy responses

During 2012/13 the Council consulted with citizens and partners to develop **local policies** (a local discretionary Council Tax Support Scheme; a local discretionary Hardship Support Scheme; a Small Loans Scheme and an updated Discretionary Housing Payments Policy) to respond to the Government's welfare changes.

NCC has tried as much as possible to mitigate the adverse effects of the Government's welfare reforms for the most vulnerable citizens. We continue to manage the risks by closely monitoring the policies to understand the ongoing impacts.

- The Council designed and introduced a local Council Tax Support Scheme which used a combination of Government, and council funding. In 2013/14, the Scheme took advantage of Government transitional funding and used income from empty properties to set a minimum contribution level in the City. This meant that all working age people had to pay at least 8.5% of their Council Tax Bill.
- Councillors agreed to use the total allocation of welfare assistance funding to develop a local discretionary Hardship Scheme including a Small Loans Scheme administered by Nottingham Credit Union.

During the development and implementation of both schemes, local views and opinions were sought through public consultations, service-user focus groups, online surveys for frontline staff and learning and training sessions for partners.

Partnership Working

In order to mitigate the impact of the welfare reforms and protect vulnerable citizens, the Council and partners have cooperated to understand the issues affecting certain groups of people and have developed solutions in partnership with NCH, registered social landlords and housing organisations, advice agencies across the city, representatives of voluntary, community and faith groups, food banks and the Department for Work and Pensions (DWP).

Examples include:

- **The Evictions Prevention Protocol.** This seeks to prevent evictions as a result of the under-occupancy charge; since April 2013 no evictions have occurred as a result of tenants under occupying their property.
- **The Sanctions Protocol.** This sets out actions NCC and DWP colleagues will take to investigate 'inappropriate' sanctions decisions and assist claimants with appealing decisions.
- Council officers have delivered training on the Hardship Support Scheme for food bank volunteers and have worked closely with the faith, voluntary and community groups to understand emerging needs and changing demand among vulnerable citizens. Through strong partnership working, NCC has gathered intelligence and insight to develop appropriate responses, such as those above, to address needs and demand.

Informing and Influencing

- Briefings and presentations have been prepared for senior council officers, Councillors and MPs.
- As response was submitted to the CLG Select Committee inquiry on the implementation of welfare reform by local authorities. The response highlighted the experience of Nottingham citizens and the impact for NCC.
- NCC assisted Nottingham Community and Voluntary Service (NCVS) in a response to an independent review of JSA sanctions.

Evidence Gathering and analysis

- **Welfare Reform Impacts Task and Finish Group (WRITAF).** This group worked to identify and shape responses to the individual and emerging future impacts of the welfare changes. Research undertaken by the group included case study interviews with citizens and work to quantify and map the cumulative impacts of the welfare changes.
- The work of WRITAF (above) highlighted the need for more **integrated advice and support services** to build resilience to the welfare reforms within communities. This is a priority for NCC and work to identify citizens most at risk from the impacts of the welfare reforms continues.
- **Core Cities Welfare Reform Group.** Working with this group NCC developed a set of indicators to track the progress of the welfare reforms in Nottingham and across the Core Cities.

Looking Back

Impacts for citizens

Anecdotally, partners including advice agencies report that Nottingham citizens are facing increasing financial hardship as a result of the welfare reforms.

Council Tax support

The changes to **Council Tax benefit** has had the widest impact with approximately 25,600 households affected. The council took advantage of the transitional funding and other sources of income to mitigate the financial impact on households in Nottingham, however because Council Tax benefit was a means-tested system, this reform has affected some of the city's poorest households.

At quarter 4 (April 2014), for those people affected by the changes to Council Tax benefit:

- 58% had paid their Council Tax bill in full
- 23% had paid part of their Council Tax bill
- 19% had not paid anything towards their Council Tax bill

The Government introduced changes to enforcement regulations which included changes to Bailiff Fees. Citizens will now be expected to pay £75 once a liability order has been issued. Costs can increase by at least a further £235 if an enforcement action is taken.

Social Sector Size Criteria (Under Occupancy)

The number of Nottingham households affected by under occupancy rules (NCH and Registered Social Landlords) is as follows:

- In April 2013, approximately **6,000 households** were affected
- In April 2014, approximately **3,986 households¹** were affected

In April 2014, **1,343** NCH tenants were in arrears with their rent who were not in arrears before the under occupancy charge was introduced.

At quarter 4, of the 3,986 NCH tenants who were affected by the under occupancy rule:

- 55% had paid their rent in full.
- 1% had not paid anything towards their rent
- 97 NCH tenants (3% of all NCH tenants who are under occupying) had 'downsized' as a result of the under occupancy rule.
- 100% of NCC funding for Discretionary Housing Payments (DHPs) had been awarded to Nottingham citizens. NCC reported an increase in the number of applications for DHPs throughout 2013/14.

Benefits Cap

At the end of quarter 4, 156 tenants in Nottingham were affected by the Benefits Cap, which is applied through a reduction in Housing Benefit (HB). Although a relatively small number of people in Nottingham are affected by this reform, some have seen a significant reduction in HB. The majority of people are losing between £0 - £100 of their HB while the highest loss is in the range of between £190 - £200 per week.

