



NOTTINGHAM CITY COUNCIL
EXECUTIVE BOARD

Date: Tuesday, 19 June 2018

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: Noel McMenamin, Constitutional Services, Tel: 0115 8764304
Direct Dial: 0115 8764304

AGENDA

Pages

- | | | |
|----------|---|----------|
| 1 | APOLOGIES FOR ABSENCE Councillor Graham Chapman – other Council business Councillor Dave Liversidge – leave Councillor Dave Trimble - leave | |
| 2 | DECLARATIONS OF INTERESTS | |
| 3 | MINUTES Last meeting held on 22 May 2018 (for confirmation) | 3 - 8 |
| 4 | TREASURY MANAGEMENT 2017/18 ANNUAL REPORT Report of Deputy Leader/Portfolio Holder for Finance, Resources and Commercial Services | 9 - 28 |
| 5 | PRE-AUDIT CORPORATE FINANCIAL OUTTURN 2017/18 Report of Deputy Leader/Portfolio Holder for Finance, Resources and Commercial Services | 29 - 62 |
| 6 | THE DEVELOPMENT OF THE REGIONAL ADOPTION AGENCY Report of Portfolio Holder for Early Intervention and Early Years | 63 - 72 |
| 7 | ADOPTION OF THE CITY'S NEW HOUSING STRATEGY | 73 - 182 |

Report of Portfolio Holder for Housing and Planning

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 22 May 2018 from 2.00 pm - 2.33 pm

Membership

Present

Councillor Jon Collins (Chair)
Councillor Neghat Khan
Councillor Dave Liversidge
Councillor David Mellen
Councillor Toby Neal
Councillor Dave Trimble
Councillor Jane Urquhart
Councillor Sam Webster

Absent

Councillor Graham Chapman (Vice Chair)
Councillor Sally Longford

Colleagues, partners and others in attendance:

Councillor Andrew Rule

David Bishop

Deputy Chief Executive/Corporate Director for Development and Growth

Anne Marie Barclay

Project Manager

Candida Brudenell

Corporate Director, Strategy and Resources

Ian Curryer

Chief Executive

Raista Chudasama

Principal Transport Planner

Richard Hamblin

Castle Project Director

Nigel Hawkins

Head of Culture and Libraries

Zahur Khan

Director of Traffic and Transport

Rebecca Langton

Executive Officer to Leader of the Council

Noel McMenamin

Governance Officer

Alison Michalska

Corporate Director, Children and Adults

Tanya Najuk

Head of Asset Management

Craig Stanley

Majority Support Officer

Keri Usherwood

Portfolio Communications Manager

Andy Vaughan

Corporate Director, Commercial and Operations

Call-in

Unless stated otherwise, all decisions are subject to call-in. The last date for call-in is 4 June 2018. Decisions cannot be implemented until the working day after this date.

1 APOLOGIES FOR ABSENCE

Councillor Graham Chapman – leave

Councillor Sally Longford - leave

2 DECLARATIONS OF INTERESTS

None.

3 MINUTES

The minutes of the meeting held on 17 April 2018 were agreed as a true record and they were signed by the Chair.

4 NOTTINGHAM CITY COUNCIL ULTRA LOW EMISSION VEHICLES (ULEV) FLEET PROJECT - KEY DECISION

The Portfolio Holder for Transport and HR introduced a report, requesting approval to accept grant funding to reduce nitrogen dioxide levels, to use this funding introduce a number of specialist Ultra- Low Emission Vehicles (ULEV) in Nottingham City and to create a Centre of Excellence for ULEV services.

RESOLVED to

- (1) accept the external Joint Air Quality Unit grant award to contribute to the replacement of Nottingham City fleet vehicles from diesel to Ultra Low Emission Vehicles and to delegate authority to the Corporate Director of Development & Growth to sign the grant agreement;**
- (2) approve the project allocations as set out in Table 1 and Table 2 in Appendix A to the report;**
- (3) delegate authority to the Corporate Director of Commercial & Operations to make variations to the delivery programme, where necessary;**
- (4) approve setting up a new procurement framework for the supply of fleet vehicles for Nottingham City Council and other Local Authorities and to award call-off contracts under the framework;**
- (5) approve the initiation of procurement activities, and delegate authority to the Corporate Director of Commercial & Operations to appoint preferred suppliers for the supply of fleet vehicles following the completion of appropriate procurement tendering activity.**

Reasons for decisions

To meet the Council Plan objectives around air quality and carbon reduction to achieve air quality improvements, and to contribute to the City Council's aspirations for becoming a Low Emission City.

To increase the number of ULEVs on the City's fleet to be increased, enhancing the current Vehicle Replacement Programme, and delivering significant operational cost savings and improved air quality.

To achieve the Council's aspirations to be a leading Go Ultra Low city by:

- Establishing the City Council as a leader – with the largest fleet of ULEVs of any local authority in the country;
- Creating a ULEV one stop shop for service, maintenance and repair activities, generating jobs in an emerging sector through Apprenticeships up to fully accredited Fleet Technicians and income to the Council;
- setting up servicing centre for other organisations' fleet (including the proposed NCH ULEV fleet) and establishing new commercial income generating business and partnership opportunities.

Other Options considered

The option to refuse the grant funding was rejected, as it would mean the Council would be unable to introduce the specialist fleet vehicles, which will provide an immediate contribution to improving air quality in the City for which the funding was awarded.

The option to vary the vehicle replacement programme was rejected to ensure the City Council remains compliant with the grant funding award.

5 PASSENGER TRANSPORT TAXI TENDER - KEY DECISION

The Portfolio Holder for Adult Social Care and Health introduced a report, recommending the creation of a dynamic Purchasing System for transport provided by external contractors.

RESOLVED to:

- (1) authorise the Procurement Process to tender for a Dynamic Purchasing System (DPS) for up to 4 years to enable the City Council to go to the market place for transport;**
- (2) approve spend for transport via this DPS of up to £2.5m per annum, £10m for the life of the DPS. The DPS may be advertised at a higher spend level for the possible inclusion of other parties but authority is only required for NCC spend;**
- (3) approve the delegated power to:**
 - (a) Corporate Director of Commercial and Operations and Corporate Director for Children and Adults to award the DPS to contractors;**
 - (b) Operations Manager- Transport to award individual Transport contracts under the DPS during the contract term.**

Reason for decision

To secure a Dynamic Purchasing System to meet the needs of the City Council's transport requirement with external providers.

Options considered

The detailed options considered were included within the Procurement Strategy, published in full within the report.

6 SCHOOL CAPITAL MAINTENANCE GRANT ALLOCATIONS 2018/19 - KEY DECISION

The Portfolio Holder for Education and Skills introduced a report on accepting and spending grant funding from the Department for Education to improve the condition of schools being maintained by the City Council.

RESOLVED to

- (1) accept the allocation by the Department for Education to Nottingham City Council of the School Capital Maintenance grant, totalling £1.291 million;**
- (2) approve the funding allocations to schemes as set out in the appendix A, noting that £0.357 million is set aside as a contingency fund;**
- (3) amend the Capital Programme to include the additional £1.291 million received as grant funding;**
- (4) delegate authority to the Corporate Director for Children and Adults to both allocate the contingency funding to projects as health and safety or condition issues arise during 2018/19. As well as adjusting the funding allocation for each scheme once cost information has been finalised, subject to value for money being demonstrated and costs being within the overall budget allocated for this programme;**
- (5) appoint City Council Design Services to design, procure and manage the schemes;**
- (6) approve the procurement of the works in accordance with the proposals set out in Appendix A of the report either through the Scape Regional Framework Midlands (North East – lower) or to make direct awards to Nottingham City Homes;**
- (7) approve dispensation from Contract Procedure Rules 5.1.1. and 5.1.2 in accordance with Financial Regulation 3.29 to make the direct awards to Nottingham City Homes described in recommendation 6;**
- (8) delegate authority to the Director of Major Projects to negotiate and sign contracts with the preferred contractors following the procurement to allow the schemes to be delivered;**
- (9) approve the instigation of Estate Review Plans included as appendix A for the maintained schools.**

Reasons for decisions

To prioritise funding following an extensive review of maintained schools to ensure that Health and Safety / safeguarding issues and condition issues are addressed promptly and appropriately.

To ensure that there is appropriate delegated authority and sufficient contingency to deal with urgent health and safety or condition issues that arise during the financial year 2018/19.

Other options considered

To combine Capital Maintenance funding and Basic Need funding. This was rejected as it would leave maintained schools at risk of closure through health and safety or condition issues. It would also mean that school buildings would continue to deteriorate, increasing the risk of forced closure for emergency repairs.

7 CORPORATE ASSET MANAGEMENT PLAN - PROPERTY AND LAND 2018-2020

The Leader/Portfolio Holder for Regeneration and Growth introduced a report recommending the approval of a Nottingham City Corporate Asset Management Plan. The Plan brings together all the relevant strategies to ensure that the City's land and buildings assets are optimally structured and utilised in the corporate interest.

RESOLVED to adopt the Corporate Asset Management Plan and Strategy.

Reason for decision

To have an agreed approach to managing the City Council's land and buildings assets.

Other options considered

None.

8 EXCLUSION OF THE PUBLIC

RESOLVED to exclude the public from the meeting during consideration of the remaining item 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 the public interest in disclosing the information.

9 NOTTINGHAM CASTLE TRANSFORMATION - KEY DECISION

The Board considered the Portfolio Holder for Leisure and Localities' exempt report.

RESOLVED to approve the recommendations in the report.

Reasons for decisions

Executive Board - 22.05.18

As detailed in the report.

Other options considered

As detailed in the report.

| | |
|---|--|
| Subject: | TREASURY MANAGEMENT 2017/18 ANNUAL REPORT |
| Corporate Director(s)/Director(s): | Laura Pattman, Director of Strategic Finance |
| Portfolio Holder(s): | Councillor Graham Chapman, Deputy Leader/Portfolio Holder for Finance, Resources and Commercial Services |
| Report author and contact details: | Theresa Channell, Head of Strategic Finance and Deputy S151 Officer 0115 8764157 theresa.channell@nottinghamcity.gov.uk |
| Subject to call-in: | <input type="checkbox"/> Yes <input checked="" 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: | Nil |
| Wards affected: | All |
| Date of consultation with Portfolio Holder(s): | TBC |
| 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>This report sets out the 2017/18 performance in respect of the management of the Council's external debt and investments (i.e. treasury management). The key issues are:</p> <ul style="list-style-type: none"> • the balance of external debt increased by £76.7m to £865.6m (see section 4.4); • the average rate of interest payable on the debt portfolio increased from 3.270% at 31 March 2017 to 3.398% at 31 March 2018 (see section 4.4); • the average rate of interest earned on short-term investments in 2017/18 was 0.324%. This is benchmarked against the 7 day London Inter-bank (LIBID) rate provided by the Bank of England, which averaged 0.310% for the same period (see section 4.8); • the latest budget estimate for 2017/18 was £69.394m against an actual General Fund Treasury Management expenditure of £69.174m (see section 5.1). • there were no breaches of the Prudential Indicators in 2017/18 (see section 4.11). • the Treasury Management Strategy was revised in 2017/18 to increase the Prudential Indicators for the limits on external debt (see section 4.11.7) and to revise the 2017/18 debt repayment strategy (see section 4.12). | |
| Exempt information: | State 'None' or complete the following |
| None. | |
| Recommendation(s): | |
| 1 To note the performance information in relation to Treasury Management for 2017/18. | |

1 REASONS FOR RECOMMENDATIONS

- 1.1 The treasury management function is governed by provisions set out under Part 1 of the Local Government Act 2003, whereby the City Council must have regard to the CIPFA Prudential Code and the CIPFA Code of Practice. Under the latter Code, an annual report is required to be submitted to and considered by councillors.
- 1.2 The Council's Treasury Management Strategy for 2017/18 was approved by full Council on 5 March 2017.
- 1.3 The Council has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. This report covers treasury activity and the associated monitoring and control of risk.

2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)

- 2.1 Treasury Management entails the management of the Council's cash flows, its borrowings and investments, the management of the associated risks and the pursuit of the optimum performance or return consistent with those risks. To assist in this process the Council retains external financial advisors.

3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

- 3.1 Options for management of the Council's debt and investment portfolio are continually reviewed. The overall aim is to minimise the net revenue costs of our debt whilst maintaining an even debt profile in future years, and to maximise investment returns within stated security and liquidity guidelines.

4 TREASURY MANAGEMENT ACTIVITY IN 2017/18

4.2 Growth and Inflation:

- 4.2.1 During the calendar year of 2017, there was a major shift in expectations in financial markets in terms of how soon Bank Rate would start on a rising trend. After the UK economy surprised on the upside with strong growth in the second half of 2016, growth in 2017 was disappointingly weak in the first half of the year at 0.3% in both quarters 1 & 2 (+1.5% y/y at Q2).

The main reason for this was the sharp increase in inflation caused by the devaluation of sterling after the EU referendum, feeding increases into the cost of imports into the economy. This caused a reduction in consumer disposable income and spending power as inflation exceeded average wage increases. Consequently, the services sector of the economy, accounting for around 75% of GDP, saw weak growth as consumers responded by cutting back on their expenditure. However, growth did pick up in quarter 3 to 0.5% before dipping slightly to 0.4% in quarter 4.

4.2.2 UK Monetary Policy:

The Monetary Policy Committee (MPC) meeting of 14 September provided a shock to the markets with a sharp increase in tone in the minutes where the MPC considerably hardened their wording in terms of needing to raise Bank Rate very soon.

The 2 November MPC quarterly Inflation Report meeting duly delivered on this warning by withdrawing the 0.25% emergency rate cut which had been implemented in August 2016.

The UK growth in the second half of 2017 came in stronger than expected, while in the new year there was evidence that wage increases had started to rise. The 8 February MPC meeting minutes therefore revealed another sharp hardening in MPC warnings focusing on a reduction in spare capacity in the economy, weak increases in productivity, higher GDP growth forecasts and a shift of their time horizon to focus on the 18 – 24 month period for seeing inflation come down to 2%. (CPI inflation ended the year at 2.7% but was forecast to still be just over 2% within two years.)

This resulted in a marked increase in expectations that there would be another Bank Rate increase in May 2018 and a bringing forward of the timing of subsequent increases in Bank Rate.

During 2017/18, longer term PWLB rates were volatile but with little overall direction, whereas shorter term PWLB rates were on a rising trend during the second half of the year.

Appendix 3 shows the money market interest rates and the Public Works Loans Board (PWLB) borrowing rates for 2017/18.

4.3 Local Context

4.3.1 The Council undertakes capital expenditure on long-term assets. These activities may either be:

- Financed immediately through the application of capital or revenue resources (capital receipts, capital grants, revenue contributions etc.), which has no resultant impact on the Council's borrowing need; or
- If insufficient financing is available, or a decision is taken not to apply resources, the capital expenditure will give rise to a borrowing need

4.3.2 At 31/03/2018 the Council's underlying need to borrow for capital purposes as measured by the Capital Financing Requirement (CFR) was £1,369.8m.

4.3.3 At 31/03/2018, the Council had £1,073.6m of borrowing including £208.0m of Private Finance Initiative (PFI) Debt and £31.3m of investments. The Council's current strategy is to maintain borrowing and investments below their underlying levels, referred to as internal borrowing, subject to maintaining a liquidity investment balance of around £30m.

4.3.4 The Council has an increasing CFR over the next 3 years due to the capital programme, investments are expected to remain at around £30m resulting in around £264m of new borrowing being required as reported in the 2018/19 Treasury Management Strategy Report.

4.4 Borrowing

4.4.1 The CFR is a gauge of the Council's indebtedness and results from the capital activity of the Council and resources used to pay for the capital spend. It represents the 2017/18 unfinanced capital expenditure, and prior years' net or unfinanced capital expenditure which has not yet been paid for by revenue or other resources.

- 4.4.2 Part of the Council's treasury activities is to address the funding requirements for this borrowing need. Depending on the capital expenditure programme, the treasury service organises the Council's cash position to ensure that sufficient cash is available to meet the capital plans and cash flow requirements. This may be sourced through borrowing from external bodies, (such as the Government, through the Public Works Loan Board (PWLB) or the money markets), or utilising temporary cash resources within the Council (Internal Borrowing).
- 4.4.3 Total outstanding debt in 2017/18 increased by £76.7m to £865.6m as at 31 March 2018. The total long term debt increased by £163.7m while temporary borrowing had decreased by £87.0m as at 31 March 2018. The average rate of interest on total debt increased, from 3.270% at 31 March 2017 to 3.398% at 31 March 2018.

Table 2 analyses the debt portfolio:

| TABLE 2: DEBT PORTFOLIO | | | | |
|--------------------------------|------------------|--------------|------------------|--------------|
| | 01-Apr-17 | | 31-Mar-18 | |
| DEBT | £m | % | £m | % |
| PWLB borrowing | 623.6 | 3.729 | 787.3 | 3.448 |
| Market loans | 49.0 | 4.348 | 49.0 | 4.348 |
| Local bonds & Stock | 0.6 | 3.001 | 0.6 | 3.001 |
| Temporary borrowing | 115.7 | 0.338 | 28.7 | 0.430 |
| TOTAL DEBT | 788.9 | 3.270 | 865.6 | 3.398 |

- 4.4.4 The Council's chief objective when borrowing has been to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required.
- 4.4.5 The Council raised a total of £180m of new long term fixed rate loans in 2017/18. These had an average life of 47 years and an average rate of 2.38% with a revenue cost of c.£4.278m per annum in interest payable. The increase in fixed rate loans provide long term cost certainty and reduces the Council's exposure to increases in long term interest rates. The PWLB was the Council's preferred source of long term borrowing given the transparency and control that its facilities continue to provide.
- 4.4.6 Temporary loans borrowed from the markets, predominantly from other local authorities, has also remained affordable and attractive. £314m of such loans were borrowed at an average rate of 0.37% and an average life of 90 days this total includes the replacement of maturing loans. The Council's outstanding balance of Temporary loans has decreased by £87m with the debt portfolio showing £28.7m outstanding as at 31 March 2018.
- 4.4.7 The Council has increased the under-borrowed position in 2017/18 by £31m with Internal Borrowing of c.£296m at 31 March 2018. This meant that the capital borrowing need (the Capital Financing Requirement), was not fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow was used as a temporary measure. This strategy was prudent as investment returns were low and counterparty risk was still an issue that needed to be considered.

4.4.8 The second half of 2017/18 displayed an increase in risks within the economic forecasts, caution was adopted within the treasury operations. The Director of Finance therefore monitored interest rates in financial markets and it was felt that there was a significant risk of a sharper rise in long and short term rates than initially expected, arising from an acceleration in the start date and in the rate of increase in central rates in the USA and UK, so the portfolio position was re-appraised and an increased level of fixed rate funding was drawn down whilst interest rates were lower than they were projected to be in the next few years.

4.4.9 An interest equalisation reserve has been maintained to mitigate the risk of unexpected rises in long term interest rates with c.£12.5m ring-fenced to smooth the impact of further increasing the proportion of fixed long term loans.

4.5 Lender Option Borrower Option (LOBOs)

4.5.1 The Council holds £34.000m of LOBO loans where the lender has the option to propose an increase in the interest rate at set dates, following which the Council has the option to either accept the new rate or to repay the loan at no additional cost. £14.000m of these LOBO loans had options during the year, none have been exercised by the lender. The Council acknowledges there is an element of refinancing risk even though in the current interest rate environment lenders are unlikely to exercise their options.

4.5.2 The council previously held LOBO loans with Barclays Bank, but in 16/17 the Bank cancelled all the embedded options within the loans. This effectively converted the £15m of Barclays LOBO loans to fixed rate loans removing the uncertainty on both interest cost and maturity date.

4.6 Debt Rescheduling

4.6.1 The PWLB continued to operate a spread of approximately 1% between “premature repayment rate” and “new loan” rates so the premium charge for early repayment of PWLB debt remained relatively expensive for the loans in the Council’s portfolio and therefore unattractive for debt rescheduling activity. No rescheduling activity was undertaken as a consequence.

4.7 Housing Revenue Account (HRA) Borrowing

4.7.1 From 1 April 2002, the Council’s HRA was allocated a separate debt portfolio based on the appropriate proportion of the Councils existing debt at that time. As a result of existing debt maturing and not being replaced the HRA accumulates a variable rate internal borrowing position. During 2014/15 the HRA fixed £37.161m of internal borrowing on a maturity loan basis for 30 years with reference to the PWLB interest rate quoted on the day. No further fixed rate HRA borrowing has taken place in 2017/18.

4.7.2 The HRA element of the CFR was £294.1m and is fully financed at an average rate of 4.23% as at 31 March 2018. The HRA interest charge for 2017/18 was £12.158m.

4.8 Investments

- 4.8.1 Security of capital has remained the Council's main investment objective. This has been maintained by following the Council's counterparty policy as set out in its Treasury Management Strategy Statement for 2017/18.
- 4.8.2 Counterparty credit quality was assessed and monitored with reference to credit ratings (the Council's minimum long-term counterparty rating was A- across rating agencies Fitch, S&P and Moody's); credit default swap prices, financial statements, information on potential government support and reports in the quality financial press.
- 4.8.3 In the past 12 months, the Council's investment balance has ranged between £24m and £64m. The strategy of maintaining investment balances towards £30m has seen the dual benefit of reducing the Council's exposure to bank credit risk and has allowed the budget to benefit from the net borrowing exposure to the low interest rate environment.
- 4.8.4 The average sum invested during the year was £64.6m, earning total interest of £0.449m at an average rate of 0.324%. After the EU referendum, Bank Rate was cut from 0.5% to 0.25% on 4 August 2016 and remained until November 2017 when the Bank Rate returned to 0.50%. The low short-term interest rates (see appendix 3), meant that the average return for 2017/18 was below that of recent years, but higher than the original budget estimate of 0.30%, due to the unforeseen November rate rise and subsequent increases in short term Money Market interest rates.
- 4.8.5 The Council benchmarks its average return against the 7-day London Interbank (LIBID) rate provided by the Bank of England. For 2017/18, the average 7-day LIBID rate was 0.31%.

TABLE 3 - Investment Activity in 2017/18

| Investments | Balance on 01/04/2017 £m | Balance on 31/03/2018 £m | Avg Rate/Yield (%) Avg days to maturity |
|---|---|---|--|
| Short term Investments (call accounts, deposits) | | | |
| - Banks and Building Societies with ratings of A- or higher | 5.0 | 0 | N/A |
| - Local Authorities | 10.0 | 10.0 | 0.40% / 2 |
| Long term Investments | 0.0 | 0.0 | N/A |
| Money Market Funds | 12.0 | 21.3 | 0.46% / 1 |
| TOTAL INVESTMENTS * | 27.0 | 31.3 | 0.44% / 1 |
| - Increase/ (Decrease) in Investments £m | | 4.3 | |

Note: * excludes balance in Icelandic ISK Escrow account

- 4.8.6 Table 3 above shows the movement in investments by type during 2017/18. The council has retained its use of instant access money market funds with the dual benefit of increased diversity and a credit rating of AAAM.

- 4.8.7 The investment activity during the year conformed to the approved strategy, and the Council had no liquidity difficulties.
- 4.8.8 **Appendix 2** provides details of the Council's external investments at 31 March 2018, analysed between investment type and individual counterparties showing the Fitch long-term credit rating.

4.9 Icelandic Krona (ISK) in Escrow

- 4.9.1 The administrators for the recovery of Glitnir Bank deposits (£11m) have made repayment to all priority creditors, including the City Council, in full settlement of the accepted claims. However, approximately 21% (£2.3m) of this sum had been paid in ISK and due to currency restrictions in Iceland, this sum had been retained in an interest-bearing escrow account with the Central Bank of Iceland. On 27 June 2017 the Council received £3.2m as proceeds from the sale of the restricted ISK balance including accrued interest as the Central Bank of Iceland starts to remove the currency controls and normalise their economy.

The council has now received 100% of the principal balance deposited with Glitnir Bank.

4.10 External advisors

- 4.10.1 External treasury management advisors are retained to provide additional input on treasury management matters. The service comprises economic and interest rate forecasting, advice on strategy, portfolio structure, debt restructuring, investment policy and credit ratings and technical assistance on other matters, as required.
- 4.10.2 The council has retendered the advisor contract in 2016/17, and starting from 1st April 2017 has received good quality services from Link Asset Services (previously known as Capita Asset Services).

4.11 Compliance with Prudential Indicators

- 4.11.1 The Council confirms compliance with its Prudential Indicators for 2017/18 set on 6 March 2017 as part of the Council's Treasury Management Strategy Statement. **Appendix 1** shows the complete list of indicators including actual performance against these indicators for 2017/18 together with comparative figures for 2016/17.
- 4.11.2 The Council measures and manages its exposures to treasury management risks using the following indicators.
- 4.11.3 **Interest Rate Exposures:** This indicator is set to control the Council's exposure to interest rate risk. The limits on net fixed and variable rate interest rate exposures are:

| | 2017/18 £m | 2018/19 £m | 2019/20 £m |
|--|---------------|---------------|---------------|
| Upper limit on fixed interest rate exposure | 900 | 900 | 900 |
| Actual | 741 | | |
| Upper limit on variable interest rate exposure | 300 | 300 | 300 |
| Actual | 93 | | |

4.11.4 Maturity Structure of Borrowing: This indicator is set to control the Council's exposure to refinancing risk. The upper and lower limits on the maturity structure of fixed rate borrowing will be:

| | Lower | Upper | Actual |
|--------------------------------|-------|-------|--------|
| Under 12 months | 0% | 25% | 7% |
| 12 months and within 24 months | 0% | 25% | 4% |
| 24 months and within 5 years | 0% | 25% | 10% |
| 5 years and within 10 years | 0% | 25% | 15% |
| 10 years and within 25 years | 0% | 50% | 18% |
| 25 years and within 40 years | 0% | 50% | 20% |
| 40 years and above | 0% | 25% | 25% |

4.11.5 Principal Sums Invested for Periods Longer than 364 days: The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the total principal sum invested to final maturities beyond the period end will be:

| | 2016/17 £m | 2017/18 £m | 2018/19 £m |
|---|---------------|---------------|---------------|
| Limit on principal invested beyond year end | 20 | 20 | 20 |
| Actual | 0 | | |

4.11.6 Operational Boundary and Authorised Limit for External Debt: The operational boundary is based on the Council's estimate of most likely, i.e. prudent, but not worst case scenario for external debt. The authorised limit is the affordable borrowing limit determined in compliance with the Local Government Act 2003. It is the maximum amount of debt that the Council can legally owe. The authorised limit provides headroom over and above the operational boundary for unusual cash movements.

| | 2017/18 Original Estimate £m | 2017/18 Revised PI Limits £m | 2017/18 Max Debt in year £m |
|-------------------------------|---------------------------------------|---------------------------------------|--------------------------------------|
| Borrowing | 831.5 | | 866.6 |
| Other Long-term Liabilities * | 215.8 | | 208.0 |
| Total External Debt | 1,047.3 | | 1,073.6 |
| Operational Boundary | 1,107.2 | 1,275.0 | |
| Authorised Limit | 1,147.2 | 1,300.0 | |

* Includes PFI and Leases liabilities

4.11.7 The Operational Boundary and Authorised limit for external debt was increased as part of a revision to the Treasury Management Strategy which was approved by Full Council on 22 January 2018. This was due to additional approvals within the capital program since the original strategy was approved. The additional capital expenditure will have been subject to an affordability assessment as part of the business case approval from the Section 151 Officer.

4.11.8 **Adoption of the CIPFA Treasury Management Code:**

The Council adopted the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice*.

4.12 Revision to 2017/18 Minimum Revenue Provision

4.12.1 The Debt Repayment Strategy known as Minimum Revenue Provision (MRP) was revised within 2017/18 and approved by Full Council on 5 March 2018 (see published report Treasury Management Strategy 2018/19 and Revision to 2017/18 Debt Repayment Strategy).

4.12.2 This revision approved the retrospective calculation of a c.£28m overprovision in the period 2007 – 2016 based on applying the existing MRP policy on the repayment of the Pre-2007 debt known as 'Supported Borrowing'. The amount of MRP charged from 2017/18 to 2023/24 will be adjusted for this overprovision (reduction of c.£4m pa for 7 years) and used to finance 'transformation of services' works to be carried out that support achieving a sustainable medium term financial plan including the resulting future MRP charges.

4.13 Treasury Management Reserve

4.13.1 The Treasury Management Reserve is maintained to smooth the impact of any volatility in treasury management revenue charges in any one year. The balance on the Reserve at 31 March 2018 is £3.513m.

A separate reserve for interest equalisation has been set up with a balance £12.537m specifically to balance the risk of having to secure new long term loans at higher interest rates than anticipated.

4.14 Risk Management

4.14.1 Risk management plays a fundamental role in treasury activities, due to the value and nature of transactions involved. The management of specific treasury management risks is set out in the Manual of Treasury Management Practices and Procedures and a risk register is maintained for the treasury function.

4.14.2 The treasury management risk register's overall risk rating at 31 March 2018 was Likelihood = unlikely, Impact = moderate which represents the same risk assessment as at 31 March 2017. The Treasury Management working group continue to manage this risk and take appropriate actions as required.

4.15 Revised CIPFA Codes

4.15.1 In December 2017, the Chartered Institute of Public Finance and Accountancy, (CIPFA), issued a revised Treasury Management Code and Cross Sectoral Guidance Notes, and a revised Prudential Code. A particular focus of these revised codes was how to deal with local authority investments which are not treasury type investments e.g. by investing in purchasing property in order to generate income for the council at a much higher level than can be attained by treasury investments. One recommendation was that local authorities should produce a new report to councillors to give a high level summary of the overall capital strategy and to enable councillors to see how the cash resources of the council have been apportioned between treasury and non-treasury investments.

4.15.2 Full implementation is not required until 31 March 2019 i.e. the 2019/20 budget cycle.

4.16 Markets in Financial Instruments Directive II (MiFID II)

4.16.1 The EU set the date of 3 January 2018 for the introduction of regulations under MIFID II. These regulations govern the relationship that financial institutions conducting lending and borrowing transactions will have with local authorities from that date. This has had little effect on this council apart from having to fill in forms sent by each institution dealing with this council and for each type of investment instrument we use, apart from for cash deposits with banks and building societies.

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

5.1 General Fund Revenue Implications

5.1.1 Revenue costs associated with borrowing and lending can be volatile, being affected by a number of factors including movements in interest rates, the timing of capital spending, the extent of reserves held and actual cash flows during the year.

5.1.2 The outturn in 2017/18 for treasury management costs was £69.174m. The total treasury management-related costs in 2017/18, comprising interest charges less receipts, plus provisions for repayment of debt, were £81.333m. Of this PFI related expenditure accounted for £29.703m which includes the NET lines 1 & 2. A proportion of the Council's debt relates to capital expenditure on council housing and £12.159m of these costs was charged to the HRA.

The remaining General Fund costs of £69.174m gave a favourable variance of £0.220m which is included within the General Fund corporate Budget Outturn Report on this Executive Board agenda.

5.2.1 Value for Money

5.2.2 Management of borrowing and investments is undertaken in conjunction with our appointed advisors, with the aim of minimising net revenue costs, maintaining an even debt maturity profile and ensuring the security and liquidity of investments.

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

6.1 None

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

7.1 None

8 SOCIAL VALUE CONSIDERATIONS

8.1 None

9 REGARD TO THE NHS CONSTITUTION

9.1 N/A

10 EQUALITY IMPACT ASSESSMENT (EIA)

10.1 The report has no proposal to change processes or systems therefore no equality impact assessment has been completed.

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

11.1 Treasury Management Strategy 2018/19 and Revision to 2017/18 Debt Repayment Strategy.

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PRUDENTIAL INDICATORS

Appendix 1

| INDICATORS | 2016/17 Actual | 2017/18 Estimate | 2017/18 Outturn | Within Limits? |
|--|--------------------|------------------|--------------------|----------------|
| 1) Prudence indicators | | | | |
| i) Capital Expenditure | | | | |
| General Fund | £178.1m | £167.7m | £165.0m | YES |
| HRA | £56.3m | £63.3m | £55.2m | YES |
| | £234.4m | £231.0m | £220.2m | |
| ii) CFR at 31 March | | | | |
| General Fund | £774.2m | £823.5m | £867.1m | YES |
| HRA | £280.3m | £279.8m | £294.7m | YES |
| PFI notional 'debt' | £226.0m | £215.8m | £208.0m | N/A |
| | £1,280.5m | £1,319.1m | £1,369.8m | |
| iii) External Debt at 31 March | | | | |
| Borrowing | £788.9m | £831.5m | £865.6m | YES |
| PFI & leasing notional 'debt' | £226.0m | £215.8m | £208.0m | N/A |
| | £1,014.9m | £1,047.2m | £1,073.6m | |
| 2) Affordability indicators | | | | |
| i) Financing costs ratio | | | | |
| General Fund | 12.8% | 15.4% | 13.0% | YES |
| General Fund (Inc PFI costs) | 22.8% | | 20.3% | YES |
| HRA | 12.0% | 12.3% | 12.4% | YES |
| | Max in year | | Max in year | |
| ii) Authorised limit for external debt | £1,091.6m | £1,300.0m | £1,073.6m | YES |
| iii) Operational limit for ext. debt | £1,091.6m | £1,275.0m | £1,073.6m | YES |
| iv) HRA limit on indebtedness | | | | |
| HRA CFR | 319.8 | 319.8 | 319.8 | YES |
| HRA Debt Cap (prescribed) | 280.3 | 279.8 | 294.7 | YES |
| Difference - headroom | 34.5 | 40.0 | 25.1 | YES |
| 3) Treasury Management indicators | £m | £m | £m | |
| i) Limit on NET variable interest rates | 171.4 | 300.0 | 93.3 | YES |
| ii) Limit on NET fixed interest rates | 588.2 | 900.0 | 741.0 | YES |
| iii) Fixed Debt maturity structure | | | | |
| - Under 12 months | 17% | 0-25% | 7% | YES |
| - 12 months to 2 years | 4% | 0-25% | 4% | YES |
| - 2 to 5 years | 12% | 0-25% | 10% | YES |
| - 5 to 10 years | 16% | 0-25% | 15% | YES |
| - 10 to 25 years | 24% | 0-50% | 18% | YES |
| - 25 to 40 years | 21% | 0-50% | 20% | YES |
| - 40 years and above | 6% | 0-25% | 25% | YES |
| | Max in year | | Max in year | |
| v) Max sum invested for >364 days | £0m | £20.0m | £0m | YES |

NOTES TO THE SCHEDULE OF PRUDENTIAL INDICATORS

1) Prudence Indicators

- i) *'Estimate of total capital expenditure'* – a “reasonable” estimate of total capital expenditure to be incurred, split between the General Fund and the HRA.
 - This estimate takes into account the current approved asset management and capital investment strategies.
- ii) *'Capital financing requirement' (CFR)* – this figure constitutes the aggregate amount of capital spending which has not yet been financed by capital receipts, capital grants or contributions from revenue, and represents the underlying need to borrow money long-term. An actual figure at 31 March each year is required.
 - This approximates to the previous Credit Ceiling calculation and provides an indication of the total long-term debt requirement.
 - The figure includes an estimation of the total debt brought 'on-balance sheet' in respect of PFI schemes and finance leases.
- iii) *'External debt'* - the actual level of gross borrowing (plus other long-term liabilities, including the notional debt relating to on-balance sheet PFI schemes and leases) calculated from the balance sheet.

