



NOTTINGHAM CITY COUNCIL
EXECUTIVE BOARD

Date: Tuesday, 21 March 2017

Time: 2.00 pm

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

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

Corporate Director for Strategy and Resources

Governance Officer: James Welbourn, Constitutional Services
Direct Dial: 0115 8763288

AGENDA

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| 2 | DECLARATIONS OF INTERESTS | |
| 3 | MINUTES
Last meeting held on 21 February (for confirmation). | 3 - 10 |
| 4 | SUPPORT FOR GREATER NOTTINGHAM HEALTH AND CARE PARTNERSHIP
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| 5 | PROPERTY ACQUISITION - USE OF RIGHT TO BUY 30% REPLACEMENT RECEIPTS - KEY DECISION
Report of the Portfolio Holder for Planning and Housing.

This report was previously named as 'Property Acquisition – Right to Buy '1-4-1' Replacement Receipts - Key Decision' on the 28 Day Notice. | 19 - 28 |
| 6 | APPRENTICESHIP LEVY - KEY DECISION
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7	EXCLUSION OF THE PUBLIC To consider excluding the public from the meeting during consideration of the remaining item(s) in accordance with Section 100A(4) of the Local Government Act 1972 on the basis that, having regard to all the circumstances, the public interest in maintaining the exemption outweighs in the public interest in disclosing the information	
8	EXEMPT MINUTE To confirm the exempt minute from the October meeting of Executive Board.	37 - 38
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ALL ITEMS LISTED 'UNDER EXCLUSION OF THE PUBLIC' WILL BE HEARD IN PRIVATE FOR THE REASONS LISTED IN THE AGENDA PAPERS. THEY HAVE BEEN INCLUDED ON THE AGENDA AS NO REPRESENTATIONS AGAINST HEARING THE ITEMS IN PRIVATE WERE RECEIVED

IF YOU NEED ANY ADVICE ON DECLARING AN INTEREST IN ANY ITEM ON THE AGENDA, PLEASE CONTACT THE GOVERNANCE OFFICER SHOWN ABOVE, IF POSSIBLE BEFORE THE DAY OF THE MEETING

CITIZENS ATTENDING MEETINGS ARE ASKED TO ARRIVE AT LEAST 15 MINUTES BEFORE THE START OF THE MEETING TO BE ISSUED WITH VISITOR BADGES

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

NOTTINGHAM CITY COUNCIL

EXECUTIVE BOARD

MINUTES of the meeting held at Ground Floor Committee Room - Loxley House, Station Street, Nottingham, NG2 3NG on 21 February 2017 from 14.01 - 14.23

Membership

Present

Councillor Jon Collins (Chair)
Councillor Nicola Heaton
Councillor David Mellen
Councillor Alex Norris
Councillor Dave Trimble
Councillor Jane Urquhart
Councillor Sam Webster

Absent

Councillor Graham Chapman (Vice Chair)
Councillor Alan Clark
Councillor Nick McDonald

Colleagues, partners and others in attendance:

David Bishop	- Deputy Chief Executive/Corporate Director for Development and Growth
Theresa Channell	- Head of Strategic Finance
Alison Michalska	- Corporate Director for Children and Adults
Glen O'Connell	- Corporate Director for Resilience
Keri Usherwood	- Marketing and Communications Manager
Andy Vaughan	- Corporate Director for Commercial and Operations
Adam Volz	- Political Assistant
Geoff Walker	- Director of Strategic Finance
James Welbourn	- Governance Officer
Rebecca Wilson	- Executive Officer to the Leader

Call-in

Unless stated otherwise, all decisions are subject to call-in and cannot be implemented until **3 March 2017**.

68 APOLOGIES FOR ABSENCE

Councillor Graham Chapman	
Councillor Alan Clark	- personal reasons
Councillor Nick McDonald	- work commitments
Candida Brudenell	- work commitments
Ian Curryer	- annual leave

69 DECLARATIONS OF INTERESTS

None.

70 MINUTES

The minutes of the meeting held on 17 January were agreed as a true record and signed by the Chair.

71 MEDIUM TERM FINANCIAL PLAN (MTFP) 2017/18 – 2019/20

This decision is not subject to call-in as Councillor Brian Parbutt, Chair of the Overview and Scrutiny Committee, has agreed that the decision is reasonable in all the circumstances and should be treated as a matter of urgency as the budget has to be approved at the Full Council meeting on 6 March 2017, and the report despatch date is before the call-in period has ended.

The Leader of the Council presented the Medium Term Financial Plan (MTFP), which comprised both the revenue and capital programme for the General Fund and Housing Revenue Account (HRA).

RESOLVED:

- (1) in relation to the 2016/17 Forecast Outturn (Annex 1 of the report):**
 - (a) to note the current forecast outturn for the 2016/17 General Fund and HRA revenue budgets and capital programmes;**
 - (b) to endorse the allocations from Contingency as set out in Table 1B;**
 - (c) to approve the budget virements and reserve movements set out in Table 3 and Appendices B and C;**
- (2) in relation to the MTFP 2017/18 – 2019/20 Revenue Element (Annex 2 of the report):**
 - (a) to note:**
 - i. The General Fund revenue aspects of the MTFP;**
 - ii. That, at the time of dispatch of this report, the Fire Authority had not formally approved their final council tax increases. The final precepts will be confirmed prior to the City Council meeting on 6 March 2017;**
 - (b) to note, endorse and recommend to City Council:**
 - i. The General Fund net budget requirement for 2017/18 of £238.544m including the net movement in earmarked reserves as set out in Appendix A;**
 - ii. A basic amount of Council Tax level (Band D) of £1,593.03 that will raise a total of £100.947m (an increase of 4.99% consisting of 1.99% basic increase and 3.00% Adult Social Care Precept)**
 - iii. Delegated authority to the appropriate Director to implement all proposals after undertaking necessary consultation;**
 - (c) to approve the delegation of authority to the Strategic Director of Finance to make any necessary adjustments as a result of the final settlement;**

- (3) in relation to the MTFP 2016/17 – 2021/22 Capital Programme Element (Annex 3 of the report), Executive Board to note, endorse and recommend to City Council:**

 - (a) the Capital Programme as detailed in Appendix D;**
 - (b) the additional key principle for the governance and management of the capital programme as set out in Section 5 and Section 8;**
 - (c) the extension of the rolling programmes as set out in revised General Fund Capital Programme Table 3;**
 - (d) the revised Local Transport Programme as set out in Appendix C;**
- (4) in relation to the MTFP 2017/18 – 2020/21 HRA Element (Annex 4 of the report):**

 - (a) to note the implications of the Housing and Planning Act 2006 and the Welfare Reform and Work Act 2016. The changes that impact on the HRA's financial sustainability include:**
 - i. Reduction of social housing rents by 1% for four years from April 2016;**
 - ii. Sale of 'Higher value' assets levy (this has been deferred to 2018/19);**
 - iii. Changes to Housing Benefit; to cap it at the Local Housing Allowance level from April 2018 for general needs tenancies and April 2019 for supported accommodation tenancies;**
 - iv. Introduction of a requirement to prevent councils offering new tenancies longer than Page 4 five years in most circumstances. To be introduced from Autumn 2017;**
 - v. "Pay to Stay" – increased rents for higher income households with finance raised going to HM Treasury – this is no longer compulsory (Ministerial announcement November 2016);**
 - (b) to approve the:**
 - i. Proposed rent decrease of 1.0% for 2017/18;**
 - ii. Continuation of the tenant incentive scheme of up to £100 per tenancy per annum;**
 - iii. An increase in the estate and block maintenance service charges of £0.77 per week;**
 - iv. All other service charges increased by 1%;**
 - v. A sustainable working balance of £4m;**
 - vi. Delegation of authority to Nottingham City Homes (NCH) to award capital contracts up to the value of the scheme/programme as set out in Appendix B of Annex 4 of the report;**
 - (c) to note, endorse and recommend to City Council the 2017/18 HRA budget;**
- (5) in relation to the Robustness of the Budget (Annex 5 of the report), to note and endorse the recommendations of the Chief Finance Officer (CFO) in respect of the robustness of the estimates within the budget and the adequacy of reserves;**
- (6) in relation to the Budget Consultation 2017/18 (Annex 6 of the report), to note the outcomes of the budget consultation and communication;**

- (7) to delegate authority to the Strategic Director of Finance, in consultation with the Deputy Leader, to finalise the MTFP for publication following approval of the relevant elements of the budget by City Council.**

Reasons for Decisions

To enable Executive Board to approve rent reductions and make recommendations to City Council for consideration on 6 March 2017 when they meet to set the budget and council tax for 2017/18.