Employment Support Allowance (ESA)

Between April 2011 and April 2014, current claimants of Incapacity Benefit (IB), severe disablement allowance and income support had their claim transferred to ESA while their benefit entitlement was being reassessed subject to a work capability assessment. In November 2013, 13,760 people in Nottingham had been transferred to Employment Support Allowance (ESA). Of these 13,760 people, 3,400 were in the process of being reassessed while another 2,990 were still claiming IB and were waiting to be transferred to ESA.

¹ This figure includes tenants of the following social housing organisations - NCHA, NCH, Tuntum Housing, Metropolitan, Guinness and Longhurst & Havelock

Personal Independence Payment (PIP)

In 2013 there were approximately 20,000 people in Nottingham claiming Disability Living Allowance. Reassessments for the Personal Independence Payment began in October 2013 and in February 2014, 130 people had been reassessed and were claiming PIP. Delays have been reported in carrying out reassessments and decision-making in parts of the country where assessments are carried out by Capita (this includes the East Midlands).

Delays to PIP processing

The old system of Disability Living Allowance relied on a self-assessment form. However, under the new system, claimants are assessed face-to-face and their situation is reviewed more often. In February 2014, the National Audit Office published a report highlighting the "distress and financial difficulties" faced by claimants because of the slow processing of PIP claims under the new system.

New appeals rules and procedures

New benefit appeal rights were implemented from October 2013. There is now a requirement for a claimant to ask for a 'mandatory reconsideration' (MR) (a request for the decision to be reversed) before an appeal against a benefits decision can be made. The claimant is sent a 'mandatory reconsideration notice' which is the official recognition of a right of appeal. Standard advice is to request a revision within one month after the date on which the claimant was sent the benefit decision. Late appeals claims can result in a claimant losing their right to appeal a decision at a first-tier tribunal.

ESA claimants who have applied for MR are without payment of ESA; they are only entitled to claim JSA while the MR is pending. There is no time limit for how long the MR process can take (DWP state that there is a minimum wait period of 2 weeks). The very real concern is that many claimants will abandon their dispute because of the financial strain on them and their families.

Impacts for Nottingham City Council

Council Tax Support

- The Council's overall Council Tax collection rate is down by 0.3% on 2012/13
- The Council has collected 76% of Council Tax from people affected by the changes to Council Tax support.

Discretionary Housing Payments

Nottingham City Council's total DHP fund for 2013/14 was £696,031. The Council spent 100% of this initial allocation with 80% of awards being made to tenants who were under occupying. In February 2014 the Council successfully applied for an additional £500k of DHP funding for 2013/14. This additional funding has enabled the Council to support financially and socially vulnerable households in the City. While the Council's DHP allocation increased in 2013/14, to alleviate some of the impacts of welfare reform, in particular the Size Criteria and the Benefit Cap, the number of claims rose in 2013/14 by 148% and between 2012/13 and 2013/14 awards made increased by 569%.

Impact for partners

Nottingham City Homes have spent £450k in additional staffing resources for supporting tenants affected and for arrears collection. A further £50k has been spent on the Rightsize project which supports tenants with costs associated with moving (downsizing) for example removal costs.

Housing and homelessness services

Partners working in frontline services in Nottingham were asked about their clients experiences of welfare reform. In summary, feedback indicates that:

- In the private rented sector there is a lack of suitable, affordable accommodation and high demand for one and two bedroom properties.
- Shared accommodation for under 35s is not always appropriate especially if tenants suffer with mental health issues or drug or alcohol addictions.
- The loss of DWP Crisis Loan for rent-in-advance payments has had a 'huge impact' on young people.
- There has been a 'significant increase' in the volume of tenants who wish to 'downsize'.

- Tenants are experiencing additional stress and anxiety;
- There has been increased demand for service/assistance to complete forms / provide negotiations on behalf of vulnerable tenants.
- The increased number of sanctions issued and the claimant commitment are adding to existing financial difficulties experienced by service users.
- Reported impacts include increased referral to food banks, debts with utility providers and rent arrears.
- Many service users are not aware of alternative, more affordable forms of credit and lending and are turning to friends or family, pay day lenders or loan sharks.

Looking Forward

Changes to welfare and benefits 2014

Benefits Up-rating legislation

It is important to note the effects of the Welfare Benefits Up-rating Act (2013) alongside other tax and benefits changes. The Act caps annual increases in most working age benefits at 1% in cash terms in 2014/15 and 2015/16. Given current forecasts of inflation, this implies a cumulative 4% real cut in the benefits affected². Because the up-rating changes apply to almost all benefits and tax credits, both in-work and out-of-work households are affected.

Council Tax Support

In 2014/15, all working age people living in Nottingham will pay at least 20% towards their council tax bill.

Personal Independence Payment (PIP)

In the East Midlands, claims for Disability Living Allowance are no longer being accepted, all new claims are now for PIP. From October 2015 onwards, the Government will contact all existing claimants of Disability Living Allowance (DLA) and invite them to claim PIP. All DLA recipients are expected to have moved onto PIP (if eligible) by 2016/17.

Help to Work Programme

In Nottingham there are currently **over 2,000 people** who will be eligible to take part in the Help to Work scheme. Help to Work is a mandatory scheme and is backed up by the DWP sanction regime. Claimants will be expected to attend a job centre daily, attend a community work placement or take part in further training.