2) Affordability Indicators

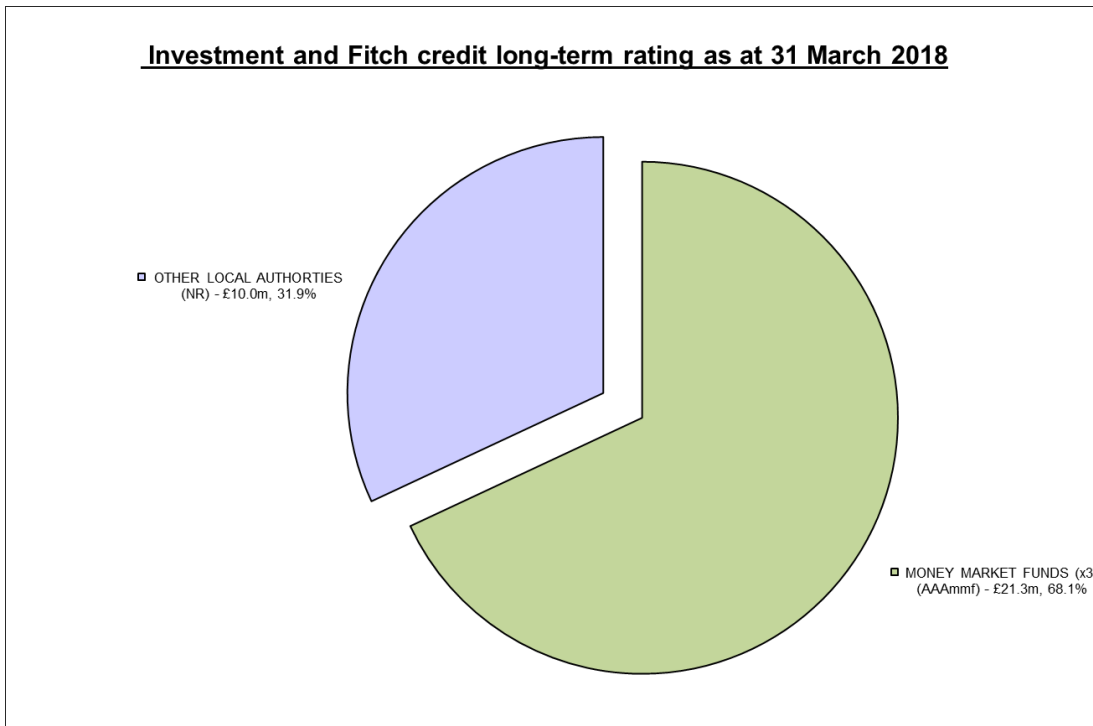
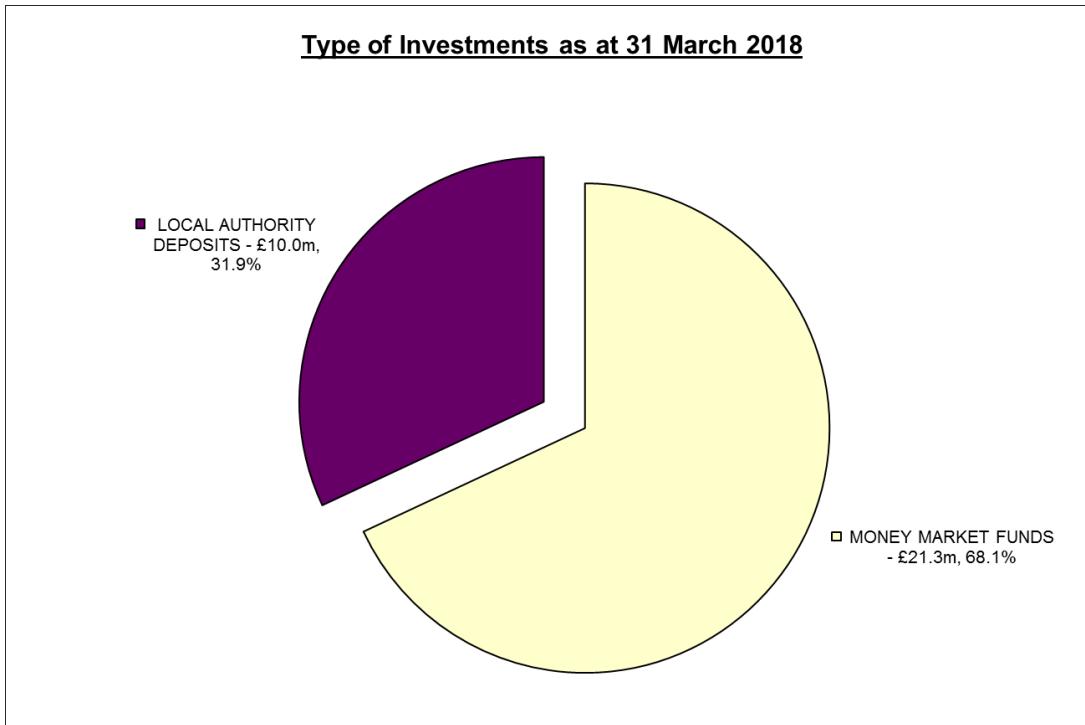
- i) *'Ratio of financing costs to net revenue stream'* – expresses the revenue costs of the Council's borrowing (interest payments and provision for repayment) as a percentage of the total sum to be raised from government grants, business rates, council and other taxes (General Fund) and rent income (HRA). From 1 April 2012, the General fund income figure includes revenue raised from the Workplace Parking Levy.
 - These indicators show the impact of borrowing on the revenue accounts and enable a comparison between years to be made. The increase in the General Fund ratio reflects the falling grant from government and the impact of the extension of the NET capital scheme, funded from specific Government grant and the Workplace Parking Levy income streams.
- ii) *'Authorised limit for external debt'* – this represents the maximum amount that may be borrowed at any point during the year.
 - This figure allows for the possibility that borrowing for capital purposes may be undertaken early in the year, with a further sum to reflect any temporary borrowing as a result of adverse cash flow. This represents a 'worst case' scenario.
- iii) *'Operating boundary for external debt'* – this indicator is a working limit and represents the highest level of borrowing is expected to be reached at any time during the year - It is recognised that this operational boundary may be breached in exceptional circumstances.

- iv) *'HRA limit on indebtedness'* – from 1 April 2012, a separate debt portfolio has been established for the HRA. The CLG have imposed a 'cap' on the maximum level of debt for individual authorities and the difference between this limit and the actual HRA CFR represents the headroom available for future new borrowing.

3) **Treasury Management Indicators**

- i) *'Upper limit on NET variable interest rate exposure'* - is set to control the Council's exposure to interest rate risk. The upper limits on variable rate interest rate exposures, expressed as the amount of net principal borrowed.
- A high level of variable rate debt presents a risk from increases in interest rates. This figure represents the maximum permitted exposure to such debt.
- ii) *'Upper limit on NET fixed interest rate exposure'* - is set to control the Council's exposure to interest rate risk. The upper limits on fixed interest rate exposures, expressed as the amount of net principal borrowed.
- Fixed rate borrowing provides certainty for future interest costs, regardless of movements in interest rates.
- iii) *'Upper and lower limits with respect to the maturity structure of the Council's borrowing'* – this shows the amount of fixed rate borrowing maturing in each period, expressed as a percentage of total fixed rate borrowing.
- This indicator is designed to be a control over having large amounts of fixed rate debt falling to be replaced at the same time.
- iv) *'Total sums invested for periods of greater than 364 days'* – a limit on investments for periods longer than 1 year.
- This indicator is designed to protect the liquidity of investments, ensuring that large proportions of the cash reserves are not invested for long periods.
- v) *The adoption of the CIPFA Code of Practice for Treasury Management in the Public Services'*. This is not a numerical indicator, but a statement of good practice.
- The Council adopted the Code on 18 February 2002. Revised Codes, issued in 2009 and 2011, have subsequently been incorporated within the Council's strategy and procedures. The revised code issued in December 2017, will be fully incorporated by 31 March 2019.
- vi) *Credit risk* – The Council monitors a range of factors to manage credit risk, detailed in its annual Treasury Management Strategy (Investment Strategy section).

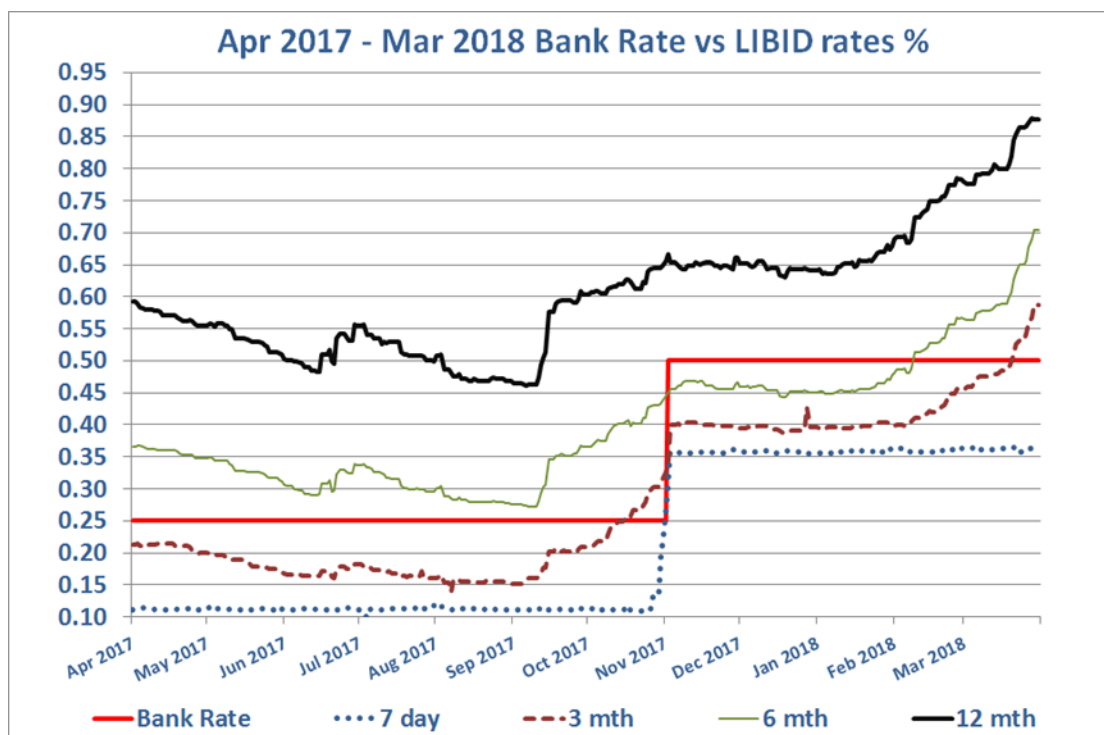
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Investment Rates in 2017/18

Investments rates for 3 months and longer have been on a rising trend during the second half of the year in the expectation of Bank Rate increasing from its floor of 0.25%, and reached a peak at the end of March. Bank Rate was duly raised from 0.25% to 0.50% on 2.11.17 and remained at that level for the rest of the year. However, further increases are expected over the next few years. Deposit rates continued into the start of 2017/18 at previous depressed levels due, in part, to a large tranche of cheap financing being made available under the Term Funding Scheme to the banking sector by the Bank of England; this facility ended on 28.2.18.

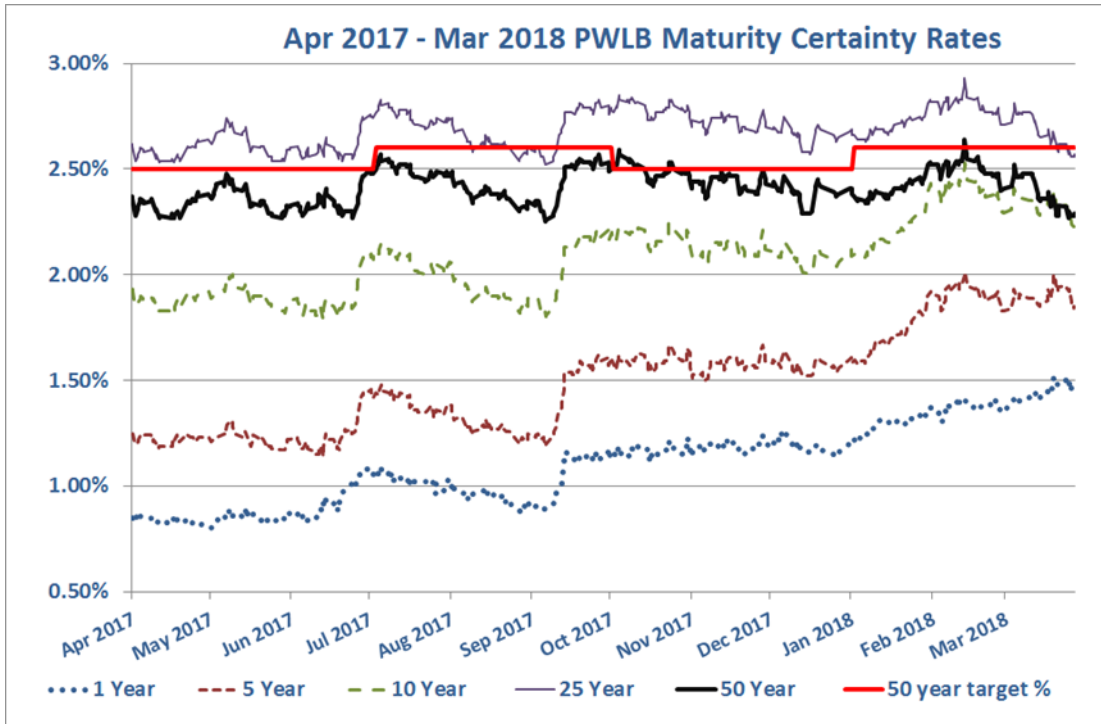


Borrowing Rates in 2017/18

As depicted in the graph and tables below, PWLB 25 and 50 year rates have been volatile during the year with little consistent trend. However, shorter rates were on a rising trend during the second half of the year and reached peaks in February / March.

During the year, the 50 year PWLB target (certainty) rate for new long term borrowing was 2.50% in quarters 1 and 3 and 2.60% in quarters 2 and 4.

The graphs and tables for PWLB rates show, for a selection of maturity periods, the average borrowing rates, the high and low points in rates, spreads and individual rates at the start and the end of the financial year.



| | 1 Year | 5 Year | 10 Year | 25 Year | 50 Year |
|---------|------------|------------|------------|------------|------------|
| 1/4/17 | 0.85% | 1.25% | 1.93% | 2.62% | 2.37% |
| 31/3/18 | 1.67% | 2.05% | 2.43% | 2.77% | 2.49% |
| Low | 0.80% | 1.14% | 1.78% | 2.52% | 2.25% |
| Date | 03/05/2017 | 15/06/2017 | 15/06/2017 | 08/09/2017 | 08/09/2017 |
| High | 1.51% | 2.01% | 2.53% | 2.93% | 2.64% |
| Date | 21/03/2018 | 15/02/2018 | 15/02/2018 | 15/02/2018 | 15/02/2018 |
| Average | 1.11% | 1.50% | 2.08% | 2.69% | 2.41% |

| | |
|---|--|
| Subject: | PRE-AUDIT CORPORATE FINANCIAL OUTTURN 2017/18 |
| Corporate Director(s)/Director(s): | Laura Pattman, Strategic Director of Finance |
| Portfolio Holder(s): | Councillor Graham Chapman, Deputy Leader/Portfolio Holder for Finance, Resources and Commercial Services |
| Report author and contact details: | Theresa Channell – Head of Strategic Finance 0115 8763649 theresa.channell@nottinghamcity.gov.uk |
| Subject to call-in: | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| Key Decision: | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| Criteria for Key Decision: | |
| (a) | <input checked="" type="checkbox"/> Expenditure <input checked="" 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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| Type of expenditure: | <input checked="" type="checkbox"/> Revenue <input checked="" type="checkbox"/> Capital |
| Total value of the decision: | £25.207m |
| Wards affected: | All |
| Date of consultation with Portfolio Holder(s): | Throughout March-April 2018 |
| Relevant Council Plan Key Theme: | |
| Strategic Regeneration and Development | <input checked="" type="checkbox"/> |
| Schools | <input checked="" type="checkbox"/> |
| Planning and Housing | <input checked="" type="checkbox"/> |
| Community Services | <input checked="" type="checkbox"/> |
| Energy, Sustainability and Customer | <input checked="" type="checkbox"/> |
| Jobs, Growth and Transport | <input checked="" type="checkbox"/> |
| Adults, Health and Community Sector | <input checked="" type="checkbox"/> |
| Children, Early Intervention and Early Years | <input checked="" type="checkbox"/> |
| Leisure and Culture | <input checked="" type="checkbox"/> |
| Resources and Neighbourhood Regeneration | <input checked="" type="checkbox"/> |
| Summary of issues (including benefits to citizens/service users): | |
| <p>This report sets out the City Council's pre-audit General Fund and Housing Revenue Account (HRA) revenue outturn and Capital Programme for 2017/18. It is an important component of the City Council's financial management and governance framework setting out the Council's year-end financial position for 2017/18.</p> <p>The City Council, like all other local authorities across the country, has seen a substantial and sustained reduction in Government funding because of austerity policies. Alongside this reduction in grant income, Nottingham has seen increased demand for a number of services, for example Adult Social Care and Children in Care. This has resulted in the Council having to make savings totalling £232.7m between 2010/11 and 2017/18.</p> <p>The 2017/18 draft outturn is showing a net overspend of £4.215m.</p> <p>The final Statement of Accounts will be considered by the Audit Committee in July 2018 at the conclusion of the external audit.</p> | |
| Exempt information: | State 'None' or complete the following |
| None. | |
| Recommendation(s): | |
| <p>1 To note:</p> <p>a. The pre-audit revenue outturn overspend of £4.215m for 2017/18 as set out in paragraph 2.2 and Appendix A;</p> | |

- b. The portfolio variances +/- £50k as set out in Appendix B;
- c. The discretionary rate relief granted in 2017/18 detailed in paragraph 2.11;
- d. The capital outturn as detailed in Appendix F and explanations of variances over £0.100m as detailed in Appendix G;
- e. The additions to the Capital Programme detailed in Table 11;
- f. The refreshed Capital Programme, including planned and proposed as set out in paragraph 2.18 (Tables 13 to 14).

2 To approve:

- a. The movements of resources set out in paragraph 2.5 and Appendix D;
- b. The net movement on earmarked reserves, as set out in paragraph 2.7 and Appendix E;
- c. The HRA outturn for 2017/18 as set out in paragraph 2.8;
- d. Write-offs in excess of £10,000, totalling **£1.509m** where all options for recovery have been exhausted, as set out in paragraph 2.10;
- e. Additional costs of **£0.879m** in relation to various capital schemes set out in paragraph 2.17

3 To note and endorse the allocations from the corporate contingency as set out in paragraph 2.3.

1 REASONS FOR RECOMMENDATIONS

- 1.1 It enables formal monitoring of progress against the 2017/18 budget and the impact of actual and planned management action.
- 1.2 The approval of virements of budgets is required by corporate financial procedures.

2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)

2.1 The 2017/18 revenue budget was approved by City Council in March 2017. Monitoring and forecasting reports have been considered by executive councillors throughout 2017/18. This report summarises the pre-audit outturn position for the revenue elements of the General Fund and HRA. Some report tables may not sum exactly due to rounding.

2.2 General Fund Revenue

The reduction in the Council's overall funding envelope has resulted in budgets becoming increasingly difficult to achieve and this has been the case for 2017/18, the majority of the overspends are within the demand led areas.

There have been a number of financial challenges in 2017/18, which has resulted in corporate mitigations and specific management action. These are detailed in previous quarterly monitoring reports and consist largely of one off measures.

The pre-audit corporate outturn is a net overspend of **£4.215m** and will result in a reduction of the general fund balance. This represents a deterioration of **£2.693m** (Table 1) from that reported at quarter 3. The original budget assumed **£10.111m** from Health as part of the Sustainability and Transformation Plan (STP), which has not materialised. This together with overspends in portfolios has required mitigating management action to be undertaken during the year. As reported in previous Forecast Outturn reports for 2017/18 these are:

- **£5.700m (Table 1 a)** of corporate mitigation, largely one off including reduced contingency balances, reduced revenue contribution to the capital programme and a review of earmarked reserves
- **£0.355m (Table 1 b)** of management action in planned building works

- **£0.952m (Table 1 c)** of public health mitigation
- **£2.074m (Table 1 d)** of further mitigations, all one off including further reduction in contingency, changes in VAT regulations, balance sheet review, further review of earmarked reserves, target for financial impact of spending controls, further return from group companies and partner contributions
- **£1.000m (Table 1 e)** net reduction in the General Fund balance. **£2.000m** reduction in level required less **£1.000m** repayment of previous year's overspend
- In addition to this, there have been departmental mitigations consisting of service efficiencies, a vacancy freeze, further encouragement of My Time, discretionary spend and developing budget proposals for 2018/19 in the current year

Management action is in place to review the impact of the overspend on the 2018/19 budget.

The 2017/18 Treasury Management report will go to Executive Board in June 2018.

Appendix B gives information about specific issues within Portfolios.

| TABLE 1 : FORECAST OUTTURN REPORTED AT END OF PERIOD | | | | |
|---|------------------|------------------|------------------|-----------------------|
| PORTFOLIO | Q1 £m | Q2 £m | Q3 £m | Outturn £m |
| Adults & Health | 2.249 | (0.385) | 1.118 | 0.713 |
| Business, Education & Skills | 0.358 | (0.149) | (0.033) | 0.816 |
| Community & Customer Services | (0.030) | (0.056) | (0.183) | (0.814) |
| Early Intervention & Early Years | 3.748 | 1.580 | 1.979 | 2.581 |
| Energy & Sustainability | (0.120) | (0.607) | (0.651) | (0.553) |
| Leisure & Culture | (0.170) | (0.158) | (0.141) | (0.227) |
| Planning, Housing & Heritage | 0.824 | 0.824 | 0.764 | 0.674 |
| Neighbourhood Services & Local Transport | (1.748) | (1.487) | (1.695) | (0.623) |
| Resources & Neighbourhood Regeneration | (0.064) | (0.399) | 0.080 | 0.439 |
| Strategic Infrastructure & Communications | 0.400 | 0.125 | (0.016) | 0.028 |
| TOTAL PORTFOLIOS | 5.447 | (0.711) | 1.221 | 3.036 |
| Corporate Budgets | 0.000 | 0.000 | 0.991 | 1.149 |
| Health Integration | 10.111 | 10.111 | 10.111 | 10.111 |
| PRIOR TO CORPORATE MITIGATION | 15.558 | 9.400 | 12.323 | 14.294 |
| Corporate Mitigation (excl GF Reduction) | (5.700) | (5.700) | (5.700) | (5.700) (a) |
| Planned Building Works | | | (0.335) | (0.355) (b) |
| Health Mitigation | | (2.000) | (2.500) | (0.952) (c) |
| Further Management Action | | | (2.266) | (2.074) (d) |
| Net Reduction in General Fund Balance | (2.000) | (1.000) | (1.000) | (1.000) (e) |
| TOTAL | 7.858 | 0.700 | 0.522 | 4.215 |

The main reasons for the variance between Q3 and outturn are:

- Health Mitigation
- Neighbourhood Services & Local Transport – reduction in previously forecasted favourable variances, shortfall in take up of Workplace Parking Charge scheme
- Increase in Children in Care costs

- Education income shortfall and SEN transport savings delay

Forecast and Actual Outturns 2012/13 – 2017/18

The Council provides many sensitive and demand led services. The continued austerity and increases in demand have resulted in an overspend in 2016/17 and 2017/18, whereas in previous years there have been underspends. Table 2 shows the historical outturn position from 2012/13 to 2017/18.

| TABLE 2: FORECAST AND ACTUAL OUTTURNS | | | | | | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Outturn | 2012/13 £m | 2013/14 £m | 2014/15 £m | 2015/16 £m | 2016/17 £m | 2017/18 £m |
| Actual Outturn | (2.105) | (1.175) | (1.459) | (0.100) | 2.522 | 4.215 |
| Q3 forecast | (2.437) | (1.700) | (1.011) | 0.000 | 1.921 | 0.522 |
| Q2 forecast | (4.202) | (0.133) | 0.174 | (0.612) | 3.051 | 0.700 |
| Q1 forecast | 1.374 | 1.547 | 0.640 | 1.650 | 3.342 | 7.858 |

General Reserves

These provide a financial safety net to cover above-budget costs during the year. The balance on general fund reserves as at 1 April 2017 was **£11.680m** (4.89% of the budget requirement) and was reduced by **£2.000m** (after repayment of **£1.000m** as a result of the 2016/17 overspend) to **£9.680m** (4.04% of the budget requirement) as part of corporate mitigation. The **£4.215m** overspend will reduce this balance to **£5.465m** (2.29%). The range required by the Medium Term Financial Strategy (MTFS) is between 2% and 4%. Whilst this remains within range given the overspends in 2016/17 and 2017/18 additional savings will be needed from the 2018/19 budget and/or 2019/20 to restore the General Fund balance. Table 3 shows a summary of the general reserve.

| TABLE 3: THE GENERAL RESERVE | |
|-------------------------------------|--------------|
| ITEM | £m |
| 1 April 2018 | 9.680 |
| Impact of 2017/18 Outturn | (4.215) |
| Revised Balance | 5.465 |

2.3 Corporate Contingency

This enables management of the financial impact of issues that were not reflected when the budget was set. It is allocated under the delegated authority of the Chief Finance Officer (CFO) in consultation with the Deputy Leader using designated criteria. Services are required to accommodate unforeseen expenditure and/or income shortfalls from within their cash limited budgets, only seeking allocations where this is proven to be impossible. The original contingency budget for 2017/18 was **£1.800m**, however this was reduced by **£0.650m** in Q1 to support the corporate mitigation. Since the February report, allocations of **£0.017m** have been approved. These items are shown in Table 4.

| TABLE 4: CONTINGENCY ALLOCATED SINCE FEBRUARY EXECUTIVE BOARD | |
|--|--------------|
| Item | £m |
| Publications | 0.017 |
| TOTAL | 0.017 |

Details of contingency items to be reserved for use in 2018/19 are shown in Table 5.

| TABLE 5: CONTINGENCY TO BE RESERVED FOR USE IN 2018/19 | |
|---|--------------|
| Item | £m |
| Capital Portfolio Management Office | 0.140 |
| Outer City Shop Strategy | 0.026 |
| TOTAL | 0.166 |

The remaining balance of **£0.318m** has been used to support the adverse variance at outturn.

2.4 **Cost Reductions and Potential Overspend Risks**

Cost reductions

The 2017/18 budget included new cost reductions of **£13.088m**. Any issues affecting the delivery of these are detailed in the variance narratives.

Potential Overspend Risks

£9.652m of potential overspend risks were included within the 2017/18 budget and have been used in year. This includes Adults demographic increases **£2.308m**; increased pension costs **£1.967m**; Public Health grant reductions **£1.873m** and ESG reductions **£1.637m**.

2.5 **Movement of Resources**

Budget transfers between directorates and/or portfolios are reflected within the monitoring figures. These movements of resources now require approval and are detailed in **Appendix D**.

2.6 **Carry Forwards and Traded Surplus Retention**

Given the corporate overspend, there have been no requests submitted for carry forwards or for traded surplus retention in 2017/18.

2.7 **Movements in Earmarked Reserves**

Earmarked reserves are funds set aside for specific purposes (including Schools Statutory Reserves, Insurance, NET Private Finance Initiative (PFI) grant and decisions taken at Outturn 2016/17). The Q3 report showed a net reduction in earmarked reserves of **£12.450m**, in quarter 4 there has been a net increase of **£9.512m** in earmarked reserves requiring approval, this results in an overall reduction in reserves for 2017/18 of **£2.938m**.

Reserve movements are categorised as:

- **MTFP / Outturn decisions-** these include items which were separately identified within the MTFP 2017/18;
- **Replenishment of existing reserves-** revenue contributions to reserves resulting from slippage/ savings on specific schemes, grants and contributions for specific purposes;
- **Use of specific reserves-** technically the approval of these reserves is implied at their setting up;
- **PFI/Building Schools for the Future (BSF) development costs** - Councils are required to charge to revenue development and set up costs relating to PFI schemes (these were previously budgeted for within the capital programme). The use of earmarked reserves is required to offset these costs;

- **Statutory Schools reserve** - this represents the net movement on ring fenced resources for schools;
- **Reserves to Capital Schemes** - these refer to use of reserves to support capital schemes;

Earmarked reserves have been reviewed as part of the ongoing management action to mitigate the in year 2017/18 overspend, and some realignments have taken place where appropriate. This has resulted in **£1.522m** of earmarked reserves to be used to support the general fund balance. Table 6 summarises the movements in each category of reserves during 2017/18 and identifies those which have previously been approved by Executive Board in February 2018 and those which now require Executive Board approval as part of the pre-audit outturn. **Appendix E** provides more details of movement in reserves that require approval.

| TABLE 6: NET MOVEMENTS IN RESERVES | | | |
|---|-----------------------------------|----------------------------------|---------------------|
| Type of transfer | Previously approved £m | Requiring approval £m | Total £m |
| Replenishment of existing reserve | (4.999) | (25.135) | (30.134) |
| Use of existing reserves | 18.787 | 11.205 | 29.992 |
| 2016/17 Carry Forwards | (1.338) | | (1.338) |
| Statutory Schools reserve | | 1.235 | 1.235 |
| Reserve to Capital | | 3.582 | 3.582 |
| Contribution to Capital Schemes | | (0.399) | (0.399) |
| Total | 12.450 | (9.512) | 2.938 |

As part of the 2018/19 budget process, a review of earmarked balances has been undertaken to re-affirm the purpose of the reserves and the likely timescale that these reserves will be utilised.

2.8 HRA Budget

The HRA budget was approved by the City Council in March 2017 and budgeted for a working balance of £4.000m at 31 March 2018. The working balance provides a contingency for any unexpected cost increases or reductions in income due to unforeseen circumstances.

The HRA Summary outturn for 2017/18 is shown in Table 7 below and compares the pre-audit outturn to the original budget for 2017/18. The quarter 3 forecast outturn is shown for reference.

| TABLE 7 HRA – PRE-AUDIT OUTTURN 2017/18 | | | | |
|--|--------------------------------|--------------------|----------------------------------|------------------------------------|
| Description | Original Budget 2017/18 | Q3 forecast | Pre-audit outturn 2017/18 | Variance to original budget |
| | £m | £m | £m | £m |
| Income | | | | |
| Rent income | (94.706) | (94.832) | (95.311) | (0.604) |
| Service charges & other income | (8.993) | (9.151) | (8.801) | 0.192 |
| Total Income | (103.700) | (103.984) | (104.111) | (0.412) |
| Expenditure | | | | |
| Repairs | 27.329 | 27.329 | 27.329 | (0.000) |
| Management | 32.685 | 32.224 | 32.320 | (0.365) |
| Capital charges | 39.968 | 40.713 | 40.701 | 0.734 |
| Direct Revenue Financing | 3.717 | 3.717 | 3.717 | 0.000 |
| Total Expenditure | 103.700 | 103.984 | 104.068 | 0.369 |
| Deficit / (Surplus) | 0.000 | (0.000) | (0.043) | (0.043) |
| Working balance B/F | (4.000) | (4.000) | (4.000) | |
| Working Balance C/F | (4.000) | (4.000) | (4.043) | |

Working Balance

The working balance has increased to **£4.043m** and is available to be carried forward into 2018/19.

Income

Rental Income increase of £0.604m

The budget for bad debt provision allowed for the impact of welfare reform and as implementation was delayed this resulted in an underspend of £1.030m. This was offset by reduced rental income of £0.426m due to increased RTB sales.

Service Charges & other income, decrease of £0.192m

This is made up of increased service charge income (£0.208m), reduced bank interest (£0.134m) and reduced income from solar PV cells (£0.265m).

Expenditure

Management, decrease of £0.365m

Made up of a number of variances including: an overspend on the Responsible Tenant Reward Scheme due to more tenants meeting the criteria (£185k), increases to NCH management fee for additional responsibilities (£207k) and underspend on retained council budgets including vacancies in retained housing teams and additional income from HRA shops (£756k).

Capital Charges, increase of £0.734m

Includes an increase in the depreciation charge (£0.908m) following updated stock condition surveys and decrease in interest charges on borrowing (£0.175m).

2.9 Debtors Monitoring (Appendix C)

Housing Rents

The Q4 collection rate was 98.41%, against the target of 98.40%. This is an improvement of 0.44% on the position at this point last year. All performance

indicators have shown an improvement on the position in March 2017 reflecting the “Rent First” message.

Council Tax

Collection for Quarter 4 of 2017/18 was 93.16%, which is 0.66% above the profiled target of 92.5%, but behind by 0.16% when compared to 2016/17. Collection amounted to £116.4m compared to collection of £109.8m for the same period in 2016/17.

National Non- Domestic Rates (NNDR)

Collection for Quarter 4 of 2017/18 was 98.67%, which was 1.27% above the profiled target for 2017/18. Collection amounted to £135.9m, compared to collection of £130.4m in 2016/17. Net debt collectable over the year has increased from £134.1m in 2016/17 to £137.7 in 2017/18.

Sundry Income

The percentage of debts collected within 90 days in the 12 months to March 2018 was 82.60% which is a slight decline from the Q3 figure of 83.00%. The debtor day indicator (which shows how quickly debts are recovered) is currently 41.00 days, behind the target of 32.30 days.

Adults Residential Services

The collection rate for Q4 is 4.9% below target of 95.90%. Adult Residential Services moved over to a new financial system in August 2017. This has caused significant operational challenges in managing debt on the legacy system alongside the new one, identifying where citizen payments are being split between both. (Aged debt was not transferred over). There will always be cases with no legal recourse where citizens cannot access funds due to lack of mental capacity and awaiting probate.

Estates Rents

The collection rate of 97.48% is below the set target of 97.50% but is higher than the rate for Q3 (96.29%) and also Q4 in 2016/17 (95.83%).

2.10 Written Off Debt

The CFO has delegated authority to write off individual debts not exceeding £10,000. Any debts above this are subject to Portfolio or Executive Board decision. The debts included in this report relate to debt raised over the past 5 years and have been pursued as far as is reasonably possible, and/or relate to businesses that have gone into liquidation or individuals that have gone bankrupt. The Council is therefore unable to obtain payment. Once it is clear that no further payments will be received against a debt, it should be written out of the Council’s accounts. Adequate bad debt provision to accommodate this level of write off has been built up in the accounts over a number of years and approval is also being sought to write off debts over £10,000 totalling **£1.242m** as summarised in Table 8 below. These figures are subject to the finalisation of the NNDR year end and other statutory returns.

| TABLE 8: WRITE OFFS OVER £10k in 2017/18 | |
|---|--------------|
| Fund | £m |
| Collection Fund | 1.141 |
| General Fund | 0.101 |
| Total | 1.242 |

2.11 New Discretionary Rate Relief Granted in 2017/18

Details of new determinations of eligibility for Discretionary Relief since 1 April 2017 are shown in Table 9, of which the City share is 49%.

| TABLE 9: NEW DISCRETIONARY RATE RELIEF GRANTED IN 2017/18 | |
|---|----------------------------|
| Type of Relief | Amount of Relief £m |
| Non Profit-Making Bodies which are not Registered Charities | 0.037 |
| Registered Charities which are in Receipt of 80% Mandatory Relief | 0.009 |
| Other Businesses | 0.017 |
| TOTAL | 0.063 |

2.12 Capital Programme

The capital programme for 2017/18 was approved by the City Council in March 2018. Quarterly monitoring and forecasting reports have been provided and considered by Executive Councillors throughout 2017/18.

2.13 Capital Expenditure 2017/18

The capital expenditure in 2017/18 was **£220.206m**, representing a decrease of **£24.731m** (10.10%) from the Quarter 3 projection. Table 10 shows the position for each portfolio.

| TABLE 10: CAPITAL PROGRAMME - OUTTURN 2017/18 | | | | |
|--|--------------------------------|-----------------------------|-----------------|-----------------|
| Portfolio | Projected Outturn Q3 £m | Pre-audit Outturn £m | Variance | |
| | | | £m | % |
| Public Sector Housing | 59.887 | 53.396 | (6.491) | (10.84%) |
| Transport Schemes | 19.571 | 13.596 | (5.975) | (30.53%) |
| Education / Schools | 7.061 | 5.860 | (1.201) | (17.01%) |
| Subtotal | 86.519 | 72.852 | (13.667) | (15.80%) |
| Other Services | | | | |
| Adults & Health | 0.454 | 0.382 | (0.072) | (15.86%) |
| Early Intervention & Early Years | 0.707 | 0.405 | (0.302) | (42.72%) |
| Leisure & Culture | 13.272 | 8.610 | (4.662) | (35.13%) |
| Business Growth & Transport | 5.991 | 0.398 | (5.593) | (93.36%) |
| Energy & Sustainability | 5.884 | 3.574 | (2.310) | (39.26%) |
| Planning & Housing | 3.033 | 1.851 | (1.182) | (38.97%) |
| Strategic Regeneration | 15.385 | 11.665 | (3.720) | (24.18%) |
| Community Services | 1.743 | 1.883 | 0.140 | 8.03% |
| Resources & Neighbourhood Regeneration | 111.949 | 118.586 | 6.637 | 5.93% |
| Other Services Total | 158.418 | 147.354 | (11.064) | (6.98%) |
| Total Programme | 244.937 | 220.206 | (24.731) | (10.10%) |

2.14 Reasons for variances

The City Council's capital monitoring analyses variations between:

- Changes in budgeted expenditure, where the expenditure is still required but takes place later than originally intended (slippage) or earlier than originally intended (acceleration). Slippage does not result in resources being released, the resources and planned expenditure will be carried forward into future years.
- Underspends and overspends which represent a decrease or an increase in the total capital cost of a project (which could potentially be over a number of years). Underspends may result in a saving which can be released to support the capital programme in future years.
- Quarter 3 approvals, within Other Services: Resources & Neighbourhood Regeneration has had a further **£33.389m** of approvals in the final quarter of 2017/18, which is detailed in table 11.

2.15 Significant variances

An overview of schemes showing significant variances is set out below. Further details of variances over £0.100m are contained in Appendix F.

Public Sector Housing – (£6.491m)

A variance of 10.84% on a projection of **£59.887m** represents both a slippage and acceleration on a number of schemes.

Transport Schemes – (£5.975m)

A variance of 30.53% on a projection of **£19.571m** represents both slippage and acceleration on a number of schemes. This variance is mainly attributable to delays in various projects.

Education / Schools – (£1.201m)

Education / Schools shows a variance representing 17.01% of a projected programme of £7.061m. This variance is mainly attributable to delays in various projects.

Other Services – (£11.064m)

Total expenditure in 2017/18 was **£147.354m** against a projection of **£158.418m** as at quarter 3. The variance represents (6.98%) of the programme. There is slippage of **£35.353m** on a number of schemes, the details of which are set out in Appendix F. In addition, there have been additional approvals in quarter 4 of **£14.275m** which were not included in the quarter 3 forecast. Table 11 below refers.