Other Options Considered

Throughout the budget process, a large number of individual cost reduction, income and investment options are considered. These in turn impact on the level of reserves. This is a complex process with many iterations and possibilities too numerous to present as discrete options. This report presented the final overall package of detailed proposals which together sought to balance levels of investment, cost reduction and an appropriate level of income.

72 SCHOOL ADMISSION ARRANGEMENTS 2018/19 FOR COMMUNITY SCHOOLS - KEY DECISION

The Portfolio Holder for Education, Employment and Skills presented a report on School Admission Arrangements in 2018/19 for community schools.

The proposed admission arrangements for the 2018/19 school year are unchanged from those approved for the 2017/18 school year, to ensure fair access to school places and to give priority to local children.

RESOLVED to approve the Local Authority's proposed admission arrangements for the 2018/19 school year for community schools, which are unchanged from those approved for the 2017/18 school year.

Reasons for decision

No changes were made from the 2017/18 arrangements so that they could remain in place for the 2018/19 school year.

Maintaining the Local Authority's 2017/18 admission arrangements enables to Local Authority to monitor the operation of the minor changes that were made to the 2016/17 arrangements, along with the arrangements of all admission authorities, including those of newly formed academies, in order to make any changes for subsequent years on an informed basis.

Other options considered

The option to change the admission arrangements from those agreed for the 2017/18 school year was not felt to be necessary or viable.

73 SCHOOLS' BUDGET 2017/18 - KEY DECISION

The Portfolio Holder for Education, Employment and Skills presented a report on the Schools' Budget 2017/18.

The Schools Budget has been prepared in line with the parameters agreed at Schools Forum and with the financial regulations issued by the Department for Education (DfE). Indicative budgets and guidance will be issued to schools on 28th February 2017 with final budgets being confirmed by 31st March 2017. Where applicable, the Medium Term Financial Plan (MTFP) incorporates the impact from the Dedicated Schools Grant (DSG).

RESOLVED:

- (1) in relation to the DSG, to note the overall indicative 2017/18 cost of the Schools, Early Years and High Needs blocks is £256.501m and the DSG funds £255.454m of this cost in 2017/18 as set out in Table 2 of the report;**
- (2) in relation to the DSG, to approve the in-year budget transfers and payments to schools, Private and Voluntary Charitable and Independent settings and Academies totalling £242.158m as per Table 2 of the report;**
- (3) in relation to the DSG, to approve external spend associated with centrally retained expenditure. This allocation is £14.343m, as per Table 2 of the report;**
- (4) in relation to the DSG, to note that all DSG has been allocated to services. However, if in year, through updated settlements this position changes any unallocated DSG will be transferred to the Statutory School Reserve (SSR) as noted in section 4.5 of the report;**
- (5) in relation to the DSG, to note the procurement of external placements will be in accordance with the financial regulations, gaining approval through the appropriate processes;**
- (6) in relation to the Education Services Grant, to approve the spend of £1.118m allocated to the Local Authority (LA) for the following purposes:**
 - £0.640m to support retained statutory functions of the LA for all pupils;**
 - £0.478m transitional grant to support statutory functions for pupils in maintained schools.**

The grant explanation is set out in section 2.5 of the report;

- (7) in relation to the Pupil Premium, to approve the allocation of Pupil Premium and Early Years Pupil Premium to settings in accordance with the grant conditions.**

The grant explanation is set out in section 2.6 of the report;

- (8) in relation to reserves, to approve use of the Statutory Schools Reserve (SSR) to support any increased costs in 2016/17 associated with High Needs educational provision. This will be summarised within the outturn report, and is explored in section 4.7 of the report;**
- (9) to delegate the authority to the Portfolio Holder for Education, Employment and Skills and the Corporate Director for Children and Adults to approve any final budget adjustments.**

Reasons for decisions

To ensure an understanding of how and on what basis different DfE grants are allocated to the Local Authority (LA) and how they are then distributed to educational settings. This process enables the school's budgets to be established.

To provide the Executive Board (EB) with a summary budget position of the DSG based on the approvals gained in accordance with the Schools and Early Years Financial Regulations 2015.

To update EB on the impact of any new legislation on the Schools budgets.

To ensure the appropriate constitutional approvals are gained to spend the grants.

Other options considered

No other options were available as the decisions align to the financial regulations issued by the DfE in relation to the allocation of the DSG and pupil premium.

74 TREASURY MANAGEMENT 2017/18 STRATEGY

The Leader of the Council introduced the Treasury Management Strategy for 2017/18.

The report set out the Treasury Management and Investment strategies for 2017/18 including the debt repayment strategy and the associated Prudential Indicators shown within appendices to the strategy report.

RESOLVED to endorse and recommend for approval by the City Council at its meeting on 6 March 2017 the overall Treasury Management Strategy for 2017/18 (Appendix 1 of the report), and, in particular:

- a. the strategy for debt repayment (Minimum Revenue Provision) in 2017/18 (Appendix 4 of the report);**
- b. the Investment Strategy for 2017/18 (within Appendix 1 of the report);**
- c. the prudential indicators and limits for 2016/17 to 2019/20 (Appendix 3 of the report);**
- d. adopt the current Treasury Management Policy Statement (Appendix 5 of the report).**

Reasons for decisions

Approval of a Treasury Management Strategy is a legal requirement, to comply with:

- Financial Regulations and the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management by submitting a policy and strategy statement for the ensuing financial year;
- guidance issued by the Secretary of State under section 15(1) (a) of the Local Government Act 2003 in approving, at Council, an Annual Investment Strategy before 1 April;
- guidance issued by the Secretary of State under the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 which requires the preparation of an annual statement of the Council's policy on making a Minimum Revenue Provision (MRP) for the repayment of debt.

Other options considered

The approval of a Treasury Management Strategy is a legal requirement. The CLG Guidance and the CIPFA Code do not prescribe any particular treasury management strategy for local authorities to adopt. The Chief Financial Officer, having consulted the Portfolio Holder, believed that the strategy represented an appropriate balance between risk management and cost effectiveness. Some alternative strategies, with their financial and risk management implications can be found in Appendix 7 of the report.

75 REMOURBAN & DOMESTIC ENERGY EFFICIENCY PROGRAMME - KEY DECISION

The Portfolio Holder for Planning and Housing introduced the report on the REMOURBAN & Domestic Energy Efficiency Programme.

The City Council has been awarded European grant money to be spent on energy efficiency measures on Council Houses. This money has been supplemented further monies totalling £430,000.

RESOLVED to:

- (1) note the Leader's Key Decision of December 2014 to accept the RemoUrban grant, which included elements relating to funding energy efficiency and energy innovation measures, which this report sought to enable;**
- (2) note that 366 homes will benefit from significant home energy improvements which, in turn, will see householders' energy bills reduce significantly;**
- (3) revise the capital programme in accordance with paragraph 4.1 of the report and approve spend in accordance with this profile;**
- (4) delegate approval to the Director for Waste, Energy and Highways to award contracts, within the financial limits described in this report;**

Reason for decisions

To allow the accessing of EU funding to support home energy improvements in 366 homes within the city.

Other options considered

Do nothing - rejected, the funding in question has already been allocated to energy efficiency improvements as part of the Horizon 2020 funding stream. Not agreeing to the use of this funding in the way set out in this report would have meant that the Remourban funding from the European Commission would not be able to be drawn down and the greater energy savings planned would not be achieved.