Universal Credit

The timings for the full national rollout of UC are currently unclear. The Government states that all current claimants will be transferred to UC by 2017. There remains significant uncertainty about whether the UC benefit will be implemented successfully. The Council has asked for contingency plans for IT failure and risk management plans to be shared with local authorities.

In response to the **Communities and Local Government Committee inquiry on the implementation of welfare reform**, Nottingham City Council highlighted several concerns about the implementation of UC and the risks created for citizens and local authorities including:

- The separation of Council Tax Support from UC may well undermine the overall policy intent of UC, especially in relation to simplification and improving incentives to work. And, in the longer term, separating the claims process for Council Tax Support and housing costs (which go into UC) may well cause confusion for citizens.
- The need for greater dialogue and greater transparency from DWP in relation to UC so that local authorities can start to prepare for the introduction of UC and to avoid significant disruption and concern to local communities.

² The Institute of Fiscal Studies. [The Effects of the Welfare Benefits Up-rating Bill](#). January 2013

- The Council has already allocated a significant amount of resources to prepare for welfare changes. We do have concerns about the lack of time for the findings from the UC pilots to influence the implementation of the new UC system. The pilots are critical to understanding how UC will work and the role local authorities are expected to have in supporting the delivery of UC via face to face support.

Impacts for citizens

Personal Independence Payment

The latest data (August 2013) shows 20,180 people in Nottingham claiming DLA. Of these:

- 12,900 were aged 16-64 years
- 2,100 were under 16 years
- 5,180 were over 65 years

It is difficult to predict exactly what the impact will be on Nottingham citizens who currently receive DLA and exactly when they will be affected; given that current DLA will only be 'invited' to claim PIP when their current award for DLA expires. However, the government expect that the national PIP caseload will be around 500,000 fewer than if DLA were to continue.³ This suggests that across the UK including Nottingham, there will be people who will lose their entitlement to a disability benefit when their claim for DLA expires. The removal of the lower rate care component within PIP means that people with a lower level of disability who still continue to experience additional costs may lose out under PIP.

Benefits Up-rating

Capping the up-rating of benefits at 1% up to 2016 will result in a reduction in the real value of benefits for people of working age.

Help to Work Programme

Claimants could incur significant travel costs to attend either a job centre daily or community work placements and the number of people receiving JSA sanctions could increase as a result of failing to attend daily appointments or placements.

Universal Credit

The DWP UC impact assessment⁴ estimates that:

- Around **3.1 million households will have higher entitlement as a result of UC**. The average gain for this group is estimated to be £168 per month (around 75% of these households are in the bottom two quintiles of the income distribution).
- Around 1.9 million households see an increase in entitlement of more than £100 per month
- In the longer-term approximately **2.8 million households will have notionally lower entitlement** than they otherwise would have done as a result of UC, since these individuals are typically on lower than average incomes the impact on individual welfare may be proportionately higher. The average reduction in entitlement for this group is estimated to be £137 per month.
- **The average impact of UC across all households is estimated to be an increase in entitlement of £16 per month.**

However, there are a number of implications for all UC claimants including:

- The full national rollout of UC is not known
- There is widespread concern about managing Universal Credit online. Claimants will be expected to use online systems to make claims and manage changes to their UC claim. To do this they will require access to the internet/PCs.

³ DWP Disability Living Allowance Reform Impact Assessment May 2012

⁴ DWP UC Impact Assessment December 2012 -

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/220177/universal-credit-wr2011-ia.pdf

- Claimants will receive UC in monthly payments as opposed to current weekly or fortnightly payments. Since the monthly amount will not be itemised either, tenants will also need to understand how much their monthly rent is. They will also need to understand what other elements are included in their UC, e.g. costs for children/childcare, etc in order to ensure effective budgeting. They will need to manage this monthly payment and budget accordingly.
- Payments to one person in a household. There are concerns too that the payment of Universal Credit to one person in a household could, in some instances, upset the family dynamic: potentially putting that individual in a position of considerable power and influence.
- Under payments/ overpayments may cause acute hardship or financial instability for some more vulnerable claimants.

Impacts for Nottingham City Council

Council Tax Support

The Council has identified the following risks associated with administering a local Council Tax Support Scheme:

- Any Increases in demand for support will increase the cost of the scheme for the Council.
- The Council has experienced a loss of collection (Each 1% reduction / increase in collection rate makes £22k difference in cost).

Personal Independence Payment

- There may be an increase in demand for council services, particularly advice services as people seek to make a claim for PIP or appeal an outcome of an assessment for PIP.
- There may be cost implications for the Council to support people who are not eligible for PIP - Disability Rights UK estimate that if 14% of the disabled people losing DLA required help from council social care services this is 70,000 people and the annual cost could be between £742.6 million and £2.3 billion a year (a large variance as a result of the wide difference between homecare and residential care costs to councils). These figures are estimates but reveal some potentially very high costs of abolishing DLA for working age disabled people.

Universal Credit

There are some uncertainties for Nottingham City Council:

- There is confusion about transition of Housing Benefit administration under UC. The Council is not able to plan for workforce changes and resources needed to respond.
- There may be an increase in demand for advice services including both NCC Welfare Rights and commissioned services.

Comment

[National Housing Federation – One year on: The impact of welfare reforms on housing association tenants \(May 2014\)](#)

Ipsos Mori conducted this research to look at the impact of welfare reform specifically from the tenant perspective. The survey findings show how welfare reforms are impacting on housing association tenants.