2.16 Additions to the Programme

Additions in Quarter 4 include those schemes that were approved as part of the budget process; other additions to the programme are shown in table 11 below:

| TABLE 11: ADDITIONS DURING QUARTER 4 | | | | |
|---|-----------------------|-----------------------|-------------------------------------|---------------------|
| Scheme | 2017/18 £m | 2018/19 £m | 2019/20 - 2022/23 £m | TOTAL £m |
| Education / Schools | | | | |
| Welbeck Primary Playground | 0.000 | 0.040 | 0.000 | 0.040 |
| Hadyn Primary Boiler | 0.000 | 0.120 | 0.000 | 0.120 |
| Crabtree Farm Boiler | 0.000 | 0.050 | 0.000 | 0.050 |
| NNSTC Doors | 0.000 | 0.010 | 0.000 | 0.010 |
| Glade Hill Primary - Expansion | 0.000 | 1.800 | 0.000 | 1.800 |
| Middleton Primary - Expansion | 0.000 | 3.800 | 0.000 | 3.800 |
| Community Services | | | | |
| Selective Licensing Accommodation | 0.049 | 0.051 | 0.000 | 0.100 |
| Energy & Sustainability | | | | |
| e-Teacher Project | 0.000 | 0.163 | 0.000 | 0.163 |
| Resources & Neighbourhood Regeneration | | | | |
| IT - Capital One Grants Software | 0.000 | 0.018 | 0.000 | 0.018 |
| Robin Hood Energy Refinancing | 7.500 | 0.000 | 0.000 | 7.500 |
| Loan - NCH Vehicles | 1.981 | 0.000 | 0.000 | 1.981 |
| Loan - NCH Homeless | 4.745 | 6.000 | 0.000 | 10.745 |
| Loan - NCH-E Ltd Arboretum | 0.000 | 3.000 | 5.500 | 8.500 |
| Property Aq - Project Newcastle | 0.000 | 4.606 | 0.000 | 4.606 |
| IT - Learning Zone | 0.000 | 0.039 | 0.000 | 0.039 |
| TOTAL APPROVALS | 14.275 | 19.697 | 5.500 | 39.472 |

2.17 Retrospective approvals required

There are a number of schemes which have overspent in 2017/18 and require retrospective approval. These schemes will be frozen to ensure that no further expenditure is incurred without obtaining the appropriate approval. These include:

- **Demolition of Fairham College / Partial Demolition of Elms Primary:** Cumulative approval £0.920m and 2017/18 overspend £0.291m. The overspend of £0.291m is due to costs being higher than anticipated. The overspend has been funded by Capital Receipts. Once the land value is realised the Capital Receipts will be replenished.
- **Bulwell Market Place Refurbishment:** Approval £0.100m and 2017/18 overspend £0.153m. The overspend has been funded by revenue reserves held by Regeneration.
- **Byron House Refurbishment:** Approval £2.630m and 2017/18 overspend £0.025m. The overspend has been funded by One Public Estate Revenue Grant.
- **Feasibility Council House / Exchange Buildings:** Approval £0.074m and 2017/18 overspend £0.052m, this overspend is due to additional feasibility costs and increase in fees. The overspend has been funded from Corporate Reserves and will be replenished when the scheme goes live.
- **Commercial Property Investments:** Approval £47.411m and 2017/18 overspend £0.271m, this overspend is due to higher than anticipated Stamp Duty costs. As these purchases are commercial decisions, this overspend has been funded by Prudential Borrowing as these are supported by positive Business cases.

- **Various:** Approval £34.098m, 2017/18 overspend £0.087m. The funding of this overspend is project specific depending upon the funding envelope of each project.

2.18 Revised Capital Programme – General Fund

The General Fund Programme has been updated for approvals in quarter 4 and the impact of the final outturn. The resource projections have also been updated, including those sums likely to be generated by capital receipts. The General Fund capital programme is subdivided into three categories as follows:

Approved Capital Programme

Comprising projects that are progressing either currently or in the near future. These projects have been approved and the funding has been identified and is in place. The approved five year capital programme is **£212.352m**.

Planned Capital Schemes

Comprising projects that the Council is progressing towards a firm business case. Feasibility / development as approved costs may be incurred. The planned five year capital programme is **£201.549m**. These schemes are subject to further approval and the completion of a business case.

Proposed Capital Schemes

Comprising projects that are in the early stages of development and are not included in the capital programme at his stage.

The capital programme is delivered from a diverse range of funding which includes:

Prudential Borrowing

The key principle for borrowing is contained within the Prudential Code which states that it must be affordable and sustainable. This type of funding is reserved for schemes that can deliver savings or demonstrate a return on investment at least sufficient to cover the debt repayments of interest and principle.

Grants

External funds provided by the government, which may be ring-fenced or other external sources that are provided to deliver specific projects.

Reserves

Earmarked reserves set aside, through relevant approval, for specific capital schemes.

Capital Receipts

Receipts from the sale of surplus assets used as a corporate resource, allowing the Council to fund a range of projects for which there is no external funding, or other non-commercial schemes which will not generate a return sufficient to cover their costs.

Table 12 below gives a breakdown of the five-year capital programme for approved and planned schemes. Refer to Appendix G for the full table including Proposed Schemes.

| TABLE 12: GENERAL FUND CAPITAL PROGRAMME – APPROVED AND PLANNED SCHEMES | | | | | | | |
|--|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|---------------------|
| 2017/18 £m | Scheme | 2018/19 £m | 2019/20 £m | 2020/21 £m | 2021/22 £m | 2022/23 £m | Total £m |
| | Approved Schemes | | | | | | |
| 13.596 | Transport Schemes | 22.908 | 7.745 | 5.172 | 0.000 | 0.000 | 35.825 |
| 5.860 | Education / Schools | 9.470 | 0.000 | 0.000 | 0.000 | 0.000 | 9.470 |
| 140.981 | Other Services | 95.599 | 35.617 | 17.814 | 8.885 | 9.142 | 167.057 |
| 6.373 | Planned Schemes | 147.787 | 51.936 | 1.826 | 0.000 | 0.000 | 201.549 |
| 166.810 | Total Programme | 275.764 | 95.298 | 24.812 | 8.885 | 9.142 | 413.901 |
| | Resources | | | | | | |
| (117.946) | Prudential Borrowing | (187.740) | (53.471) | (15.509) | (5.661) | (6.155) | (268.536) |
| (33.531) | Grants & Contributions | (74.760) | (37.526) | (7.814) | (2.421) | (2.227) | (124.748) |
| (6.542) | Internal Funds / Revenue | (5.397) | (1.851) | (0.122) | (0.044) | (0.010) | (7.424) |
| (8.791) | Secured Capital Receipts | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| 0.000 | Unsecured Capital Receipts | (7.867) | (2.450) | (1.367) | (0.759) | (0.750) | (13.193) |
| (166.810) | Total Resources | (275.764) | (95.298) | (24.812) | (8.885) | (9.142) | (413.901) |
| 0.000 | Cumulative (Surplus) / Shortfall | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |

The programme is predicated on a number of planned schemes that are estimated and subject to change, therefore, the current position is liable to change as projects progress and costs become more accurate.

2.19 Public Sector Housing

The Public Sector Housing programme has been updated to reflect the net slippage between 2017/18 and 2018/19. Table 13 sets out the updated programme and resources.

| TABLE 13: PUBLIC SECTOR HOUSING CAPITAL PROGRAMME | | | | | | | |
|--|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|---------------------|
| 2017/18 £m | Scheme | 2018/19 £m | 2019/20 £m | 2020/21 £m | 2021/22 £m | 2022/23 £m | TOTAL £m |
| 53.396 | Public Sector Housing Capital Programme | 61.622 | 47.351 | 36.686 | 36.727 | 36.891 | 219.278 |
| | Resources Available | | | | | | |
| (15.144) | Prudential Borrowing | (7.000) | (6.762) | (4.919) | (6.491) | 0.000 | (25.171) |
| (3.749) | Grants & Contributions | (3.724) | (2.509) | 0.000 | 0.000 | 0.000 | (6.234) |
| (3.717) | Direct Revenue Financing | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| (38.077) | Major Repairs Reserve | (27.633) | (27.715) | (27.882) | (28.036) | (28.036) | (139.302) |
| (31.035) | Secured Capital Receipts | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| 0.000 | Unsecured Capital Receipts | (0.780) | (0.840) | (0.200) | (0.200) | (0.141) | (2.161) |
| (91.722) | Total Resources | (39.137) | (37.826) | (33.001) | (34.727) | (28.177) | (172.867) |
| (38.326) | Cumulative (Surplus) / Shortfall | (15.841) | (6.315) | (2.630) | (0.630) | 8.085 | 8.085 |

There is a shortfall of resources compared to investment needed which consists of the programme of fire safety works to high rise blocks which was approved following the tragic fire at Grenfell. The Council is seeking additional financial support from the Government and if it is not provided then other schemes within the programme will need to be deferred to ensure the programme can be fully resourced.

3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

3.1 This report details the 2017/18 outturn and how the overspend will be managed.

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

- 4.1 Financial implications appear throughout the report.
- 4.2 The financial plans and budgets support delivery of the Council Plan. Monitoring the financial position in parallel with service plan activity helps to ensure the delivery of corporate priorities. The Council has developed a robust approach to providing value for money and efficiency savings to support the delivery of the Council Plan and the Medium Term Financial Strategy.

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

- 5.1 Continuous review and management of the budget and associated performance issues mitigate the risk of not achieving corporate priorities.
- 5.2 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 significant 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 on projected 2018/19 spend by **£0.939m** per annum;
 - major schemes have a long payback 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.
- 5.3 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'
- 5.4 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.

5.5 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.

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

6.1 None.

7 SOCIAL VALUE CONSIDERATIONS

7.1 None.

8 REGARD TO THE NHS CONSTITUTION

8.1 None.

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:

The report does not contain proposals for new or changing policies, services or functions

Yes



Attached as Appendix x, 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 None.

11 PUBLISHED DOCUMENTS REFERRED TO IN THIS REPORT

11.1 Medium Term Financial Plan 2018/19 – 2020/21 – Executive Board 20 February 2018

11.2 Report of the Deputy Leader on the Budget 2017/18 – City Council 5 March 2018

12 OTHER COLLEAGUES WHO HAVE PROVIDED INPUT

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APPENDIX A

| Portfolio | Budget £m | Draft Outturn £m | Outturn Variance £m |
|---|----------------------|-----------------------------|------------------------------------|
| Adults and Health | 95.432 | 95.970 | 0.713 |
| Business, Education & Skills | 4.124 | 4.940 | 0.816 |
| Community & Customer Services | 23.979 | 23.165 | (0.814) |
| Early Intervention & Early Years | 53.933 | 56.690 | 2.581 |
| Energy & Sustainability | 13.456 | 12.903 | (0.553) |
| Leisure & Culture | 7.464 | 7.237 | (0.227) |
| Planning, Housing & Heritage | 1.286 | 1.959 | 0.674 |
| Neighbourhood Services & Local Transport | 9.149 | 8.527 | (0.623) |
| Resources & Neighbourhood Regeneration | 23.887 | 24.326 | 0.439 |
| Strategic Infrastructure & Communications | (15.352) | (15.324) | 0.028 |
| Total Portfolios | 217.359 | 220.395 | 3.036 |
| Corporate Budgets | 31.296 | 32.445 | 1.149 |
| Health Integration | (10.111) | 0.000 | 10.111 |
| Prior to Corporate Mitigation | 238.544 | 252.840 | 14.294 |
| Corporate Mitigation (excl GF Reduction) | | (5.700) | (5.700) |
| Planned Building Works | | (0.355) | (0.355) |
| Health Mitigation | | (0.952) | (0.952) |
| Further Management Action | | (2.074) | (2.074) |
| Net Reduction in General Fund Balance | | (1.000) | (1.000) |
| Net Council Position | 238.544 | 242.759 | 4.215 |

Portfolio Variances +/- £50k**Adults and Health Portfolio – overall variance £0.713m adverse****Commissioning & Procurement - £0.467m adverse**

- Increased demand for homelessness services - Homelessness Corporate overspend is £1.253m and is included under the Resources and Neighbourhood Regeneration Portfolio in this appendix.
- The budget pressure for Homelessness has been incorporated in to the 2018/19 Medium Term Financial Plan (MTFP).

Adults - £0.964m adverse

The gross overspend of £2.603m is made up of:

- £1.270m increase in external care budgets driven by a mix of complexity and demand
- £0.865m from lower levels of income from joint funded care packages against budget
- £0.132m debt write offs
- £0.336m increase in provision for bad debts; this is to ensure a robust bad debt provision which allows for increased client numbers and care package values

An element of this has been mitigated by:

- Maximisation of grants and external income £0.748m
- Service underspends across adult assessment and provision £0.891m

Project plans are in place to mitigate these overspend in 2018/19 in conjunction with other requirements of the Medium Term Financial Plan.

Targeted Intervention - £0.719m favourable

Underspends have arisen due to:

- Vacancy management;
- In year contractual negotiations and
- Early implementation of 2018/19 service plan.

Business, Education and Skills Portfolio – overall variance £0.816m adverse**Education - £0.749m adverse**

- £0.250m – SEN transport savings delay;
- £98k – additional education transport costs due to demand school and
- £0.308m – income shortfall.

Project plans are in place to mitigate these overspends in 2018/19 in conjunction with other requirements of the Medium Term Financial Plan.

Development & Growth Directorate - £0.064m adverse

- A rental pressure which emerged late in the year of £0.097m but which has been mitigated by other underspends in the directorate.

Community and Customer Services Portfolio – overall variance £0.814m favourable

Strategy & Resources Directorate - £0.088m favourable

- Favourable variance due to a decrease in contractual costs.

HR & Transformation - £0.026m favourable

- Management of vacancies within the Directorate.

Police Partnership - £0.073m favourable

- Management of vacancies

Environmental Health & Safer Housing - £0.180m favourable

- Management of vacancies

Uniformed Services - £0.571m favourable

- Management of vacancies and improved income position

Licensing, Trading Standards & ASB - £0.143m adverse

- Premises Licensing and No Proceeds of Crime income less than projected.

Early Intervention and Early Years Portfolio – overall variance £2.581m adverse

Adults - £0.189m favourable

- Disabled Children's Service underspends £0.189m

Education £0.191m favourable

- £0.168m additional one off grant funding

Children's - £2.916m adverse

The gross outturn is £4.375m made up as follows:

- £1.881m- CiC remains stable however complexity has increased;
- £0.850m - Increase in remand cost;
- £0.334m- No recourse to public funds overspend;
- £0.888m - Social Worker development scheme;
- £0.171m – Workforce Development team budget pressure;
- £0.251m – Savings shortfall;

Mitigated by:

- (£1.459m) – One off grants and maximisation of external funding.
- Project plans are in place to mitigate these pressures in 2018/19 in conjunction with other requirements of the Medium Term Financial Plan.

Energy and Sustainability Portfolio – overall variance £0.553m favourable

Commercial & Operation's strategy is to focus on commercialism and driving external income. A combination of delivery against business plans has seen an overall positive variance

- **Waste Management - £0.268m favourable**
- **Energy Services - £0.269m favourable**

The favourable position is already included in the 2018/19 MTFP

Leisure and Culture Portfolio – overall variance £0.227m favourable

Commercial & Operation's strategy is to focus on commercialism and driving external income. A combination of delivery against business plans has seen an overall positive

- **Cemeteries & Crematoria £0.055m favourable**
- **Parks & Open Spaces £0.050m favourable**
- **Museums £0.091m favourable**
- **Sports & Leisure £0.243m favourable**

The favourable position is already included in the 2018/19 MTFP

Markets - £0.266m adverse

A majority of the overspend is due to the increases in service charges for the Victoria Market which are not financially viable to transfer to stall holders.

The budget overspend is being considered in the development of the Market Strategy for 2018/19+.

Planning, Housing and Heritage Portfolio – overall variance £0.674m adverse

Housing Aid – £0.786m adverse

- A nationwide increase in homelessness has impacted Nottingham and the expenditure required on Bed and Breakfast accommodation. The draft out-turn of £0.786m is lower than the £0.850m forecast due to the impact of the prevention work undertaken,

Homelessness Corporate overspend is £1.253m with other elements being included in the Adults & Health portfolio.

The budget pressure for Homelessness has been incorporated in to the 2018/19 Medium Term Financial Plan (MTFP).

Planning and Regeneration - £0.103m favourable

- The Planning and Regeneration Directorate has held vacant posts and reduced expenditure where possible to deliver an in year saving.

Neighbourhood Services and Local Transport – overall variance £0.623m favourable

Traffic and Transport - £0.113m favourable

- The Traffic and Transport Directorate have held vacant posts and have had favourable income variances. 2018/19 MTFP savings have also been brought forward where appropriate.

Commercial & Operations Directorate - £0.081m favourable

- Management of vacant posts.

Commercial & Operation's strategy is to focus on commercialism and driving external income. A combination of delivery against business plans has seen an overall positive variance.

- **Parking, Transport & Fleet - £0.373m favourable**
- **Nottingham Catering - £0.091m favourable**
- **Highways & Energy Infrastructure - £0.381m favourable**

The favourable position is already included in the 2018/19 MTFP.

Work Place Parking Charge - £0.160m adverse

- Shortfall in take up of scheme.

The potential continued shortfall of this scheme will need mitigating in future years.

Woodfields - £0.198m adverse

- The operating deficit has been reduced since 2016/17 and the transitioning of supported colleagues into mainstream services has now largely been completed but has been slower than anticipated, although the service is expected to achieve its 2018/19 budget.

Resources and Neighbourhood Regeneration Portfolio – overall variance £0.439m adverse

Legal & Governance - £0.218m favourable

- Management of vacancies within the Directorate & favourable variances due to the robust approach in service charging.

Elements of this underspend is already included in the 2018/19 MTFP.

Corporate & Democratic Core - £0.037m favourable

- Favourable variances in running costs and professional fees.

Elements of this underspend is already included in the 2018/19 MTFP.

Commissioning & Procurement - £0.235m adverse

- Adverse variance in income. Project plans are in place to mitigate these adverse variances in 2018/19 in conjunction with other requirements of the MTFP.

Finance - £0.263m adverse

- The adverse variance is due to contractual issues which have partly been mitigated through management of vacancies and favourable variances on non-staffing costs. Negotiations are ongoing to reduce/resolve this issue for 2018/19.

Strategy & Policy - £0.110m adverse

- The adverse variance is due to slippage of costs reductions, however the service is expected to be on budget in 2018/19.

Development & Growth Directorate - £0.064m adverse

- A rental pressure which emerged late in the year of £0.097m but which has been mitigated by other underspends in the directorate.

Major Projects - £0.154m favourable

- Access to Services £0.154m - 2018/19 MTFP savings have been accelerated to 2017/18.

Creative Quarter - £0.196m adverse

- Shortfall in business case assumptions.

A project plan is required to mitigate this pressure in 2018/19.

Neighbourhood Management - £0.084m favourable

- Commercial & Operation's strategy is to focus on commercialism and driving external income. A combination of delivery against business plans has seen an overall positive variance.

Elements of this underspend is already included in the 2018/19 MTFP.

Facilities and Building Services - £0.336m adverse

- There are a number of factors including income below expected target.

Chief Executive - £0.061m favourable

- Project spend held during 2017/18, this is a one off saving.

Strategic Infrastructure and Communications Portfolio – overall variance £0.028m adverse

Marketing & Communications - £0.148m adverse

- The adverse variance is due to the cost of Corporate Campaigns and adverse variances in income which has been partly mitigated by management of vacancies and favourable variances in running costs.

Project plans are in place to mitigate these pressures in 2018/19 in conjunction with other requirements of the MTFP.

Major Projects - £0.100m favourable

NET Project £0.100m - 2018/19 MTFP savings have been accelerated to 2017/18

Corporate – overall variance £1.149m adverse

Enviro Energy – £1.349m adverse

- Turbine failure and replacement (which took 18 weeks) resulting in:
 - Loss of income (ROCs, export electricity)
 - Increased costs (gas, turbine repairs, increased maintenance spend)

The budget pressure for Enviro Energy has been incorporated in to the 2018/19 MTFP.

Treasury Management - £0.220m favourable

Decision to delay the taking of new long term borrowing and so saving in the short term on interest payable and due to capital programme slippage there was an underspend against the budget for debt repayment.

Health Integration £10.111m adverse

- Nationally councils are working with the NHS to develop local Sustainability and Transformation Plans (STP) in recognition of the national Adult Social Care issue and the budgetary overspend risks. The overall aims are to enable the NHS to manage its budget and keep citizens at home, living independently rather than spending time in hospital.
- The MTFP assumed that the STP was fully agreed with a contribution of £10.111m planned in 2017/18, which has not materialised.

| Debtors - Performance Review – Q4 2017/18 | | Q1 June | Q2 September | Q3 December | Q4 March |
|--|--|---------|-----------------|----------------|-------------|
| BVPI 66a - Housing Rent Collection (%) <i>(cumulative - current tenants only)</i> | | | | | |
| | <i>(arrears + debit)</i> Actual | 97.27 | 97.96 | 98.57 | 98.41 |
| | Target | 98.40 | 98.40 | 98.40 | 98.40 |
| | Last Year Actual 2016/17 | 97.41 | 97.55 | 98.17 | 97.97 |
| BVPI 9 - Council Tax Collection (%) | | | | | |
| | <i>(in year cumulative)</i> Actual | 26.35 | 50.96 | 76.78 | 93.16 |
| | Target | 25.80 | 50.30 | 76.00 | 92.50 |
| | Last Year Actual 2016/17 | 26.15 | 50.94 | 76.93 | 93.32 |
| BVPI 10 - NNDR Collection (%) | | | | | |
| | <i>(in year cumulative)</i> Actual | 28.17 | 56.11 | 83.05 | 98.67 |
| | Target | 28.50 | 55.50 | 80.50 | 97.40 |
| | Last Year Actual 2016/17 | 29.25 | 55.72 | 80.39 | 97.40 |
| Sundry Income Collection (%) | | | | | |
| | <i>(12 month rolling average)</i> Actual | 83.30 | 81.20 | 83.00 | 82.60 |
| | Target | 99.00 | 99.00 | 99.00 | 99.00 |
| | Last Year Actual 2016/17 | 82.40 | 77.30 | 81.70 | 84.10 |
| Sundry Income Debtor Days -General | | | | | |
| | Actual | 31.00 | 34.00 | 38.00 | 41.00 |
| | <i>(12 month rolling average)</i> Target | 32.30 | 32.30 | 32.30 | 32.30 |
| | Last Year Actual 2016/17 | 30.00 | 32.00 | 37.00 | 41.00 |
| Estates Rents Collection (%) | | | | | |
| | Actual | 95.54 | 94.93 | 96.29 | 97.48 |
| | <i>(12 month rolling average)</i> Target | 97.50 | 97.50 | 97.50 | 97.50 |
| | Last Year Actual 2016/17 | 94.17 | 95.13 | 95.31 | 95.83 |
| Adult Residential Services Collection (%) | | | | | |
| | Actual | 95.31 | 94.25 | 90.86 | 92.70 |
| | <i>(12 month rolling average)</i> Target | 95.90 | 95.90 | 95.90 | 95.90 |
| | Last Year Actual 2016/17 | 95.55 | 96.19 | 95.87 | 96.11 |

VIREMENT 2017-18 REQUIRING EXECUTIVE BOARD APPROVAL

APPENDIX D

| Details | Net Amount £m | Department | | Portfolio | |
|---|------------------|------------|-----------|------------|------|
| | | From | To | From | To |
| Savings realignment | 0.038 | Corporate | CA | RNR | ADH |
| | 0.032 | within CA | | ADH | ELY |
| | 0.400 | Corporate | S&R | within RNR | |
| | 0.300 | Corporate | | RNR | LNH |
| | 0.200 | Corporate | | RNR | LNH |
| Better Care Fund Grant realignment | 8.570 | Corporate | CA | RNR | ADH |
| Dividend Income realignment | 1.000 | D&G | Corporate | NST | RNR |
| Education Strategy Review | 0.124 | within CA | | ELY | BES |
| Prudential Borrowing Schedule (technical) | 4.838 | D&G | Corporate | BES | RNR |
| | 1.546 | D&G | Corporate | within RNR | |
| | 5.016 | D&G | Corporate | NST | RNR |
| | 0.027 | Corporate | D&G | within RNR | |
| | 0.023 | D&G | Corporate | within RNR | |
| Education Services Grant realignment | 0.033 | CA | D&G | ELY | BES |
| | 0.959 | within CA | | ELY | BES |
| Realignment of pay budgets | 0.050 | S&R | | RNR | C&CS |
| Salary Realignment | 0.028 | within C&O | | NST | ESU |
| | 0.008 | within C&O | | NST | RNR |
| | 0.135 | D&G | C&O | RNR | LCT |
| Realignment between Domestic Waste & Depots | 0.080 | within C&O | | ESU | NST |
| | 0.080 | within C&O | | RNR | NST |

| Details | Net Amount £m | Department | | Portfolio | |
|------------------------------------|------------------|------------|-----------|------------|------|
| | | From | To | From | To |
| VAT Adjustment | 0.500 | C&O | Corporate | LCT | RNR |
| Security recharge adjustment | 0.005 | C&O | D&G | NST | SI&C |
| Catering Equipment | 0.004 | D&G | C&O | SI&C | NST |
| Asset Disposals | 0.138 | S&R | Corporate | RNR | NST |
| Crime & Drugs Partnership | 0.176 | within S&R | | SI&C | C&CS |
| Treasury Management administration | 0.228 | Corporate | S&R | within RNR | |
| | 24.539 | | | | |

| Key | Department |
|-----|-------------------------|
| CA | Children & Adults |
| C&O | Commercial & Operations |
| CX | Chief Executive |
| D&G | Development & Growth |
| S&R | Strategy & Resources |
| HRA | Housing Revenue Account |

| Key | Portfolio |
|------|---|
| ADH | Adults and Health |
| BES | Business, Education & Skills |
| C&CS | Community & Customer Services |
| ELY | Early Intervention & Early Years |
| ESU | Energy & Sustainability |
| LCT | Leisure & Culture |
| NST | Neighbourhood Services & Local Transport |
| PLNH | Planning, Housing & Heritage |
| RNR | Resources & Neighbourhood Regeneration |
| SI&C | Strategic Infrastructure & Communications |

MOVEMENTS IN RESERVES REQUIRING EXECUTIVE BOARD APPROVAL 2017/18 (£m)
APPENDIX E

| Portfolio | Reserve Name | Description | Reserve Replenishment | Use of Reserves | Reserve to Capital | Contribution to Capital Scheme | Total |
|---|---------------------------------|--------------------------------------|-----------------------|-----------------|--------------------|--------------------------------|----------------|
| Adults and Health | Rev Reserves for Capital | 2017/18 expenditure | | 0.141 | | | 0.141 |
| | Public Health Transition | 2017/18 expenditure | (0.167) | 0.160 | | | (0.007) |
| Adults and Health Total | | | (0.167) | 0.301 | | | 0.134 |
| Business, Education & Skills | Contingency Reserve | Alfreton Road Improvements | | 0.013 | | | 0.013 |
| | | Developing Digital Infrastructure | | 0.027 | | | 0.027 |
| | Employer Hub Innovation Fund | 2017/18 net movement | (0.068) | 0.035 | | | (0.033) |
| | Growing Places Loans | 2017/18 replenishment | (0.157) | | | | (0.157) |
| | Investment Strategy | 2017/18 net movement | (0.083) | 0.005 | | | (0.078) |
| | Jobs Fund | 2017/18 replenishment | (0.462) | | | | (0.462) |
| | Nottingham Investment Fund | Foresight Nottingham Fund investment | (0.140) | | | | (0.140) |
| | PFI Life Cycle | Maintenance contribution | (0.341) | | | | (0.341) |
| | Wireless Concession | 2017/18 expenditure | | 0.015 | | | 0.015 |
| | Schools Building Maintenance | 2017/18 net movement | (0.052) | 0.288 | | | 0.236 |
| | Farnborough PFI Project | 2017/18 contribution | (0.370) | | | | (0.370) |
| | Growing Places A/B Interest | 2017/18 expenditure | | 0.005 | | | 0.005 |
| | Bulwell Town Centre | 2017/18 expenditure | | 0.050 | | | 0.050 |
| | Clifton Town Centre | 2017/18 expenditure | | 0.171 | | | 0.171 |
| | Wireless Ducting Concession | Temporary use of contingency | | 0.014 | | | 0.014 |
| | ERDF Growth Hub | 2017/18 expenditure | | 0.102 | | | 0.102 |
| | BSF Bigwood & Oakfield PFI | 2017/18 contribution | (0.249) | | | | (0.249) |
| | The Midland Engine | Contributions and grant income | (0.734) | | | | (0.734) |
| | EIB Strategic Alliance | 2017/18 expenditure | | | 0.424 | | 0.424 |
| | SSR (School & Other) | 2017/18 net movement | | (3.354) | 5.265 | | |
| Business, Education & Skills Total | | | (6.011) | 6.415 | | | 0.404 |
| Community & Customer | Investment Property Maintenance | Property Sinking Fund contribution | (0.050) | | | | (0.050) |

| Portfolio | Reserve Name | Description | Reserve Replenishment | Use of Reserves | Reserve to Capital | Contribution to Capital Scheme | Total | |
|--|----------------------------------|--|-----------------------|-----------------|--------------------|--------------------------------|----------------|----------------|
| Services | IT Investment Fund | Capital IT equipment purchases | | 0.038 | | | 0.038 | |
| | | Contribution from revenue to fund capital licenses | (0.013) | | | | (0.013) | |
| | | Customer Access Programme | (0.063) | 0.210 | | | 0.147 | |
| | Proceeds of Crime | POCA monies received 17/18 | (0.002) | | | | (0.002) | |
| | Workforce Reserve | HR Project Delivery | | | 0.065 | | | 0.065 |
| | | Slippage in Apprenticeships | (0.128) | | | | | (0.128) |
| | DRF | Hardware purchases | | | | (0.160) | (0.160) | |
| Civil Penalties | Civil Penalties received 17/18 | (0.003) | | | | | (0.003) | |
| Community & Customer Services Total | | | (0.260) | 0.313 | | (0.160) | (0.107) | |
| Corporate | Agreed budget carry forward | Repair & maintenance - The Wells Road | | | 0.025 | | 0.025 | |
| | | Repair & maintenance - Wollaton Vale | | | 0.027 | | 0.027 | |
| | Area Capital - Public Realm | Area Capital expenditure | | | 0.110 | | 0.110 | |
| | ESIF Youth Employment Initiative | 2017/18 expenditure | | | 0.080 | | 0.080 | |
| | Feasibility Schemes | 2017/18 expenditure | | | 0.080 | | 0.080 | |
| | Flexible Fitness Equipment | 2017/18 expenditure | | | 0.249 | | 0.249 | |
| | Good to Great | Carrington St Area Townscape Heritage | | | | 0.031 | | 0.031 |
| | | Planned contribution | (0.559) | | | | | (0.559) |
| | Investment Strategy | 2017/18 net expenditure | | | 0.841 | | 0.841 | |
| | IT Investment Fund | 2017/18 project expenditure | | | 1.562 | | 1.562 | |
| | NET City Reserve Fund | 2017/18 project expenditure | | | 0.010 | | 0.010 | |
| | Property Maintenance | IPAMS project | | | 0.033 | | 0.033 | |
| | Rev Reserves for Capital | 2017/18 movement | | | (1.327) | | (1.327) | |
| | Royal Centre Maintenance | 2017/18 expenditure | | | 1.149 | | 1.149 | |
| | Royal Centre Transformation | 2017/18 expenditure | | | 0.562 | | 0.562 | |
| | SSR – Schools Balances | Reversal of MTFP Item | (0.557) | | | | (0.557) | |
| Workforce Reserve | 2017/18 movement | | | 1.500 | | 1.500 | | |
| Bulwell Town Centre | 2017/18 expenditure | | | | 0.153 | 0.153 | | |
| Corporate Total | | | (1.136) | 1.500 | 3.582 | | 3.946 | |

| Portfolio | Reserve Name | Description | Reserve Replenishment | Use of Reserves | Reserve to Capital | Contribution to Capital Scheme | Total |
|---|---|---|-----------------------|-----------------|--------------------|--------------------------------|----------------|
| Early Intervention & Early Years | SEND Keyworker Service | Initial transfer | (0.121) | | | | (0.121) |
| | Public Health Transition | 2017/18 expenditure | | 0.400 | | | 0.400 |
| Early Intervention & Early Years Total | | | (0.121) | 0.400 | | | 0.279 |
| Energy & Sustainability | Feasibility Schemes | 2017/18 expenditure | | 0.058 | | | 0.058 |
| | SALIX - Energy Savings Fund | 2017/18 net contribution | (0.102) | | | | (0.102) |
| | Waste Disposal Steam | Extended incinerator shutdown | | 0.375 | | | 0.375 |
| Energy & Sustainability Total | | | (0.102) | 0.433 | | | 0.331 |
| Leisure & Culture | Feasibility Schemes | 2017/18 expenditure | | 0.012 | | | 0.012 |
| | Flexible Fitness Equipment | 2017/18 expenditure | (0.283) | | | | (0.283) |
| | Grants | 2017/18 grant income | (0.036) | | | | (0.036) |
| | IT Library Service | Future Licence upgrade | (0.032) | | | | (0.032) |
| | LTA - Contribution Sinking Fund | Additional one off contribution for 2018/19 | (0.009) | | | | (0.009) |
| | Newstead Abbey Development Fund | 2017/18 donations received | (0.023) | | | | (0.023) |
| | Royal Centre Maintenance | Slippage in expenditure | (0.135) | | | | (0.135) |
| Leisure & Culture Total | | | (0.518) | 0.012 | | | (0.505) |
| Neighbourhood Services & Local Transport | Maintaining car parks | 2017/18 replenishment | (0.260) | | | | (0.260) |
| | Bike Hire Scheme | City Cycle Bike Hire Scheme | (0.094) | | | | (0.094) |
| | Feasibility Schemes | 2017/18 expenditure | | 0.296 | | | 0.296 |
| | Grants | 2017/18 expenditure | | 0.030 | | | 0.030 |
| | NET City Reserve Fund | Workplace Parking Levy | (0.427) | | | | (0.427) |
| | Revenue Implications of Capital Schemes | 2017/18 expenditure | | 1.410 | | | 1.410 |
| | Shopmobility | Unspent draw down | (0.015) | | | | (0.015) |
| | Street Lighting PFI | 2017/18 net movement | (0.098) | | 0.016 | | (0.082) |
| | Trading Operations Traded Surplus | Trinity Square | | | 0.060 | | 0.060 |
| | DRF | Nottingham CCTV Control Room Upgrade | | | | (0.150) | (0.150) |
| OLEV Go Ultra Low | 2017/18 expenditure | | 0.216 | | | 0.216 | |
| Neighbourhood Services & Local Transport Total | | | (0.894) | 2.028 | | (0.150) | 0.985 |

| Portfolio | Reserve Name | Description | Reserve Replenishment | Use of Reserves | Reserve to Capital | Contribution to Capital Scheme | Total |
|---|---|------------------------------------|-----------------------|-----------------|--------------------|--------------------------------|----------------|
| Planning, Housing & Heritage | Carrington Townscape | 2017/18 expenditure | | 0.033 | | | 0.033 |
| | HAZ Delivery Plan | 2017/18 contributions | (0.070) | | | | (0.070) |
| Planning, Housing & Heritage Total | | | (0.070) | 0.033 | | | (0.037) |
| Resources & Neighbourhood Regeneration | Area Committees | 2017/18 expenditure | | 0.020 | | | 0.020 |
| | Collection Fund & Business Rates | 2017/18 net movement | (1.974) | 0.099 | | | (1.875) |
| | | Section 31 grant adjustment | (1.140) | | | | (1.140) |
| | East Midlands Council | EMC Outturn | (0.049) | | | | (0.049) |
| | Emergency Hardship Funds | 2017/18 expenditure | | 0.272 | | | 0.272 |
| | Grants | Technical adjustment | (0.500) | | | | (0.500) |
| | Housing Benefits | 2017/18 net movement | (3.032) | 1.042 | | | (1.991) |
| | ICT Investment Schemes | Project Evolution | | 0.452 | | | 0.452 |
| | NET City Reserve Fund | 2017/18 contributions | (2.070) | | | | (2.070) |
| | NHS LIFT (Bulwell) | 2017/18 expenditure | | 0.036 | | | 0.036 |
| | NHS Local Imp Finance (LIFT) | 2017/18 contributions | (0.101) | | | | (0.101) |
| | Pension Deficit | 2017/18 replenishment | (0.958) | | | | (0.958) |
| | Property Maintenance | 2017/18 slippage | (0.653) | | | | (0.653) |
| | Revenue Reserves for Capital | 2017/18 expenditure | | | 1.326 | | 1.326 |
| | Revenue Implications of Capital Schemes | Project contribution | (0.069) | | | | (0.069) |
| | SSR – Schools Balances | 2017/18 net movement | (0.100) | | | | (0.100) |
| | Systems Development | 2017/18 slippage | (0.050) | | | | (0.050) |
| | Technical & Regulatory Advisory Fund | 2017/18 contributions | (0.234) | | | | (0.234) |
| | Treasury Interest Equalisation Reserve | 2017/18 capital programme slippage | (1.200) | | | | (1.200) |
| | Treasury Management Reserve | 2017/18 contributions | (2.058) | | | | (2.058) |
| Workforce Reserve | 2017/18 net movement | (0.890) | | 0.284 | | (0.606) | |
| DRF | Revenue contribution | | | | | (0.089) | (0.089) |

| Portfolio | Reserve Name | Description | Reserve Replenishment | Use of Reserves | Reserve to Capital | Contribution to Capital Scheme | Total |
|--|---|---|-----------------------|-----------------|--------------------|--------------------------------|-----------------|
| | Ice Centre Sinking Fund | 2017/18 net movement | (0.001) | 0.378 | | | 0.377 |
| | St Ann's Valley JSC | 2017/18 net movement | (0.081) | 0.166 | | | 0.085 |
| | Local Government Elections | To fund the cycle of Local Elections (May 2019) | (0.200) | | | | (0.200) |
| | Treasury Management MRP | Reserve contribution policy change | (4.024) | | | | (4.024) |
| Resources & Neighbourhood Regeneration Total | | | (19.419) | 4.106 | | (0.089) | (15.402) |
| Strategic Infrastructure & Communications | Contingency Reserve | Portfolio Management Office slippage | (0.140) | | | | (0.140) |
| | | Shop Strategy Slippage | (0.026) | | | | (0.026) |
| | Economic Development | 2017/18 expenditure | | 0.006 | | | 0.006 |
| | ERDF Dakeyne Street | Sinking fund creation | (0.060) | | | | (0.060) |
| | ERDF Sneinton Market | Sinking fund creation | (0.065) | | | | (0.065) |
| | Feasibility Schemes | 2017/18 net movement | (0.050) | 0.015 | | | (0.035) |
| | Energy Park | 2017/18 expenditure | | 0.004 | | | 0.004 |
| | NHS LIFT (Bulwell) | 2017/18 expenditure | | 0.037 | | | 0.037 |
| | Rev Reserves for Capital | 2017/18 net movement | (0.094) | 0.395 | | | 0.301 |
| | Revenue Implications of Capital Schemes | 2017/18 expenditure | | 0.470 | | | 0.470 |
| | Southglade Food Park Phase 2 | Sinking fund contribution | (0.035) | | | | (0.035) |
| Strategic Infrastructure & Communications Total | | | (0.470) | 0.928 | | | 0.458 |
| Total | | | (29.166) | 16.471 | 3.582 | (0.399) | (9.512) |