76 EXCLUSION OF THE PUBLIC

RESOLVED to exclude the public from the meeting during consideration of the remaining item(s) in accordance with Section 100A(4) of the Local Government Act 1972 on the basis that, having regard to all the circumstances, the public interest in maintaining the exemption outweighs in the public interest in disclosing the information.

77 SOUTHERN GATEWAY DEVELOPMENT

The Board considered the Leader/Portfolio Holder for Strategic Regeneration's exempt report.

RESOLVED to approve the recommendations in the report.

Reasons for decisions

As detailed in the report.

Other options considered

As detailed in the report.

Subject:	Support for Greater Nottingham Health and Care Partnership
Corporate Director(s)/Director(s):	Alison Michalska, Corporate Director of Children and Adults Candida Brudenell, Corporate Director of Strategy and Resources, Helen Jones, Director of Adult Social Care
Portfolio Holder(s):	Councillor Alex Norris, Portfolio Holder for Adults and Health
Report author and contact details:	Colin Monckton, Director of Strategy and Policy 0115 8764832
Subject to call-in:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Key Decision:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Criteria for Key Decision:	
(a) <input type="checkbox"/> Expenditure <input type="checkbox"/> Income <input type="checkbox"/> Savings of £1,000,000 or more taking account of the overall impact of the decision	
and/or	
(b) Significant impact on communities living or working in two or more wards in the City <input type="checkbox"/> Yes <input type="checkbox"/> No	
Type of expenditure:	<input type="checkbox"/> Revenue <input type="checkbox"/> Capital
Total value of the decision: No financial expenditure	
Wards affected: All	
Date of consultation with Portfolio Holder(s): 2nd March 2017	
Relevant Council Plan Key Theme:	
Strategic Regeneration and Development	<input type="checkbox"/>
Schools	<input type="checkbox"/>
Planning and Housing	<input type="checkbox"/>
Community Services	<input type="checkbox"/>
Energy, Sustainability and Customer	<input type="checkbox"/>
Jobs, Growth and Transport	<input type="checkbox"/>
Adults, Health and Community Sector	<input checked="" type="checkbox"/>
Children, Early Intervention and Early Years	<input type="checkbox"/>
Leisure and Culture	<input type="checkbox"/>
Resources and Neighbourhood Regeneration	<input type="checkbox"/>
Summary of issues (including benefits to citizens/service users):	
<p>The City Council has previously committed to the further integration of health and social care services and has, through the Medium Term Financial Plan (MTFP), made assumptions on the impact of the integration to the Council Budget. This proposal in this paper builds on the last three years of work on integrating community health and social care in the City of Nottingham. The decision requested at this stage is to progress the integration work on a number of specified areas, with recommendations from each of those areas of work returning for formal decision making at a later date.</p> <p>The Greater Nottingham Health and Care Partnership (GNHCP) has together conducted a rigorous level of analysis of the whole health and social care system and produced a clear evidence based route map to transformation. That route map is based on detailed actuarial analysis across the whole system and through deep analysis across focused work streams covering all aspects of the system. The work has been done through the use of experienced external support from organisations that have delivered similar transformation, through reference to the NHS New Models of Care and Five Year Forward View, through extensive collaboration between organisations locally to determine the needs of our populations and the areas of current system performance than can be improved through integration.</p>	

The work has identified a recommended route to how we as a group of partners can move to integrate the whole health and social care system, which is suggested to be in some form of Accountable Care System. The next stage is to work up specific proposals for subsequent decision making on the key areas of how to integrate commissioning, to integrate provision and to integrate the system. All partners are being asked to support the next steps from the work, and at the date of writing this report, the City Council is now in the position of knowing that all other partners have now approved the next steps requested in this report.

The recommendations if approved will enable us to make the best use of the resources available.

Exempt information: None

Recommendation(s):

1. Agree to progress the next steps as part of the Greater Nottingham Health and Care Partnership to work up details on how to integrate commissioning, integrate the provision and integrate the system for the Greater Nottingham area.
2. Acknowledge the progress of the design and development of further integration at whole system level in Greater Nottingham.
3. By approving the direction of travel, acknowledge that NHS partners will progress to initiate a procurement process for interim support on behalf of the system, for delivery of an agreed set of tasks to further this work during 2017/18, subject to the funding being made available.
4. Undertake a simple organisational self-assessment of readiness which can draw out any organisational red lines or barriers to moving forwards with this work, as well as identifying the current capacity and capability within organisations to move forwards with the next steps of the design process.

1 **REASONS FOR RECOMMENDATIONS**

- 1.1 There are significant financial and demand pressures in adult social care which if allowed to result in reductions to the care provided to citizens will result in risks to the statutory responsibilities of the City Council, and result in significantly more cost pressure on the NHS. (see Kings Fund report published 21st February)
- 1.2 This is in support of delivering against our responsibilities under the Care Act 2014 which require integration with health services
- 1.3 The activities recommended as part of the Greater Nottingham Health and Care Partnership represents work that was underway before the Sustainability and Transformation Plan (STP) process was initiated and now do form a substantial part of the delivery of the Nottingham and Nottinghamshire STP.
- 1.4 This is the continuation of our work in the City over the last three years to integrate health and social care.

- 1.5 The recommendations are based on enabling us to make best use of resources available. It remains the view that further funding is required to support the transformation and health and care system into the future and to support its future sustainability.

2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)

- 2.1 This paper provides an update to the Executive Board on the progress that has been made in the development of an integrated health and care system in Greater Nottingham, and proposes next steps to take this work forwards.
- 2.2. A similar paper with the same set of recommendations has been taken to all of the Greater Nottingham Health and Care Partners or Governing Body meetings throughout January and February.
- 2.3 During the last 12 months, partners have undertaken detailed system analysis to model the financial demand and resources over the next 5 years, analyse the current system performance and make comparisons to national and international systems, undertake deep analysis on the opportunities for improving outcomes across the system. This work has set out options for us to integrate commissioning, integrate provision and drive system integration in order to:
- a) Reduce delivery risk
 - b) Accelerate benefits realisation
 - c) Build capabilities
- 2.4 The purpose of this paper is to bring this recommendation to the Executive Board and seek approval to proceed to the next steps towards developing a fully integrated health and care system in Greater Nottingham. Each step taken along the journey does not pre-empt the decisions that each partner organisation and the GNHCP will have to make in the future.
- 2.6 There are a series of engagement events for the STP of which the latest held in the Council House was on 22nd February. The outputs from these will be integrated into the proposed next steps, and we will continue to engage thoroughly as the work develops.
- 2.7 The next steps proposed are:
- Implement a number of improvements which put in place some critical components required for transformation. We recommend we support these changes, which are to develop Accident & Emergency diversion activities, to include a secondary care referral hub, and to develop an integrated discharge unit. Each of these activities, especially the first and third, have a full and direct requirement to include public health and adult social care in order to be successful.

It is imperative to the City Council that the system initiatives are prioritised as they enable steps to reduce the demand on the acute settings, reducing the high cost interventions enabling diversion of resources to support community settings.

- The next steps to integrate commissioning will include looking at how to create some form of joint committee arrangement to secure proper governance over the system commissioning, including the role that the City Council will play in system level decision making. This represents the mechanism by which we will ensure that the population needs of residents of Nottingham City are prioritised appropriately within the system. If we are not fully involved in this it is less likely that the interests of Nottingham residents will be strongly represented. This work will include setting out how the alliance of providers will be procured and where risks will be held within the system.
 - The next steps to integrate provision will include providers, including the City Council, working together to define the type of alliance that is most advantageous to meeting our goals. This will involve legal advice on the appropriate form and will enable improved citizen centred provision of services.
 - The next steps to integrate the system will build on the work undertaken over the past few months that have defined the integration functions necessary to enable full system integrations. We have concluded that integration at system level requires new capabilities to ensure the integration is successful, which will provide support to all organisations involved to ensure that plans are achieved and information provided in order to support decision making at clinical and system level. We do not believe the system can succeed without these functions. This include functions around data warehousing, workforce development, health and care analytics, decision support, clinical utilisation reviews, contract management and others.
- 2.8 It is proposed that a procurement process takes place to secure some interim support to further develop, design and deliver these changes, and bring back further recommendations. The funding for this interim support has been submitted as a transformation bid, and this paper asks to note this next step which will be taken forward by local NHS partners, subject to funding.
- 2.9 In order for all organisations in the partnership to better understand their current position on this work it is suggested that we undertake a simple organisational self-assessment of readiness which can draw out any organisational red lines or barriers to moving forwards with this work, as well as identifying the current capacity and capability within organisations to move forwards with the next steps of the design process.