- 67% of affected tenants are currently finding it difficult to afford to pay their rent.
- 46% of affected tenants say they have needed to borrow money to help pay their rent (an increase from 12% in April 2013).
- 42% of affected tenants say that they are currently in arrears.
- 55% of affected tenants say that in the last 12 month, they have very often run out of money.
- 79% say they are not looking to move.
- 6% of affected tenants say they had looked for a job as a direct result of being affected by the policy.

Impacts of Personal Independence Payment

A Disability Rights UK survey highlighted the risks of claimants losing DLA:

- 56% of the people in work said they would have to stop or reduce work if they lost DLA;
- 16% suggested cuts to DLA would result in higher NHS use; and
- 14% suggested a likely need for more use of council services*

*i.e. residential care placements for family members if they lost the financial means to support people at home or moving to care homes to avoid being 'burdens' on families

Impacts of Universal Credit

The Institute of Fiscal Studies (IFS) has said that there are a complicated range of winners and losers under UC. The IFS **estimates that there will be 2.5 million winners; 1.4 million losers; and 2.5 million who will not be affected at all.** People who are working part time are the most likely to benefit from UC, but many people, particularly **lone parents and two earner couples with children will lose out.**

Winners - Those working **under 16 hours a week** will benefit from UC's new taper rate, meaning their benefits will increase with every hour worked, rather than at present where their benefits jump at 16 or 24 hours as they become entitled to Working Tax Credits.

Losers - As the current system for assisting with childcare costs will be replicated within UC, **lone parents who want to increase their hours will find that after 16 hours their childcare costs begin to eat away at any additional earnings.** There will also be fewer incentives for second earners to increase their hours, as the taper rate under UC is higher than that which exists under the current system. (Currently, once a claimants' income reaches a certain threshold, their tax credits are withdrawn by 41p for every pound that their income exceeds that threshold. There will be a single taper under UC of 65p in every pound).

Joseph Rowntree Foundation – July 2013⁵

For lone parents and second earners on the minimum wage, working 30 or more hours a week will reduce disposable income compared with working fewer hours. Above this level, working extra hours triggers higher childcare bills and reduced UC payments, and brings income into taxation.

Child Poverty Action Group⁶

A 65% taper rate actually represents little if any improvement on the current system for the majority of claimants, particularly when the effects of the withdrawal of council tax benefit and other benefits are factored in. There also appears to be no evidence that allowing claimants to keep 35 pence of every £1 of earnings will act as significant work incentive and no analysis of the influence of low pay, poor conditions of employment, lack and costs of child care provision, transport costs and, crucially, the regional labour market, as work disincentives.

Advice Nottingham

In a recent report '[Children in an Age of Austerity](#)', the Advice Nottingham consortium presented an evaluation of the effects of the welfare reforms on children in Nottingham. Headline findings include:

- Families deemed to be 'under occupying' their accommodation are experiencing financial hardship and face either increased costs or potentially moving home and losing social support networks.
- Children may have to change schools or travel further to get to school if their families are forced to move as a result of under-occupancy.
- Non-resident parents/carers face financial penalties for under-occupancy or losing the room their children use, potentially reducing parent-child contact.
- Families reliant on benefits are struggling to meet their requirement to contribute to council tax, often for the first time, resulting in financial hardship and debt.
- Disabled parents and parents of disabled children are facing financial hardship due to changes to the awarding of disability benefits.
- Parents subject to benefit sanctions are relying almost entirely on food banks to feed their children.

⁵ <http://www.jrf.org.uk/publications/universal-credit-mis>

⁶ <http://www.cpag.org.uk/content/universal-credit-universal-panacea>

Further reading

[Welfare Reform Act 2012](#)

[Welfare Benefits Up-rating Act 2013](#)