| Scheme | Projection 17/18 £m | Outturn 17/18 £m | Over / (Under) Spend on Projection £m |
|--|------------------------------------|---------------------------------|--|
| Education / Schools | | | |
| Bluecoat Primary - New School Early Design | 0.229 | 0.128 | (0.101) |
| Berridge Primary - Roof / Chimney Imps | 0.348 | 0.041 | (0.307) |
| Mellers Primary - Expansion (inc early design) | 0.319 | 0.481 | 0.162 |
| Primary Health & Safety | 0.215 | 0.048 | (0.167) |
| Glade Hill Primary - Expansion | 0.261 | 0.094 | (0.167) |
| School Accessibility Programme | 0.171 | 0.018 | (0.153) |
| Adults & Health | | | |
| Integrated Community Equipment Services | 0.336 | 0.229 | (0.107) |
| Community Services | | | |
| Woolsington Close Flood Alleviation | 0.108 | 0.000 | (0.108) |
| Flood Alleviation of Citizens Properties | 0.230 | 0.000 | (0.230) |
| Top Valley Flood Alleviation | 0.389 | 0.000 | (0.389) |
| Early Intervention & Early Years | | | |
| The Ridge Adventure Playground | 0.263 | 0.001 | (0.262) |
| Energy & Sustainability | | | |
| Solar Panels - Queens Drive Park & Ride Site | 0.464 | 0.000 | (0.464) |
| District Heating - Replacement of Network | 3.140 | 2.959 | (0.181) |
| DEFRA Air Quality (DD2795) | 0.250 | 0.000 | (0.250) |
| Solar Panels - Commerical PV Invest Prog | 0.750 | 0.000 | (0.750) |
| Solar Panels - Colwick Park & Ride Site | 0.618 | 0.000 | (0.618) |
| Business Growth & Transport | | | |
| NET Lines 2/3 - Land Acquisitions | 0.800 | (0.650) | (1.450) |
| NET Lines 2/3 - Quantative Risk Assessment | 0.500 | 0.000 | (0.500) |
| Carrington St Area Townscape Heritage Project | 0.250 | 0.031 | (0.219) |
| Vehicle Acquisitions etc | 3.500 | 0.862 | (2.638) |
| Debt Management System - Traffic Enforcement | 0.200 | 0.000 | (0.200) |
| Waterside Spine Road | 0.500 | 0.003 | (0.497) |
| Leisure & Culture | | | |
| New Burial System at Wilford Hill | 0.004 | 0.107 | 0.103 |
| Arboretum Café Development | 0.251 | 0.151 | (0.100) |
| Portland Leisure Centre - Condition Survey Works | 0.104 | 0.000 | (0.104) |
| Royal Centre Transformation Project | 2.988 | 2.868 | (0.120) |
| ERDF Axis 6 - Leen Park | 0.140 | 0.000 | (0.140) |
| CAP-Sherwood CC Imps | 0.250 | 0.000 | (0.250) |
| Newstead Abbey - Vision for the Future | 0.256 | 0.000 | (0.256) |
| Highfields Park - Refurbishment | 2.823 | 2.205 | (0.618) |
| Nottingham Castle Transformation (HLF Scheme) | 1.560 | 0.790 | (0.770) |
| Notts County Cricket Club - Loan 2 | 2.396 | 0.435 | (1.961) |
| Planning & Housing | | | |
| Regional Housing Board - Equity Loan Scheme | 0.629 | 0.000 | (0.629) |
| Disabled Facilities Grants | 1.859 | 1.728 | (0.131) |
| Church Square, Lenton - Affordable Housing | 0.000 | 0.123 | 0.123 |

| Scheme | Projection 17/18 £m | Outturn 17/18 £m | Over / (Under) Spend on Projection £m |
|--|------------------------------------|---------------------------------|--|
| NCH Radford Allotments | 0.124 | 0.000 | (0.124) |
| Recycling Repaid Hsg Renewal & Repair Grants | 0.300 | 0.000 | (0.300) |
| Resources & Neighbourhood Regeneration | | | |
| Growing Places - Loan No.2 | 5.406 | 1.289 | (4.117) |
| Creative Quarter Loan Fund | 0.375 | 0.000 | (0.375) |
| IT - Childrens and Adults Social Care Project | 0.214 | 0.000 | (0.214) |
| IT - Project Evolution | 0.543 | 0.000 | (0.543) |
| IT - Microsoft Licenses - 3yrs (1617, 1718, 1819) | 0.700 | 0.858 | 0.158 |
| IT - Cisco Call Manager | 0.702 | 0.000 | (0.702) |
| Joint Service Centre - Strelley Road | 0.760 | 0.000 | (0.760) |
| Commercial Property Investments | 10.212 | 10.085 | (0.127) |
| One Public Estate - Loxley | 0.121 | 0.356 | 0.235 |
| IT - Software AM System | 0.650 | 0.000 | (0.650) |
| 149-169 Lower Parliament St (S215 Notice Works) | 0.132 | 0.000 | (0.132) |
| Strategic Regeneration | | | |
| Expansion of Bio City | 0.764 | 0.331 | (0.433) |
| Southglade Food Park - Phase 2 | 0.058 | 0.193 | 0.135 |
| Broadmarsh Centre - Shopping Centre | 3.240 | 2.888 | (0.352) |
| Feasibility Council House / Exchange Buildings | 0.001 | 0.126 | 0.125 |
| Feasibility Council House / Exchange Buildings | 0.500 | 0.751 | 0.251 |
| Broadmarsh - Car Park | 5.607 | 3.484 | (2.123) |
| BM Caves Entrance | 0.200 | 0.000 | (0.200) |
| 58 Carlton Road & Space 2 Development | 0.192 | 0.000 | (0.192) |
| Unlocking Loxley House - Phase 2 / 2A | 0.130 | 0.017 | (0.113) |
| Public Sector Housing | | | |
| Woodthorpe & Winchester | 2.886 | 3.624 | 0.738 |
| Morley School - NEW BUILD | 2.083 | 2.608 | 0.525 |
| Meadows New Build - NEW BUILD | 0.300 | 0.721 | 0.421 |
| Modern Living | 2.435 | 2.611 | 0.176 |
| Roof & Chimney Replacement | 1.604 | 1.752 | 0.148 |
| City Wide Environmentals - AREA CAPITAL FUND | 0.749 | 0.892 | 0.143 |
| Affordable Homes - Garage Sites - NEW BUILD | 6.450 | 6.574 | 0.124 |
| Cranwell - NEW BUILD | 0.564 | 0.686 | 0.122 |
| Property Acquisition - RTB 1-4-1 | 0.580 | 0.691 | 0.111 |
| St Anns Estate Action - Stonebridge Park (PHASE 3 & 6) | 0.100 | 0.000 | (0.100) |
| Radon Awareness | 0.200 | 0.088 | (0.112) |
| Adaptations For Disabled Persons | 1.115 | 0.998 | (0.117) |
| Public Address System | 0.200 | 0.079 | (0.121) |
| Intercom Systems | 0.163 | 0.041 | (0.122) |
| Lenton New Build - Phase 2 Includes Flats - NEW BUILD | 1.308 | 1.185 | (0.123) |
| Infrastructure Cost - NEW BUILD | 1.265 | 1.137 | (0.128) |
| Ragdale Road - NEW BUILD | 0.459 | 0.330 | (0.129) |
| Garage / Outbuildings - CITYWIDE | 0.335 | 0.199 | (0.136) |
| Asbestos Works | 0.689 | 0.553 | (0.136) |
| Refurbishment Of Sheltered Housing Scheme | 0.590 | 0.436 | (0.154) |
| Adaptations For Disabled Persons | 1.356 | 1.142 | (0.214) |

| Scheme | Projection 17/18 £m | Outturn 17/18 £m | Over / (Under) Spend on Projection £m |
|--|------------------------------------|---------------------------------|--|
| High Rise Sprinkler Systems | 0.350 | 0.131 | (0.219) |
| Knights Close - DEMOLITION | 0.248 | 0.000 | (0.248) |
| Energiesprong Roll Out - ERDF | 0.300 | 0.000 | (0.300) |
| Major Void Works - CR&M | 2.350 | 2.022 | (0.328) |
| Rehousing Costs - DECOM | 0.356 | 0.000 | (0.356) |
| External Fabric B - Works delivered by others | 0.689 | 0.315 | (0.374) |
| Marlstones - NEW BUILD | 0.460 | 0.086 | (0.374) |
| Empty Homes | 0.496 | 0.050 | (0.446) |
| External Wall Insulation REMOURBAN | 0.808 | 0.227 | (0.581) |
| Clifton Miners Welfare - NEW BUILD | 0.686 | 0.074 | (0.612) |
| Warmth for Nottingham | 3.016 | 2.396 | (0.620) |
| Woodthorpe & Winchester - NEW BUILD | 3.829 | 3.108 | (0.721) |
| Tunstall Drive - NEW BUILD | 1.021 | 0.024 | (0.997) |
| Transport Schemes | | | |
| Southside Transport Strategy (Phase 1) - Broadmarsh Public Realm | 3.050 | 1.386 | (1.664) |
| Nottingham Enterprise Zone | 1.000 | 0.520 | (0.480) |
| Southside Growth Corridor | 4.656 | 4.927 | 0.271 |
| Office for Low Emission Vehicles (OLEV) - Go Ultra Low City Bid | 0.734 | 0.153 | (0.581) |
| OLEV - Taxi Infrastructure | 0.151 | 0.014 | (0.137) |
| Clean Bus Technology | 1.500 | 0.000 | (1.500) |
| TOTAL | 109.163 | 74.810 | (34.353) |

| Scheme | Approved and Planned Schemes | | | | | Total Programme Planned & Approved £m |
|---|------------------------------|-----------------|-----------------|----------------|----------------|---------------------------------------|
| | 2018/19 £m | 2019/20 £m | 2020/21 £m | 2021/22 £m | 2022/23 £m | |
| Approved Schemes | | | | | | |
| Transport Schemes | 22.908 | 7.745 | 5.172 | 0.000 | 0.000 | 35.825 |
| Education / Schools | 9.470 | 0.000 | 0.000 | 0.000 | 0.000 | 9.470 |
| Other Services | 95.599 | 35.617 | 17.814 | 8.885 | 9.142 | 167.057 |
| Planned Schemes | 147.787 | 51.936 | 1.826 | 0.000 | 0.000 | 201.549 |
| Total Programme | 275.764 | 95.298 | 24.812 | 8.885 | 9.142 | 413.901 |
| Resources | | | | | | |
| Prudential Borrowing | (187.740) | (53.471) | (15.509) | (5.661) | (6.155) | (268.536) |
| Grants & Contributions | (74.760) | (37.526) | (7.814) | (2.421) | (2.227) | (124.748) |
| Internal Funds / Revenue | (5.397) | (1.851) | (0.122) | (0.044) | (0.010) | (7.424) |
| Secured Capital Receipts | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Unsecured Capital Receipts | (7.867) | (2.450) | (1.367) | (0.759) | (0.750) | (13.193) |
| Total Resources | (275.764) | (95.298) | (24.812) | (8.885) | (9.142) | (413.901) |
| Cumulative (Surplus) / Shortfall | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |

| | |
|---|--|
| Subject: | The Development of the Regional Adoption Agency |
| Corporate Director(s)/Director(s): | Alison Michalska - Corporate Director, Children and Adults |
| Portfolio Holder(s): | Councillor David Mellen – Portfolio Holder for Early Intervention and Early Years |
| Report author and contact details: | Helen Blackman – Director of Children’s Integrated Services Helen.blackman@nottinghamcity.gov.uk |
| 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 checked="" type="checkbox"/> Revenue <input type="checkbox"/> Capital |
| Total value of the decision: | £961,000 in 2018/19 |
| Wards affected: | All |
| Date of consultation with Portfolio Holder(s): | |
| 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 type="checkbox"/> |
| Children, Early Intervention and Early Years | <input checked="" type="checkbox"/> |
| Leisure and Culture | <input type="checkbox"/> |
| Resources and Neighbourhood Regeneration | <input type="checkbox"/> |
| Exempt information: State ‘None’ or complete the following | |
| None | |
| Recommendation(s): | |
| | <ol style="list-style-type: none"> 1. to agree in principle that a Regional Adoption Agency for Derby, Derbyshire, Nottingham and Nottinghamshire councils be established to operate a shared adoption service; 2. to agree that a detailed business case regarding this proposed model between the four local authorities be prepared by the strategic leads from each local authority, and that a further report be submitted to The Executive Board to agree the Business Case; 3. To endorse the hosting offer made by Nottinghamshire County Council as the most appropriate option to progress this development; 4. To agree that further work be undertaken to finalise the position regarding the workforce that move into the Regional Adoption Agency. |

1 REASONS FOR RECOMMENDATIONS

- 1.1 The Government has stated its intention that all individual local authority adoption agencies be combined into regional adoption agencies (RAAs) by 2020. The rationale is that, with 180 adoption agencies placing children in England, the system is too fragmented, and this has led to delay for children. Regionalisation should improve outcomes for children, adopters and adoptive families.
- 1.2 Provision has been made in the Education and Adoption Act 2016 (amending the Adoption and Children Act 2002), to ensure that regionalisation takes place. The Secretary of State “may give directions requiring one or more local authorities in England to make arrangements for all or any” of their adoption functions “to be carried out on their behalf by one of those authorities, or one or more other adoption agencies.” To date six regional adoption agencies have been established in England which provide services to 30 local authorities. The vast majority of local authorities in England are engaged with the funded programme for regionalising adoption. The minister has recently written to every local authority in England to re-state the government position that all authorities are expected to be members of a Regional Adoption Agency by 2020.
- 1.3 The principles of regional adoption agencies are:
- To provide all children with an adoptive family that meets their needs.
 - To ensure that those affected by adoption receive the information, support and advice that they need to understand their adoption journey.
 - To ensure that families are well prepared, enabled and supported to care for the children with plans for adoption.
- 1.4 The aims are to ensure:
- Early identification of children for whom adoption is the right option
 - Timely placement of children including sibling groups and older children
 - Sustainable placements with timely and appropriate support as needed
 - A sufficient range and number of adopters to meet children’s needs
 - A range of different adoptions placement types e.g. foster to adopt
 - A well performing and improving service, evidenced in the adoption scorecard, productivity and timeliness.
- 1.5 Seven local authorities (Lincolnshire, Leicestershire (also provides adoption services for Rutland), Leicester, Derbyshire, Derby, Nottinghamshire and Nottingham) began participation in the DfE funded RAA programme in October 2015. The East Midlands Regional Adoption Agency (EMRAA) partnership also includes three voluntary adoption agencies (Faith in Families, Family Care and Coram).
- 1.6 EMRAA has made good progress in developing adoption functions which draw on excellent and innovative practice. Developments include the setting up of permanence teams in many of the partner local authorities and in establishing the D2N2 pilot for Derbyshire, Derby, Nottinghamshire and Nottingham. Good progress is also being made in aligning ways of working in respect of adopter recruitment, matching and adoption support across the EMRAA footprint.

- 1.7 BDO, the financial consultants engaged by EMRAA, reviewed the local authorities spend on adoption activity. This work provides the basis to set out the business case for the D2N2 RAA.
- 1.8 One of the key principles of the D2N2 model is that it will be delivered at no additional cost to the authorities involved

2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)

- 2.1 The D2N2 RAA is being developed within the wider partnership of the East Midlands regional adoption agency (EMRAA) project (which includes Lincolnshire, Leicestershire, Leicester and Rutland councils). Options for regional adoption arrangements were considered by the EMRAA project governance board in December 2017 in the context of the preferred approach of each local authority (following consultation with lead members and directors of children's services). The strategic leads of each local authority agreed that the preferred option is to develop a formal RAA for D2N2 and a regional adoption 'arrangement' for Lincolnshire, Leicester, Leicestershire and Rutland councils.
- 2.2 Effectively this provides for a twin-track approach to regionalisation for the EMRAA partnership where D2N2 constitutes a formal shared service and the L3R group seeks to establish protocols in respect of shared recruitment of adopters and matching children to potential families.
- 2.3 The proposed development of the D2N2 RAA meets the DfE requirements of a regional adoption agency. The DfE will consider the L3R proposal and determine whether there is sufficient likelihood of the future development to a full RAA. This consideration will determine the level of future funding to the EMRAA partnership.
- 2.4 The advantages of this approach include:
 - maintaining the momentum of D2N2 partners in developing the RAA following the positive experience of the pilot project focused on permanence teams
 - providing an opportunity to align services across the EMRAA footprint (with the potential to include Lincolnshire, Leicester, Leicestershire and Rutland councils' adoption services at a later date subject to executive approval).
 - The development of both the RAA and the 'arrangement' will maintain a focus on service improvement and outcomes for children across the partnership.

Governance of the RAA

- 2.5 Following consultation with lead members and DCSs and a full options appraisal of the possible legal forms - a local authority shared service, a local authority trading company or a joint venture with voluntary adoption agencies - the EMRAA Project Governance Board recommends that the D2N2 RAA should be delivered as a shared service between the participating local authorities. Further details of the governance arrangements for the operation of shared service will be included in a future report to The Executive Board.
- 2.6 The Project Governance Board has identified Nottinghamshire as the preferred host in early 2018 based on an appraisal of the offer from each local authority. Their adoption service is judged to be good by Ofsted and they are currently managing the Project Manager so are best placed to undertake this role.

- 2.7 The Project Governance Board and their equivalents in other authorities recognises that, subject to the Executive Board agreeing these plans in principle, a detailed business case will be required, setting out how the model will work both at strategic and operational level. Once agreed by the Project Governance Board, the proposed Business Case will be submitted to a future Executive Board.

Staffing the RAA

- 2.8 Approximately 80 full time equivalent staff from across the four local authorities are in scope to deliver the functions of the RAA, of which 16 are Derby City Council staff, 24 are Derbyshire County Council staff, 13 are Nottingham City Council staff and 30 are Nottinghamshire County Council staff. Further work is planned to finalise the position in relation to staffing
- 2.9 The Project Governance Board, in consultation with lead members and directors of children's services, considered the potential options available for the transfer of staff to the RAA, namely secondment or TUPE transfer of staff to the host local authority. Further work is underway in order to enable an informed decision regarding the implications in terms of the workforce to be identified.
- 2.10 Following the agreement in principle of the Executive Board, a full staff consultation and engagement plan will be developed.

The remit of the RAA and potential benefits

- 2.11 The D2N2 RAA will, as a minimum, provide the following adoption services:
- Tracking of children for whom adoption may be the plan for permanence. The establishment of permanence teams within each of the D2N2 local authorities provides a standard model which will inform the RAA on the potential needs of the child early in the planning process and enable improved targeted recruitment of adoptive families. Earlier, appropriate, placement of children is likely to reduce spend on looked after children budgets.
 - Recruitment of adopters to meet the needs of D2N2 children for whom adoption is the plan for permanence.

The D2N2 group of local authorities placed an average of 282 children for adoption per year between 2012 and 2015 of which 57.5% were placed with adopters from the home authority. An average of 104 children per year (37%) were placed with adopters from local authorities outside the EMRAA partnership or with voluntary adoption agencies.

An analysis of inter-agency costs and income for the year 2015-16 indicates a net expenditure on inter-agency adoption placement fees of £1,537,000 for the D2N2 group, Nottingham City's element of this is £282k.

If an additional 8 children per year are placed in house each year (increase of 5%) the inter-agency placement costs will reduce by approximately £256k. Given that the RAA will provide a greater pool of adopters (and based on the experience of shared adoption services in the North West and London) it is reasonable to expect that this figure can be reached and exceeded.

Increasing the number of children placed in house is also likely to assist in improving outcomes for children through the provision of local timely and appropriate adoption support to families.

- Panels for approving adopters.

Work is underway to understand the frequency of the current panel arrangements and the costs to the local authorities. This work will inform the full business case for the D2N2 RAA. However, it is reasonable to expect that the greater scale provided by a shared service will assist in reducing panel costs as well as reducing delays to decision making.

- Adoption support

The D2N2 group of local authorities spent £1,347,000 supporting adopted children and adoptive families in 2015/16 (including staff costs). Nottingham City's staffing costs for post adoption support will be dependent on the final decision regarding what is and is not delivered by the RAA but, based on the current most likely model are £67,931. The non-staff costs for adoption support during this period was £325k of which £210k was funded by the Adoption Support Fund. Access to the Adoption Support Fund will cease in 2020.

The D2N2 RAA is likely to assist in sustaining (or improving) adoption support provision through economies of scale and joint commissioning of therapeutic support.

2.12 Further discussion and analysis is required to determine whether the remit of the RAA should include the following functions:

- Adoption allowances
- Letter box (post adoption contact)
- Step parent and inter-country adoptions
- Foster to adopt and concurrent adoption placements
- Addition Panel functions (e.g. matching and agency decisions, legal and medical advice)

3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

3.1 As indicated above there is a legal requirement to form the Regional Adoption Agency. A range of models have been considered with the one proposed in this document appearing to offer the best potential to meet local need.

4 FINANCE COLLEAGUE COMMENTS (INCLUDING IMPLICATIONS AND VALUE FOR MONEY/VAT) **(Christine Green – Senior Commercial Business Partner)**

4.1 The project aims to deliver the RAA within the current funding envelope for staffing for recruitment, matching and adoption support services. The total budget for the D2N2 group is in the region of £7m per annum.

4.2 There is ongoing financial modelling to finalise the funding formula for participating local authorities. In addition, the learning from established RAAs supports this. The Project Governance Board continues to receive support from the DfE coach who periodically attends Project Governance Board meetings.

- 4.3 Nottingham has submitted an indicative budget of £0.961m based on the 2018/19 Adoption budget. This excludes a number of functions that are still under review such as adoption allowances.
- 4.4 The EMRAA is still embryonic and further analysis is required to ascertain costs that are more accurate. These include:
- 4.4.1 Start-up costs
 - 4.4.2 Exit costs
 - 4.4.3 Redundancy and pension strain costs
 - 4.4.4 Inflation factors
 - 4.4.5 Other services in scope
- 4.5 There is developments grants from the DfE to help establish the RAA. This funding may offset some if not all the start-up costs to avoid any cost to participating local authorities or voluntary adoption agencies. The DfE will consider an application to re-profile the project funding in the context of the proposed twin-track development for EMRAA.
- 4.6 A Risk Register is essential to capture potential risks and where quantified, associated costs. The following should be considered in addition to the points highlighted in 4.4:
- 4.6.1 Any legislative or guidance changes
 - 4.6.2 Any other changes to service delivery which is impacted by issues, for example, IT Services
- 4.7 Robust governance arrangements are required that identify how performance is managed. Regular reviews are essential to quantify the risk and rewards to the Partnership and individual Local Authorities, for example Inter-agency placement costs.
- 4.8 Further financial detail will form part of the detailed business case to follow.

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

Employment-related Legal Comments (John Bernard-Carlin (Team Leader (Litigation, Employment & Education Team))

- 5.1 Underpinning any proposed new arrangement will be the statutory basis for doing so. The statutory basis for entering into the arrangement will impact on issues including the application of TUPE. It should therefore be established whether the statutory framework for the establishment of the RAA is:
- A direction under Section 3(ZA) of the Adoption and Children Act 2002 (as amended) ('2002 Act'). Section 3(ZA) allows for the Secretary of State to give a direction requiring one or more local authorities to enter into joint arrangements in relation to their adoption functions (essentially the establishment of a regional adoption agency).
 - An arrangement under Section 3(4)(b) of the 2002 Act, Section 3(4)(b) allows for a local authority to make arrangements with another local authority for the provision of its adoption services/functions.
 - Another basis for the proposed arrangement.

- 5.2 These legal comments are provided on the current assumption that the proposed RAA arrangements will be established under Section 3(4)(b) of the 2002 Act. Clarification is requested as to whether this assumption is correct.
- 5.3 Further detail is needed with regard to the proposed delivery model and current and proposed staffing structures (and full workforce information) in order to establish the position as to whether this is a situation where TUPE will apply and to then consider and advise on the options (and related risks) with regard to staffing arrangements. It is recommended that the position in relation to TUPE and related matters (and related financial and legal implications (including pensions implications (see 5.4 below)) should be taken into account in consideration of the decision as to whether to proceed to join the proposed RAA.
- 5.4 Detailed consideration should also take place with regard to the pensions implications of the proposed RAA including any financial implications arising from addressing current LGPS fund deficits.
- 5.5 When information has been gathered as referred to at paragraph 5.3 above, consideration will need to be given as to any staffing restructuring processes that may be required and the implications of any such processes.

Children's Social Care Legal Comments (Claire Knowles, Team Leader, Children & Adults Legal Team)

- 5.6 To assist with the background to what was initially a government backed initiative, in 2015 the Department for Education (DfE) reported that local authorities should be working towards Regional Adoption Agencies (RAA) by 2020. Their commitment to this approach is such that the Education and Adoption Act 2016 (the 2016 Act) gave the government a power to direct a local authority to enter into a RAA. The Act amends the Adoption and Children Act 2002, (the 2002 Act) so that local authorities are no longer required to maintain an adoption service within their area, but may secure provision by other local authorities or registered adoption agencies.
- 5.7 The new section 3ZA of the 2002 Act, gives the Secretary of State the power to direct individual local authorities to make arrangements for adoption functions, including:
- (a) the recruitment of persons as prospective adopters;
 - (b) the assessment of prospective adopters' suitability to adopt a child;
 - (c) the approval of prospective adopters as suitable to adopt a child;
 - (d) decisions as to whether a particular child should be placed for adoption with a particular prospective adopter;
 - (e) the provision of adoption support services.

to be carried out by another local authority or one or more adoption agencies on their behalf, through the formation of regional or sub-regional adoption agencies.

- 5.8 Further detail around what the proposed local RAA will look like is still to be discussed and agreed, but in addition to other matters recorded above, the professional roles of the current legal advisers and medical advisers to the existing Adoption Panels, will need to be considered. In particular, the legal

adviser role, as this is currently provided by my team to the Agency Decision Maker and also the Adoption Panel. Consideration is required around who will provide legal advice to the panels held under the RAA and who will own that advice, the RAA 'host' authority or individual local authorities?

**Contract and Procurement comments - Andrew James, Team Leader
(Contract and Commercial)**

- 5.9. The contractual and procurement arrangements necessary to establish the RAA will depend ultimately on the legal basis chosen for the delivery model. If the RAA is established in accordance with a direction from the Secretary of State it will not be necessary to undertake a procurement to appoint the other local authorities to provide the adoption functions. Notwithstanding the lack of a requirement to procure the other authority a contract would be required setting out each party's roles and responsibilities.

If the RAA is established in accordance with either of the second or third bullet points set out in paragraph 5.1 above then the choice of which other local authority to provide the functions could (in theory) be subject to the procurement rules. However, as it is very likely that the City Council would be co-operating with the other local authorities a procurement process should not be required as co-operation to deliver public services is exempt from the Public Contracts Regulations 2015. A contract would be required as above to set out the party's respective roles and responsibilities.

- 5.10. As the establishment of the RAA is likely to change the way in which the City Council delivers its adoption functions it will be necessary for the City Council to undertake a public consultation with affected stakeholders. The timescales for undertaking the consultation should be included in the project programme.
- 5.11. Further advice will be provided by the Legal Services team to support the project team as the proposals are developed.

6 HR OBSERVATIONS – Lynn Robinson, HR Business Partner,

- 6.1 It is noted that work has been ongoing within the D2N2 Group (Derbyshire, Derby City, Nottinghamshire, Nottingham City Councils) and the L3R (Leicestershire, Leicester City, Lincolnshire and Rutland Councils), since October 2015. A regional EMRAA HR Group established in January 2018, has been tasked to consider workforce options and associated employment risks for the delivery of shared adoption services. It has also, subsequently been noted that this would be based on a host organisation model, which has been identified as Nottinghamshire County Council.
- 6.2 In order to provide employment advice on the implications to the Council, and the employees potentially affected by the proposals, the EMRAA HR Group is working with their respective legal advisers and service officers to clearly identify those employees that are in scope, based on the work activity that the shared adoption model intends to operate and deliver on. Once this work is completed, further advice can be provided on the potential options, with associated benefits and risks.
- 6.3 Consideration is to be given to the potential application of Transfer of Undertakings Protection of Employment (TUPE) Regulations, and or other

proposed arrangements for deployment of staff. In any event, full and formal consultation with the workforce, and recognised trade unions, in all respective local authorities will need to take place.

- 6.4 It is strongly recommended that a risk register is produced in terms of any potential costs to the Council as a result of either the transfer of employees to a host arrangement, or any alternative model of delivery. In addition, the potential risks of costs incurred as a result of any transfer, subsequent restructures or exit strategies, and a robust agreement about how such costs will be managed/met across the region.

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

There are no planned changes to in relation to staff location so therefore this is not applicable.

8 SOCIAL VALUE CONSIDERATIONS

This is a decision that relates to how we manage elements of the adoption service. There is no obvious social value impact.

9 REGARD TO THE NHS CONSTITUTION

Not applicable.

10 EQUALITY IMPACT ASSESSMENT (EIA)

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

No



An EIA is not required at this stage because: A key priority of the RAA will be to ensure appropriate ethnicity and cultural matches between adopters and children, ensuring all health needs and equality issues are fully addressed through the adoption support offer and a strong focus on long-term positive outcomes for children for whom adoption is the plan for permanence. When the position regarding staffing will be developed.

Yes



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

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

None

12 PUBLISHED DOCUMENTS REFERRED TO IN THIS REPORT

Adoption and Social Work Act 2017

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| | |
|--|--|
| Subject: | Adoption of the City's new Housing Strategy |
| Corporate Director(s)/Director(s): | David Bishop, Deputy Chief Executive and Corporate Director for Development and Growth |
| Portfolio Holder(s): | Cllr Jane Urquhart, Portfolio Holder for Housing and Planning |
| Report author and contact details: | Graham de Max, Housing Strategy and Partnerships Manager, graham.demax@nottinghamcity.gov.uk tel 8763538 |
| Subject to call-in: | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| Key Decision: | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| Criteria for Key Decision: | |
| (a) | <input type="checkbox"/> Expenditure <input type="checkbox"/> Income <input type="checkbox"/> Savings of £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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| Type of expenditure: | <input type="checkbox"/> Revenue <input type="checkbox"/> Capital |
| Total value of the decision: | Nil |
| Wards affected: | All |
| Date of consultation with Portfolio Holder(s): | 19 April 2018 |
| Relevant Council Plan Key Theme: | |
| Strategic Regeneration and Development | <input 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 type="checkbox"/> |
| Summary of issues (including benefits to citizens/service users): | |
| The new housing strategy sets out the vision for housing in the next three years and identifies the housing priorities for the city via five key themes. The title of the document is "Quality Homes for All", which articulates the vision that all our citizens should be able to live in a good quality home, irrespective of its tenure. | |
| Exempt information: | None |
| Recommendation(s): | |
| 1 That Executive Board: | |
| (a) considers the Strategy document, the priorities it identifies and the actions for delivery and; | |
| (b) adopts the Strategy. | |

1 REASONS FOR RECOMMENDATIONS

1.1 Housing is a key issue which impacts on a range of citizen outcomes. Whilst it is not a statutory requirement for a local housing authority to have a housing strategy, it is important that the Council provides a vision for housing in the city, identifies the priorities for the next few years and gives a lead for the many partners with whom we work. The Council's extant housing strategy was adopted in 2013, and given the changes that have taken place in the housing world since that time, an updated document is essential.

2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)

2.1 The new housing strategy sets out the context, evidence, key drivers, and priorities for the city which have determined our activity over the next three years. The strategy is attached at Appendix 1.

2.2 The two most important objectives for the strategy relate to those identified in the current Council Plan: the delivery of 2,500 new homes that Nottingham people can afford to buy or rent (and how delivery will continue beyond 2019), and the implementation of a selective licensing scheme in the private rented sector.

2.3 The strategy has five main themes. These are:

- Delivering the new homes the city needs across all tenures
- Maintaining and making best use of the existing stock
- Tackling homelessness and meeting specialist housing needs
- Delivering better health outcomes through housing
- Making a contribution to strong communities and neighbourhoods

2.4 The themes for the new strategy were initially developed through a group comprising the Portfolio Holder for Planning, Housing and Heritage, the Chief Executive of Nottingham City Homes and the Corporate Director for Development and Growth. This group has acted as a steering group during the development of the strategy.

2.5 A number of other officers across the Council who have a key role in all matters relevant to housing were consulted on the content of the strategy early in its drafting and helped shape the public consultation version.

2.6 A public consultation on the strategy took place in April and May this year. This comprised a short online survey, with the opportunity to make wider comments. There was a very good response to the consultation, demonstrating the high level of interest in housing as an issue for the City. Where appropriate, some comments have led to changes to the document. The outcomes of the consultation are shown in Appendix 2

3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

3.1 To not adopt a housing strategy: rejected as the document provides a clear direction for housing in the city and provides an opportunity for progress to be tracked.

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

- 4.1 The adoption of the housing strategy itself has no specific financial implications as it does not commit the City Council to any specific schemes or expenditure or these are already included in the Medium Term Financial Plan. Any projects or schemes required to implement the strategy will need to have specific approval and the financial implications will need to be assessed to ensure value for money for the organisation and alignment to this and other relevant strategies.

Susan Tytherleigh
Finance Business Partner
30 May 2018

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

- 5.1 Legal Comments- Roseann Kane Snr Solicitor. Advice given 30/05/2018.

The Council is a Local Housing Authority within the meaning of the Housing Act 1985.

There is no statutory duty imposed on Councils to have an overarching housing strategy. The document serves to set out the Council's goals and the underlying strategies for achieving them.

In order to avoid legal challenge the Council should ensure that it complies with all relevant statutes that govern the actions in the plan. Those include, but are unlikely to be limited to:

- Local Government Acts,
- Planning legislation ,
- Housing legislation including, but not limited to, the 1985, 1988 and 1996 Housing Acts.
- The Localism Act 2011,
- The Homeless Reduction Act 2017,
- The Care Act 2014,
- The Equality Act 2010,
- The Housing and Planning Act 2016,
- The Crime and Disorder Act 1998
- The Anti-Social Behaviour Crime and Policing Act 2014.
- Land Compensation Act 1973
- Children Act 1989
- Human Rights Act 1998 (taking into account European convention rights.)

The Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who don't (the public sector equality duty). In order to inform the Council as to what steps to take to discharge this duty an Equalities Impact Assessment (EIA) on the strategy is required. It is noted from the strategy document that an EIA has been undertaken. Any steps identified in

the assessment to enable to Council to discharge its public sector equality duty should be undertaken.

There is no statutory duty to consult on the strategy but the Council must consider whether a common law duty to do so arises. This common law duty is set out in case law and imposes a general duty of procedural fairness upon public authorities exercising a wide range of functions, which affects the interests of individuals. It is noted that consultation has been undertaken.

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

- 6.1 Strategic Assets and Property will work with colleagues and Partners across the City who have a key role in the delivery of housing to ensure that, where appropriate, the Council's property assets are utilised in a manner that supports the Housing Strategy. In addition, Strategic Assets and Property will work with colleagues to support the delivery of the key priorities set out in the Housing Strategy by providing specialist property advice and support.

Comments provided by Rod Martin, Development Manager, 31st May 2018

7 SOCIAL VALUE CONSIDERATIONS

- 7.1 None

8 REGARD TO THE NHS CONSTITUTION

- 8.1 There is a whole theme in the strategy about the ways in which housing interventions can prevent ill health and improve health and wellbeing outcomes. Better integrating housing activity with health partners is recognised within the Care Act.

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 2, 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 None

11 PUBLISHED DOCUMENTS REFERRED TO IN THIS REPORT

- 11.1 None

Quality Homes for All

Nottingham's Housing Strategy 2018-2021



Nottingham
City Council

Foreword

Councillor Jane Urquhart

Portfolio Holder, Housing, Planning and Heritage

I am pleased to present Nottingham's new housing strategy. This is a strategy which we have taken some time in developing. The last three years have seen almost unprecedented changes and shifts in housing policy, reflecting changes in key ministerial positions at national government level. It therefore made sense to pause and reflect.

However, since the launch of Nottingham Labour's manifesto for the 2015 Council elections I have been clear in my vision for housing in the city: that all our citizens should be able to enjoy a good quality home, irrespective of what tenure they live in.

This strategy shows how we will work towards that vision. It shows how we will work with our partners to build on the successes of the previous strategy, the "Housing Nottingham Plan" to deliver effective housing interventions across all tenures.

The Government has been very clear that we have a housing crisis in Britain and that there needs to be a step change in housing delivery. The strategy shows how the Council, in partnership with Nottingham City Homes and housing associations will deliver badly needed new housing. However, private developers will need to build the majority of the homes we need, and we need to ensure that the private sector is part of the partnership; that they are clear that Nottingham is "open for business" in terms of their plans as the Government increases the pressure on them to deliver.