3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

- 3.1 The work to date has outlined a range of options on how best to integrate the system for the benefits of citizens and organisations alike, and the purpose of this paper is to proceed with working up more detail on the options to be brought back for further consideration

The only other option for the City Council is to cease to support the GNHCP. There are three main reasons why this is not considered a realistic way forwards:

- a) That the financial pressures of adult social care and the quality and availability of social care is best provided as part of an integrated health and social care system.
- b) There is legislation that requires Local Authorities to integrate with health within the Care Act
- c) The NHS organisations will pursue this path without us, and it is likely that the best way to secure resources for the population of Nottingham City is to be fully involved in decision making across the health and social care system. To not be included within the governance, commissioning and provision is likely to reduce ability to influence the services secured for the residents of Nottingham City

4 FINANCE COMMENTS (INCLUDING IMPLICATIONS AND VALUE FOR MONEY/VAT)

- 4.1 The delivery of the Health & Social Care system transformation agenda is key to ensuring the achievement of the Council's Medium Term Financial Plan (MTFP) in 2017/18; any deviation from this plan would require the review of other services. **The gap included in the MTFP for 2017/18 is £10.111m** (£11.334m approved as part of 2016/17 & 2017/18 budget process less Additional Adult Social Care Allocations of £7.223m issued by Department of Communities and Local Government 9 March 2017)
- 4.2 Implementation of this system change will require additional resources; funding of these will need to be considered from any allocated transformation funding from Central Government.
- 4.3 The GNHCP is a critical component of the Nottingham and Nottinghamshire STP, which in October 2016 outlined a do nothing system gap which was submitted to the Department of Health totalling £628m by 2020/21 of which £292m was the impact for 2017/18. This system gap includes the GNHCP as a subset

The STP Leadership will refresh the system financial profile and highlight any risks to organisational MTFP assumptions.

5 LEGAL AND PROCUREMENT COMMENTS (INCLUDING RISK MANAGEMENT ISSUES, AND INCLUDING LEGAL, CRIME AND DISORDER ACT AND PROCUREMENT IMPLICATIONS)

- 5.1 The report identifies actions and proposals which will require legal advice to progress them. For example it will be necessary to consider how the commissioning bodies can work together through a joint committee or s75 agreement or other legal structure. The City Council

must ensure it is represented in the various work streams to satisfy itself that procurement and commissioning proposals will be compliant with the City Council's legal obligations. More specific legal advice will be given at each stage of the process as and when Executive approval is sought.

- 5.2 Procurement forms a key part of the integrated system. The precise nature of any procurement is still to be determined at this point; Nottingham City Council Procurement Team will support the partnership in any future procurement. In particular this will involve supporting the decision making about the route to market and ensuring compliance with procurement regulations.

6 STRATEGIC ASSETS & PROPERTY COMMENTS (FOR DECISIONS RELATING TO ALL PROPERTY ASSETS AND ASSOCIATED INFRASTRUCTURE)

- 6.1 No comments

7 SOCIAL VALUE CONSIDERATIONS

- 7.1 There are not specific areas that will be affected directly by the approval to move to the next stage of work, however during the subsequent design options there will be a number of opportunities to enhance social value. For example:

Those who provide care for others, as carers, are a critical source of support for vulnerable people, and also provide support that prevents the need to higher cost help from social care or the NHS. Support for carers is also important as they need help themselves to manage their caring responsibilities and such support will be prioritised within the system model, which seeks to enhance community based support services. This is a critical element of the social fabric of communities and will be supported.

- 7.2 Local jobs for local people are an important goal for the City Council, and we will ensure that our contribution to the system design will emphasise and prioritise this. Through being part of the governance around integrated commissioning we will have the opportunity to ensure this is an integral part of the specifications of the future system.
- 7.3 The emphasis on prevention, early intervention and public health in the design of the future system will be strong, as the plan seeks to shift the balance of where people receive support from acute settings to community settings. This will in part be achieved through prevention and public health, seeking to effect behaviour change within individuals to help them manage their conditions better, and prevent the need to hospital based care episodes in some cases. This in effect will lead to increased resilience in people and communities, and could lead to improvements in community development, achievement at school and ability to secure jobs.

8 REGARD TO THE NHS CONSTITUTION

8.1 There will be legal advice sought during the next phase that will look into this.

9 EQUALITY IMPACT ASSESSMENT (EIA)

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

No



An EIA is not required because: There will be EIA's attached to subsequent specific proposals.

10 LIST OF BACKGROUND PAPERS RELIED UPON IN WRITING THIS REPORT (NOT INCLUDING PUBLISHED DOCUMENTS OR CONFIDENTIAL OR EXEMPT INFORMATION)

10.1 None.

11 PUBLISHED DOCUMENTS REFERRED TO IN THIS REPORT

Kings Fund paper (published 21st February 2017) Link:

<https://www.kingsfund.org.uk/publications/delivering-sustainability-and-transformation-plans>

Nottingham and Nottinghamshire STP Link:

<http://www.stpnotts.org.uk/>

The Care Act 2014 Link:

<http://www.legislation.gov.uk/ukpga/2014/23/contents/enacted>

12 OTHER COLLEAGUES WHO HAVE PROVIDED INPUT

This report is part of ongoing work, and as such a wide range of colleagues from finance, legal, HR, commissioning, procurement, Public Health and social care have provided significant input to this work

From partners:

A wide range of colleagues from across all health and care partners in Greater Nottingham have been involved in this work. The full list of partners is included within the Nottingham and Nottinghamshire STP

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Subject:	Property Acquisition – Use of Right to Buy 30% Replacement Receipts		
Corporate Director(s)/Director(s):	David Bishop, Corporate Director of Development		
Portfolio Holder(s):	Cllr Jane Urquhart, Portfolio Holder for Planning and Housing		
Report author and contact details:	Claire Lambert Project Manager Major Projects Claire.lambert@nottinghamcity.gov.uk 01158765872		
Subject to call-in:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	
Key Decision:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	
Criteria for Key Decision:			
(a)	<input checked="" type="checkbox"/> Expenditure	<input type="checkbox"/> Income	<input type="checkbox"/> Savings of £1,000,000 or more taking account of the overall impact of the decision
and/or			
(b)	Significant impact on communities living or working in two or more wards in the City		
	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
Type of expenditure:	<input type="checkbox"/> Revenue	<input checked="" type="checkbox"/> Capital	
Total value of the decision: £2.855 million			
Wards affected: All Wards			
Date of consultation with Portfolio Holder(s):			
Relevant Council Plan Key Theme:			
Strategic Regeneration and Development	<input checked="" type="checkbox"/>		
Schools	<input type="checkbox"/>		
Planning and Housing	<input checked="" type="checkbox"/>		
Community Services	<input type="checkbox"/>		
Energy, Sustainability and Customer	<input type="checkbox"/>		
Jobs, Growth and Transport	<input type="checkbox"/>		
Adults, Health and Community Sector	<input type="checkbox"/>		
Children, Early Intervention and Early Years	<input type="checkbox"/>		
Leisure and Culture	<input type="checkbox"/>		
Resources and Neighbourhood Regeneration	<input checked="" type="checkbox"/>		
Summary of issues (including benefits to citizens/service users):			
<p>The Housing Revenue Account (HRA) receives a proportion of the capital receipts generated by the sale of council houses under the right to buy (RTB) agenda. This funding is provided to contribute towards the building of new council housing for rent. If the money is not spent within three and a quarter years of the Council receiving it, it is returned to the Department for Communities and Local Government (DCLG) with punitive interest. The receipts can only be used for 30% of either the new build cost or the purchase price of an existing residential property, the remainder of the funding would come from the HRA.</p> <p>The preferred solution for utilising this money is to invest the receipts in the Councils new build delivery programme, Building a Better Nottingham (BABN). However, there are a number of pipeline schemes that are being progressed but are yet to be approved and are not included in the capital programme. Although the Council is actively looking for new sites it will be difficult to identify and mobilise a new scheme within a short timescale. It is therefore prudent to develop a scheme to utilise the receipts towards the purchase price of existing residential properties if the money cannot be spent on the new build programme within the timescales.</p>			

Exempt information: State 'None' or complete the following

Appendix 1 is exempt from publication under paragraph 3 of Schedule 12A to the Local Government Act 1972 because it contains information relating to the financial and business affairs of the authority and, having regard to all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information. It is not in the public interest to disclose this information because it could prejudice the councils negotiating position.