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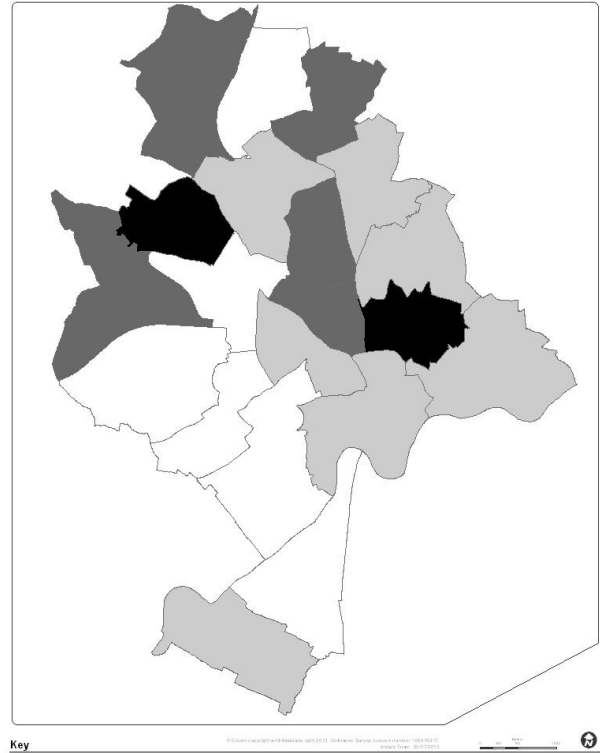
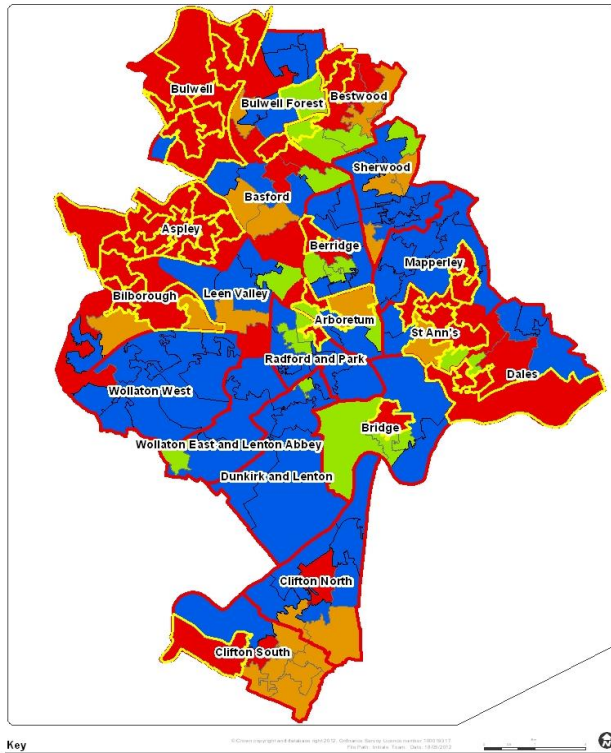
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Appendix 1

Map 1: Map of concentrations of Council Tax Benefit and sickness benefit claimants

Map 2: Map of people likely to be affected by IB/ESA/DLA reforms



Map 1 shows data on the percentage of working age households who claim Council Tax reduction and the percentage of working age people who claim Incapacity Benefit, Employment Support Allowance or Disability Living Allowance.

- The red areas have above average proportions of both benefits. These areas correlate strongly with the areas highlighted in yellow which are in the 10% most deprived areas in the country from the 2010 Index of Deprivation.
- Areas in orange show a high proportion of people claiming one of the sickness benefits (IB, ESA and/or DLA) but below average levels of Council Tax Benefit and green areas have high CTB but low sickness.

Map 2 uses Census data to try and locate the wards with most people at risk of losing out under the reforms to the sickness benefits. A Census question asked if people had a limiting long term illness or disability and whether this limited their day to day activities a lot or a little. The results of this question are compared to the number of claimants of IB/ESA/DLA in each ward. This showed that there were 19,400 people claiming one or more sickness benefit and 14,300 who were affected a lot in their day to day activities.



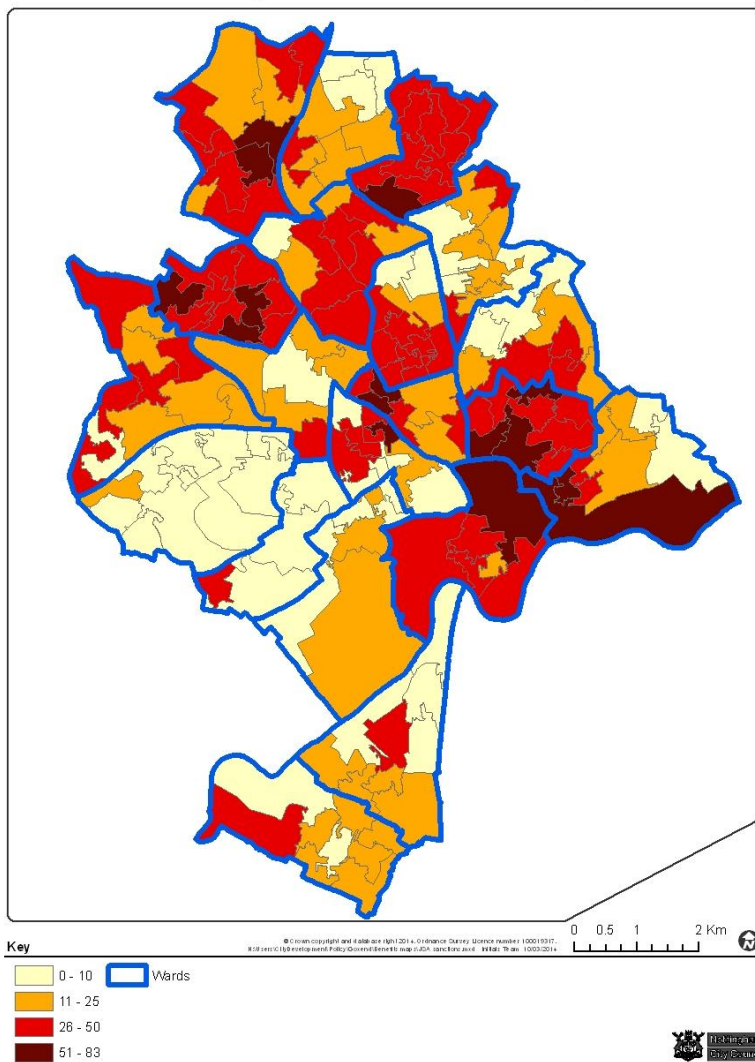
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Appendix 2

Map 3 shows the numbers of individuals receiving sanctions between October 2012 and September 2013 by Super Output Area.