We face significant challenges: homelessness is increasing, there is more pressure on the housing's stock, welfare reform is continuing to impact on our citizens, our data shows that there are significant issues with housing conditions in the private rented sector whilst at the same time more and more people are reliant upon it as a source of housing. Our population exhibits a range of health and age-related needs which will require innovative solutions. Pressure on energy supplies and the increasing cost of heating homes requires us to look at further improving our existing stock whilst ensuring that new homes are as energy efficient and as affordable to run as possible.

All of these challenges are set against a background of ever reducing financial resources to tackle them. We will therefore need to make the very best use of the resources we do have and look to maximise the funding we can bring in to the city to support our housing ambitions. We will also need to ensure that where appropriate we create the right partnerships to achieve our objectives.

The last three years has shown us how quickly things can change in housing. Undoubtedly they will change again in the next three years. We will therefore need to keep this strategy under review and make necessary adjustments to our approach

as things change. However, our overriding ambition will not change: to ensure that our citizens enjoy high quality housing, irrespective of tenure.

Introduction

Welcome to Nottingham's Housing Strategy 2018-2021. In this document we set out the range of activities that the Council and its partners will carry out in the next three years in order to ensure that we deliver our overall vision of **quality homes for all**.

Our last strategy, The Housing Nottingham Plan, was written in 2013. We have consciously not written a new strategy until now as the policy framework has shifted so many times since that time. 2016 saw a change in the leadership of the Government and within housing this led to a decisive shift away from the near total focus of government policy on home ownership to one which recognised the need for a step change in housing delivery numbers and that this could only be achieved through a multi-tenure approach. The Housing and Planning Act 2016, which was enacted by the previous Government leadership, signalled a raft of policies focused on social housing, but has already seen one of its key provisions, "Pay to Stay" dropped. Other policy developments such as the sudden announcement in the Summer Budget 2015 that social rents were to be reduced by 1% over the following four years caused all providers to revisit development plans. June 2017 saw more changes within Government, with an enforced ministerial change. The party conferences in the Autumn of 2017 saw housing rise up the agenda again, with additional resources pledged to increase the delivery of "affordable" housing in its many different guises. Finally, the Government has recently issued a revised National Planning Policy Framework for consultation, outlining how it sees changes to the planning system as the key to getting house builders to build and local authorities enabling this.

Against this background of shifting policy at national level the Council has taken a consistent approach in terms of its strategic housing approach: No matter what tenure they live in, Nottingham citizens should be able to enjoy housing of good quality. We recognise the importance of diversity in tenure and housing choice. Not everyone wants or can afford to buy a home; some need the flexibility of the private rented sector; others need the lower rents, the security and the stability that social housing provides. Our more vulnerable citizens need specialist or supported accommodation. Whatever the tenure or type, the aim is that it should meet quality standards.

The themes of this strategy are not radically different from those of the last plan. The Housing Nottingham Plan's four themes were:

- Increasing the supply of housing
- Improving the standard of housing
- Addressing specialist housing need
- Ensuring housing made an effective contribution in neighbourhoods.

Our analysis of the current housing market, the condition of the city's existing stock, specialist housing need and homelessness, together with the major national and local policy drivers show that these are still the dominant aspects of our strategic approach to housing. The main emphasis continues to be on delivering the new homes that will meet both housing need and housing aspiration in the city. However, in this strategy we have additionally focused on what we consider to be one of the most important contributions that housing makes to the overall priorities of the city: the way in which housing both improves health and wellbeing and prevents poor health, therefore reducing clinical interventions. This is critical at a time when the NHS and councils are faced with unprecedented demand and pressure on their budgets.

In 2017, Nottingham City Council was recognised as outstanding strategic local authority of the year at the prestigious UK Housing Awards, organised jointly by Inside Housing magazine and the Chartered Institute of Housing. The strength of Nottingham's submission lay in the breadth of our approach, the partnership ethos enshrined within it, and our understanding of the needs of Nottingham's citizens. This plan further builds on that approach, and has as its defining principle the enormous power that housing has to improve people's lives.



Review of the last housing strategy

The Housing Nottingham Plan, 2013-2015 was delivered within the context of the policies of the Coalition government and the previous Nottingham City Council Plan. It had a particular emphasis on increasing housing delivery, both in order to meet housing need in the city but also to support growth in the local economy as recovery continued following the financial crash of 2008. Here are the major successes of the Housing Nottingham Plan:

Housing Supply

- 566 homes built by Nottingham City Homes or currently on site
- Over 450 homes built by housing association partners, namely Asra, Derwent, Framework and Nottingham Community Housing Association
- 2611 homes for private sale built or converted by developers
- High quality independent living scheme built at Lenton to replace Newgate Court – the award-winning Palmer Court



Housing Standards

- NCC Decent Homes programme completed, making all of the Council's 26,000 homes decent
- Additional licensing scheme covering 3000 houses in multiple occupation implemented
- Successful delivery of mandatory and additional licensing. 3496 HMOs licenced (Dec 2017)
- Improved conditions in the private rented sector. 879 licenses with additional conditions issued to HMOs which require improvement to the property. 151 licenses refused.
- Increased interventions with licence holders following ASB complaints.
- The "Nottingham Standard" landlord accreditation scheme introduced, bringing 2500 additional properties into accreditation
- 227 empty homes brought back into use between the financial years 2013/14 & 2015/16 including 35 acquired by the Council using the Homes and Communities Agency's (HCA) grant scheme

- 4,178 NCH homes and 2,500 private sector homes given solid wall insulation and other energy efficiency measures through the Greener Housing initiative jointly delivered by the Council, Nottingham City Homes and Nottingham Energy Partnership
- Reducing fuel poverty –achieving Nottingham Plan target, and Council Plan 2011-15 targets on measures installed
- Effective proactive action tackling rogue landlords as evidenced by 238 Extra inspections / raids supported, 11 Prosecutions, 84 landlords trained at dedicated events and 34 delegates trained from new and emerging communities (2017).

Specialist Housing Need

- New five year Homelessness Prevention Strategy implemented, with the delivery group for the strategy, the Homelessness Strategy Implementation Group (SIG) refreshed and strengthened
- Several new schemes for specific vulnerable groups built or created through conversion, for example Framework's supported housing schemes at Bestwood Park, Mapperley and Clifton; and the use of converted accommodation at Benedict Court, Top Valley for people with mental health issues by NCH.
- Increase in the growth of assistive technology and telecare
- Accommodation Broker role developed to provide better housing options for citizens with learning disabilities

Neighbourhoods

- Successful employment training and apprenticeship schemes run by NCH and other housing providers
- NCH's Decent Neighbourhood programme implemented, delivering environmental improvements to estates
- Financial inclusion programmes, most notably "Sound as a Pound", led by Nottingham Community Housing Association
- A partnership approach to mitigate the impact of welfare reform on social tenants, particularly the "Bedroom Tax"
- Involvement of housing association partners in neighbourhood initiatives, e.g. weeks of action
- Council, partnership and community approaches to respond to crime, ASB and community cohesion

The Policy Context

1.National

Housing and Planning Act 2016

The strategic approach to housing at a local basis will always be significantly driven by national policy. However, we find ourselves uniquely in an era of quite profound instability in terms of national strategy. The EU referendum result not only brought about uncertainty in terms of the potential economic impact on the housing market, it also brought a change of leadership in government which had a significantly different view of housing delivery. The Government elected in 2015 set out its headline approach to housing in the Housing and Planning Act 2016. In its manifesto for that election, a flagship policy was the extension of the Right to Buy (RTB) to housing association tenants. This was part of an overall housing strategy which focused almost entirely on home ownership. The Housing and Planning Act (HPA) contained not only the trailed extension of RTB (to be paid for by a levy on the assumed sale of “high value” council houses), but also changes to planning definitions which now considered “starter homes” to be affordable housing, and placed duties on planning authorities to ensure their delivery.

The HPA also contained a significant policy change in social housing tenure. Whereas the use of “flexible” or fixed term tenancies is currently voluntary for providers, this will now become compulsory. Guidance is awaited on this.

In terms of the private rented sector, there were some very significant new powers to support local authorities in tackling poor landlords, such as Banning Orders and Civil Penalties.

Housing White paper and accelerating housing delivery

This emphasis changed quite radically following the change of leadership in the fallout from the EU referendum. In early 2017 the government issued a housing white paper entitled “Fixing our Broken Housing Market”. This document, whilst essentially focusing on accelerating housing delivery via the removal of perceived planning obstacles also recognised that in order to address the housing crisis, government needed delivery across all tenures. The White Paper acknowledged the role that councils have as both builders and enablers of new housing, and placed affordable rented housing firmly back on the agenda. It also placed significant emphasis on the role of the private rented sector in future housing growth: not the traditional UK delivery model of buy to let landlords, but institutionally-funded, large scale Private Rented Sector building, some of which should be at lower than market rental levels in order to make the sector more affordable. Overall, the White Paper is a positive, welcomed statement of intent to use all tenures to meet the critical levels of housing need across the country.

The result of the general election in June 2017 and the focus of government energy on the UK’s withdrawal from the European Union has continued the theme of

uncertainty; however it does seem that the Government's intention to significantly increase housing delivery remains in place. The Conservative Party announced at its conference in Autumn 2017 that more grant funding would be available for the delivery of affordable housing (including social housing) via Homes England's programmes. The Government's statements about entering into individual deals with city areas, thus bringing greater flexibility to match local needs will stand Nottingham in good stead.

The Role of Social Housing

The fire at Grenfell Tower in June 2017, the terrible loss of life and the aftermath of the tragedy has brought a renewed focus on the role of social housing in Britain today, how it is perceived, and the people who live in it. The Government has pledged a wide-ranging review of social housing via a Green Paper. This will be of particular significance for a city like Nottingham which has both a higher than average social stock and a high proportion of stock still in the ownership of the local authority.

The continued loss of Council Housing through the Right to Buy

The Government "reinvigorated the right to buy in 2012, increasing discounts in order to boost the number of tenants taking it up. Since the start of the reinvigorated scheme the Council lost 1582 homes from the stock. Although the Council signed an agreement with the Government to receive funds back to replace those homes, it has been insufficient to replace all the properties sold. This is against a background of a growing housing waiting list.

Homelessness Reduction Act

Homelessness is increasing nationally, and Nottingham is no different, seeing a significant increase in families presenting as homeless and in the numbers of people sleeping rough. The Homelessness Reduction Act came into force in April 2018. This landmark piece of legislation places duties on local authorities to place far greater emphasis on the prevention of homelessness. Its key requirement is that authorities take an early intervention approach to homelessness, extending the duty to consider a person threatened with homelessness within 28 days to 56 days, and enhancing the rights of single, non- priority need applicants in terms of local authorities' obligations towards them. It also widens the responsibility of agencies engaged with people threatened with homelessness to be proactive in supporting prevention. Whilst the recognition of prevention as the key to reducing homelessness is welcome, authorities and partners will need additional resources to make it work. The Government announced grant funding for this purpose in the Autumn of 2017; local authorities will face challenges in delivering the provisions of the new act within the funding available whilst homelessness continues to increase.

Supported Housing Review

In 2015, the Government announced an intention to bring supported accommodation rental charges in line with Local Housing Allowance (LHA) rates¹. In 2016, the Government produced a model outlining their view on how these changes would be implemented. Following widespread lobbying from the housing sector, in October 2017, the Government scrapped these plans and published a renewed set of proposals. Long-term supported accommodation as well as sheltered or extra care housing will remain within the benefits system. The rental charges will not be aligned to LHA rates, but the Government will be working on defining a range of rent levels. The proposals see short-term accommodation removed entirely from the benefit system. The Government will issue a ring-fenced grant to local authorities for the procurement of all categories of short-term supported accommodation (including homeless hostels, refuges and mental health crisis accommodation). The provision of this accommodation is to be informed by a current and projected needs assessment and supported housing plan. This latest iteration of the Government's proposals for the future funding of supported accommodation have been consulted upon and have a planned implementation date of 2020. Many of the alterations made are positive as they give providers more certainty and local authorities further ability to coordinate and ensure quality of provision in their areas. However, the Government must ensure that it provides appropriate levels of resources to local authorities to enable plans to be fulfilled comprehensively.

Care Act

The Care Act 2014 came into force in April 2015 and introduced changes to care and support with the aim of introducing consistency and fairness, ensuring support for those most in need and giving greater control and influence to those in need of support. Meetings with professionals and assessments are centred on a person's well-being and will aim to reduce the need for care and support wherever possible as well as the likelihood of requiring it in the future.

The Care Act places a duty on councils to consider citizens' wellbeing when making plans and decisions, including those related to housing. There is strong local and national evidence that the suitability of housing directly impacts a person's health and wellbeing, which has knock on effects upon other areas of people's lives such as education, finance and relationships. Providing suitable housing for our citizens is therefore at the heart of our plans and processes including:

- A selective licensing scheme for (page 37) tackling issues of poorer quality housing within the private sector.
- A commitment to the continued provision of independent living scheme (ILS) accommodation suitable for older people or others with features integral to a

¹ The Local Housing Allowance rate is the amount of housing benefit a person is entitled to if they rent accommodation in the private sector

person's specific needs and wellbeing. Since the last housing strategy this approach has led to new ILS schemes at Palmer Court in Lenton and Robin Hood Chase in St Anns, with bungalows being included in general needs housing schemes wherever viability allows, eg The Meadows.

- Closer work between housing and commissioning for specialist/supported accommodation.
- The Local Plan considers the housing needs of our citizens to ensure sites are allocated to provide suitable housing e.g. particularly suitable for occupation by families, wherever possible.
- Nottingham is the first authority in the country to introduce a Memorandum of Understanding between housing, health and social care which contains a regularly monitored 72-point action plan to ensure these sectors work in a cohesive manner, health and wellbeing being central to this document.
- An accommodation broker role which looks to source suitable accommodation for people with learning disabilities and mental health needs to promote independent living.

Continuing Welfare Reform and the influence of rent policy

Since the coming to power of the Coalition Government in 2010 we have seen a continuing programme of welfare reform which has particularly impacted upon social housing tenants, although it has also had important influence on the private rented sector, too. The key policy which has affected social tenants is the removal of the spare bedroom subsidy, better known as the Bedroom Tax. The policy has caused housing providers to put significant efforts into helping people to downsize and provide intensive support to affected tenants. It has caused housing providers to re-think the property sizes they are building as the policy has generally revealed a shortage of smaller properties within the social stock. Whilst the most negative effects of the Bedroom Tax are probably now in the past, it remains a significant problem for many tenants and continues to exert an influence on development policy.

The most significant welfare policy for all landlords will be the full roll out of Universal Credit (UC) in the Autumn of 2018. This will remove the direct payment of housing benefit to landlords, instead housing costs being part of an overall monthly payment, with (apart from certain exceptions and older people) the responsibility shifting to tenants to pay their rent to their landlord. The experience of areas which have already had a full roll out of UC has been a significant increase in rent arrears, placing pressure on collection and financial inclusion/advice services. Furthermore, and perhaps more significantly, it poses considerable risk to the income that providers need to deliver services to their tenants.

Probably the single most important policy influencing the delivery of new social homes is that governing rent setting. In July 2015 the Government announced that all social rents should be reduced by 1% in each of the following four years. This caused many providers to have to rethink or abandon development programmes

because of the shortfall in anticipated income (based on annual rent increases in line with inflation) and the unviability of schemes based on lower rents. HRA-holding local authorities such as Nottingham were forced to revisit the 30 year business plans which were developed following the introduction of self-financing HRAs in 2011. In October 2017, the Government announced that it will revert to the pre -2015 settlement of CPI+1% as the formula for rent setting for the five years from 2020. This now gives somewhat greater certainty about income and thus potential capital investment, but it has been seen already how quickly the picture can change.

The Continued Growth of the Private Rented Sector (PRS)

There has been a definite shift in government policy towards the private rented sector since the 2015 election. Buy to let landlords have been identified as a cause of property inflation, pricing potential homeowners out of the market. To introduce more of a level playing field tax breaks for buy to let landlords have been reduced, and stamp duty on buy to let purchases increased. The government does however recognise the importance of the PRS as a source of housing for those unable to buy or access social housing – but believes that greater delivery of new PRS homes via institutional investors will be needed.

As the PRS has become more important as a tenure, so has its influence on homelessness. One of the biggest causes of homelessness at the moment is the ending of assured short-hold tenancies. Conversely, the PRS is also a solution to homelessness, and the Council seeks to make maximum use of the sector as a source of good quality homes to discharge its homelessness duties.

In terms of regulation, the Housing and Planning Act introduced a range of tools which will help local authorities to take action against poor performing or rogue landlords. These include:

- Banning Orders
- Civil Penalties (avoiding the need for prosecution)
- Rent Repayment Orders
- National Rogue Landlord database.

The government has also now reported on a consultation on the extension of mandatory licensing of HMOs beyond the current definition of 3 storeys and 5 persons. The outcome is that the 3 storeys requirement will no longer apply for mandatory licensing. The same consultation also contained proposals about bedroom size, and in future there will be a minimum size for a room to be considered suitable as room for a person to sleep in.

There was a significant change under the previous government relating to selective licensing schemes. From March 2015 it has been necessary to seek secretary of state permission to introduce a scheme of selective licensing which encompasses more than 20% of the area's PRS, or more than 20% of its geographical area. In February 2018, the Secretary of State for the Ministry of Housing, Communities and Local Government confirmed our proposal for a selective licensing scheme. In

Nottingham the scheme will cover approx. 31,000 properties and will be operational for 5 years from the 1st August 2018 to 31st July 2023.

Energy Efficiency and the Green Agenda

In recent years there has been significant intervention by national government in order to improve the energy efficiency of the nation's housing stock. It has continued to oblige energy companies to contribute to help fund this via the Energy Companies Obligation (ECO), launched a high profile funding scheme for homeowners and private landlords to improve their homes via loans (the Green Deal), and encouraged the installation of solar PV panels by offering payments back as a "feed in" tariff (FIT).

These initiatives have been reducing in recent times. ECO has been reducing; The Green Deal reached very few households and has been abandoned. Feed in Tariffs are now much reduced and the incentive to install PV is far less.

A change in the law has meant that from April 2018 most PRS homes must meet a minimum "E" Energy Performance Certificate (EPC) rating presents a significant challenge which is examined more closely in Theme Two.

The home energy efficiency agenda moves rapidly, with new "smart" technologies and funding streams emerging all the time. Nottingham has a track record of delivery in this area and, as will be seen in theme two, is pioneering new approaches, and using intelligence from the Building Research Establishment (BRE) stock survey to target interventions effectively. The Council Plan has an objective to "Promote the benefits of domestic energy efficiency using zero carbon homes projects in Nottingham's most deprived communities", and this strategy shows how we will do this. We have already started this with the highly innovative Remo-Urban Programme, using "Energiesprong" deep retrofit principles.

National Planning Policy Framework 2012 (NPPF)

The NPPF seeks to significantly boost the supply of housing in order to address the gap between the need for more housing and housing delivery. It requires Local Authorities (working with Housing Market Area partners) to meet the full objectively assessed need for housing (both market and affordable), unless there are specific policies in the NPPF which indicate that development should be restricted.

In meeting identified needs, Local Planning Authorities should deliver a wide choice of high quality homes, widen opportunities for home ownership and create sustainable, inclusive and mixed communities.

A draft NPPF was published for consultation in March 2018 and the Government anticipates a final version will be published in the summer of 2018. However, boosting the supply of housing, accelerating housing delivery, and meeting specific housing needs continue to be key themes of new draft NPPF. Significantly, the draft NPPF includes a new definition of affordable housing which widens the scope of affordable housing to include not only starter homes but also discounted market

sales housing and “other low cost homes for sale”. This represents a significant shift in the provision of affordable housing through the planning system.

ASB, Crime and disorder

Local authorities as responsible authorities under the 1998 Crime and Disorder Act have a statutory obligation to consider in all of their policy making the potential impact of crime, ASB, Substance misuse and reoffending. Housing has a key role across all of these areas where poor or even criminal housing practices facilitate organised crime such as the production of illicit drugs, exploitation and the trafficking of human beings as acknowledged by the Government.

Housing and housing policy has an important role in tackling ASB, this is reflected in the powers and responsibilities most recently in the ASB, Crime and Policing Act 2016. Housing and the provision of housing is an integral component of preventing substance misuse which is itself a major driver of crime and ASB, with drugs and alcohol forming 2 of the 8 strategic pillars of the Government's crime reduction strategy. The provision of stable housing is also one of the five key elements of reducing reoffending alongside the recovery from substance misuse etc. and therefore forms a key part in integrated offender management (IOM) which itself focusses on crime types such as burglary robbery and violence.

Community Cohesion

Nottingham has been a dispersal area for asylum seekers since the early 2000s and continues to receive asylum seekers who are accommodated by one of the nationally-contracted housing providers. The City has also seen the arrival of significant numbers of migrants from the European Union. This has brought great diversity to the City; however issues arise over the quality of accommodation in which new communities are residing.

2. Local

Against a background of regularly shifting national housing policy, and in some cases the absence of clear national policy, Nottingham has in contrast been consistent in its approach to housing.

The Nottingham Plan to 2020

The Nottingham Plan is the City's sustainable communities strategy and has been in place since 2009. Within the plan there is a theme of Transforming Nottingham's Neighbourhoods, which gives the overall framework for the housing objectives aimed at achieving the City's objectives. The plan has two key housing objectives:

- To deliver 11,500 net new homes from 2008 to 2020
- To eradicate fuel poverty, with a target to become the best performing English core city in terms of reducing fuel poverty.

The Nottingham Plan sets out the City's ambitions across all services, and housing has a role to play in many of these, not least the objectives to improve health and wellbeing and mental health, which, as has already been noted and will be seen in greater detail in this document, forms a major part of our housing strategy.

The main medium term policy driver is the **Nottingham City Council Plan, 2015-2019**. The Council Plan is aligned to the executive's portfolios. For housing, this is Housing and Planning, but housing is also one of the five key objectives of the plan, with the action:

To build 2500 homes that Nottingham people can afford to buy or rent

The Housing and Planning theme of the plan has an overall objective for quality described thus:

Enable Nottingham residents to have access to a high standard of accommodation, whether renting or buying

Within these two overall objectives of delivery and quality, there are a number of actions which are described in detail in the theme chapters and in the delivery plan. The overriding principle of the approach set out in the Council Plan is that we are clear that all tenures will play their part in delivering our housing ambitions.

A number of other key city strategies and plans have helped to shape the approach of this strategy. They are:

Nottingham Health and Wellbeing Strategy, 2015: The Health and Wellbeing Strategy has as one of its key themes the impact of the environment on citizens' health. There is within the plan an Environment theme, in which housing has an integral role. This is articulated in much greater detail in the recently endorsed local Memorandum of Understanding on Housing and Health (MOU). The MOU and its associated action plan form the basis of our approach to housing and health which is described in greater detail elsewhere in this plan.

The Local Plan, including the Aligned Core Strategies and the emerging Part 2

Local Plan: These key planning documents inform the numbers of homes the city needs and the sites on which they can be delivered. They include policies to achieve the aims of the NPPF and the City Council in terms of creating mixed and balanced communities. To this end, they have a strong focus on the retention and development of new family homes to provide opportunities for families to stay in the City rather than move out to the surrounding boroughs to meet their housing needs, and diversifying the household mix of areas, particularly those dominated by Houses in Multiple Occupation, concentrations of which can give rise to significant environmental issues. Such housing is often occupied by student households, and the development of new purpose built student housing is an important dimension in maintaining and creating balanced communities, in that it provides the choice of high quality managed accommodation, allowing former Houses in Multiple Occupation to be reused by non- student households. The Local Plan also includes policies for planning obligations towards affordable housing, and for specialist and adaptable housing to meet the needs of specific groups, such as older persons.

Other related priorities

- Cut the victims of crime by a fifth and continue to reduce ASB
- Work with partners to reduce the number of repeat victims of hate crime by 20% and the victims of domestic violence by 10%

About Nottingham

Nottingham is a hugely diverse city which exhibits world-class examples of success, but at the same time contains some of the most deprived areas of Britain. Our strategic approach to housing is very much shaped by this paradox. It aims to contribute to the city's overall aim of bringing a greater share of its prosperity to all of our citizens. In appendix one we show the key demographic, economic and housing data which provides the context for the strategy. The main housing issues for Nottingham are:

- High levels of renting and low levels of ownership
- Rising house prices but low and fairly stagnant earnings
- Higher than average earnings to home value ratio
- High levels of deprivation

Nottingham's housing market is therefore in some need of rebalancing. The next section looks at how need and ambition can be met by the types of housing we deliver.

Assessing Housing Need and Ambition in Nottingham

This section looks at the city's housing need over the next few years and how delivery should be shaped to meet immediate need and broader aspirations and aims. In 2014, the Council undertook a modelling exercise, to see what size and tenure new development in the city should be, if households' tenure choice corresponded to age and employment as it did in the 2011 Census.

The key trends were that owner occupation increased the higher the occupational group, social housing increased the lower the occupational group, and that age as well as employment had little impact on private rented sector demand. Occupational group tended to rise with age, though 25-34 year olds dominate the professional and associated groups, with older age cohorts being more present in skilled trades and process/plant occupations.

This methodology was a move away from the traditional needs-based approach as it was projecting the housing offer that would be required to support different employment scenarios and the ambitions of the City's Growth Plan, rather than making a retrospective assessment of social housing need and those who could not afford to buy.

This approach reflected housing's integral contribution to supporting and sustaining the City's wider growth ambitions and that catering to aspiration as well as need is required to build balanced communities.

The 2016-17 Population Survey indicated that 60% of 16-64 year olds in Nottingham were in employment (students are counted in the overall population but are not counted as being in employment) in occupational groups shown in Appendix three.

The Office of National Statistics (ONS) household projections 2016 (2014 based) estimate that Nottingham's household population will increase by 5,231 between 2017 and 2023, to 138,048, a slight decrease against the 2014 (2012 based) projections.

Single person households and households requiring 1 bedroom housing (minimum) remain the largest group, though the greatest growth has been in households with children and other (e.g. sharers) requiring 2 and 4 bedroom accommodation.

Using Local Land and Property Gazetteer records, in 2016 the Building Research Establishment (BRE) identified 135,399 residential properties in Nottingham, therefore indicating a net requirement to deliver 2,649 additional homes over the next 5 years.

Implications for housing delivery

Data, trends and correlations can provide important insight into household requirements and preferences, both of which need to be considered if an appropriate and sustainable housing offer is to be delivered. However, they only indicate a

direction of travel and do not and show whether choice or circumstance are determining factors.

The 2011 Social Attitudes Survey concluded that owner occupation remains the tenure of choice and aspiration, with social rent being preferred to private rent due to standards and security. Private rent is valued for its flexibility but is still not considered a long-term preference among older or settled households.

Furthermore households do not usually confine themselves to minimum size requirements when choosing a property and therefore, if we are looking to rebalance the City's demography, we must look to provide beyond the minimum bedroom requirement and create sustainable homes that can accommodate an element of household growth and a desirable amount of space.

Employment growth can vary by sector, with specific interventions or advances presenting a different potential housing need to attract or sustain the sector's employees. Any linked delivery should be tailored accordingly and not just consider immediate need, but also sustaining residency in Nottingham over the longer term.

A high quality and aspirational ownership offer is key to retaining families and higher earning households in the City; a good quality and well-managed private rented sector provides younger professionals with the flexibility they need as well as increasing the sector's contribution to providing households across the spectrum with a quality home, thus reducing pressures on social rented provision.

Encouraging institutional delivery of private rented properties as well as working to improve the quality of the existing stock will help raise standards in this sector and provision of intermediate ownership and rented products, such as shared ownership will ensure that households can find a suitable home within tenures or transition between them relatively easily as their aspirations, needs, and means change.

Social housing, delivered by the Council, NCH and Registered Providers (RPs) will continue to be a core part of housing delivery. There are currently approx. 6,000 people on the City's housing register: demand and popularity remains high in social housing. Social housing also remains one of the best vehicles for delivering specialist accommodation and has its own role to play in supporting general needs and employment growth. We also want to see social housing as a tenure of choice, not just a "residual" option, where households from a variety of social and economic backgrounds can settle and form communities. This is achievable by continuing to deliver high quality new social homes alongside the maintenance of high standards within the existing stock.

In the light of all this our aim over the next three years will be to deliver homes in all tenures. Our ambition is to meet all needs and choices of homes – both "aspirational" *and* affordable.

Acute Housing Need

As well as the modelling above, we have looked in detail at housing need at the more acute end of the spectrum. We have recently carried out a considerable review of data as part of the refresh of our Housing and Homelessness Joint Strategic Needs Assessments (JSNAs). Some key indicators for this strategy are:

- The demographic data available (health, income, education etc.) for people living in Nottingham indicates that local people might be at a heightened risk of homelessness than elsewhere nationally. Nottingham is in the bottom 10 local authority areas for disposable income per head, has a comparably high level of worklessness/benefit claimants and lower levels of qualifications that help gain well-paid employment. Of all UK core cities Nottingham's citizens are paid the least – in 2016 the median weekly pay for a full-time worker in Nottingham was £448 (less for females).
- In line with the growth in recent years of the Private Rented Sector (PRS) we are seeing a high number of people presenting as homeless due to being served notice/evicted from a Assured Shorthold Tenancy (AST) in the sector and are in a situation where the sector is both a cause and a solution to homelessness, as social housing becomes scarcer.
- Over the past year there has been a significant increase (150%) in the number of rough sleepers in Nottingham; most recent official estimate being 35. Nottingham's Street Outreach Team regularly monitors the number of people sleeping rough.
- Homeless households have increasing support needs: nearly one fifth of people accessing supported accommodation (families and single people) stating that they have a mental health support need, with many households having multiple support needs. In addition there is a cross-section of homeless households, primarily single people, whose personal issues and resultant support needs are becoming increasingly acute and complex.
- Female survivors (and their children) escaping domestic and sexual violence and abuse are offered a placement in a refuge as emergency accommodation. Analysis of data held by the Homelessness Prevention Gateway shows that from 2014-15 to 2016-17 the number of households moving out of refuge has decreased by 58%, which would indicate a substantial increase in the amount of time single women and families are residing in refuge accommodation.

Housing conditions in the private sector: The Building Research Establishment (BRE) survey, 2016

The previous section looks at the evidence to support and inform future delivery of new housing. We also need to consider what interventions are needed to ensure that the existing stock continues to deliver high quality standards and where necessary is improved. This is particularly the case for the private sector; clearly we have the necessary information and asset management plans in place to ensure this in the social stock.

In 2016 the BRE undertook a comprehensive study of Nottingham's private sector housing stock on behalf of the Council. BRE's methodology is to take a number of data sets pertaining to tenure, energy performance and improvements, environmental health interventions in order to model the likely condition of properties. It is a robust and comprehensive indicator of conditions in the private sector.

The BRE survey has given us considerable evidence as to where resources and actions need to be directed, as well as providing a major source of evidence to support our scheme of selective licensing. The highlight findings of the scheme are shown in Appendix Three.

Our Partners and Stakeholder Involvement

This housing strategy is not just a City Council plan and its objectives will be delivered by a range of partners. The most prominent housing partnership the Council has is that with Nottingham City Homes, as the agency managing its housing stock but increasingly as a developer of new homes of various tenures and a provider of ever more diverse housing products and services such as its market rented arm. The NCH three year Corporate Plan therefore closely aligns to the objectives of the housing strategy.

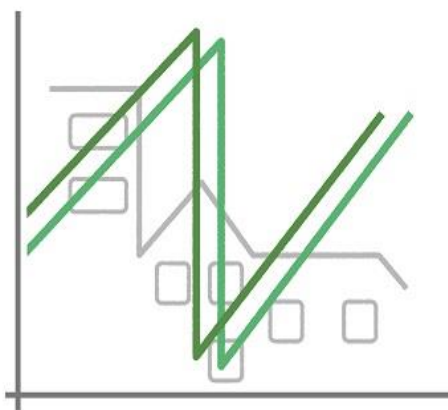
We continue to work closely with the housing associations which work in our city: some are still developing new homes in the city; all are working with the Council in helping to make our communities strong, safe and cohesive.

In delivering our objectives for improving the private rented sector we seek to work with landlords, providing support, encouragement and advice to help them meet their obligations.

The Council either leads or participates in a number of key partnerships which drive forwards our housing ambitions. These include:

- Homelessness Strategy Implementation Group (SIG)
- Health and Housing Partnership Group
- Nottingham Homelink Choice Based Lettings Partnership
- Nottinghamshire Social Housing Forum

Overall, these form part of a strategic housing network which aims to engage as many people in Nottingham's housing agenda as possible. The "Nouse" strategic network has over 2500 stakeholders, and is supported by regular social media output, events and housing market bulletins. By continuing to host and support the network we can ensure that housing issues are high on the agenda in Nottingham and that citizens, stakeholders and partner organisations remain actively engaged.



@Nottinghamnouse

The Themes of this Strategy and key objectives

The vision is for Nottingham residents to have access to a high standard of accommodation, whether renting or buying and to respond to the increasing pressure on the housing market by building a substantial number of high quality, new homes in the city, to meet both need and aspiration.

The policy context and the evidence base presented in the previous section lead us to five themes for this strategy. These are:

- 1. Delivering the new homes that will meet Nottingham's needs and ambitions**
- 2. Existing homes: Improving, maintaining good quality and making best use of them**
- 3. The challenge of homelessness prevention and providing specialist and supported housing**
- 4. Using the power of housing to improve health and wellbeing and prevent ill health**
- 5. Housing's role in strong communities**

These themes often overlap. There are also cross-cutting themes. For example, the provision of suitable and appropriate housing for our older citizens is a critical part of each of themes 2, 3, and 4.

Within the themes there are two overriding housing objectives for the City in the next three years:

- 1. To deliver new homes to meet a range of needs, from affordably rented homes to aspirational market sale housing**
- 2. To radically raise standards in the private rented sector by implementing a large scale scheme of selective licensing**

Theme one: Delivering the new homes that will meet Nottingham's needs and ambitions

What this theme about

There are a number of objectives within the Council Plan which are about delivering new homes to meet a range of needs. These are:



- Build (or facilitate) 2,500 new houses that Nottingham people can afford to rent or buy
- Respond to the increasing pressure on the housing market by building a substantial number of high quality, new affordable homes
- Plan, encourage and develop the Waterside between Trent Bridge and Colwick Park for housing use
- Encourage the building of quality aspirational family homes to support young couples and families to stay living in the city
- Ensure developers of new student accommodation build homes that students actually want to live in and consult with them on planning applications that affect them
- Promote the benefits of domestic energy efficiency using zero carbon homes projects in Nottingham's most deprived communities
- Build 100 Council bungalows across the city so older people can move into appropriate quality accommodation whilst staying in their own community (now achieved)
- Deliver housing options to meet the needs of students and young people who want to stay in Nottingham
- Deliver sustainable housing options for those with specialist needs (homelessness, mental health, young people etc.)

The 2500 homes figure is based on what we have assessed is needed and aligns to the housing numbers which our emerging local plan shows are required to be provided to meet future need. However, the city has an aspiration to provide a housing offer which is attractive to households who might look outside the city boundary for “step up” housing, and this section shows how this will be delivered.

The Council Plan takes us to May 2019; however we will be looking to continue to deliver new homes in a similar vein throughout the life of this strategy according to the new priorities identified in the next Council Plan.

Nationally, central government is committed to radically increasing the number of new homes that are built, and the National Planning Policy Framework requires local planning authorities to boost significantly the supply of housing. For Nottingham City, the housing requirement is set out in the Part 1 Local Plan, the Aligned Core Strategy. This envisages a minimum of 17,500 new homes be provided in Nottingham between 2011 and 2018. As at April 2017, some 4,627 new homes had

been completed. The Core Strategy envisages an increasing level of delivery over the plan period, with lower levels in the early years, so this total is slightly ahead of Core Strategy expectations.

In order to meet this requirement, the Part 2 Local Plan includes sites over 0.5 hectares which the City Council considers are suitable for further residential development. Monitoring of the Strategic Housing Land Availability Assessment and production of an annual Housing Land Availability Report demonstrates the City has in excess of a five year housing land supply.

This section shows how the Council and its partners will deliver this priority in Nottingham. It is one of the **key objectives** of this strategy

The Challenges

A continuing theme of this strategy is ensuring that there is a clear link between the economic ambitions of the city and the housing offer that will be needed to support them. Therefore the City's Growth Plan has been used as a key document to inform housing needs and delivery. The main housing needs highlights are shown in the section "Assessing Housing Need and ambition in Nottingham".

Often there is movement from within the City to the suburbs when people have families and want to move up the housing ladder. The Council wants to see the provision of aspirational housing, to prevent this movement to outlying areas. Efforts are being made to ensure that there are new areas of high value potential and new neighbourhoods of choice, for example Waterside.

Another priority for Nottingham is to retain a higher proportion of graduates from the two World-class universities. Currently Nottingham only retains 24.6% of graduates six months after graduation. This is compared to Derby (36.1%) and Manchester (51.7%). As a major economic growth factor, there is a concerted effort to create graduate jobs, however there needs to be a housing offer to complement this.

One of the main impediments in the delivery of much needed homes is the decreasing supply of residential development sites. There are few greenfield sites and it means that the Council has to make the maximum use of brownfield and smaller infill sites. Many of these sites have constraints, for example contamination, access or flooding issues, and the costs associated with remediating issues, within low land value areas, can often lead to a viability gap. This has meant that private developers have often failed to deliver in marginal areas, and the Council has incurred significant costs in its own development programme. Smaller sites do not have the economies of scale seen on larger developments.

Delivering sustainable housing is also a challenge. Changes in energy markets and the depletion of future energy supplies suggests a need to future-proof new homes, and to be aiming for low to zero carbon emissions from the housing stock by 2050. Again, this increases costs and therefore the viability gap.