Recommendation(s):

1. To include in the public sector capital programme a scheme to use surplus Right to Buy Replacement Receipts for 30% of the costs of existing properties, to be used as social housing, the remaining balance to be met from the HRA new build budget, to a value of £2.855m.
2. To delegate authority to the Corporate Director of Development and Growth to identify and determine the number of residential properties to be purchased, and when these properties should be purchased, to ensure sufficient eligible expenditure is achieved.
3. To delegate authority to the Director of Strategic Assets and Property to negotiate and agree the individual purchase terms and conditions for the purchase of existing properties

1 REASONS FOR RECOMMENDATIONS

- 1.1 As per the agreement with the Department of Communities and Local Government (DCLG) there is an opportunity to utilise eligible receipts to acquire existing residential properties on the open market to be let as social housing.
- 1.2 This will allow the Council to plan for a more flexible delivery of the BABN new build programme within the specified timescales and to retain the money within the Council.
- 1.3 These properties will provide additional affordable housing to meet the housing needs of Nottingham citizens utilising subsidy so that the purchases represent good value for money for the Councils Housing Revenue Account (HRA).

2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)

- 2.1 A proportion of schemes within the councils BABN new build programme are being funded using Right to Buy Replacement Receipts. This funding is generated from the right to buy sale of council houses at a discount to the occupiers.
- 2.2 The Government outlined details for Councils of the Right to Buy Replacement Receipts programme in March 2012 in the publication 'Reinvigorating Right to Buy and '1-4-1' Replacement'. This states that Councils can retain the additional receipts generated but must limit the use to 30% of the cost of the replacement homes.
- 2.3 The Council signed agreement – s11(6) of the Local Government Act 2003 with the Secretary of State for Department for Communities and Local Government (DCLG) on 26th June 2012 to retain these receipts for the BABN new build programme. As per this agreement this funding is also eligible to be used for acquiring existing properties to be let as affordable homes. Part 5 of the agreement requires that expenditure is on the provision

of social housing including “the development costs associated with the acquisition of dwellings to be used as social housing” (paragraph vi sub-paragraph a)

- 2.4 The Council has accumulated receipts from RTB sales as detailed in the exempt appendix 1. Although most of these funds will be utilised on new build affordable housing schemes there is a risk that not all of the money can be spent within the 3 and ¼ year timescale.
- 2.5 Some of the future sites are at the early stages of investigation and there is a significant risk that some of these sites may prove to be unsuitable and may not go ahead or estimated start times may be delayed. It is therefore prudent to implement a scheme to allow for the purchase of up to 30 residential properties. This scheme can then be implemented at short notice if it becomes evident that the receipts cannot be utilized on the new build programme within the timescales.
- 2.6 As the new build programme progresses the levels of eligible expenditure will be monitored on a quarterly basis. The Management Plan can be found in appendix 2.

3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

- 3.1 The preferred option would be to utilise the replacement receipts to part fund the construction of new build properties in the Councils BABN new build programme. However, there is a risk that all of the schemes will not be progressed and therefore the receipts will not be utilised within the timescales.
- 3.2 The option to do nothing has been rejected. Any funding that is not utilised will be lost and will need to be returned to DCLG with additional punitive interest.

4 FINANCE COMMENTS (INCLUDING IMPLICATIONS AND VALUE FOR MONEY/VAT)

4.1 Capital Expenditure

See exempt Appendix 1.

4.2 Funding the scheme

The MTFP provides details of how the Public Sector Housing Capital Programme is funded from a combination of capital resources and receipts plus direct revenue financing. The programme is fully funded and includes an approved budget provision of £7.571m (2016-17 Quarter 2) for new build schemes that have not yet been approved (New Build - Unallocated). The scheme budget can be reallocated from the new build unallocated line within the Public Sector Housing Capital Programme, with no resulting increase to the programme.

The £2.855m cost of the scheme will be funded £0.857m (30%) from retained RTB capital receipts and the remaining £1.998m (70%) from capital resources already applied to the programme.

5 LEGAL AND PROCUREMENT COMMENTS (INCLUDING RISK MANAGEMENT ISSUES, AND INCLUDING LEGAL, CRIME AND DISORDER ACT AND PROCUREMENT IMPLICATIONS)

- 5.1 From a legal perspective the proposals set out in the report raise no significant legal issues and follow on from the agreement under s11 Local Government Act 2003 referred to in section 3.3 of the report. The key issue from a practical legal perspective is to ensure that sufficient properties are identified early enough to enable legal completion of the requisite numbers to be completed by the deadline.

6 STRATEGIC ASSETS & PROPERTY COMMENTS (FOR DECISIONS RELATING TO ALL PROPERTY ASSETS AND ASSOCIATED INFRASTRUCTURE)

- 6.1 Property will work with Housing Strategy to identify and acquire suitable properties. Property will undertake inspections and valuations, negotiate and agree terms of acquisition and work with Legal Services to complete purchases.

7 SOCIAL VALUE CONSIDERATIONS

- 7.1 The purchase of existing 2 and 3 bed properties will increase the stock of council housing and provide additional affordable housing to families in Nottingham

8 REGARD TO THE NHS CONSTITUTION

- 8.1 N/A

9 EQUALITY IMPACT ASSESSMENT (EIA)

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

No ☐

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

Yes ☒

Attached as Appendix 3, and due regard will be given to any implications identified in it.

10 LIST OF BACKGROUND PAPERS RELIED UPON IN WRITING THIS REPORT (NOT INCLUDING PUBLISHED DOCUMENTS OR CONFIDENTIAL OR EXEMPT INFORMATION)