Map 3

Individuals affected by JSA sanctions Oct 12 to Sept 13



Appendix 3

Changes to welfare and benefits 2011 – 2013

- **All benefits, tax credits** and public service **pensions** were increased annually in line with the **CPI rather than RPI** - saving the Exchequer **£5.8bn** a year by 2014/15 as CPI is generally lower than RPI.
- **Working Tax Credits** (WTCs) for lower income families were frozen and couples with children now have to work 24 hours instead of 16 to qualify for WTC's. The changes will save **£3.2bn** by 2014/15.
- **Child benefit** was frozen for three years and **lone parents** with their youngest child over 5 were moved onto Jobseekers Allowance rather than Income Support. This measure is projected to save £3bn by 2015.
- Child Benefit rules changed in January 2013 - Families where one parent is earning more than £50,000 a year will no longer be able to claim the total amount of child benefit.
- **Education Maintenance Allowance** was abolished for 16-19yr olds. This measure saved the Exchequer over £560m per year.
- All existing Incapacity Benefit claimants are being **re-assessed** through a work capability assessment. Those deemed capable of working will be moved onto JSA and those not capable of working will be moved onto Employment Support Allowance (ESA). The June 2010 Budget estimated that in 2014-15 this would save the Government nearly £6 billion, one of the largest of the individual changes to benefits made in 2010. Are there 2 groups of ESA folks?]
- **Winter Fuel payments** reverted to the "standard" rates of £200 (under 80s) or £300 (80 yrs +) from winter 2011/2012. This saved £700m in 2011/12.
- From January 2012, anyone under 35 can only claim housing benefit on shared accommodation rate to help with their rent (rather than being able to claim for self-contained one-bedroom accommodation as previously). This measure is expected to save around £200m per year.

Summary of welfare reforms 2013 – 2014

Many of the key reforms in the 2012 Act have taken effect during 2013 and many will continue to be implemented include the introduction of:

- New responsibilities for Local Authorities to administer localised welfare schemes (**Council Tax Support** and **local welfare assistance** in lieu of the discretionary Social Fund).
- Changes to Housing Benefit entitlement for social housing tenants (**Social Sector Size Criteria**)
- A cap on the total amount of benefits households can receive;
- A new benefit called **Personal Independence Payment**. Eventually it will replace Disability Living Allowance for people aged 16 to 64;
- A new **Claimant Commitment** for jobseekers setting out job seeking actions they must take in return for receiving benefits and consequences (i.e. sanctions) that will be imposed if they fail to carry out agreed actions;
- Stricter penalties for people who commit benefit fraud;
- **Universal Credit**. A new benefit that seeks to integrate current in-work support and out-of-work benefits for working age people.
- **The Welfare Benefits Up-rating Act 2013**. This Act introduced a cap of 1% on the annual increases in most working-age benefits (in cash terms) in up to 2016.

CITY COUNCIL – 13 OCTOBER 2014

REPORT OF THE DEPUTY LEADER

CAPITAL PROGRAMME

1 SUMMARY

- 1.1 This report presents an update of the capital programme for 2014/15 – 2018/19. The capital programme was approved in March 2014 and has now been updated to include schemes that have been prioritised as part of the Council's investment strategy.
- 1.2 The report details the resources required to fund the revised programme. In particular the additional prudential borrowing and the return required to fund the revenue impact relating to repayment of interest and principal.
- 1.3 The report also sets out the key principles that are to be used to manage the capital programme going forward.

2 RECOMMENDATIONS

- 2.1 That Council approve the proposed capital programme for 2014/15 to 2018/19 of £683.098m
- 2.2 Individual schemes be subject to separate approval in accordance with the constitution and scheme of delegation prior to expenditure being incurred.
- 2.3 Accountability Principles are applied and adhered to as set out in section 7.3.
- 2.4 To approve the Key Principles for managing the capital programme within its available resources as set out in section 7.2.
- 2.5 To note the potential funding required as set out in section 6.5 which includes £222.700m of additional prudential borrowing, and the potential annual return of £20m required to fund the associated borrowing.
- 2.6 To note the associated risks of the proposed investments as set out in section 7

3 REASONS FOR RECOMMENDATIONS (INCLUDING OUTCOMES OF CONSULTATION)

- 3.1 The investment strategy is an ambitious programme over the next five years which will result in major investment and regeneration throughout the city centre and neighbourhoods. It also provides for investment in areas where we have a statutory and legislative responsibility; including schools and health and safety issues.
- 3.2 The Key Principles and accountability are essential control mechanisms required to enable management of the risks outlined in section 7.
- 3.3 The programme of investment is split into two categories:
 - Strategic Regeneration Schemes (SRS), which aim to stimulate the local economy, generate long term employment, inward investment and regeneration.
 - Other capital schemes, which includes statutory and legislative requirements and community provision in neighbourhoods.

4 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

- 4.1 This programme represents an essential element within the Council's overall Corporate Planning Framework. It relates to the Council's over-riding vision and aims for the planning and generation of capital financing resources in the medium term. It sets out the Council's approach to capital investment over the next five years and provides a framework through which the Council's resources, and those matched with key partners, are allocated to help meet strategic priorities.
- 4.2 Schemes which have a statutory and legislative nature need to be carried out in order for the Council to meet its statutory responsibilities, failure to carry out these schemes may result in the Council breaching its statutory duties and therefore increasing risk.