The Approach

Private sector homes for sale

As we show below, NCH and housing associations will deliver significant numbers of new homes. However, if the number of homes required is going to be achieved, by far the largest proportion will need to be built by private housebuilders, the majority for market sale. Our assessment of housing need, allied to our growth ambitions as shown in the assessment earlier in this document fully evidences the need for private housebuilders to deliver in the city. The Council will support this through a positive approach to development management negotiations and our regeneration programme.

Over the course of the last housing strategy, a number of key sites were developed out with homes for private sale, most notably Kingsthorpe Close in Mapperley, Stonebridge Park in St Anns, and the former Haywood School site off Edwards Lane. In all these cases ex Council land was used to develop high quality homes for sale. Some key developments on private land were at Woodhouse Way, and Chalfont Drive. The enabling of a range of homes for sale accords with the Council's ambitions to boost home ownership and to provide a high quality housing offer so that people living in the city wishing to upsize do not have to move out in order to do so. At the same time we can attract professional people to come and live in the city.

There are a number of sites on which new homes for sale will be delivered in the course of this plan. Key to these are Melbury, Clifton West, Fairham College and Denewood. Additionally, Nottingham City Homes will enter this market, giving a new dimension to their activities, on former school sites such as Padstow School in Bestwood.

The Council has a 50% share in Blueprint, an innovative housing developer which has a track record of building high quality, sustainable homes in places which have not traditionally been considered for market sale (e.g. Green Street, The Meadows) but through delivery has successfully regenerated neighbourhoods. The Trent Basin development of highly innovative sustainable homes on this formerly derelict industrial site is a flagship development for the City. Blueprint will continue to take this approach with its development of a group custom build scheme at the old Fruit Market near Sneinton Market.



Trent Basin

Affordable elements on these new developments continue to be a significant contributor to the supply of rented housing, and we will continue to use s.106 agreements to achieve this where appropriate and practical to do so.

Aspirational Family Housing

The City area continues to lose families to the surrounding boroughs due to outmigration, and Nottingham City Council has a particularly low proportion of homes suitable for families² when compared to both the Housing Market Area as a whole and the national average. In 2011, only 55.6% of dwellings in Nottingham had three or more bedrooms compared with 63.3% in Greater Nottingham and 60.1% nationally. One of the key headline targets of the Nottingham Plan to 2020 is to increase family housing, however only 45.1% of non-student housing completions since 2011 have had three or more bedrooms, so the proportion of family homes in Nottingham is actually declining.

The lack of larger homes means that the quality and choice of housing is not always available in Nottingham as citizens progress up the housing ladder, causing them to look outside the City Council's administrative area to find a property of choice. This results in less sustainable, inclusive and mixed communities, with consequential impacts across a range of services and facilities, including schools. In order to address this challenge, the City Council is seeking to secure more family housing, and in particular, larger family homes.

In order to address these issues, the Part 2 Local Plan includes policies encouraging the development of family housing on suitable sites, and to control the change of use of family homes to flats, HMOs or other uses.

In addition, Blueprint are developing a range of high quality family homes at several locations around the City, which not only provide for the needs of City residents but are also proving very popular with people moving into the City. Nottingham City Homes are also likely to be building family homes for sale on future developments.

Social and affordable rent homes

The Council firmly believes in the continuing role of socially rented housing as a tenure to meet both need and choice. Council housing remains extremely popular as evidenced by both the size of the housing register, which stands at 6,500 households (as of December 2017) and the satisfaction levels shown with both the quality of homes and the management delivered by NCH.

Since 2012 and the change to self-financing housing revenue accounts (HRA) the Council, in partnership with Nottingham City Homes has sought to make maximum

² For Local Plan purposes, the following definitions for family housing will be used:

Family housing is likely to be of no more than three storeys, have private enclosed gardens, and have three or more bedrooms, two at least of which are capable of double occupancy.

use of the borrowing headroom available within the HRA to build new Council homes at social rent levels. 357 homes have been developed using the HRA and 29 are in progress. There are an additional 922 planned. We will continue to deliver homes in this way, particularly utilising the receipts from Right to Buy sales for which we have entered into an agreement with the government to use to part-fund new build affordable housing. The Council's refreshed HRA business plan will set out its ambitions for new build homes to be delivered in this way.

NCH has also built homes independently of the HRA, and has now set up a subsidiary to build, own and manage more of its own housing. In the course of this plan it will build over 400 homes in this way, utilising sites bought from various landowners, including the Council. The Lenton and Radford sites are examples of this.



Lenton



Radford

The new houses at both Radford and Lenton schemes achieved Code for Sustainable Homes level 4 and meet or exceed HCA internal space standards. The majority meet the Lifetime Homes standard. The new street layouts meet Building for Life silver standard.

Housing associations will continue to be important partners in the delivery of new homes, where possible making use of the Homes England's Affordable Homes Programme. Historically housing associations have made a huge contribution to the city's social housing provision: they now account for approx. 25% of the city's social stock. Since the last housing strategy, RPs including Nottingham Community Housing Association, ASRA (now PA Living), Framework, Derwent Living and Tun Tum have contributed over 450 new affordable homes to the city's stock. Where housing associations are best placed to deliver, the Council will work with them.

Social and affordable homes - Sites to be delivered 2017-2020

| Types of homes | Number of homes | |
|----------------|--|-------------------------|
| | <i>Delivered by housing associations</i> | <i>Delivered by NCH</i> |
| Houses | 67 | 230 |

| | | |
|-------------------------------|----|-----|
| Bungalows | 19 | 96 |
| Flats | 37 | 111 |
| Property type to be confirmed | - | 125 |

Institutionally-funded Private Rented Homes

As has been seen, the private rented sector (PRS) has increased dramatically in size and importance nationally, and in Nottingham there has been a lot of developer interest, with one PRS scheme now under construction at Hicking Building Phase 2 to the south of the city centre, with more expected to follow. This development is welcomed. For people with limited access to home ownership and social housing it has become the only realistic option. However, PRS is now being viewed as a tenure for new development, which gives the opportunity for it to deliver a higher quality product than might be found in the existing sector.

As was noted earlier in this document, the Government's housing White Paper envisages a significant proportion of new supply to come via new build private rented homes funded through investment institutions such as pension funds. It will not be limited to those organisations though, and it is to be hoped that a number of organisations will look to build this kind of housing in Nottingham, and NCH, already operating a market rent arm will be entering this market with its scheme on the Meadows Police Station site and the purchase of apartment blocks at Arkwright Walk, Meadows, and in Clifton. A significant regeneration scheme in the Arboretum, which will entail the renovation of large subdivided Council-owned buildings will also result in high quality market rent homes in an historic part of the city which is rich in heritage but in need of some improvement.

Previously, this kind of housing had been perceived as largely apartments for professionals, a welcome offer for cities seeking to retain graduates and younger professionals not yet ready to buy. However, the White Paper is suggesting that family houses could be delivered in this way, with longer tenancies offering greater security than the traditional buy to let market.

The challenge for Nottingham remains viability because, despite significant demand rent levels in many parts of the city are relatively low and an untested market. Furthermore, it will almost always be more lucrative for developers to build homes for sale rather than rent. Therefore, the entry into this market of NCH as an organisation not solely driven by the need for significant returns beyond the pay-back for borrowing is particularly important for the city.

Design and Sustainability

Nottingham City Council has adopted Building for Life – a scoring mechanism measuring the quality of housing and place being designed and developed. It relates to the design of the roads, buildings and public realm. It also helps assess the connectivity of the place including walking and cycling routes as well as bus routes. It

looks at how well developments are served by services and shops, whether the housing meets tenure needs and if the parking works. The City Council also ensures streets are designed to reflect Manual for Streets: national guidance around street design, ensuring they are designed with pedestrian and cyclist movement as a priority. Placemaking in terms of estate design is as important as individual house design. To ensure developers know the standard of housing design expected in Nottingham, funding has been obtained from Central Government via the Planning Delivery Fund to produce a Housing Design Guide, which shows examples of good design, locally and nationally. This will include amongst other details: space standards, fenestration, materials, orientation, amenity space and boundary treatment as well as sustainability.

Policies within the emerging Local Plan encourage good design within the city, as does the City Centre Urban Design Guide. Experienced case officers and a well-informed Planning Committee ensure that developers receive early, consistent advice normally leading to planning approval.

In delivering increased numbers of homes we must not lose sight of the need for them to be of good design and as far as possible sustainable and future proof. Not focusing on these factors merely stores up problems for the future.

Theme two shows how the City has made considerable progress in retrofitting existing homes to be more energy efficient, and continues to use innovative approaches to achieve even greater performance in this area. However, the focus must also be on making new homes more sustainable, and there is an aim to work towards homes achieving zero carbon emissions by 2050. The Council and NCH are testing the technologies for this in demonstrator projects such as REMOURBAN (see page 41).

Blueprint's new homes at Trent Basin are built to a highly sustainable level with a community owned energy services company being developed, which include features such as PV panels and battery storage. NCH's properties are also built to Code 4³, and have solar PV panels fitted wherever possible. The new NCH development at Eastglade will include homes built using the "Beattie Passivhaus" method, a system which means homes require minimal energy input for heating and cooling.

In trialling these new technologies, value for money and viability must be a consideration. Therefore in the demonstrator projects the Council and NCH are using innovative procurement systems based on outcomes.

Use of brownfield sites

Housing delivery by the City Council in Nottingham is currently focussed on regeneration areas such as the Waterside, or on medium sized surplus Council sites,

³ The Code for Sustainable Homes is an environmental assessment method for rating and certifying the performance of new homes in United Kingdom.

such as former educational facilities. These are anticipated to support housing delivery in the City over the next 5 to 10 years, developed out by Nottingham City Homes, other registered providers, Blueprint, or by private developers. However, land is in short supply in the City, and the number of large and medium sized sites within the control of the City Council is declining as they get developed out. In order to continue to support housing delivery in the City over the long term, a supply of smaller sites will be required. Most of these sites are likely to be brownfield and not within the control of the Council. The Council is developing its Strategic Housing Land Availability Assessment and Brownfield Register to identify and prioritise these small site opportunities. Using the new 'Permission in Principle' consent, and by working with land owners and developers, and pro-actively assembling or acquiring land (using Compulsory Purchase Orders where necessary), a supply of sites can continue to support housing delivery in sustainable locations, making the most of the City's infrastructure, supporting local facilities and minimising the loss of greenfield or Green Belt land in the surrounding boroughs. Crucially, identifying a pipeline of smaller sites should encourage smaller house builders to contribute to delivery, increasing the range and choice of homes available and ensuring greater resilience.

City-specific deals and sub -regional partnerships

Government ministers have now acknowledged that in order to bring about a step change in housing delivery it must be more flexible in order to address local barriers and specific funding needs. For some years now the English Core Cities have been lobbying government to be seen as the key deliverers of high levels of new homes. That is seemingly now translating into action as Government has indicated that via its funding agent, Homes England (HE) it is willing to enter into individual "City Housing Deals" with Local Authorities and city regions. Nottingham is working with HE to develop a plan which will shape central government funding for housing into a programme that works and delivers for Nottingham. A Metro Strategy has been agreed between Nottingham and Derby that contains a housing delivery element. Nottingham will work with Derby and other partners and agencies, where appropriate, to ensure, bring efficiencies to, and accelerate the development of key housing sites.

New Homes for our older citizens

Our data shows that we will need to ensure that housing for older citizens which meets their needs for the remainder of their lives is delivered within our overall development plans.

Nottingham is not expected to see a significant rise in the number of older people from the 'baby boomer' generation but it does have a disproportionate number of older people living with long term health problems and disabilities. We therefore need to ensure that we have a strategy in place to offer older people a range of housing options to enable them to live safely and independently for as long as possible.

Nottingham City Homes and our housing association partners manage in excess of 100 independent living schemes across the city for older citizens aged 55 upwards. NCH has completed decent homes works to all of its independent living schemes ensuring that all homes are secure, warm and modern with double glazing, new kitchens/bathrooms and economical heating. NCH have also completed an independent living scheme reorganisation which has re-designated some schemes that were deemed unsuitable or in poor locations for older people

Nottingham City Homes is in the middle of a programme of improvements called 'Grander Designs' to enhance the external appearance and communal areas of schemes around the city.

Nottingham has four extra care schemes, Lark Hill Retirement Village, Seagrave Court, Woodvale and Albany House which together provide a total of 495 extra care apartments and bungalows. Extra care differs from sheltered housing as these services benefit from an onsite care provider which, with the exception of Albany House, is available 24 hours a day. This provides consistency of care to the citizen as well as a greater flexibility with the care that is delivered. Having an onsite provider means that any change in the care needs of an individual can be identified and responded to at the earliest opportunity, enabling the citizen to remain independent for as long as possible. Residents of extra care services also benefit from a range of social activities which the provider is expected to facilitate. These factors mean that extra care can enable citizens to remain independent in their own homes, reducing the need for alternatives such as residential care.

Nottingham City Council is committed to using extra care as an alternative to residential care wherever possible and is actively seeking to increase the number of units within Nottingham City. Woodthorpe and Winchester Court in Sherwood is being transformed into an extra care scheme. The new development, known as Winwood Heights, will deliver 44 new apartments with communal/ recreational facilities which can be accessed by the residents of Woodthorpe and Winchester also. Included within Winwood Heights will be the provision of Assessment Apartments which will offer short term intensive re-ablement to support citizens to return to their homes in the community rather than be admitted to residential care or remain in hospital. Both Extra Care and the Assessment Apartments will be accessed through Adult Social Care

The City also has a further 5 schemes which provide 296 units of enhanced sheltered housing accommodation. The Council and NCH have developed in partnership an award winning independent living scheme called Palmer Court, Lenton which comprises 54 apartments and 16 bungalows. This replaced an energy inefficient sheltered tower block that was demolished on the same site.

The Council is currently delivering a brand new independent living scheme called Strelley Court on the site of the old Stepney Court in Aspley.

As part of the Council's 'Building a Better Nottingham' programme NCH has built 100 new council owned bungalows in various locations across the city. These new bungalows, particularly suitable for those with physical disabilities, will enable older people to down-size from and free up family housing. At least 10% of homes on new developments by NCH are built to life time homes standards. This has the positive longer term outcome of enabling older people being able to live at home and independently until the end of their lives and reducing the numbers having to go into care.

Specialist housing to meet specific needs

Theme three of this strategy outlines a renewed cross-sector partnership approach to understanding and meeting local levels of need for supported housing, both now and in the future. Having established the type and level of need we will need to ensure that we have an accessible and flexible mixed range of provision. To do this we will take a planned and coordinated approach to identifying what can be developed, where it can be developed and which partners can deliver it. This will include both new build and conversion of existing homes and buildings.

There is a particular need to review our approach to the housing needs of people with disabilities. A report by the Equalities and Human Rights Commission entitled *Housing and Disabled People: Britain's Hidden Crisis*⁴ suggested that there is a shortage of accessible homes and that disabled people are not getting the support they need to live independently. The picture in Nottingham is not clear, and more work needs to be done to have a 'reality check' of what the needs are, how well we are meeting the needs of disabled people and what actions need to follow if necessary. In the meantime, we will seek to deliver new homes which are accessible and meet the lifetime needs of their occupants and continue to deliver an adaptations service which assists our own tenants and private owners and renters via disabled facilities grants (DFGs).

Student Housing

Theme five shows that parts of the city have become imbalanced by the number of homes now in use as HMOs, in particular student HMOs. It remains the Council's approach to discourage any further expansion of HMOs or other student housing in these areas, and to support the continued development of purpose built student accommodation (PBSA) in the city centre or other appropriate locations as an attractive alternative.

Accordingly, the City Council has a City-wide "Article 4 Direction" which requires planning permission to be sought for changes of use from houses (C3 dwelling houses) to HMOs (C4 HMOs). In addition, the City Council supports new PBSA in appropriate locations, with the twin aims of accommodating all new increases in student numbers and of providing more choice of housing options to students, thus preventing further imbalances in communities and allowing HMOs formerly occupied by students to be recycled for other households.

There has been good progress in meeting these policy aims with well in excess of 6,000 new bed spaces in PBSA and a 20% reduction in Council Tax exempted homes (i.e. fully occupied by student) between 2011 and 2017. Ongoing monitoring of vacancy rates in PBSA shows that this form of housing is very popular, with very

⁴ Equalities and Human Rights Commission, May 2018

low rates of vacancy. In addition to helping to rebalance communities, the policy has also increased the choice available for students and improved the quality of accommodation, both in the new PBSA and in traditional HMOs which have received more investment in response to increased competition. The new PBSA has also led to redevelopment of large parts of the City Centre with many economic benefits in terms of job creation and supporting services.

Graduate retention

Within the Council Plan there is an objective to “deliver housing options to meet the needs of students and young people who want to stay in Nottingham”. Graduate retention is a priority for the city, as compared to other major university cities it has a low retention rate. Whilst the main driver for graduates in determining whether they remain in Nottingham is employment opportunities, it is important that there is also an attractive housing offer. The most likely destination tenure for this group is the private rented sector. Therefore our efforts to improve the quality of the PRS as shown in theme two, and the development of new build to rent homes will contribute to this.

Theme One: key actions 2018-2021

1. Support the delivery of homes for market sale by private developers in numbers which meet Nottingham’s projected needs
2. Build at least 600 homes via the NCC/NCH programme
3. RPs to build 53 homes in 2018/19 and to explore opportunities beyond this
4. Build bungalows and a proportion of lifetime homes to meet the needs of older citizens and people with disabilities
5. Support the delivery of market build to rent PRS homes
6. Negotiate with central government for a local housing city deal which will support all our delivery
7. Maximise available resources and powers to unlock complex sites
8. Make the best use of brownfield sites and “permissions in principle” to maximise delivery
9. Seek to make new housing as sustainable as possible by trialling new technologies and encouraging low carbon development
10. Deliver the new Strelley Court and Woodthorpe/Winchester independent living schemes
11. Ensure that the future, longer term housing needs of older people are considered

12. Carry out a review of how well we are meeting the needs of disabled people now, and explore ways of assessing future need
13. Continue to encourage the appropriate development of attractive purpose built student accommodation as an alternative to converted family homes
14. To deliver a pilot site with NCH, using a Modern Method of Construction (MCC) and encourage the use of innovative new technologies with developers.

Theme Two: Existing homes: Improving, maintaining good quality and making best use of them

What this theme is about



A robust housing strategy needs to not only set out how new homes will be delivered. It needs to address the issues which we face within the existing housing stock, across all tenures, so that it continues to provide high quality homes for our citizens, whether they are renting from a social landlord or private landlord, or own their home. Across the tenures we have an approach to give this assurance, and this section sets this out. There is a significant crossover with Theme Four within this section of the strategy, and Theme Four describes in greater detail the initiatives and interventions which will be delivered with a specific emphasis on improving health and wellbeing outcomes. This theme includes one of our key objectives for the next three years: to implement a major scheme of selective licensing in order to bring about a step change in standards in the private rented sector.

We also need to ensure that we are making the best possible use of the existing housing stock in the city, across tenures. In social housing this means having in place allocations and tenancy policies which respond to housing need effectively. In the private sector our main concern is ensuring we have a quality private rented sector that meets the needs of our existing and new citizens providing safe, healthy and well managed homes. The theme also recognises the importance that houses do not remain empty for long periods of time when they could be providing a home, and also to stop them causing a detriment to local neighbourhoods.

The Challenges

The social housing stock has received considerable investment over the past decade as providers have brought their homes up to the decent homes standard. Although it is impossible for the stock to ever be 100% decent at any one point, we are as close to this in Nottingham as we have ever been. The challenge now is to maintain decent homes standards through effective maintenance services and capital investment. However, as we have seen, the resources to do this have been reduced by the four - year 1% reduction in rents.

The challenges in the private sector, both rented and owned, have been identified through the Building Research Establishment (BRE) stock survey⁵, which gives us valuable data showing the scale and location of issues such as Health and Housing Safety Rating System (HHSRS) hazards, disrepair, poor energy efficiency and fuel poverty.

Our licensing schemes, rogue landlord programmes and responses to citizens reflect what has been found in the house condition survey, and have demonstrated that

⁵ Available on Nottingham Insight at <https://nottinghaminsight.org.uk/d/184005>

whilst the majority of landlords are good and some excellent, there are criminal landlords operating. There are landlords lacking knowledge of their legal duties and responsibilities and sometimes with an unwillingness to improve and manage properties well. Some landlords have displayed apathy towards the support schemes available such as accreditation.

We are seeing an increased number of vulnerable migrant and transient communities in some neighbourhoods. They are often living in some of the worst private rented homes. We are experiencing growing numbers of cases of modern day slavery and exploitation associated with the PRS.

Sub-letting is becoming more of a common practice amongst criminal landlords to avoid or deflect responsibilities. We often find dangerous living conditions, and overcrowding is common.

As a city we aspire to good quality housing for all and extra powers and resources requiring landlords to be proactive and responsible in their management will strongly assist in making the sector a type of housing of choice.

We have seen how much the private rented sector has grown in the past 15 years, and how it now fulfils a much wider role in the housing market. Given its increasing size and importance it is vital that we improve its quality so that it properly meets the needs of those who rely on it for a source of housing which is accessible and which they can afford. The challenges in the private rented sector are not only ones of property conditions, however. The evidence that has been collected to support a scheme of selective licensing in the city shows widespread problems of ineffective management in the PRS, as manifested by high levels of anti-social behaviour. Furthermore, although the Council has had considerable success in reducing the number of long term empty homes, it continues to be an issue which the Council needs to tackle.

The BRE survey also shows that there are significant levels of disrepair and poor energy efficiency within the owner occupied sector. Whilst it naturally falls to homeowners to remedy this using their own resources, there will be some (mostly older) owner occupiers without the resources to do this and in need of support to help them. In social housing the challenge is primarily to match need to the stock we have available in the light of changing household patterns and the influence of welfare reform.

The Approach

A well regulated, high performing PRS

The BRE survey showed us how much the PRS has grown since the last census. The study suggests there are now 43,000 PRS homes, which means that it is now the second largest tenure in the city after owner occupation. There are a number of reasons why the PRS has grown so much in recent years, but foremost amongst them is the challenges which many people face to achieving home ownership, i.e.

rising prices, high levels of deposit required, and wages not high enough for borrowers to be able to afford loan repayments. Conversely, until recent changes were made to the tax system, buy to let landlords had found it relatively easy to acquire properties to rent out.

The PRS is a vital component of the housing market. It offers easy access and easy exit housing which suits many people's lifestyles. It is generally cheaper in Nottingham to rent than to buy. The sector provides homes for people on benefits and low incomes via the LHA system, and continues (but to a decreasing degree) to house many of the city's university students. However, we are now also seeing more families with children living in the PRS as they find home ownership out of reach. Given these new demands on the sector and the nature of the client group, it is essential that the sector delivers high quality, safe and warm homes.

The BRE survey suggests a sector which generally demonstrates lower property standards than other tenures. Despite many initiatives across tenures there are still issues with excess cold and energy efficiency. The study showed that 21% of homes in the PRS had HHSRS category one hazards, compared to 17% in the owner occupied sector. 14% of PRS homes were in disrepair compared to 6% owner occupied and 3% Social Rented.

There is also evidence that the PRS is not well managed in many parts of the city. This is evidenced by the high levels of crime and ASB which our evidence suggests

Key Objective: Selective Licensing

The evidence we have gathered, and the overarching ambition for high quality housing in all tenures has led the Council to believe that in order to bring about the improvement needed in the PRS, and to get landlords to fully carry out their responsibilities, it needs to use powers within the 2004 Housing Act to introduce a selective licensing scheme. The Council has used all of the powers and tools available to it, as well as a number of high profile initiatives (see below) to bring about the required improvement in the PRS, but these have either been insufficient, or require a purely reactive approach and intensive use of scarce resources. Therefore, the complementary tool of licensing is now required. The need for a scheme has been robustly evidenced in line with statutory requirements and Government guidance and was consulted upon in early 2017. Confirmation of the scheme has been received from the Secretary of State for Housing, Communities and Local Government and it will be in place from August 2018. With approximately 31,000 homes covered by it, the five-year scheme will be one of the biggest in England and represents a radical shift in our approach to raising standards in the PRS.

is closely correlated to the PRS.

The Council has had a scheme of additional licensing for houses in multiple occupation in force since January 2014. This was five year scheme, and the Council has carried out a full examination of the evidence of problems within the city's large number of HMOs with a view to implementing a new scheme.

As well as the use of licensing schemes the Council believes in using regulatory powers and duties to the maximum in order to achieve improved standards in the PRS and tackle rogue landlords. It uses a 5- stage enforcement model to underpin its use of statutory powers:

- Stage 1 Advise – providing support and / or seeking co-operation
- Stage 2 Warn – warning letters, threat of legal action
- Stage 3 Initial Enforcement – Legal notices, licence revocation / refusal
- Stage 4 Substantive Enforcement – Legal notices, prosecutions, works in default, interim management orders, simple cautions
- Stage 5 Breach – Prosecution, Final Management Orders

The Council will always take a strong stance against landlords who persistently fail to comply with the law using prosecution, civil penalties, licence revocation and reduction as well as management orders; from April 2018 banning orders are available to stop landlords who do not comply with conditions placed upon them from operating. The Council has been making full use of civil penalties within the terms of the Housing and Planning Act 2016 since they were introduced in April 2017. These enable swift action to be taken against landlords without the need for prosecution. Rent repayment orders are also now available to achieve financial compensation for tenants affected by any of the qualifying offences. In the future, it will be possible to place landlords who have committed qualifying offences on the government's national rogue landlord database.

Accreditation



The city's PRS has a high number of professional landlords who deliver good quality homes. Many of these are accredited via one of the city's two main accreditation providers, Unipol and Decent and Safe Homes (DASH). The two schemes together comprise the Nottingham Standard for PRS accreditation. Accreditation recognises good landlords, gives tenants confidence, and reduces the need for Council intervention. This is recognised in the discount on licensing fees for accredited landlords within the selective and additional licensing schemes.

The overall aim is to ensure that good landlords are placed at the "light touch" end of a spectrum which has rogue landlords at the other end. Our resources should rightly be focused on dealing with the landlords who do not comply and in some cases act in a criminal fashion.

Nottingham City Homes Market Rent: "LiviNG"

Nottingham City Homes has a commercial subsidiary, NCH Enterprise Ltd, which is building a portfolio of market rented homes called “Living”. By bringing its high standards of housing management and maintenance to Nottingham’s PRS, NCH can provide high quality market rented homes whilst at the same time being an exemplar for the rest of the sector in terms of standards.

Supporting landlords, dealing with rogues

The Council values the PRS and the good landlords in it. There is recognition that as well as regulation, training, information and advice are key tools to moving landlords towards the light touch end of the spectrum. Our strategy will include approaches to enhance the information and communication channels available to landlords and tenants as well as involving them in development of practice and policy. We will be putting in additional guides to good practice and a requirement of our licensing schemes will be basic landlord training. We also hope to be able to offer more officers able to support landlords and tenants directly with advice as well as offering wider training such as dealing with ASB, safeguarding and homelessness prevention.

The City has unquestionably seen rogue landlords continuing to operate in the past few years. It has been a major focus for the Council’s Safer Housing Team who, in conjunction with Community Protection Officers and the Police have targeted known criminal landlords for enforcement action. This has been supported by two separate successful bids to the government’s Rogue Landlord Fund.

As well as poor property conditions, crime and ASB associated with some elements of the PRS, the sector exhibits an inherent lack of security of tenure for those living within it. Most properties in the PRS are let on six month assured shorthold tenancies (AST), which landlords can bring to an end after the six month term without needing to give any grounds for possession. The ending of an AST as a reason for acceptance as statutorily homeless in Nottingham increased from 25.3% in 2015/16 to 43.4% in 2016/17. With more families with children living in the PRS this is of considerable concern in terms of the instability this causes. One of the main reasons for not renewing an AST is rent arrears, and it may be possible to provide greater support for both landlords and tenants to prevent evictions through earlier intervention. Such support may be possible to provide within the Council’s selective licensing scheme.

The Council has been successful in securing funding under the Government’s Controlling Migration Fund. Locally this is being called Nottingham Together, and one workstream will be to tackle rogue landlords who are housing and potentially exploiting migrants in some of the worst housing conditions in the city.

Supporting Tenants

Ensuring that tenants have safe and comfortable housing is key to achieving health and wellbeing, preventing deprivation, health inequality and homelessness. There are already numerous links and working arrangements with partners, other

organisations and community groups. Some of our proposals include further enhancement of these as well as the development of a signposting scheme for PRS tenants and including the tenant's voice in the licensing process.

Tackling Empty Homes

At a time of extreme housing shortage, empty homes becomes an even more pressing and emotive issue. However, it is not only the waste of empty homes which needs to be tackled: vacant and/or derelict properties can be a blight on a neighbourhood, attract crime and vandalism and can be a health hazard.

The council is proactive in its approach to empty homes, using a tiered approach from encouragement through to enforcement, in the last case scenario pursuing compulsory purchase orders.

Between 2012 and 2015 the council received funding from the HCA to repurchase, refurbish and re-let long term empty properties. A total of 35 homes were acquired in this way, and the scheme focused on former right to buy homes on council estates as this made sense from a housing management perspective and also maintenance, as the properties were types that NCH is experienced in maintaining. Although this programme has now finished, the council can still acquire empty homes using its own resources, particularly right to buy receipts, as mentioned in Theme One.

The aim in the next few years is to continue to make optimum use of the powers we have available to bring empty homes back into use, and tackle some of the most problematic derelict residential properties. It is also proposed to consider how owners can be encouraged to allow suitable properties to be used or sold and linked to initiatives which boost the supply of more homes for homeless people.

Keeping social homes well maintained and continuing to meet the decent homes standard

Enormous strides have been made in the past decade to improve social housing by bringing it up to the decent homes standard. The Council's stock achieved 100% decency in 2015, having received considerable investment of HCA grant and City Council resources. The Council's decent homes programme, delivered by Nottingham City Homes, focused on three key themes: safe, warm and modern:

Safe: to ensure all statutory safety requirements were achieved in our homes

Warm: to ensure that our homes have energy efficient heating systems that allow tenants to keep their homes warm and keep their energy bills as low as possible

Modern: Installing new kitchens and bathrooms

Having achieved high quality standards within the stock, the focus shifts to maintaining it by developing an asset management strategy which assesses the safety requirements that need to be fulfilled, the condition of the stock, the likely lifespan of components with the homes and the ways in which the stock can be made more energy efficient, to help lower customer bills and to reduce carbon emissions.

The resources to deliver the asset management strategy come through the self-financing Housing Revenue Account. Within the HRA there is a capital investment programme, which sets out in a three year plan the work which will be carried out and the funding required. The overall, long term approach to the management and maintenance of the Council's stock and how it will be resourced is shown within the Council's HRA business plan. The current HRA business plan is a 30 year plan; however its assumptions were heavily undermined when the four year rent reduction was announced. The reduction has an impact beyond the four years of its implementation: it has a cumulative effect on available resources, leaving a considerable deficit in later years. Although a new rent policy of CPI+1% for five years from 2020 has now been announced, it has been necessary to refresh the HRA business plan and make new investment decisions. It is an action of this strategy to complete this work in order to provide as much clarity as possible about investment priorities in the next 10 years or so.

The 2015-2019 Council Plan objective to support housing associations to deliver high quality management and maintenance to their homes will assist the delivery of this part of the housing strategy as it affects the other major providers of social homes in the city. We have developed a performance framework with housing association partners (known as the "Greater Nottingham Standard for Social Housing"), which includes a number of indicators related to repair standards. We want to see higher levels of resident satisfaction with the standard of housing association homes.

Leaseholders

The Council has over 1,000 leaseholders who live in flats and maisonettes which have been sold under the right to buy. A number of blocks in which there are leaseholders are undergoing or likely to undergo significant work in the future (see REMOURBAN, below). The Council has the right to recharge leaseholders for this work, and it is usually appropriate to do so. However, this has the potential to cause financial hardship, so the Council has put in place a range of options to support leaseholders who might have difficulty making their contribution to the cost of major works.

Making our stock sustainable, energy efficient, tackling fuel poverty, and reducing excess winter deaths

Nottingham has achieved much in terms of domestic energy efficiency in the past decade across all tenures. It has made full use of funding streams such as carbon emissions reduction target (CERT) and Energy Company Obligation (ECO), Community Energy Savings Partnership (CESP), and Feed in Tariffs for photovoltaic (PV) cells plus invested its own resources via the HRA to retrofit energy saving measures, particularly solid wall insulation via the Greener Housing initiative. Wherever possible private homeowners have been included in these schemes at much lower cost than had they done the work themselves privately. They have been supported by Nottingham Energy Partnership to fund these works. As previously

noted, the decent homes programme had “warm” as one of its three work streams, and included the modernisation of heating systems throughout the stock. We have safely insulated high rise blocks (Bentinck, Manvers and Kingston Courts) and brought them onto the district heating system, reducing the energy costs for the residents of those homes. Overall, the work NCH has carried out has resulted in the achievement of an average “C” energy rating across the stock. The Greater Nottingham Standard includes this indicator, with a target that an average “D” is achieved across the stock. We will want to stretch this target to “C” in future years to match NCH’s achievement.

Nottingham City Homes has developed an environmental strategy which sets out how it will further improve the energy performance of the Council’s homes. We are now moving into an era when the homes left to do are the ones which are particularly hard to treat. To this end, NCH and NCC in partnership are developing innovative retrofit solutions for these properties. The key focus will be the REMO-urban initiative in Sneinton (see below), which is using European Union funding to pilot highly innovative techniques to radically improve the energy efficiency of the non-traditionally constructed homes in this part of the city.

Case Study: REMOURBAN

REMOURBAN is a project funded by the European Commission, through which Nottingham is developing an integrated replicable



urban development plan in the Sneinton area.

Nottingham City Council is receiving 1.8m Euros funding for the works, and more than 150k Euros funding for NCH officer time, to show how we can develop homes which belong in Smart Cities. We are calling them our ‘2050 homes’. Via the scheme 126 solid brick homes in the Windmill Lane area have been insulated, with a

methodology which has gained national recognition by the Government, through the Bonfield review, looking at quality, standards and customer care for Energy projects.

An energy retrofit of Newark Crescent has now been completed and work will take place at Morley, Haywood, Keswick and Byron Courts, which will also receive low temperature district heating, PV and battery storage at a communal level. The 2050 homes, which is a pilot of a terrace of 'William Moss' (non-traditional, system-built homes) houses, will use the Energiesprong model, developed in the Netherlands, to procure a supplier who will guarantee the energy performance of the properties once they have been retrofitted, with a target of zero energy consumption after retrofit. Energiesprong homes at West Walk have now been completed, and the receipt of further European funding will support the retrofitting of other William Moss homes across the city.

Energiesprong

Energiesprong is a radical approach to retrofit and regeneration, which involves wrapping the home to create a super insulated home, which generates as much energy as the consumers require, and which guarantees the energy performance.

The concept, which was developed in Holland, means Energy Leap in English. Because the energy savings and the maintenance are performance guaranteed, money which we would have spent anyway, and a contribution from savings which the tenants will make, can be used to create the Energiesprong solution. After the work has been completed, the tenant will be warm and comfortable, and have a significantly improved home, with lower maintenance, and for this they will pay a set fee instead of a fluctuating energy bill, which will help them manage their budget.

The requirements for an Energiesprong are as follows:

- The work must pay for itself within 30 years (HRA investment and tenant savings)
- It must be installed in less than 10 days
- The solution must have a performance guarantee for the energy savings and the maintenance—this is crucial for us to develop a model where we use our existing investment and use a PAYS (PAY AS YOU SAVE) model for tenants.

The key challenge for the private rented sector will be the requirement that all homes meet the Energy Performance Certificate rating of at least "E". From April 2018 it will be unlawful to let out properties which have a rating of F or G. Our data shows that in Nottingham this applies to approximately 6,000 homes. We have already started to work with landlords to raise awareness of the change and to support them to raise ratings where it is needed. However, together with a support role, the council will also be charged with enforcing the new rules to ensure that landlords are complying. Our reach through housing licensing, use of HHSRS and visits to private rented homes will assist with raising awareness and implementing these energy

requirements.

All the energy efficiency interventions which we carry out or promote are intended to make homes easier and less costly to heat, and thus help to reduce fuel poverty. The fluctuations in our position amongst the Core Cities using the “low income, high cost” measure shows that although we have made progress there remains much to do. The council’s HRA capital investment plan has provision for a programme of energy works aimed at reducing the energy costs of our tenants, whilst also reducing the carbon footprint of our stock. We also need to ensure that tenants fully understand the best ways to reduce their bills, and NCH have energy advisors to work with tenants to do this. We have a greater challenge to do this in the PRS; however we have in the past and will continue to work with landlords to provide information on schemes from which they and their tenants can benefit.

Assisting vulnerable owner occupiers

Owner occupied housing makes up 42% of the city’s stock, and remains the largest tenure in the city, although it is small relative to the national average. It is therefore important that the principles of good quality and decent standards extend to this tenure, for the occupiers’ benefit, but also for the city’s neighbourhoods.

The upkeep and maintenance of privately owned homes is clearly the owner’s responsibility, one which they assume when they enter into ownership, and for which they have to make financial provision. However, for a number of reasons, owners, particularly older householders, may find it difficult or impossible to pay for essential repairs to their homes.

For six years now the Council has offered low interest equity loans to older people who have HHSRS category one hazards in their home. This is a recyclable loan fund, therefore it has been possible to continue to make loans available beyond the original pilot time frame of the scheme. Using this scheme it has been possible to help many people to fund significant works to their homes.

It is intended that the equity loan scheme will continue through the life of this strategy. However, this will need a review of the delivery mechanism and partnerships currently in place.