- 10.1 N/A

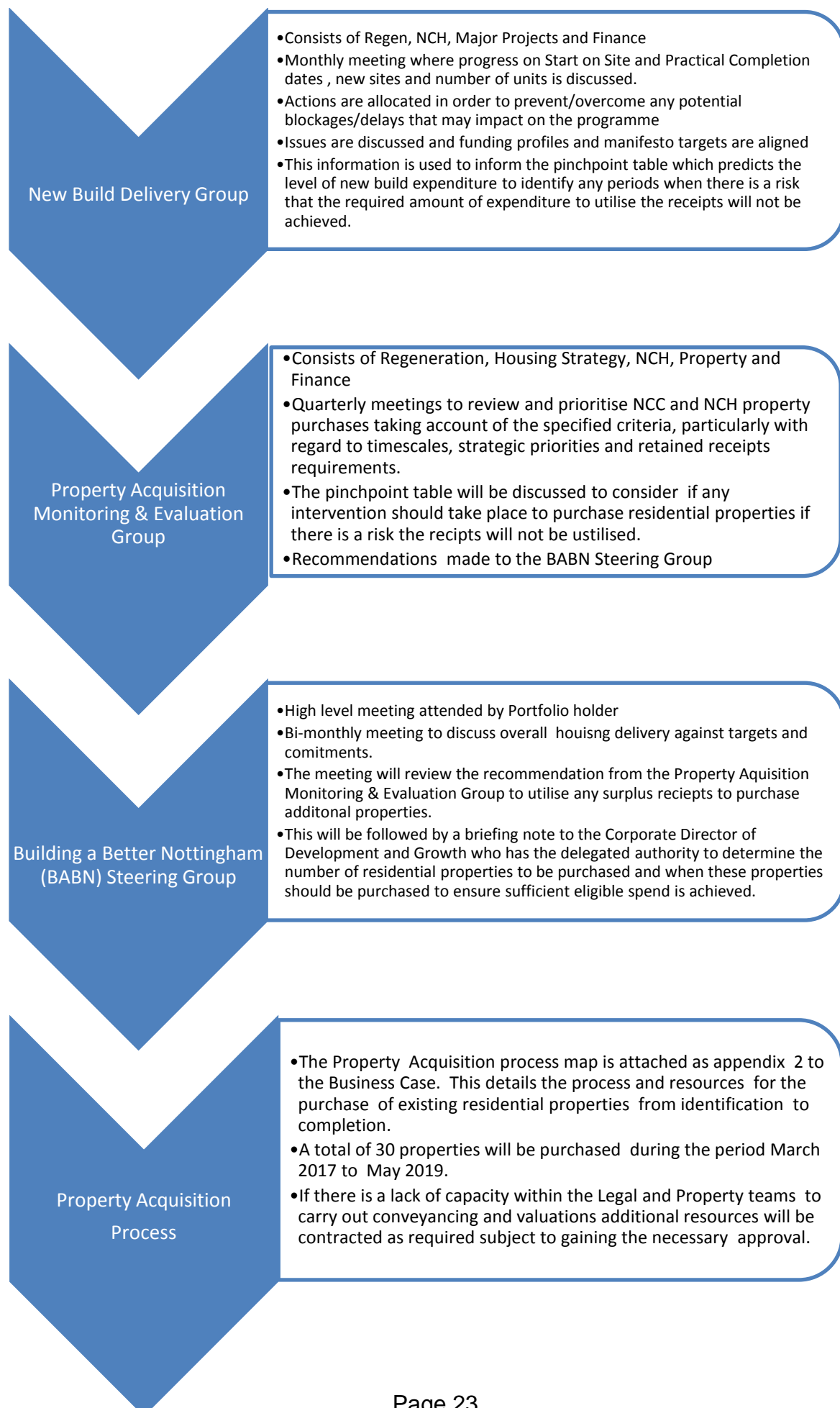
11 PUBLISHED DOCUMENTS REFERRED TO IN THIS REPORT

- 11.1 'Reinvigorating Right to Buy and One for One Replacement'

12 OTHER COLLEAGUES WHO HAVE PROVIDED INPUT

- 12.1 Julie Dorrington Senior Accountant HRA
Mark Lowe Head of Regeneration and Housing Delivery

Appendix 2 Property Acquisition Management Flow Chart



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Equality Impact Assessment Form (Page 1 of 2) - Appendix 3

Title of EIA/ DDM: Property Acquisition Use of Right to Buy 30% Replacement Receipts

Name of Author: Claire Lambert

Department: Housing and Regeneration Director: David Bishop

**Service Area: Development
(underline)**

Strategic Budget EIA Y/N (please

Author (assigned to Covalent): Claire Lambert

Brief description of proposal / policy / service being assessed:

The aim of this project is to utilise surplus Right to Buy Replacement Receipts to purchase existing 2 and 3 bed residential properties and bring them into use as social housing. These properties will be owned by the Council and managed by Nottingham City Homes under its existing partnership agreement. Properties will be sought within the city boundaries in established letting areas.

Information used to analyse the effects on equality:

Demand and Supply – City Council housing waiting list

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	Could particularly benefit X	May adversely impact X	How different groups could be affected (Summary of impacts)	Details of actions to reduce negative or increase positive impact (or why action isn't possible)
People from different ethnic groups.	<input type="checkbox"/>	<input type="checkbox"/>	<p>This initiative could have an adverse impact by limiting the supply of 2 and 3 bed properties available on the open market.</p> <p>The re-provision of council housing may include a range of property types which will be appropriate to a wide range of families on the council's waiting list. This could particularly benefit the following groups of citizens.</p> <ul style="list-style-type: none"> • Vulnerable homeless families currently in temporary and B&B accommodation. • Families currently living in unsuitable/overcrowded conditions in one or two bedroom accommodation will potentially be able to move to 	<p>The impact should be minimal as the council will only be purchasing a maximum of 30 properties between now and 2019/20. It is expected that this will be a very small proportion of the properties which will come onto the market in this period.</p> <p>The acquisition of existing properties for use as social housing will increase the councils housing stock of 2 and 3 bed houses and bungalows by a total of 30 properties. These properties will be made available to the most vulnerable citizens in Nottingham.</p> <p>All tenants rehousing options and choices are fully discussed by NCH support team and every effort is made to</p>
Men	<input type="checkbox"/>	<input type="checkbox"/>		
Women	<input type="checkbox"/>	<input type="checkbox"/>		
Trans	<input type="checkbox"/>	<input type="checkbox"/>		
Disabled people or carers.	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
Pregnancy/ Maternity	<input type="checkbox"/>	<input type="checkbox"/>		
People of different faiths/ beliefs and those with none.	<input type="checkbox"/>	<input type="checkbox"/>		
Lesbian, gay or bisexual people.	<input type="checkbox"/>	<input type="checkbox"/>		
Older	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
Younger	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
Other (e.g. marriage/ civil partnership, looked after children, cohesion/ good relations,	<input checked="" type="checkbox"/>	<input type="checkbox"/>		

vulnerable children/ adults).

Please underline the group(s) /issue more adversely affected or which benefits.

more suitable accommodation.

- This could potentially free up one bedroom properties for single young and vulnerable people
- Re-provision may include bungalows suitable for physically disabled or elderly residents.

ensure tenants have the most suitable accommodation for their needs.

Satisfaction with services at our Highwood House hostel is measured on exit and this has been extended to those leaving the NCH Dispersed Homeless units.

Local Lettings Policies are considered on an annual basis to identify any adverse community imbalances. Positive action is taken to improve community cohesion by stipulating local lettings conditions and monitoring levels of satisfaction with homes and neighbourhoods. NCH undertakes a rolling quarterly programme of STAR surveys.

Page 6

Outcome(s) of equality impact assessment:

- No major change needed ☒ •Adjust the policy/proposal ☐ •Adverse impact but continue ☐
•Stop and remove the policy/proposal ☐

Arrangements for future monitoring of equality impact of this proposal / policy / service:

Note when assessment will be reviewed (e.g. Review assessment in 6 months or annual review); Note any equality monitoring indicators to be used; consider existing monitoring/reporting that equalities information could form part of.

The Nottingham City Council waiting list is reviewed on an annual basis.

Approved by (manager signature): Mark Lowe

The assessment must be approved by the manager responsible for the service/proposal. Include a contact tel & email to allow citizen/stakeholder feedback on proposals.

Heather Day

heather.day@nottinghamcity.gov.uk

0115 8763517

Date sent to equality team for publishing:

Send document or link to:
equalityanddiversityteam@nottinghamcity.gov.uk
6th February 2017

Before you send your EIA to the Equality and Community Relations Team for scrutiny, have you:

1. Read the guidance and good practice EIA's
<http://www.nottinghamcity.gov.uk/article/25573/Equality-Impact-Assessment>
2. Clearly summarised your proposal/ policy/ service to be assessed.
3. Hyperlinked to the appropriate documents.
4. Written in clear user friendly language, free from all jargon (spelling out acronyms).
5. Included appropriate data.
6. Consulted the relevant groups or citizens or stated clearly when this is going to happen.
7. Clearly cross referenced your impacts with SMART actions.