5 BACKGROUND

- 5.1 The five year capital programme was presented at Executive Board on 25 February 2014 as part of the Medium Term Financial Plan. A number of changes and approvals were reflected in the 2013/14 Outturn report which was presented at Executive Board on 17th June 2014, and also in the Quarter 1 monitoring report presented at Executive Board on 19th September 2014. The outturn report noted that the Council is currently developing a Capital Investment Strategy which will focus on supporting a higher level of growth and regeneration across the city.
- 5.2 This report sets out the scope of that ambition which will result in major investment and regeneration within the city and in neighbourhoods. It ensures that resources are also available for investment in areas where we have a statutory and legislative responsibility, including schools and health and safety issues.
- 5.3 The availability of funds plays a key part in the size and content of the capital programme. The impact of national reductions in funding has significantly reduced the level of central government support for capital investment and the Council must rely more on its own funding to lever in other sources of funding where this is available.
- 5.4 This strategy is being developed to set out how Nottingham will drive economic growth and increase investment over the next five years to provide major benefits for the City's businesses and citizens. It will form the basis of a clear, delivery focused, framework that will:
- provide a strategic context for guiding regeneration and co-ordinating investment by the Council;
 - further enhance partnership with the private sector by setting a clear vision and programme of activity which will facilitate the leverage of external funds;
 - ensure that economic growth is linked to the creation of jobs and to supporting local people into employment;
 - align with existing and emerging key policies and initiatives;
 - stimulate growth in business rates;
 - create a balance between the city centre and the outer area activity.
- 5.5 A number of capital schemes have been reviewed and considered in line with the Council's prioritisation process and this report recommends that £301.646m (which represents high and medium priority schemes) be included in the capital programme, pending approval of full business cases in accordance with the constitution and scheme of delegation before expenditure is committed.
- 5.6 The four priority area of regeneration and transformational investment include:
- The Broadmarsh area;

- The Southern Gateway;
- City Centre North;
- Outer sites.

In addition there are several areas of other capital projects which include:

- Commercial Opportunities
- Community Provision
- Health and Safety
- Meeting Statutory and Contractual Responsibilities
- Saves money

5.7 **Table 1** summarises the proposed General Fund capital programme of £683.098m, including £301.646m of projects in development. This approval does not constitute an approval to spend.

TABLE 1: PROPOSED TOTAL CAPITAL PROGRAMME						
DESCRIPTION	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	TOTAL £m
Current Programme (Quarter 1)	228.278	79.082	34.818	17.491	21.783	381.452
Investment Strategy - Projects in Development	27.704	81.908	105.433	48.800	37.800	301.646
TOTAL PROPOSED PROGRAMME	255.982	160.990	140.251	66.291	59.583	683.098

5.8 Funding the investment programme will include:

- current capital programme surplus;
- review and alignment of existing reserves;
- dedicated capital grants and contributions;
- prudential borrowing;
- leveraging external sources of funding including private sector investment.

6 FINANCIAL IMPLICATIONS (INCLUDING VALUE FOR MONEY)

6.1 **Table 2** below shows the proposed capital programme of **£683.098** for the next five years.

TABLE 2: PROPOSED CAPITAL PROGRAMME						
DESCRIPTION	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	TOTAL £m
Current Programme (Quarter 1)	228.278	79.082	34.818	17.491	21.783	381.452
Strategic Regeneration Schemes - Projects in Development						
Broadmarsh Area	0.263	25.098	25.098	0.000	18.000	68.460
Southern Gateway	2.040	5.040	3.040	0.000	0.000	10.120
City Centre North	3.640	16.245	20.245	0.000	9.000	49.130
Outer Sites	0.000	1.750	1.750	0.000	10.000	13.500
Subtotal - Strategic Regeneration Schemes	5.943	48.133	50.133	0.000	37.000	141.210
Other Capital Schemes	Page 45					

Commercial Opportunities	10.315	22.905	43.500	42.500	0.000	119.220
Community Provision	0.200	0.000	0.000	0.000	0.000	0.200
Health and Safety	1.580	0.900	1.600	2.100	0.600	6.780
Meeting Statutory and Contractual Responsibilities	5.160	8.220	7.700	4.200	0.200	25.480
Saves Money	0.870	0.500	2.500	0.000	0.000	3.870
Other	3.636	1.250	0.000	0.000	0.000	4.886
Subtotal - Other Capital Schemes in development	21.761	33.775	55.300	48.800	0.800	160.436
Total Investment Strategy	27.704	81.908	105.433	48.800	37.800	301.646
Total Proposed Programme	255.982	160.990	140.251	66.291	59.583	683.098
Current Programme Resources (Quarter 1)	244.563	74.344	36.011	18.426	21.968	395.312
Additional Proposed Resources	22.568	80.324	105.383	49.250	35.000	292.526
Total Resources	267.131	154.668	141.394	67.676	56.968	687.838
(Surplus)/Deficit	(11.149)	6.322	(1.143)	(1.385)	2.615	(4.740)

6.2 The proposed additions will be funded through a variety of sources, including £222.700m of additional prudential borrowing. £85.410m of prudential borrowing will be for schemes which are expected to cover their own costs and £137.290 of commercial borrowing for schemes that are expected to make a return on investment.