Theme two: key actions 2018-2021

1. Implement a selective licensing scheme for private rented homes in the areas in which we have evidenced the need for the scheme
2. Undertake the necessary steps to deliver a new scheme of additional licensing for when the existing scheme expires
3. Use advice, regulation, enforcement and licensing to improve private rented sector homes, protect and enhance the lives of tenants and improve neighbourhoods

4. Work with our accreditation provider partners in order to achieve a spectrum of intervention in which accredited landlords receive the lightest touch
5. Explore ways of better supporting landlords and tenants with priorities of seeking compliance with legislation, safe homes, signposting tenants for broader support and preventing evictions and consequent homelessness
6. Tackle rogue landlords improving housing, safeguarding, preventing exploitation, housing related crime and ASB as well as homelessness
7. Have a robust plan in place to ensure the Council's housing stock continues to be well managed and maintained with resources fully identified, by refreshing and implementing the HRA business plan and associated asset management plan
8. Ensure housing associations maintain quality standards in the management and maintenance of their homes via the implementation of the Nottingham Standard for social housing and regular engagement between the Council and housing associations
9. Use a range of interventions in order to bring long term empty homes back into use
10. Continue to improve the energy performance of the City Council's housing stock in partnership with NCH, using innovative methods and maximising available funding streams
11. Develop a comprehensive fuel poverty strategy which identifies and targets hot spots of fuel poverty with advice and support about available schemes and ways of reducing heating bills, and supports behaviour change
12. Run a publicity campaign in partnership with landlords to raise awareness of the changes in EPC rules, and assist the PRS to meet its obligations with practical support
13. Offer equity loans to vulnerable owner occupiers to eliminate HHSRS category one hazards having reviewed the current delivery mechanism and partnerships.

Theme Three: The challenge of homelessness prevention and providing specialist and supported housing

What this theme is about



Themes one and two explore our approach to ensuring that there is an adequate supply of quality housing in the city. Providing shelter is fundamental to meeting basic needs. However, providing a mixed economy of different types of housing can reach much further beyond meeting basic needs by helping to support people in a more personalised way which promotes independence and community based living. We believe that providing housing that appropriately responds to individual support needs is critical if we are to effectively meet the housing needs of all of our citizens.

One of the four equalities objectives of the City's Health and Wellbeing Strategy is to "*Provide inclusive and accessible services for our citizens*". The plan goes on to describe these services as being "*where and when citizens need them*". We also aim to "*enable Nottingham residents to have access to a high standard of accommodation*" and "*be a city that enables health lifestyles, promotes wellbeing and supports community resilience*". Making sure that someone has a home and that it is appropriate for their specialist needs is a way of fulfilling these ambitions.

Recognising specialist housing support needs is a national priority. Through two rounds of the Care and Support Specialised Housing Fund, Government recognised the need for a *buoyant specialised housing market that can respond positively to demand, allowing more people to make the housing choices they want in order to live a more independent life*⁶. It is widely accepted that the benefits of providing appropriate supported housing go beyond the individual. As explained in a 2015 National Housing Federation paper entitled "Supported housing, Understanding Needs and Supply"⁷: "*supported housing improves vulnerable people's health and independence and helps ease the pressure on the NHS and care services. Investing in this type of accommodation delivers a net saving to taxpayers – estimated at around £640m a year across all client groups.*"

Types of specialist accommodation in Nottingham

- Accommodation for older people e.g. Extra Care, Sheltered Accommodation (plus the many homes where residents are supported by the Nottingham on Call alarm service, managed by Nottingham City Homes)
- Specialist adapted supported accommodation for people with physical disabilities
- Supported accommodation for people with learning disabilities or mental health support needs

⁶ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/572454/rr927-supported-accommodation-review.pdf
⁷ http://s3-eu-west-1.amazonaws.com/pub.housing.org.uk/Supported_housing_understanding_needs_and_supply.pdf

- Direct access emergency accommodation for people who are homeless
- Specialist supported accommodation for people who are not ready for independent living (e.g. people with support needs such as substance misuse, (ex)offenders, young people, teenage parents)
- Refuge accommodation for survivors escaping Domestic or Sexual Violence and Abuse (DVSA)

The Challenges

Older people

There are around 37,500 people aged over 65 living in Nottingham. Life expectancy is increasing and in Nottingham there are a large proportion of adults living in poor health in older age. According to the Nottingham Health and Wellbeing Strategy *Happier Healthier Lives 2016-2020* Nottingham residents will live their last quarter of life in poor health.

A key objective of the Council plan is to *make life better for the 35,000 older persons in the city enabling choice and confidence in the care they receive and the way it is delivered, maintaining dignity, independence and control.*

There are a number of different ways that housing with support enables older people to remain independently in their homes as long as they want to for example, through the provision of Assistive Technology such as Telecare and other aids and adaptations. Additionally, specialist support services are designed to provide support to improve home health and safety, reduce fuel poverty and address social isolation and loneliness.

Survivors of Domestic or Sexual Violence or Abuse

Nottingham City Council is committed to funding services for survivors of DSVAs and has invested significantly in our specialist services balancing a risk and needs led approach with survivors. In 2016, the Crime and Drugs Partnership led on an innovative and robust multi-agency tendering process alongside the Nottingham City Clinical Commissioning Group and Office of the Nottinghamshire Police Crime Commissioner designed to integrate funding and provide prevent, cope and recover services in a more holistic way to survivors of violence. The Sanctuary Scheme, delivered by Nottingham City Homes and co-ordinated by Housing Aid, continues to support a number of survivors of DSVAs to remain safely in their homes through security measures in the home.

In 2015 Nottingham City Council was successful in a bid to the DCLG for funding to deliver accommodation and support for complex needs survivors. Supporting survivors with complex needs is not the only way refuges are developing. Many refuges are facing increased pressure to also become safe forms of accessible

accommodation for women escaping other forms of violence including honour based violence, gang violence, modern slavery and trafficking.

Learning Disabilities and Mental Health

There are an estimated 6,086 adults with learning disabilities resident in Nottingham, of these 1,293 have moderate/severe learning disabilities and 99 have profound multiple learning disabilities⁸. Many adults with learning disabilities are living in inappropriate accommodation such as residential care when they could be living in more independent settings with appropriate support.

There are 3,590 people known to GPs as having a serious mental illness in Nottingham and there are increasing numbers of people being treated for psychosis. The City Council and Nottingham City CCG currently commission four specialist mental health supported accommodation services under block contracts. There are a total of 85 units within a core and cluster model of provision. This is in addition to social care spending on provision of personal budgets, residential and nursing support, and supported living. In 2016, the Council initiated phase one of a strategic commissioning review into the mental health accommodation and support pathway. The review has found that the supported accommodation services are effective in enabling discharge from hospital of people with complex needs and behaviours and they are managing the support and enablement of these highly complex individuals effectively, in order to stabilise and identify their support needs longer term. However, phase two of the review needs to now further understand how this provision sits within a complex, changing system of social care support and NHS treatment services and also how it runs in parallel to homelessness provision in the City. This is particularly important because analysis conducted within the review found that half of the service users had previously accessed supported accommodation; moving from one type to another and almost two fifths of people moved into another form of supported accommodation when they left this provision.

The principle that services should enable citizens to maximise their independence, realise quality of life outcomes and deliver value for money is central to the vision of Adult Social Care. As part of the Better Lives Better Outcomes programme, Nottingham City Council is actively reducing its reliance on residential care in favour of more settled options such as supported living. Residential care will now only be considered where no other option exists or on a short term basis while other more independent options are pursued.

In order to realise the vision, Nottingham City Council is actively working with the market to develop more supported living options for citizens with a learning disability and / or autism and / or mental ill health. Supported Living provides a citizen with their own tenancy and a package of support which is secured from the Care, Support and Enablement accreditation. Supported Living is a flexible concept and services

⁸ Nottingham City JSNA, Learning Disability Chapter 2011

can be individual in self-contained units or shared services where the citizen still has their own tenancy but shares facilities and some elements of their care with other residents. In 2017 the Council introduced the role of an accommodation broker on a pilot basis to establish pathways into alternative independent living accommodation. The role provides a bridge between service users and their social workers and accommodation providers, assisting moves into suitable accommodation.

As well as developing new supported living services, Nottingham City Council is also piloting reregistration of residential services to supported living. This approach will give the citizen the benefits of living in supported living, without requiring them to move to a new home. The pilot should conclude in the summer of 2018 and the intention is to open this opportunity to all residential providers in the City and surrounding areas by the end of 2018.

Independent Living Support Services (ILSS)

ILSS are services that are commissioned to deliver tenancy sustainment support activity that will enable a person to successfully maintain independent living in their own home. People are often referred to ILSS services if they are identified as struggling with some aspects of their tenancy or if they have recently been rehoused and need some support to settle into the accommodation. In Nottingham some ILSS are generic and support either families or single people and others employ workers with specialist expertise to support specific groups of people such as survivors of DVSA, people who with HIV, people who are deaf, and people with mental health support needs.

Homelessness

Nottingham City Council has a strong track record of delivering homelessness prevention services for local people. There has been a continued commitment to funding housing related support and as a result the city still provides services including:

- Rough sleeper reablement
- Homelessness prevention gateway service that enables access to:
 - Direct access and temporary accommodation for households irrespective of whether there is a statutory duty
 - Second stage supported accommodation for people assessed as having support needs (regardless of priority need status) including young people, people with substance and alcohol dependency, teenage parents and people with complex needs
- The aforementioned ILSS and housing advice
- Sanctuary Scheme to support survivors of domestic abuse to remain safely and securely in their homes

- Nottingham Private Rented Assistance Scheme (NPRAS) to help facilitate access to accommodation in the private rented sector

However despite this, the pressures of welfare reform and limited supply of affordable housing have manifested in increasing numbers of households becoming homeless in Nottingham in the same way as most other areas of the country.

In 2016-17, a household approached Nottingham City Council requiring assistance as homeless or threatened with homelessness every 25 minutes. Around two thirds were single people and one third families. Of the single people, two thirds were males, one third was aged under 25 and one quarter was from a Black or Minority Ethnic background. Of the families, three quarters were single parents and nine out of ten of those were female. One parent families were younger and two parent families were more likely to be from a BME background.

Nearly half (48%) of those households presenting as at risk of homelessness received support to remain in their accommodation or they were helped to move directly into an alternative form of accommodation. Almost one quarter (23%) of approaches resulted in a statutory homeless application and about half of those applications were accepted.

The number of people in temporary accommodation (to whom the council has a statutory duty to house) has significantly increased over the past two years. Commissioned provision is no longer sufficient in meeting the demand and at the beginning of October 2017 there were around 130 households in Bed & Breakfast (around three quarters were families with dependent children). This prompted a cross-Council approach to reducing the use of temporary accommodation, and this has seen numbers in B&B reduce to around 50 in spring 2018. In parallel, NCH and other partners are acquiring properties for use as temporary accommodation when it is needed that enables us to avoid the use of B&B. The aim now is to reduce the use of B&B to zero by December 2018.

The number of rough sleepers in Nottingham was 43 at the last official annual estimate in November 2017⁹ which is a 23% increase from the previous year.

One fifth of all households presenting to Nottingham City Council as homeless (or at risk of homelessness) were assessed as having support needs that require a supported accommodation housing solution and they were referred to the Homelessness Prevention Gateway (the service that facilitates access to supported accommodation for homeless people).

Mental health issues are significant amongst our homeless population. Interim findings from research commissioned by Nottingham City CCG and undertaken by Sheffield Hallam University in 2017 has found three quarters of all homeless

⁹ Each local authority must submit an annual figure at this time to government DCLG

households have mental health issues and almost two in three of those people have at least one diagnosis of a serious mental health condition

The complexity and multitude of support needs is increasingly evident amongst single homeless people. These are people that should not be reaching homelessness if we can provide them with suitable housing options when they are supported elsewhere in the system. Opportunity Nottingham¹⁰ report that levels of complexity amongst its beneficiaries are far greater than anyone expected at the outset of the eight year programme and although they work with 25% of the most chaotic people there are hundreds of others who would benefit from support.

The demand for the services provided by Opportunity Nottingham and the learning from their developmental work has helped to identify locally a need to work collectively to develop and deliver pathways into accommodation and support for people with multiple and complex needs to prevent them from becoming homeless, to prevent poor health and wellbeing and to help them to live fulfilled lives. Currently the system does not work for these people who fall through specialism thresholds and end up in homelessness provision not equipped to support them or rough sleeping.

In response to the increased demand we are redesigning our system of services. As stated above a cross council project group is currently working through plans to reduce numbers of people in temporary accommodation by improving throughput. The Council is developing a new operational model which will better prevent, manage and reduce homelessness in the future.

Through our 2017 review of housing related support provision, we are suggesting closer aligning the delivery of Independent Living Support Services (ILSS) with personalised housing plans, putting emphasis on coordination of holistic support and focussing provision towards the private rented sector.

To work within a context where the private rented sector is both the cause and solution to homelessness, we are proposing steps to develop the strategic coordination of existing and enhanced services for private sector tenants and landlords including:

- Early intervention dispute resolution service
- More options to help people access and move accommodation
- Selective licensing which includes tenant liaison officers responsible for identifying support needs and signposting to support
- Private sector housing focus group
- Evaluate the housing pathway pilot and the specific role of Accommodation Broker with a view to setting up a mainstream service.

¹⁰ [Opportunity Nottingham](#) is a consortium of 17 agencies funded by the Big Lottery to deliver a systems change programme of support for 470 people with multiple and complex needs

The Approach

There are two significant changes on the horizon that will require local authorities to review the identification, assessment, facilitation and provision of all supported accommodation for vulnerable citizens.

1. The Homelessness Reduction Act came into force on 3rd April 2018 and introduces an emphasis on the public sector working together to protect people from the risk of homelessness.

A new 'duty to refer' requires all public sector services to refer people who they come into contact with who they know to be homeless or at risk of being homeless to a local housing authority. The local housing authority then has a responsibility to carry out a holistic assessment of the household which not only identify reasons for homelessness and establishes their housing needs, but also includes consideration of *what support would be necessary for the applicant and any other relevant persons to be able to have and retain suitable accommodation.*

This new legislation encourages closer partnership systems working across the public and voluntary sector to ensure that people's needs are known and then appropriately matched to support packages complemented by suitable housing options.

2. The second major driver for reviewing systems and provision of supported accommodation is driven by a further government policy announcement. On 31st October 2017, government issued a policy statement which announced plans to change the way supported accommodation is funded. The government proposed a new model which separates supported accommodation into three distinct streams as follows:
 - Sheltered accommodation and Extra Care provision
 - Long term supported accommodation
 - Short term supported accommodation

Sheltered and Long-term accommodation are to remain within the benefit system but short-term accommodation will be removed from the benefit system entirely in 2020 and local authorities will be provided with a ring fenced grant to procure accommodation. Government has issued a National Statement of Expectation which introduces the requirement for local authorities to work across sector to assess local current and future needs and produce 'Supported Housing Strategic Plans' setting out how the grant will be used to deliver short term accommodation for all categories of people who need it.

These new national drivers bring real opportunities for local authorities to redesign systems so that support and accommodation are interconnected and regardless of

what type of support needs people have, they are guaranteed access to assessment and appropriate housing and support solutions.

This strategy therefore seeks a vision for the next three years to establish and deliver a local system of early identification and collaborative assessment of housing and support needs and clear and accessible pathways to a range of provision. This will include two fundamental changes:

- A. Introduction of a single route to assessment and access for each of long-term and short-term supported accommodation
- B. Delivery of a mixed economy of flexible accommodation with support provision

The new system will seek to support Better Care Fund metrics (particularly around avoiding unnecessary hospital admission or placement in residential care). It will help to prevent delayed transfers of care and help meet wider Public Health and Adult Social Care outcomes. The system will promote self-care and independence and be inclusive and accessible for all people with support needs. This means that if a vulnerable person with support needs is unsuitably housed in their current form of accommodation or is homeless or at risk of homelessness, that they can be appropriately identified, assessed and supported into accommodation that meets their needs (regardless of who is providing or commissioning the delivery of that accommodation).

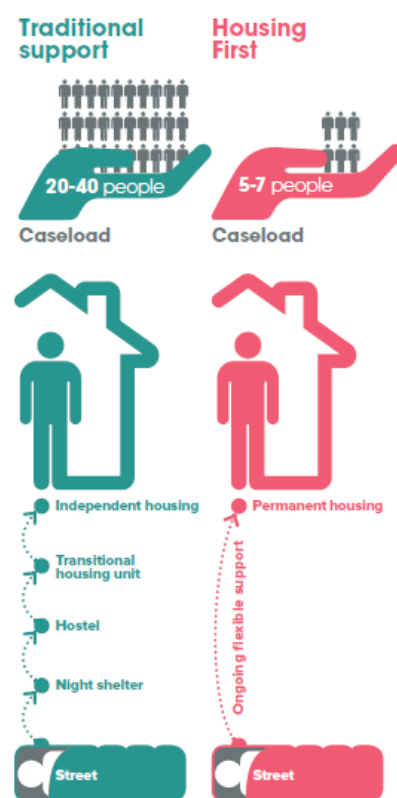
Nottingham's successful gateway model (currently operating to facilitate access to homelessness accommodation provision) can be expanded to deliver assessment and entry to all short-term supported accommodation. The model can be replicated within adult social care to deliver a stream-lined and consistent pathway into long-term supported accommodation. Housing and social care staff would work in partnership (collocating where possible and appropriate) within each system to provide the appropriate expertise and to facilitate effective cohesion of the system as a whole. Roles can be defined to avoid situations where social workers are spending time brokering access to accommodation and housing related support workers are trying to assess and meet social care, support or enablement needs.

Our strategy seeks to encourage and support collaborative design and delivery of more flexible types of provision that promote independence. This will include both:

- Purpose-designed accommodation where access to support is available up to 24 hours a day but where the individual has to move on from when they are no longer in need of that level of support
- Standard tenancies in the social and private rented sector but where support can be levered in at a level and frequency that it is required for as long as required and when it is no longer required, or less is needed, it can be withdrawn without the need and upheaval of the individual moving somewhere else

We want to ensure that our system of supported accommodation will enable better access to appropriate accommodation for the increasing number of people with a multitude of complex support needs, for whom the existing system (whereby people are categorised into a housing option according to a defined support need) is not effective.

This strategy commits to a system of assessment and delivery where people are not defined or categorised by a particular support need. The Housing First approach (as pictured right) will be progressed locally as a housing option for people with multiple and complex needs.



Source: Homeless Link

A core element fundamental to the success of the renewed system will be a collectively produced local assessment of current need, projection of future need and development of a partnership plan to meet those needs. This will be supported by a robust plan of targeted work with hospitals, social care teams to identify people who a) are in hospital or residential care and don't need to be b) are at risk of needing residential care or hospital if intervention action is not taken.

We will face a number of challenges in delivering this:

- New territory requires systems change and transformation is not easy – more partnership working including trust, commitment and ownership. Different budgets releasing funding in different ways and according to different timescales need to be brought together.
- Proposing spend to save initiatives and long-term investments such as Housing First at a time when budgets are being pulled towards crisis interventions and firefighting.

- The need to consider what is financially viable for providers and questions over economies of scale and address throughput more broadly – ensuring that there is adequate supply of accommodation to meet a flexible system.
- Risk of insufficient resources made available from government to achieve the requirements of the Homelessness Reduction Act or adequate planning and provision of short-term supported accommodation.

Theme Three: key actions 2018-2021

1. Develop a new homelessness prevention strategy for 2018-23 which fully embeds the principles of the Homelessness Reduction Act, and delivers an operational model which shifts our focus to prevention
2. Develop and embed systems which enable the better management of homelessness, with a headline target to reduce the use of B&B to zero by December 2018
3. Produce a cross sector needs analysis to inform development of a specialist housing plan – including projections for future supply and a sufficiency strategy
4. Plan and develop the expansion and rollout of the gateway system for assessment and access to both short-term and long-term supported accommodation
5. Consider the introduction of a multi-agency space (vulnerable persons panel) to discuss the best approach for complex cases
6. Encourage and support providers to bid into the Homes England Shared Ownership and Affordable Homes Programme 2016 to 2021 (and any other appropriate opportunities as they arise) to bring forward new supply of designated housing for disabled and vulnerable people with access to support
7. Work collaboratively with planning, councillors and residents to find appropriate areas and neighbourhoods to locate new supported housing developments
8. Embed the use of Extra Care into Adult Social Care practice to ensure that this provision is fully utilised as an alternative to residential care. This will include developing nomination protocols with providers or new and existing services.
9. Work with the market to develop accommodation options for citizens in order to reduce the number of citizens residing in residential care who could be living in settled accommodation in the community

10. Evaluate the impact of the Accommodation Broker role in creating additional supported living capacity within Nottingham City in order to inform the future approach.
11. Embed support within local communities to help people settle into their neighbourhoods
12. Develop a monitoring/reporting/governance structure that ensures specialist housing is looked at comprehensively and issues are highlighted to safeguarding, health and wellbeing, mental health strategy steering group, complex persons panels
13. Include homelessness prevention as part of the role in all PRS interventions

Theme Four: Using the power of housing to improve health and wellbeing and prevent ill health

What this theme is about



Improving our health and wellbeing is a top strategic priority in Nottingham and it is recognised as everyone's business. A key aim of the Nottingham Council Plan is to *be a city that enables healthy lifestyles, promotes wellbeing and supports community resilience*. Housing is a wider determinant of health and is a factor that can drive health equality. Suitable, stable, and decent standard accommodation with appropriate and adequate support in safe neighbourhoods can prolong or improve positive health and wellbeing throughout the life course.

The housing and housing related support sector is a crucial partner of health and social care and if embedded in the integration agenda can make a contribution that will not only improve lives but will also help to reduce the financial costs of poor health and wellbeing.

The housing and support sector hosts a large and wide reaching workforce who is ideally placed with regular contact and communications with people to identify signs of illness and respond to them at an early stage. By providing alternative solutions and appropriate adaptations and support, we can make sure that a person's home remains suitable at every stage of their life. Housing and support can allow people to live with independence in a home of their own choice in the community in which they feel happy for longer, delaying or preventing the need for residential care, stopping people from going into hospital unnecessarily and getting people out of hospital more quickly. A very good example is the "Hospital to Home" scheme, operated by NCH, which has had a significant impact on "bed blocking" by employing dedicated officers who match patients to a new, more suitable home to which they can be discharged.

The Challenge

The Health and Social Care sector are experiencing serious financial pressures and need to make large savings whilst demand for their services continue to increase. There are significant changes underway in the strategic structures underpinning health and social care which focus on efficiency and integration. This theoretically brings a good opportunity to embed the contribution of housing and housing related support into the transforming system. However, there is a danger that in reality crisis management will be such a dominant focus that the housing sector risks not being included and recognised in a meaningful way. Placing this issue as a priority within this strategy will help to ensure that it remains firmly on the agenda.

The Approach

Nottingham Memorandum of Understanding on Housing and Health

The Nottingham approach to health and housing centres on a document called the [Nottingham Memorandum of Understanding to support joint action to improve health through the home](#).

In 2016, the Nottingham City Health and Wellbeing Board backed the development of a local Memorandum of Understanding (MoU) as a written agreement between the health, social care, housing and support sectors with commitment to working together to achieve positive health and wellbeing outcomes for local people.

The MoU is modelled on the national model version which was developed to support the Care Act 2014 requirement for better cooperation between services that support the health and wellbeing of those who may be in need of care and support. It is an innovative and progressive piece of work that provides the overarching strategic framework for a wealth of partnership activity to be delivered to improve the health and wellbeing of local people. The MoU seeks to coordinate and combine existing expertise and resources and help maximise what is already being delivered locally. It enables health and housing professionals to be more knowledgeable and support each other to do their jobs effectively and efficiently, all whilst delivering a better service with improved outcomes for local people.

There are two main features of the Nottingham MoU; a pledge and an action plan. The Nottingham pledge has an overall intended outcome that by coordinating housing, health and social care policy and its supporting activity, Nottingham citizens will feel healthier, happier and can live independently for longer. Alongside the partnership agreement, the cross-sector agencies developed a tangible plan of activity focussing on the following five priority areas:

| Priority area | What is it about | Example activity |
|--|--|---|
| 1. Evidencing the need for (and impact of) integrated health, social care and housing interventions | <p>a) establishing exactly what the needs of local people are</p> <p>b) using research of what is out there and monitoring of what we already do to prove what can be achieved through collective activity</p> | <ul style="list-style-type: none">○ Ensure Housing related JSNA's are updated and recommendations implemented○ Assess the impact of the Integrated Self-care pilot○ Evaluate and publicise the impact housing related projects have on the health and wellbeing of Nottingham Citizens○ Analyse how learning from best practice partnerships and service development and delivery elsewhere nationally can be adapted to meet local need |

| | | |
|--|---|---|
| <p>2. Collectively developing efficient and innovative working practices, where relevant information is shared, joint activities are undertaken and funding opportunities are maximised</p> | <p>a) Sharing information to maximise expertise so partners can together decide what types of initiatives are needed</p> <p>b) Develop and deliver projects and services collectively (including joint commissioning or consortium approaches to bidding for funding opportunities)</p> | <ul style="list-style-type: none"> ○ Collectively establish (or further develop), implement and review protocols, assessment processes, referral procedures and monitoring mechanisms between housing, health and social care within specialist / adapted accommodation and support pathways ○ Share information regarding grant opportunities for local groups which support health and wellbeing outcomes ○ Refresh and re-launch the use of the hospital discharge protocol to prevent homelessness ○ Promote and raise awareness of self-care for long term conditions to reduce/prevent hospital admissions ○ Promote and market Assistive Technology solutions and self-care to Nottingham Citizens and professionals as a solution to support independent living. Develop referral pathways |
| <p>3. Ensuring homes in the private sector are safe, well managed and help to protect the health and wellbeing of residents</p> | <p>Raising standards, engaging landlords, enforcement against rogue landlords, promotion of rights and responsibilities and pathways of support</p> | <ul style="list-style-type: none"> ○ Utilise regulatory and non-regulatory activity to reach more households and to deliver healthier homes ○ Provide support for tenants in the private rented sector to access housing, health and financial help ○ Provide a single point of contact for households and stakeholders in relation to private rented housing conditions |
| <p>4. Developing the financial resilience of Nottingham citizens</p> | <p>To mitigate against the impact of welfare reform and help support household economic development</p> | <ul style="list-style-type: none"> ○ Contribute to the development, implementation and review of the Financial Resilience Plan for Nottingham ○ Take a strategic approach to coordinating promotion of initiatives to tackle fuel poverty ○ Train health and social care professionals to improve understanding of how reductions in household budgets may impact negatively on health and wellbeing ○ Social Housing Landlords develop Welfare Reform action plans to mitigate the impact of changes |
| <p>5. Enabling local partners to identify and</p> | <p>Understanding how wider work contributes to</p> | <ul style="list-style-type: none"> ○ Support agencies and providers across the health, housing and social care sectors to understand their contribution |

| | | |
|---|---|--|
| fulfil their role in homelessness prevention as well as meeting ...the health and wellbeing needs of homeless people | preventing the risk of homelessness and that if people do become homeless there will be negative consequences on an individual's health and wellbeing | to preventing homeless and how preventing homelessness contributes to improved health and wellbeing <ul style="list-style-type: none"> ○ Identify and address barriers to homeless people in accessing health services ○ Implement the recommendations developed through the Mental health Homeless task group |
|---|---|--|

Health and Housing Partnership Group

A new Health and Housing Partnership Group (HHPG) was set up to fulfil and progress the action plan and to track accountability. Members of the group bring strategic and operational oversight from the statutory and voluntary sector and understand what needs to be delivered and take the necessary decisions to make it happen. The group is chaired by the Director of Public Health and driven at a senior level by the Director of Housing at Nottingham City Homes. It has a governance structure which allows it to report to the Health and Wellbeing Board.

Since the inception of the HHPG two sub-groups have been formed to deal with specific areas of work. One has focussed on energy in the home and the other has refreshed the protocol between housing and health to prevent the discharge of people from hospital into homelessness.

The emerging cross-sector connections within the Health and Housing Partnership Group are supporting conversations about what we need from each other to help evidence and decide what should be done in partnership locally to improve health and wellbeing through housing. Furthermore, providing an arena which gets everyone in one place for a focussed conversation is enabling improved coordination of activity and prompted collective discussions that were previously taking place in pockets. However, there is still work to do to improve the functionality of the group and sustain the commitment and momentum that has been achieved so far.

Nottingham was recognised at a national level as one of the first local areas to develop a Memorandum of Understanding. Having a MoU provided the background needed to explain why housing should also feature in the local Health and Wellbeing Strategy (which now contains an environment theme with a housing priority¹¹). Though we have established good foundations for the integration of housing with health at a local authority level, we need to ensure this continues to be embedded within a complicated, new and changing wider strategic context.

Housing and NHS Sustainability and Transformation Plans

In 2014, NHS England published the Five Year Forward View, a plan to save the NHS in England £22bn a year. A year later, planning guidance was published which announced the expectation for local authorities and NHS organisations to collectively develop placed-based Sustainability and Transformation Plans (STPs) to implement the Five Year Forward View locally.

¹¹ [Health and Wellbeing Board](#)

The plans are partnerships between Clinical Commissioning Groups (CCGs), NHS trusts, and local authorities and are designed to transform culture and outline how sectors will work together locally to 2021 to improve care, health and wellbeing for people in their area.

As well as focusing on better integration between health, social care and other local authority services, the STPs cover all aspects of NHS spending. The STPs have been designed to address gaps in health and wellbeing, care and quality, finance and efficiency.

The country has been divided into 44 footprints and Nottingham and Nottinghamshire are joined together within one.

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| <p>The Nottingham and Nottinghamshire STP was published in 2016 and has five high impact areas as follows:</p> <ol style="list-style-type: none"> 1. Promote wellbeing, prevention, independence and self-care 2. Strengthen primary, community, social care and carer services 3. Simplify urgent and emergency care 4. Deliver technology-enabled care 5. Ensure consistent and evidence-based pathways in planned care. | <p>Principles for Improving Care and People’s health and Wellbeing</p> <p>We have established a number of principles which underpin our Plan:</p> <ul style="list-style-type: none"> - People will be supported to be as independent as possible, both adults and children - People will remain at home whenever possible - Hospital, residential and nursing homes will only be for people who need care there - Resources will be shifted to preventative, proactive care closer to home - Organisations will work together to ensure care is centered around individuals and carers - The mental and physical health and care needs of the whole population will be addressed, making best use of public funds. |
|---|---|

Our Memorandum of Understanding helped raise the prominence of housing as a workstream during development of the Nottingham and Nottinghamshire Sustainability and Transformation Plan¹² and we are now one of the only footprint areas where the importance of social determinants of health are recognised and improving housing and the environment is included as one of the supporting themes. The Nottingham and Nottinghamshire STP states:

“It is critical that people, particularly those who have high levels of need, have suitable accommodation that keeps them warm, safe and secure. We will work with partner organisations to establish clear housing standards and offer suitable housing while improving the housing workforce’s understanding of health issues”

The STP Housing and Environment Theme has the following five strands:

There are nine main areas activity within the STP Housing and Environment Theme as follows:

¹² <http://www.nottinghamcity.gov.uk/health-and-social-care/adult-social-care/sustainability-and-transformation-plan-stp/>

- | | |
|--|---|
| <ol style="list-style-type: none"> 1. Support people to live independently at home 2. Improve private sector standards 3. Provide healthy takeaway options 4. Integrate planning and development 5. Reduce health impact of air pollution | <ol style="list-style-type: none"> 1. Support health professionals through single point of contact for housing referrals 2. Develop a common hospital discharge scheme 3. Develop a common approach to home adaptations 4. Develop a common referral pathway for assistive technology at home 5. Develop Nottinghamshire Health and Housing profile 6. Expand 'Warm Homes on Prescription' 7. Extend Healthy Option Takeaway Campaign 8. Develop Air Quality Strategy 9. Embed health impact assessments into Local Plan Development |
|--|---|

Accountable Care Systems

NHS England now expects the Sustainability and Transformation Plans to evolve into Accountable Care Systems as the vehicle for achieving transformation to full integration and to deliver the savings envisaged. In an Accountable Care System (ACS) several healthcare organisations agree to provide all health and social care for a given population¹³. The ACSs will integrate funding for, and be responsible for delivery of, all health and social care within a geographical area. In June 2017, Simon Stevens, NHS England's chief executive, told delegates at the NHS Confederation conference that eight of the most advanced STPs in England would be the first to evolve into ACSs. The Greater Nottingham Transformation Partnership is one of these first eight Accountable Care Systems being developed in the country.

One of the principle drivers behind an Accountable Care System is that it is expected to join up systems that have previously functioned independently. The intended result is that people receive the treatment and care they require as a complete package rather than specific elements being addressed separately. The Accountable Care System seeks to achieve this through the introduction of:

- an overarching contract specifying expectations
- an alliance of commissioners
- a framework of providers who take responsibility for delivering a range of services that meet the needs of a defined local population

This shift to a system of enhanced cohesion between service areas, with principles that seek to minimise silo working, provides a unique opportunity for the health and

¹³ An Accountable Care Organisation (ACO) is a body that manages the agreements to establish such a system and is accountable for all care. Distinctions between ACSs and ACOs are often overlooked, and the two terms are sometimes used interchangeably. All STPs should become ACSs over the next few years, but it is expected to be several years before the ACSs formally become ACOs.

social care sector locally to consider the contribution and role of housing (and particularly housing related support services and supported accommodation provision).

Within the Nottingham Memorandum of Understanding we have clearly articulated that the housing and support sector have a critical role to play in the prevention of poor or deteriorating health and wellbeing, as well as enabling people to live well independently for longer, avoiding the need for costly health and social care interventions.

Therefore, the housing and support sector should be fully engaged in the development of the Greater Nottingham Accountable Care System and invited to participate in the collective exploration of opportunities for the reconfiguring, co-designing and commissioning of services that meet mutual and multiple cross-sector outcomes. It is by involving the housing sector at this stage that a truly comprehensive and preventative system can be introduced and deliver savings to the health and social care sectors in the longer term.

Theme Four: Key actions 2018-2021

1. To embed housing and housing related support within the developing Greater Nottingham Transformation Partnership
2. To review the Memorandum of Understanding action plan and the functionality of the Health and Housing Partnership Group to ensure that meaningful activity is maximised
3. Refresh the Housing chapter of the JSNA and progress housing and homelessness recommendations
4. Ensure that health and social care colleagues have access to information on housing support / pathways to facilitate social prescriptions and homelessness prevention
5. Promote self-care and home based solutions that support independent living
6. Plan and deliver four themed sessions of the HHPG per year
7. Take a strategic approach to coordination of initiatives to improve energy efficiency and tackle fuel poverty via a new strategy

Theme Five: Housing's role in strong local communities

What this theme is about

“Housing”, as both a physical, dominant presence in the built environment and as a service provided by a range of organisations, plays a major part in the appearance, quality, and attractiveness of the neighbourhood and the overall wellbeing of a local community. However the role it plays can be much more than merely providing places to live. Housing, and housing providers can shape places in a way that greatly improves both the physical quality of the local neighbourhood, but also the quality of lives of the people living within it. This theme sets out the way in which housing providers will play their part in supporting strong, healthy and prosperous communities in the city.



The Challenges

The background information about Nottingham earlier in this document shows that although Nottingham is a prosperous, growing city whose city centre is a popular destination, some of its neighbourhoods are amongst the most deprived in England. The economic effects of the financial crash of 2008, plus welfare policies that have impacted on people reliant on benefits have left many communities in real need of intervention in order to spread the prosperity of the city more evenly.

Although there has been significant investment in the social housing stock through the decent homes programme, some of the neighbourhood environments in which it is located are now tired and themselves in need of a programme to improve the appearance of our estates, particularly boundaries and communal areas. Properties which are not owned by the council can become run down, particularly if they are empty, and undermine a neighbourhood. Many parts of the city have multiple tenures or multiple landlords, which in itself presents a challenge to ensure that all providers or landlords are making a contribution to the upkeep of the local environment.

The effects of two waves of welfare reform have, as noted, had a significant impact on some Nottingham communities. Partners have worked closely together to try to mitigate these, and we will continue to do so. The roll out of Universal Credit, due in June 2018, will be something that will require planning and cross-agency working if we are to ensure that communities are not to be further negatively impacted.

Housing can have both a negative and a positive impact on the environment, and therefore on local communities and neighbourhoods. It should be the aim wherever possible to ensure that new housing enhances the local environment and that its development causes minimal negative impact. New homes should also be sustainable with their energy performance to the fore as we strive for low to zero carbon by 2050.

Finally, Nottingham is a very diverse city and has welcomed wave after wave of new communities over the decades. This process continues, but it presents challenges to ensure that local communities remain cohesive. The city also has a very large student population, and the housing issues raised by this are felt very keenly in a small number of areas close to the two universities. The housing strategy needs to continue to address this issue, even though data suggests the number of students living in traditional housing which is now shared is reducing.

The Approach

The local economy and jobs

Some of our estates are where employment initiatives are most needed as they have some of the highest unemployment levels in the city. There also low skill levels, making it difficult for people to find jobs. Nottingham City Homes has a tenant academy which, amongst a number of other things, offers employability courses. This gives tenants the skills to enable them to find employment in a range of sectors – including within NCH itself.

NCH has had an excellent record on apprenticeships, particularly linked to its asset management programme, but also across the company and in conjunction with its contracting partners.

NCH's Tenant Academy delivers a programme of free training opportunities and in 2016/17 saw 400 residents take part in 90 courses to increase their confidence, qualifications and skills. In its first year of operation, the Academy helped generate savings for the state of around £38,000 by reducing worklessness and improving qualification levels.

Housing providers are increasingly recognising the role they have to play in assisting their tenants into work. This makes sense in two ways: Firstly, it helps to build stronger communities through more people being in work, and secondly, at a time when welfare reform is negatively impacting tenants' ability to pay their rent it is a way of better securing income. This activity is encouraged and its growth is an action for this strategy. As part of the Care, Support and Enablement (CSE) framework, more jobs are likely to be needed in the care sector, and this could be a particular focus for tenants.