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Subject:	Apprenticeship Levy
Corporate Director(s)/Director(s):	Candida Brudenell, Corporate Director Strategy & Resources Richard Henderson, Director HR & Transformation David Bishop, Corporate Director Development & Growth Chris Henning, Director Economic Development
Portfolio Holder(s):	Cllr Nicola Heaton - PH for Community Services (lead) Cllr Sam Webster - PH for Education, Employment and Skills Cllr Graham Chapman - Deputy Leader/PH for Resources & Neighbourhood Regeneration
Report author and contact details:	Josie Guynan, Resourcing & Reward Consultant Josie.guynan@nottinghamcity.gov.uk Ext 63748 Nicola Stevens, Employment & Skills Strategy Officer Nicola.stevens@nottinghamcity.gov.uk Ext 63931
Subject to call-in: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Key Decision: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Criteria for Key Decision:	
(a) <input checked="" type="checkbox"/> Expenditure <input type="checkbox"/> Income <input type="checkbox"/> Savings of £1,000,000 or more taking account of the overall impact of the decision	
and/or	
(b) Significant impact on communities living or working in two or more wards in the City <input type="checkbox"/> Yes <input type="checkbox"/> No	
Type of expenditure: <input checked="" type="checkbox"/> Revenue <input type="checkbox"/> Capital	
Total value of the decision: Up to the amount of levy draw down available, annually. This was calculated as £1,019,700 based on the 2015/16 pay bill and will vary year on year.	
Wards affected: None	
Date of consultation with Portfolio Holder(s): 21/02/2017, 23/02/2017	
Relevant Council Plan Key Theme: Strategic Regeneration and Development <input type="checkbox"/> Education, Employment and Skills <input checked="" type="checkbox"/> Planning and Housing <input type="checkbox"/> Community Services <input checked="" type="checkbox"/> Energy and Customers <input type="checkbox"/> Business, Growth and Transport <input type="checkbox"/> Adults and Health <input type="checkbox"/> Early Intervention and Early Years <input type="checkbox"/> Leisure and Culture <input type="checkbox"/> Resources and Neighbourhood Regeneration <input checked="" type="checkbox"/>	
Summary of issues (including benefits to citizens/service users): This report requests: <ol style="list-style-type: none"> 1. An ongoing delegation to be granted to the Director for HR and Transformation to draw down Apprenticeship Levy Funds from the Council's Digital Apprenticeship Service Account. Annual spend will be reviewed and reported on annually. 2. Authority to undertake a competitive procurement exercise to develop and set up an Approved Apprenticeship Training and Assessment Provider List for the Council and open to access by other partner Council's. 3. An ongoing delegation be granted to the Director of Economic Development to enter into contracts with approved providers and award call off contracts to winning providers for Council apprenticeship training and assessment. It is proposed that the Approved Provider List will initially be in place for 2 years, with the possibility of extending use thereafter. 	

Exempt information: State 'None' or complete the following

The Appendix to this report is exempt from publication under paragraph 3 of Schedule 12A to the Local Government Act 1972 because it contains information relating to the financial affairs of the Council and, having regard to all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

It is not in the public interest to disclose this information because disclosure could prejudice the competitive procurement exercise by revealing the Council's planned expenditure of its Apprenticeship Levy. This information is exempt from publication prior to the procurement exercise, during and while the framework is open.

Recommendation(s):

- 1** To delegate ongoing authority to the Director for Human Resources and Transformation to draw down apprenticeship levy funds from the Council's digital Apprenticeship Service Account from May 2017 up to the amount of levy paid, annually. This was calculated as £1,019,700 based on the 2015/16 pay bill and will vary year on year.
- 2** To delegate authority to the Director of Economic Development to undertake a competitive procurement exercise to set up an Approved Apprenticeship Training and Assessment Provider List for the Council and open to access by other partner Council's.
- 3** To delegate authority to the Director of Economic Development to enter into contracts with approved providers and also to award call off contracts to winning providers on the framework for training and assessment services for Council employed apprentices.

1 REASONS FOR RECOMMENDATIONS

- 1.1 Delegated authority to draw down and spend the apprenticeship levy funds on an ongoing basis will ensure that contracts can be placed with providers and payments made from the Council's digital account in a timely manner.
- 1.2 Apprenticeship Levy funds held in the apprenticeships service account can only be spent on training and assessment via a government approved training provider. Public Sector bodies must comply with the Public Contracts Regulations 2015 when selecting both a training provider and an assessment organisation from the approved registers. In order to comply with the Regulations the Council proposes to run a competitive procurement exercise under the Light Touch Regime to select appropriate providers. The establishing of an Approved Provider List open to other public bodies is considered to be the best option to achieve value for money over the next 2-4 years, whilst ensuring compliance with the Regulations. It will also enable the set up of value added services as set out in paragraph 2.5. The specification for provider services will address quality standards, barriers to hiring apprentices and aims to lower the costs of these activities.

2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)**Apprenticeship Levy**

- 2.1 The Government is introducing a levy on employers to fund apprenticeships from April 2017. It will be collected monthly from employers with a pay bill in excess of £3 million through the Pay-As-You-Earn system (PAYE) and applies to both the public and private sectors across the UK.

- 2.2 The rate for the levy is set at 0.5% of an employer's pay bill and based on the 2015/2016 pay bill would result in an annual draw down available of £927k (including maintained schools). A 10% top up will be also be provided by central government when funds are sent to the digital account providing a total available draw down amount of £1,019,700 per annum. As the Council's and school's salary bill increases or decreases the amount of the levy available will vary so this figure can go up or down. The intended Council salary spend is at Appendix 1. The funding can only be drawn down from the digital account and spent on apprenticeship training and assessment with an approved Skills Funding Agency (SFA) provider and any unspent funds will expire after 24 months.
- 2.3 In addition, there will be a public bodies target for apprentices set at 2.3% of the overall workforce headcount as from 7 April 2017. This provides an additional incentive to maximise our apprenticeship levy spend.
- 2.4 The City Council is committed to continuing our existing entry-level apprenticeship scheme and, in order to maximise the levy spend and meet the public sector target, will maximise the number of existing employees undertaking apprenticeship study by identifying skills shortages and developing career pathways. As a significant local employer and community leader, the Council will be helping to tackle youth unemployment and supporting our workforce planning activity by attracting young people into council jobs and improving qualification levels within the existing workforce.
- 2.5 Set out in the exempt appendix to this report are details on the Council's planned expenditure for the Apprenticeship Levy.

Apprenticeship Training and Assessment - Approved Provider List

- 2.6 By establishing and maintaining an apprenticeship approved provider list for the Council and other public bodies there is an opportunity to gain efficiencies in officer time in terms of apprentice training placements and also to enable better value and quality in training provision. The Council is currently consulting with potential partners who may also want to use the Council's approved provider list which may include organisations such as other neighbouring local authorities and their maintained schools, Police and Fire and NHS services.
- 2.7 A business case for funding a fixed term post and set up costs to support the managing of the approved list will be the subject of a separate Delegated Decision. Councillors are not being asked for a decision on these aspects as part of this paper, however the information in paragraphs 2.8 - 2.10 below is provided for context.
- 2.8 The services that will be available to any partners accessing the approved provider list will include:
- a) Access to providers of apprenticeship training that meet a Local Apprenticeship Quality Standard, thereby assuring value-for-money and quality.
 - b) An ongoing account management function between employers and training providers which quality assures performance, addresses learner provision issues, and other administrative tasks associated with purchasing apprenticeship training.

- 2.9 It is proposed that a fee will be attached to each service. Councillors are not being asked for a decision on those costs within the current report.
- 2.10 Although not part of this decision, it is further proposed that the Council's Economic Development's Jobs Hub services will be aligned with the services being procured and delivered as a result of the framework. It is envisaged that the Council will in the future work with SME's to assist with apprenticeship training procurement and with services such as end-to-end recruitment and management of apprentices. SME's will be further supported by advice and guidance on apprenticeships generally.

3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

- 3.1 There is an existing Provider Framework in place which is due to expire at the end of March 2017. This could be retained, however, this option is not considered to be cost-effective or flexible enough to respond to the rapidly changing apprenticeship landscape. Purchasing through a new procurement framework in the way proposed will enhance buying power for the organisations signed up to it and bring best value and consistency to contracts.
- 3.2 The alternative option is to wait to see the actual impact of the apprenticeships reforms and then respond accordingly. By taking a more proactive approach the City Council will be better placed to leverage potential benefits.