6.3 The key principle of prudential borrowing is that it must be affordable and sustainable. The level of prudential borrowing for the authority is currently £541.860m (this includes £212.710m which supports the current General Fund capital programme); the proposals will increase the level of borrowing by £222.700m to £764.560m.

6.4 The increase in borrowing will also require an additional return of £20m per annum in order to cover the principal and the interest payments associated with the borrowing. It is assumed that commercial schemes would be required to make an additional return of at least 5% above borrowing costs.

6.5 **Table 3** sets out the revised proposed resources required to fund the proposed programme.

DESCRIPTION	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	TOTAL £m
Resources brought forward	26.318	0.000	0.000	0.000	0.000	26.318
Prudential Borrowing	152.728	29.666	19.045	6.186	5.085	212.710
Grants/Contributions	41.229	36.285	14.632	9.930	12.344	114.420
Internal Funds/Revenue	13.349	2.495	0.264	1.210	3.144	20.462
Secured Capital Receipts	1.119	0.000	0.000	0.000	0.000	1.119
Unsecured Capital Receipts	9.820	5.898	2.070	1.100	1.395	20.283
Resources at Quarter 1	244.563	74.344	36.011	18.426	21.968	395.312
Proposed Resources						
Prudential Borrowing	17.608	66.468	90.983	43.850	3.600	222.700

Grants/Contributions	4.960	12.270	13.000	4.000	30.000	64.230
Reserves & Other	0.000	1.400	1.400	1.400	1.400	5.600
Subtotal - Proposed Resources	22.568	80.328	105.383	49.250	35.000	292.530
Total Resources	267.131	154.672	141.394	67.676	56.968	687.842

6.6

Treasury Management

As part of the Treasury Management Strategy prudential indicators are set to reflect levels of external debt. The Council has set levels for its authorised limit (the upper level of gross external indebtedness which must not be breached without approval), and its operational limit (the prudent view of the level of gross external indebtedness). For 2014/15 the additional borrowing requirements for the current year will be contained within current limits. The Treasury Management Strategy and prudential indicators will be updated to reflect the required level of borrowing for future years and will be presented for approval at Full Council in March 2015.

7 RISK MANAGEMENT ISSUES (INCLUDING LEGAL IMPLICATIONS, CRIME AND DISORDER ACT IMPLICATIONS)

- 7.1 The five year proposed programme is ambitious and will require the Council to use much of its available resources. Substantial investment of this nature will result in the Council being exposed to additional risks as follows:
- a 52% increase in the authority's borrowing over the next five years;
 - exposure to interest rate changes; a 0.5% increase in interest rates will increase the cost of borrowing by c£0.700m per annum;
 - major schemes have a long pay back period which will require the use of reserves in the early years to fund short term deficits in business plans;
 - the cost of feasibility studies are all undertaken at risk;
 - schemes may not cover their costs or make the desired return.
- 7.2 In order to manage these risks the following key principles will be adopted in managing the programme:
- new projects (unable to cover their costs) added to the programme, will result in an existing project being removed or amended;
 - all projects must have a robust and viable full business case, which considers and includes whole life costing and revenue implications;
 - all schemes will be subject to robust and deliverable business plans and models which demonstrate the necessary return on investment required;
 - the decision to progress schemes will be dependent on securing the stated level of external funding or grant as appropriate;
 - new projects will be considered where the Council can make a return on investment;
 - where new sources of external funding/grants become available, the programme will be revisited;
 - all schemes will be subject to an independent internal 'Gateway review process'.
- 7.3 The City Council recognises the importance of individual and collective accountability and requires managers to formally acknowledge their responsibilities. Financial management is an integral aspect of effective leadership and good management, relevant councillors and managers are required to participate fully in all aspects of capital investment plans.

Corporate Directors will be accountable for the success and deliverability of all capital projects within their remit; including:

- Ownership of business cases and any subsequent changes to them.

- Ensuring that capital projects are delivered in line with agreed targets and resources.
- The successful outcome and benefits realisation of capital projects.

7.4 The outlook for local government is now much more challenging in the light of global, national and regional issues and any investment decisions should be taken in the context of the current Medium Term Financial Outlook.

7.5 The Council has a duty under the Equality Act 2010 to have due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations between protected groups (such as disabled people or ethnic minority groups) when considering proposed new or changing policies, services or functions, including decisions on funding for services, and decisions on implementation of policies developed outside the Council.

7.6 **Legal Issues**

The pursuit of the proposed programmes and projects will require a wide range of legal issues to be identified and addressed. In addition to specific issues addressed in this report the City Council, and decision makers within it (individually and collectively), have general obligations to act rationally and reasonably in taking decisions and have a fiduciary obligation to its citizens, council tax and rate payers in respect of its financial management. The proposals in this report, and the individual proposals within the revised programme, are subject to these obligations.

8 EQUALITY IMPACT ASSESSMENT (EIA)

8.1 Has the equality impact been assessed?

Not needed.

9 LIST OF BACKGROUND PAPERS OTHER THAN PUBLISHED WORKS OR THOSE DISCLOSING CONFIDENTIAL OR EXEMPT INFORMATION

9.1 None.

10 PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT

10.1 Medium Term Financial Plan and Outlook
Treasury Management Strategy

**COUNCILLOR GRAHAM CHAPMAN
DEPUTY LEADER**