4 FINANCE COMMENTS (INCLUDING IMPLICATIONS AND VALUE FOR MONEY/VAT)

- 4.1 The purpose of this report is to give delegated authority to spend funds in the Council's apprentice levy fund and to set up an approved provider list which will enable the procurement of new training contracts using the levy. It is anticipated that the approved list will be in place on an ongoing basis, initially for two years, and this and spending will be subject to annual review. A Delegated Decision process will be completed to approve the detailed business case for resource to support the operation of the approved provider list.
- 4.2 The cost of the apprentice levy has been factored into the medium term financial plan which was considered by Executive Board in February. It is anticipated that the apprentice levy charged to the City Council will be around £0.927 million in 2017/18. The general fund's levy will be around £0.650 million. The maintained school element will also be reclaimed from the City Council and this will be drawn down from the same levy account managed by the City Council. With the additional government 10% top up there will be funds in excess of £1m per annum available to draw down. The average annual cost of training, based on table 2 in the appendix, is around £5,500 per apprenticeship.

Comments provided by Ian Greator, Finance Project Manager – Corporate Finance

5 LEGAL AND PROCUREMENT COMMENTS (INCLUDING RISK MANAGEMENT ISSUES, AND INCLUDING LEGAL, CRIME AND DISORDER ACT AND PROCUREMENT IMPLICATIONS)

5.1 Procurement Observations

The Procurement Team has been consulted on these proposals to ensure compliance with the requirements of the Council's Financial Regulations and Contract Procedure Rules and the Public Contract Regulations 2015. The team will support the development of the service specification and will conduct a compliant procurement process to establish an approved list of training providers which secures best value for the Council and other partners. On that basis the proposals are supported from a procurement perspective.

Comments provided by Jo Pettifor, Category Manager – Strategy and People.

5.2 Legal Observations

The Apprenticeship Levy is a new measure. Legislation will be introduced with the new apprenticeship levy effective from 6 April 2017. The Council needs to plan and have its processes in place to respond to the new legislation.

Apprenticeship Levy funds may only be spent on SFA approved training providers. When selecting training and assessment providers from the approved register all Public Sector bodies must comply with the Public Contracts Regulations 2015. In order to comply with the Regulations, this report requests approval to run a competitive procurement exercise under the Light Touch Regime to set up a an approved provider list and select appropriate providers. It is proposed that the provider list being established will also be open to other partner contracting authorities. The Council's Legal Services section has been consulted on the proposals and will continue to support this procurement process.

This report also requests ongoing delegations for both the Director of HR and Transformation and the Director of Economic Development as follows:

1. The Director of HR and Transformation requests an ongoing delegation to be able to draw down levy funds up to the threshold stated, from the Council's digital account in order to be able to authorise payments to approved Apprenticeship Providers and Assessors in a timely manner.
2. The Director of Economic Development requires authority to run a competitive procurement exercise to set up an approved provider list and award contracts to winning training and assessor providers and also an ongoing delegation to award call off contracts to providers who will be training and assessing individual Council employed apprentices.

The delegations requested are supported.

Comments provided by Connie Green, Solicitor, Contracts and Commercial Team

6 STRATEGIC ASSETS & PROPERTY COMMENTS (FOR DECISIONS RELATING TO ALL PROPERTY ASSETS AND ASSOCIATED INFRASTRUCTURE)

6.1 Not applicable.

7 SOCIAL VALUE CONSIDERATIONS

- 7.1 Nottingham City Council's Business Charter will apply for our local training providers.

8 REGARD TO THE NHS CONSTITUTION

- 8.1 Not applicable

9 EQUALITY IMPACT ASSESSMENT (EIA)

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

No

☐

An EIA is not required because:

(Please explain why an EIA is not necessary)

Yes

☒

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

10 LIST OF BACKGROUND PAPERS RELIED UPON IN WRITING THIS REPORT (NOT INCLUDING PUBLISHED DOCUMENTS OR CONFIDENTIAL OR EXEMPT INFORMATION)

- 10.1 Not applicable

11 PUBLISHED DOCUMENTS REFERRED TO IN THIS REPORT

- 11.1 SFA Guidance: 'Apprenticeship Funding from May 2017', available on line at:
<https://www.gov.uk/government/collections/apprenticeship-changes>
- 11.2 Nottingham City 'Council Plan 2015-2019', available online at:
<http://documents.nottinghamcity.gov.uk/download/2305>.

12 OTHER COLLEAGUES WHO HAVE PROVIDED INPUT

- 12.1 Not applicable

Equality Impact Assessment Form (Page 1 of 2)

Title of EIA/ DDM:	Apprenticeship Levy	Name of Author: Josie Guynan
Department:	HR and Transformation	Director: Richard Henderson
Service Area:	Resourcing and Reward	Strategic Budget EIA Y/N (please underline)
Author (assigned to Covalent):	Josie Guynan	

Brief description of proposal / policy / service being assessed:
Under government reforms all employers with a pay bill of over £3 million have to pay an amount equivalent to 0.5% of their pay bill as an apprenticeship levy. The Proposal is to spend the Councils apprenticeship levy via an apprenticeship Procurement Framework, up to the value of 1.5 million annually.

Information used to analyse the effects on equality:
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/357005/Bis-14-970-Reformed-apprenticeships-equality-impact-assessments1.pdf

	Could particularly benefit X	May adversely impact X	How different groups could be affected (Summary of impacts)	Details of actions to reduce negative or increase positive impact (or why action isn't possible)
People from different ethnic groups.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>This policy implements the Skills Funding Agency changes to apprenticeships funding for employers.</p> <p>The current make up of apprentices employed by Nottingham City Council is proportionately representative of the City as a whole (census 2011).</p> <p>There are not anticipated to be any additional adverse impacts as a result of the way in which Nottingham City Council implements the changes.</p> <p>There will be more opportunities for people, both internally and externally.</p>	<p>The current policy around ensuring equality of opportunity will apply.</p> <p>All apprenticeships are advertised in a variety of inclusive mediums, for example Kemmet Radio, Community Forums, internal BME, Disability and LGBT Networks and internal promotion via children in care, youth offending and SEN teams.</p> <p>We will continue to actively target those further from the jobs market and monitor the protected characteristics of applicants in each recruitment round. Futures are leading the current round of recruitment and providing access to their national databases and links.</p> <p><u>Actions will need to be uploaded on Covalent and they will be periodically monitored by the ECR Team.</u></p>
Men	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
Women	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
Trans	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
Disabled people or carers.	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
Pregnancy/ Maternity	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
People of different faiths/ beliefs and those with none.	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
Lesbian, gay or bisexual people.	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
Older	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
Younger	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
Other (e.g. marriage/ civil partnership, looked after children, cohesion/ good relations, vulnerable children/ adults).	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
<i>Please underline the group(s) /issue more adversely affected or which benefits.</i>				

Outcome(s) of equality impact assessment:

- No major change needed ☒ •Adjust the policy/proposal ☐ •Adverse impact but continue ☐
- Stop and remove the policy/proposal ☐

Arrangements for future monitoring of equality impact of this proposal / policy / service:

Note when assessment will be reviewed (e.g. Review assessment in 6 months or annual review); Note any equality monitoring indicators to be used; consider existing monitoring/reporting that equalities information could form part of.

Approved by (manager signature):

Emma Hodgett

Resourcing & Reward Manager

emma.hodgett@nottinghamcity.gov.uk

0115 87 62122

The assessment must be approved by the manager responsible for the service/proposal. Include a contact tel & email to allow citizen/stakeholder feedback on proposals.

Date sent to equality team for publishing:

Send document or link to:

equalityanddiversityteam@nottinghamcity.gov.uk

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Equality Impact Assessments must be attached to the DDM for publication.

Before you send your EIA to the Equality and Community Relations Team for scrutiny, have you:

1. Read the guidance and good practice EIA's
<http://www.nottinghamcity.gov.uk/article/25573/Equality-Impact-Assessment>
2. Clearly summarised your proposal/ policy/ service to be assessed.
3. Hyperlinked to the appropriate documents.
4. Written in clear user friendly language, free from all jargon (spelling out acronyms).
5. Included appropriate data.
6. Consulted the relevant groups or citizens or stated clearly when this is going to happen.
7. Clearly cross referenced your impacts with SMART actions.



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