In its new Corporate Plan 2018-21, Nottingham City Homes has as one of its key goals "To diversify our services, re-investing in our communities", and sets out how it will continue to make a significant contribution to the local economy and the communities it serves via activities across the group. Housing and construction is an important sector in the local economy which currently has skill shortages that are likely to be exacerbated by the UK's withdrawal from the European Union. Offering jobs and apprenticeships in house building and construction will have benefits for the industry and local communities.

Physical activity and health

We have already seen in Theme Four the significant impact on health and wellbeing that housing can have through focused interventions. Housing providers can also play a part in getting people more active and as a consequence healthier. NCH has delivered an award -winning initiative called 'Fit in the Community', which supports tenants to take part in and then run fitness initiatives in their communities. Greater physical activity is also supported by the provision of space for play when building new housing.

Improvements to the physical environment

As noted above, there are a number of estates managed by NCH where the exterior environment has not kept pace with the improvements to the homes that the decent homes programme has achieved. NCH has therefore put in place a “decent neighbourhoods” programme to address this. The programme, funded via the Housing Revenue Account (HRA) capital programme, and also utilising Area budgets is delivering a number of environmental improvements, tackling poor quality boundaries, paths, steps, parking areas and landscaped areas. Through the programme the public realm parts of our estates will be made far more attractive,



schemes will be used.

tidier and easier to maintain. Additionally, other sources of money to support these

Decent Neighbourhoods: Duchess Gardens, Bulwell – before and after

The HRA is responsible for the upkeep of a range of different assets as well as council homes. This includes amenity land, playgrounds and a significant estate of retail units. Some of these are also in need of upgrade and improvement. A HRA shops strategy will be developed to inform investment decisions to improve shop parades and increase footfall/income from the units.

Recent work carried out at the popular shopping centre on Beckhampton Road, Bestwood Park shows what can be achieved through relatively small investment:



Beckhampton Road shops: before and after

Good Design

Good design does not have to be an additional cost. A well designed neighbourhood usually follows simple rules and creates places where people want to live, where they feel safe, is well connected to facilities and open spaces and is a balanced integrated community. How can good design achieve this? The relationship of the house and the road is crucial to the feel of the public realm (which includes the design of roads). Streets should not only be a place where people, cyclists and vehicles pass through but should feel comfortable enough for people to pause, gather and integrate. The position of the front door of buildings, and their windows should look over and address the street and help create a safe environment through informal surveillance: the occupiers of the property are the eyes on the street. The design of front gardens should encourage residents to come out and maintain their space, creating activity. Even the positioning of parking spaces, be it on plot or on the carriageway is important in helping create street activity and if well designed can help slow traffic, creating a more pedestrian friendly place. Appropriately positioned street trees can soften the environment, help delineate parking spaces and slow traffic and ultimately encouraging less car use. Interesting, direct routes to shops parks and even bus stops help create more pedestrian activity, and therefore a safer and healthier environment. Building design, for example corner features, a change in building height, size or materials help navigation around neighbourhoods as well as adding visual interest. Houses of varying sizes can also encourage a variety of tenure and encourage families to stay into later life, in turn helping create stable less transient communities, where residents feel they belong, contributing to a sense of place. Good design can also create safer communities and reduce the fear of crime.

Housing association contributions

A key objective in the Council Plan (and therefore in this strategy) is to support housing associations to improve their management and maintenance. The role that

housing associations play in delivering affordable homes for people in housing need and making a contribution in neighbourhoods has long been recognised in Nottingham, and the city has a number of key players with whom the Council has long standing partnerships. As part of the desire to see quality across all tenures, social housing providers have signed up to a “Greater Nottingham Standard”¹⁴ for social housing, a framework which sets expected levels of performance for providers in key areas of their operations in order to drive improvement. The Greater Nottingham Standard will enable providers to demonstrate that they deliver in the city and that irrespective of who the landlord is, services to tenants in the city are of a high quality. It will also enable them to highlight the considerable contributions they make beyond their traditional housing role.

Local Area Involvement and collaboration

Although there are some large housing association estates in Nottingham, quite often their properties are located in parts of the city containing a mix of both tenure type and multiple landlords. It is critical that in these areas the housing providers concerned work in a collaborative way to keep neighbourhoods clean and attractive. It is therefore one of the requirements of the Greater Nottingham Standard that housing associations participate in the regular neighbourhood activity organised by the Council’s Area Teams, such as weeks of action and engage with the multi-agency Neighbourhood Action Team (NAT) meetings. Private landlords also have a role to play here, and the Council’s scheme of selective licensing will increase the level of engagement from landlords, whilst also compelling them to manage their properties effectively and dealing with neighbourhood issues originating from their properties.

Tackling ASB and crime

Parts of Nottingham unfortunately suffer from high levels of antisocial behaviour (ASB)¹⁵ in various forms such as fly tipping, noise, vandalism and littering. The reduction of crime and ASB is a key objective for the City. Social housing providers have a number of tools available to tackle ASB in partnership with the Police and Community Protection officers. All have targets relating to ASB, and via the GNS their performance in this area will be monitored. Tackling ASB and crime in the private rented sector is one of the main objectives of the city’s selective licensing scheme.

Housing can have a role in crime prevention: better security (eg target hardening) can reduce burglary (the main crime feared by residents), and providers can include certain types of crime which will breach conditions within their tenancy agreements. The Council is introducing drugs, guns and knife crime (an increasing problem) as grounds for possession.

¹⁴ It is a Greater Nottingham initiative as many RPs manage homes across the Nottingham conurbation, not just in the city.

¹⁵ Evidence from Selective Licensing proposal

Resilience against the background of welfare reform

The policy context of this document shows that continuing welfare reform, particularly Universal Credit and the Local Housing Allowance cap poses a significant risk to the economic and financial health of communities, particularly those with predominantly social housing. Statutory and voluntary agencies will need to work together to mitigate the negative impact, and try to bring a consistency of approach. One of the main concerns must be to support the PRS – both landlords and tenants – so that the advent of UC does not bring a big increase in evictions and homelessness.

Community cohesion: Nottingham Together

Nottingham continues with its strong tradition of welcoming significant numbers of people from around the world, adding to the rich diversity in our area.

In recent years the city welcomed asylum seekers, as well as migrants from eastern Europe, and more recently refugees from Syria, all of whom have contributed towards the diversity of the city, and it is certainly the case that those communities continue to integrate into the economic and cultural life of the city.

We are aware that some communities remain more marginalised and vulnerable to exploitation than others, and this can often manifest in lower housing standards. The Council is committed to addressing poor housing in the City's private rented sector whilst simultaneously ensuring that displaced households have an available housing solution, and in order to help address this the City's Engagement and Cohesion Teams, under the Nottingham Together banner, funded by central government's Controlling Migration Fund, are working to assist our new and emerging communities with those challenges.

Student housing and rebalancing

Some parts of the city, most notably Lenton, have become dominated by student housing over the past twenty years, leading to a situation where communities are imbalanced and the local infrastructure no longer supports families.

The Council has sought to address this by policies such as a city-wide Article 4 Direction requiring planning permission for any new HMOs, and the implementation of an Article 7 Directive on the use of lettings boards, helping to radically improve the appearance of areas with large numbers of student houses. Additional Licensing has brought most student HMOs into a robust regulatory framework.

The Council continues to favour the provision of purpose built student accommodation as a way of providing an attractive alternative to student HMOs. There has been considerable growth in this area over the past few years, and our data shows that it has near 100% occupancy rates. This, it is hoped, will bring back family houses into more mainstream use. As this transition occurs we need to be prepared to support this change. For approximately four years now a small group of partners from the Council and the community have been exploring potential ways in

which Lenton can respond positively to the area's changing housing market dynamics as part of a programme called "Changing Lenton". The Council will continue to support such initiatives.

Theme five: key actions 2018-2021

1. Continue to encourage and support housing providers' participation in employment and training programmes
2. Carry out further environmental improvements via the "Decent Neighbourhoods" improvement programme
3. Develop a strategy to sustain the economic viability of HRA shops
4. Improve the management and maintenance of housing association homes through the Greater Nottingham standard
5. Ensure housing association engagement at neighbourhood level
6. Contribute to the City's overall ambitions to reduce crime and ASB
7. Through strong partnerships mitigate the negative impact of welfare reform across all tenures, building financial resilience
8. Ensure that new housing development enhances the local environment and delivers sustainability within neighbourhoods
9. Deliver housing solutions within the Nottingham Together programme
10. Continue to work with the community to support areas experiencing housing market change

Meeting the diverse needs of the City and ensuring equality

The data about Nottingham at the beginning of this strategy shows how diverse the City is in terms of its population. This strategy has shown throughout that the City's housing needs will not be met through a "one size fits all" approach. Therefore the particular needs of specific sections of the community need to be considered. This will be done in some of the following ways:

- Homes that meet the lifetime needs of citizens, particularly those with disabilities
- Age-friendly environments
- Specialist housing to meet specific needs
- Equal access to social housing via allocations policies

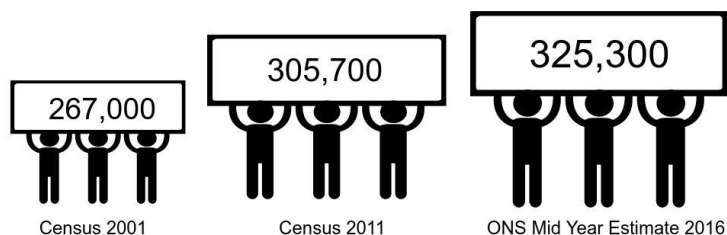
An equalities impact assessment (EIA) has been carried out for the strategy to fully assess the potential positive and negative impacts for Nottingham citizens across the 'protected characteristic' groups. Specific equalities issues were raised during the consultation on the strategy which took place in April and May 2018. These were noted in the EIA and have influenced the final draft of this document.

Measuring our success

The key actions for the strategy have been listed at the end of each theme. The progress in delivering these will be measured by key performance indicators and milestones for each action and regularly monitored.

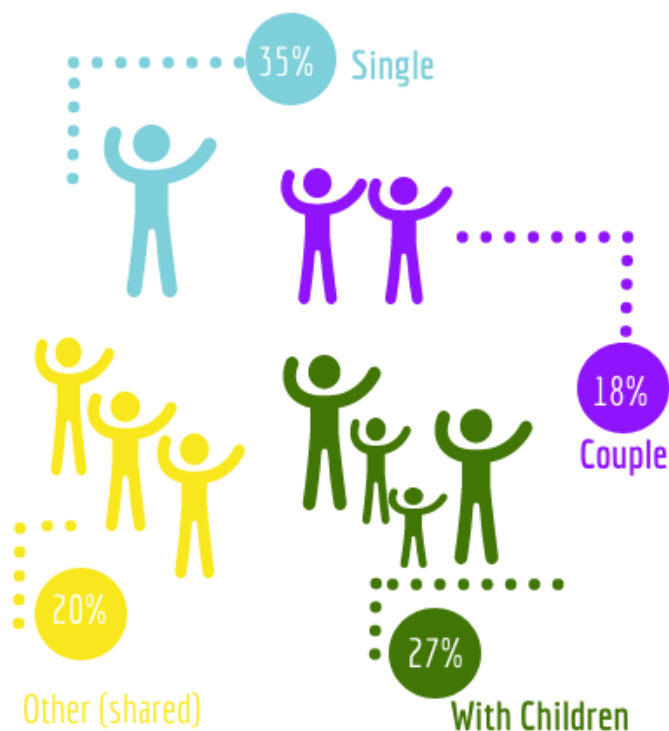
Appendix One: About Nottingham

Our Citizens

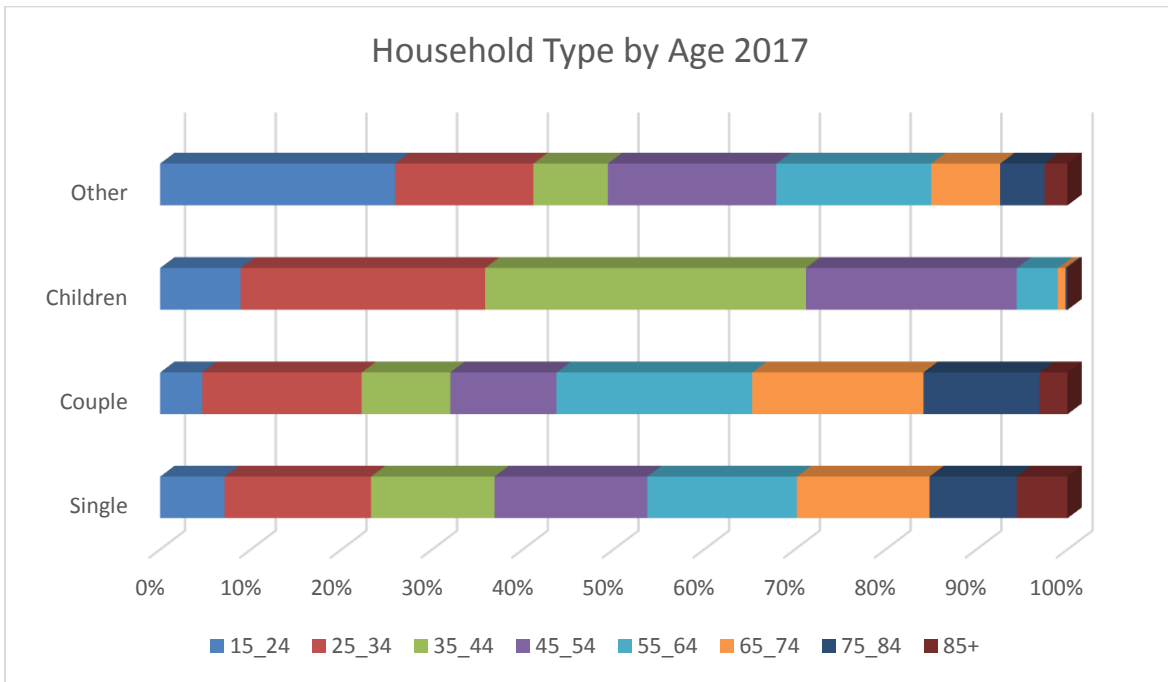


The city's population now stands at 325,300 (ONS mid-year estimates 2016) which is an increase of 22% from the 2001 census and 14.5% since the 2011 census.

Nottingham's population is distributed across 132,811 households (ONS Household Projections 2016), with single person households being the most prevalent.

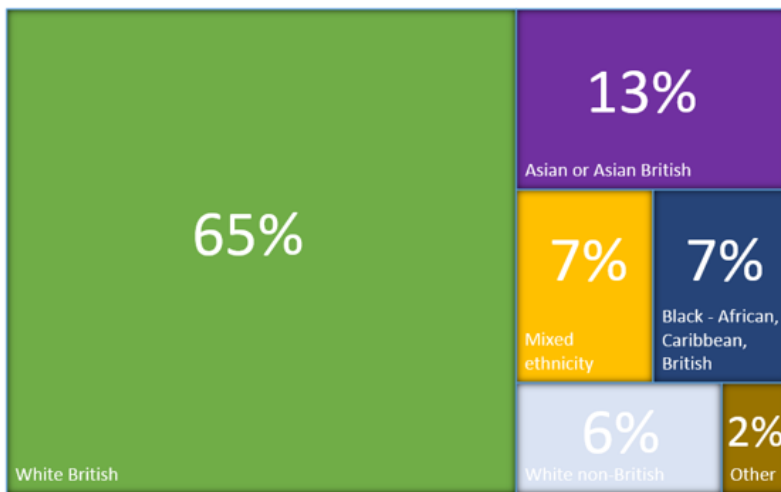


The most prevalent age cohort among single person households is 45 to 54, however there will be many younger single person households sharing accommodation and therefore recorded as "other", which is also the case, albeit to a lesser degree, for households aged 75 and over.



Ethnicity:

At the time of the Census 2011 65% of our citizens are White British, a drop of 16% for the same ethnic group during the Census 2001 evidencing an increasingly ethnically diverse community.



Source: Census 2011

Our two thriving universities result in a median citizen age of just 30.

Source: ONS Mid-year estimates 2016

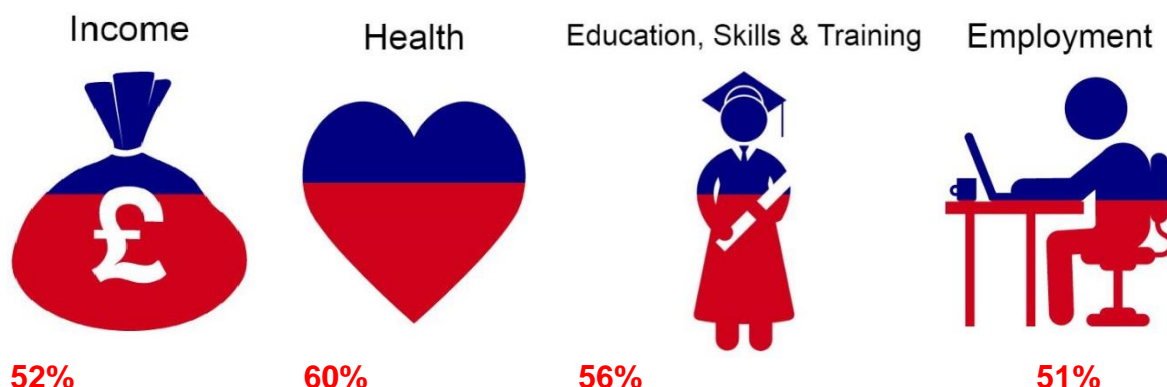
Households:

Deprivation & Economy

Nottingham is known to suffer from the high levels of deprivation common in many large UK cities in the midlands and northern regions. Ever since the very first UK Indices of Deprivation (ID) was published in 2000 Nottingham has featured in the top 10% of UK local authorities. The latest ID (2015) saw Nottingham fall to its lowest ranking:



The Indices of Deprivation also provides insight on different facets of deprivation affecting our citizens. Utilising ID data from all Lower Super Output Areas (LSOAs) within the city the images below indicate the proportion of the city suffering from 'extreme deprivation' (i.e. worst 20% in the UK) – shown in red by deprivation index.



Nottingham scores better in the 'barriers to housing services' index, although it still has 32% of its LSOAs in the worst 20% of the country. This is also a huge jump from previous ID iterations – less than 5% were in the worst 20% nationally in 2010 - and

serves as a warning that housing and housing services are becoming more difficult to access for many of Nottingham’s citizens.

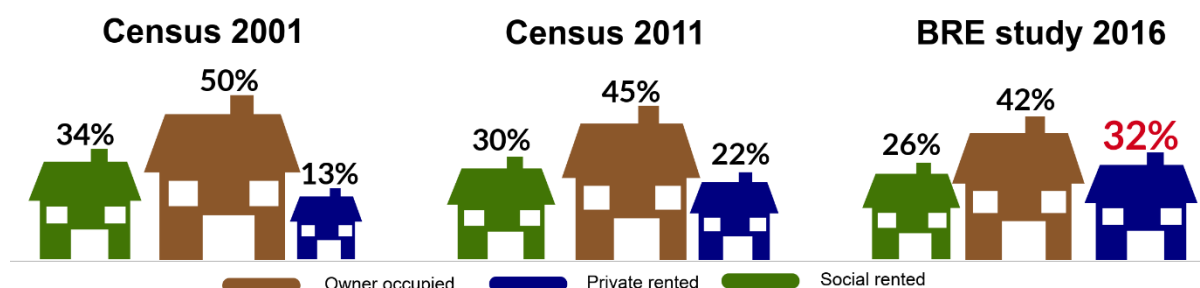
The high levels of deprivation shown in the Indices of Deprivation are underlined by a number of measures that compare unfavourably with the rest of the UK, including worklessness (23.1% in 2016 compared with 15.1% for the UK) and out-of-work benefits claimants, together with low levels of qualifications that can limit the ability to earn or access employment. Nottingham also has a comparatively low proportion of economically active citizens at 66.1%, and of those a high level (7.7%) that are unemployed. Average earnings of those in employment is significantly lower than regional and national levels.

These statistics help illustrate that for many of Nottingham’s citizens home ownership is not an option or very limited and/or challenging, Subsequently there is a great dependence upon the rented sector, now dominated by private lets.

Tenure & affordability

The balance in tenure of Nottingham’s 136,000 residential properties has shifted from (excluding owner occupied) social rented to private rented. At the Census 2001 social housing accounted for a third of all homes and private rented just 13%. Fast forward ten years and the private rented sector (PRS) had grown to 22%, outstripping council rented stock for the first time in decades.

This growth of the PRS is akin to that of the rest of the UK, however in Nottingham it has been more pronounced: social housing has decreased while many of the city’s residents are not in a position to buy due to low financial resources meaning the PRS has had to plug the gap. The PRS also caters for the city’s ever growing student population. In 2016 the council commissioned an independent study by the Building and Research Establishment, which estimated PRS housing made up 32% of all of Nottingham’s housing stock.



Since 2012, the Government has continued to implement a range of welfare reform policy measures that have impacted on benefit entitlements and in many cases led to reductions in household income. Over the past five years two major pieces of legislation, the Welfare Reform Act 2012 and the Welfare and Work Act 2016, have been passed by the Government that have significantly altered the way people in England are supported financially by the state and which have reduced the income of a benefit dependent household.

As a result of reduced welfare entitlements including benefit caps, a four year freeze on Local Housing Allowance (LHA) and the spare room (bedroom tax) subsidy, affordability of housing has become more of an issue for many households since the last Housing Plan for Nottingham. This has happened at a time when the amount of lower cost housing available has become more limited, resulting in a distinct disequilibrium between household incomes and housing costs.

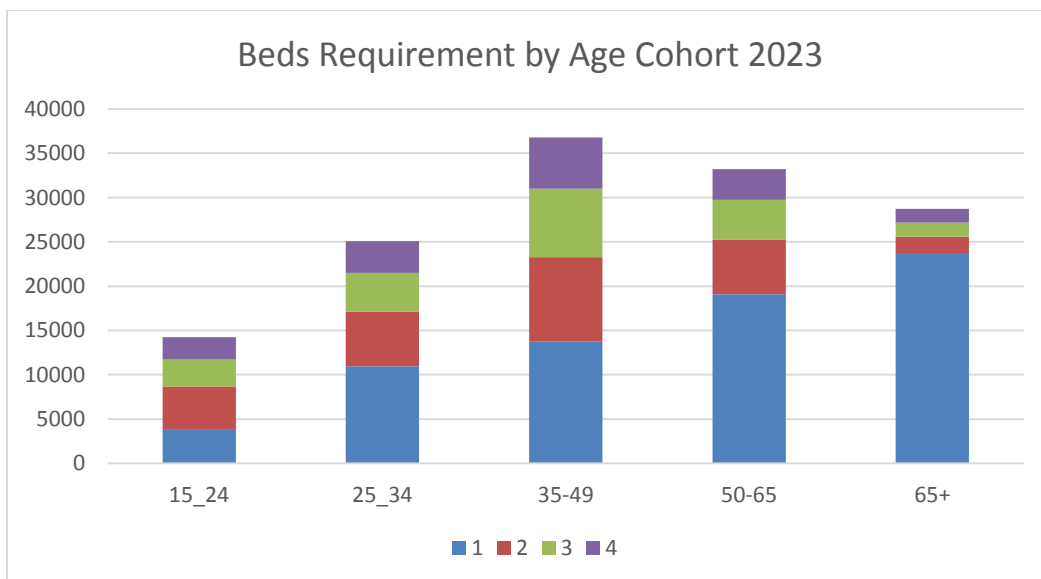
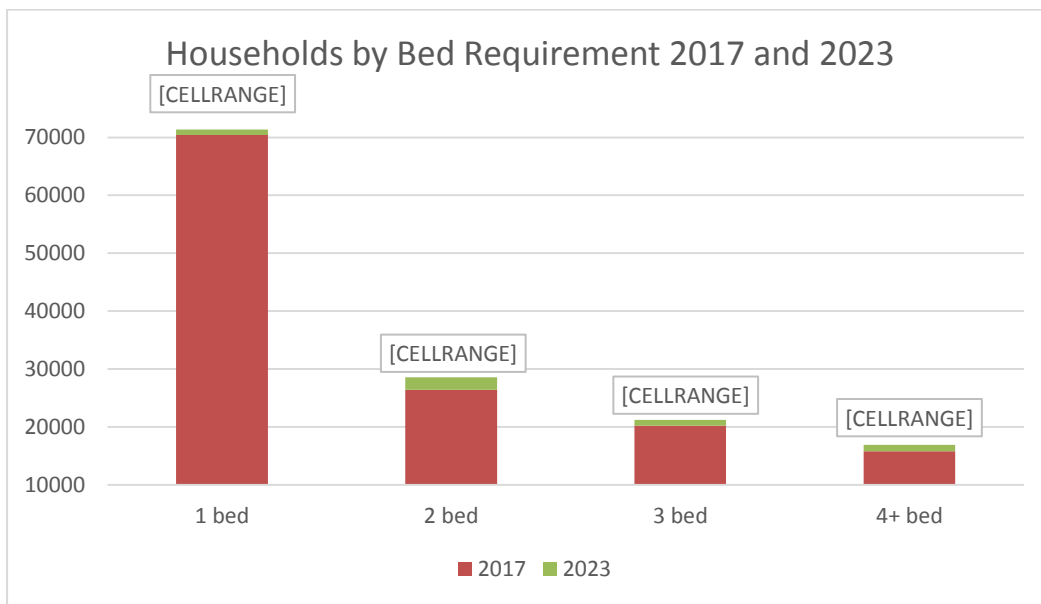
To illustrate this imbalance:

- In September 2017 the average purchase cost of a house was £144,200 (Hometrack 20 Cities Index). This is 5% more than it was in September 2016 but salaries have grown at a lower rate (increasing only 4.6% over 4 years 2012 & 2016) and benefits were frozen and then capped. House prices in Nottingham have recently been growing at a faster rate than most other major cities in the UK.
- Median rents grew between 4% and 7% (varies between property size) between the years to August 2016 and August 2017, with rents for 1 bed properties increasing the most. Again, city incomes are not keeping pace.
- The 30% median rent in the year to August 2017 was £109 per week for a one bedroomed home, £121 for a two bed and £137 for a 3 bed. There is a shortfall in LHA rates (also calculated on the 30th percentile of rents) of £13-£18 and rates are frozen until 2019.
- According to Hometrack an average a house would cost 5.6 times the annual earnings of a Nottingham citizen. This is a ratio wider than any reported for Nottingham by ONS since records began in 1997, including the years of housing price boom seen in the mid-noughties.
- Low-cost rented council housing has reduced by 6% over the 4 years between 2012/13 to 2016/17 largely due to an increase in Right to Buy sales and the demolition of problematic stock.

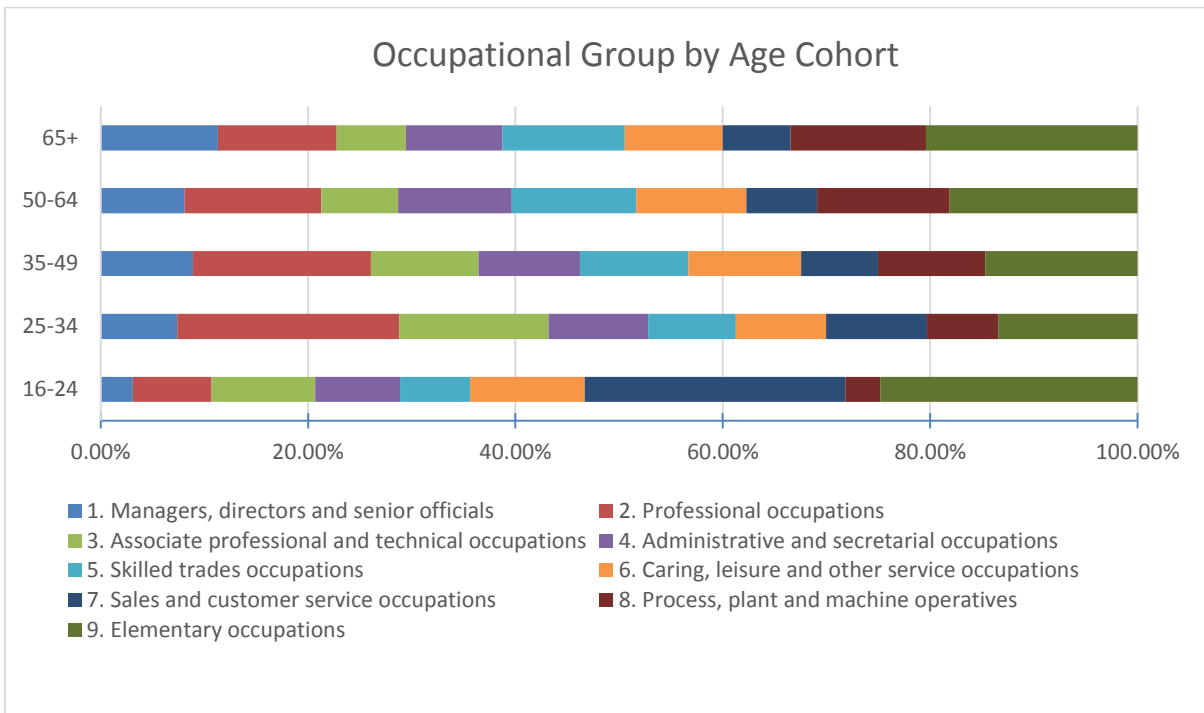
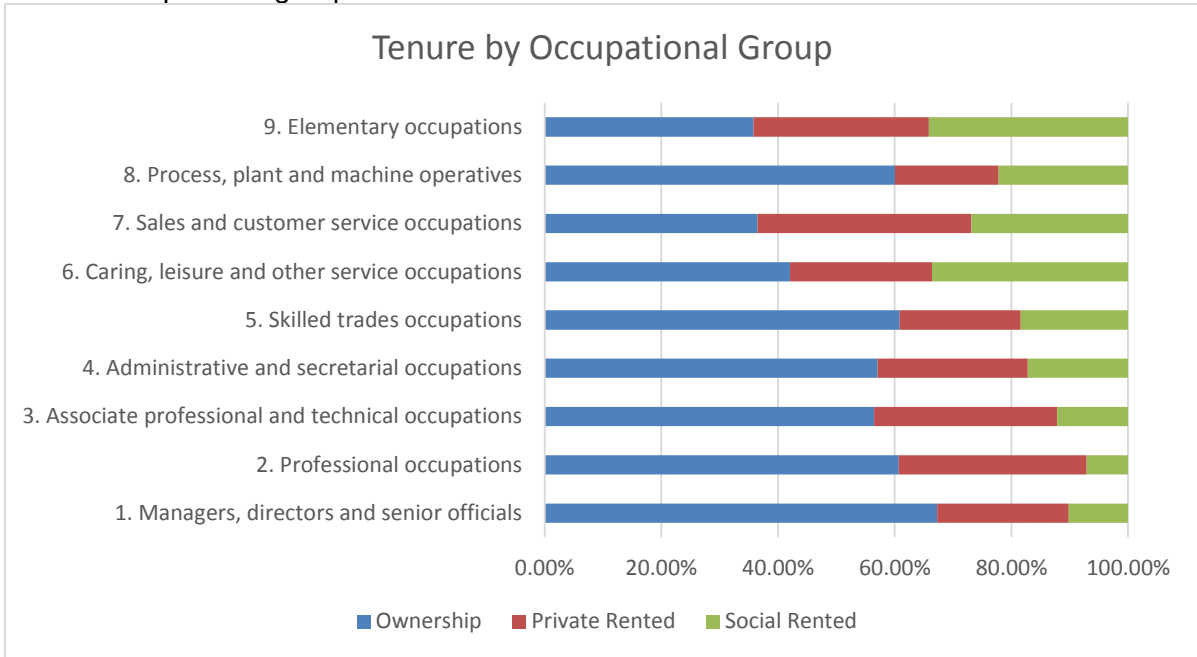
Appendix Two: Assessing future need and ambition- methodology

Model methodology:

- The model used to forecast the tenure profile required for different employment levels was constructed using household projections and census data.
- The household projections (2016, but based on 2014) provided information of the increase in the number of households, which when taken from the existing stock gives the net requirement. They also provide household composition and age of household.



- Census (2011) data demonstrated the relationship or trends between age, occupational group and tenure.



- Overlaying these relationships on to the household projections, gave the tenure profile that corresponded to the current level of employment in the household population.
- Reducing the percentage of unemployed households and redistributing these proportionately among the occupational groups, gave the tenure profile that corresponded to an increased level of employment.

Appendix Three: Building Research Establishment (BRE) main findings

The main findings of the BRE stock survey carried out in 2016 were:

- There are 135,399 dwellings in Nottingham, 42% are owner occupied, 32% private rented and 26% social rented.
- 19,413 dwellings in the private sector have category 1 Housing Health and Safety Rating System (HHSRS) hazards. This equates to 19% of properties.
- The BRE HMO model estimates 12,372 HMOs across the city
- 9,307 dwellings in the private rented sector have category 1 HHSRS hazards. This equates to 21% of properties in the private rented sector.
- The highest concentrations of all HHSRS hazards in the private sector are found in the wards of Wollaton East and Lenton Abbey, Dales and Berridge.
- The highest concentrations of fuel poverty (Low Income High Costs definition) in the private sector are found in the wards of Dales, Berridge and Basford and for excess cold the highest concentrations are in Wollaton East and Lenton Abbey, Mapperley and Dales.
- The average SimpleSAP¹⁶ rating for all private sector dwellings in Nottingham is 59, which is better than both England (57) and East Midlands (56). For owner occupied stock the figure is 58 and for private rented stock it is 60.
- The total cost of mitigating category 1 hazards in Nottingham's private sector stock is estimated to be £44.3 million.
- 5.9% (5,881) of *private sector* dwellings and 6.6% (2,880) of *private rented* dwellings in Nottingham are estimated to have an Energy Performance Certificate rating below band E.
- In the private sector stock, there are an estimated 18,014 dwellings with less than 100mm of loft insulation.
- Analysis of the energy efficiency variables indicates that the owner occupied stock has the highest average figures for the majority of variables (SimpleCO₂, energy and heat demand, energy and heat cost).

¹⁶ The **Standard Assessment Procedure (SAP)** is the UK government's recommended method system for measuring the energy **rating** of residential dwellings

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Equality Impact Assessment Form (Page 1 of 2)

Title of EIA/ DDM: The City’s new housing strategy
Department: Development and Growth
Service Area: Housing Strategy
Author (assigned to Pentana): Graham de Max

Name of Author: Graham de Max
Director: Paul Seddon
Strategic Budget EIA Y/N (please underline)

[screeintip-sectionB](#)

Brief description of proposal / policy / service being assessed:

This is an equality impact assessment for the city’s new housing strategy, 2018-2021. The housing strategy sets out the Council’s vision for housing, its key objectives and how along with its partners it will deliver them.

The housing strategy is a hugely wide-ranging document incorporating a significant number of key interventions. Therefore a single EIA of the document will inevitably be very broad in its scope. Many policy interventions may need their own EIAs. For the purpose of the strategy document and its sign off by the Council’s executive this EIA will focus on areas which are considered to have **significant** equalities implications.

The overall vision and title of the strategy “Quality Homes for All” is clearly a statement of how the strategy is intended to be inclusive of all needs as far as possible.

Page 6 of 6

[screeintip-sectionC](#)

Information used to analyse the effects on equality:

The strategy itself has an evidence base drawn from a number of local and national data sources. For the purpose of the EIA, the citywide citizen consultation on the document, carried out in April and May 2018, has provided very helpful feedback.

Some specific meetings were attended during the consultation: A discussion was held at the city’s Black and Ethnic Minority Housing Network. This led to a number of suggestions for the strategy from a BME perspective. The group offered to support the work on the EIA; unfortunately time has not allowed for this; however officers from the Council will be able to attend the group in the future as the strategy is implemented and potentially new issues arise.

The strategy was discussed at a meeting of the Council’s Directors’ Forum. This gave an opportunity for senior managers to feed in thoughts about how the strategy would assist to meet the diverse range of needs within their services.

[screeintip-sectionD](#)

| | Could particularly benefit X | May adversely impact X |
|--------------------------------------|--|----------------------------------|
| People from different ethnic groups. | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Men | <input type="checkbox"/> | <input type="checkbox"/> |
| Women | <input checked="" 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 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 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, <u>looked after children, cohesion/ good relations, vulnerable children/ adults</u>). | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| <i>Please underline the group(s) /issue more adversely affected or which benefits.</i> | | |

| <p style="text-align: right;">screentip-sectionE</p> <p>How different groups could be affected (Summary of impacts)</p> | <p style="text-align: right;">screentip-sectionF</p> <p>Details of actions to reduce negative or increase positive impact (or why action isn't possible)</p> |
|---|---|
| <p>Provide details for impacts / benefits on people in different protected groups.</p> <p>Note: the level of detail should be proportionate to the potential impact of the proposal / policy / service. Continue on separate sheet if needed (click and type to delete this note)</p> <p>1. People from different ethnic groups</p> <p>The Government published a document called “Ethnicity Facts and Figures” in October 2017, which showed the experience or impact upon BME groups across a range of social issues, including housing. It found that:</p> <ul style="list-style-type: none"> • A higher proportion of BME people lived in both the private rented sector and social housing than white people • A higher proportion of BME people experienced fuel poverty. <p>Theme Two of the strategy, with its emphasis on the PRS and</p> | |

standards within existing housing, including its energy efficiency will have a positive impact on BME groups.

Data also shows that higher proportions of BME people are more likely to be diagnosed with a mental health condition. The strategy's emphasis in Theme Three on meeting the needs of people with mental health issues could have a particularly positive impact on BME people.

The BME Housing Forum mentioned the specific needs of refugees who have leave to remain, particularly in assisting them to find permanent accommodation having been living in Home Office temporary housing whilst their asylum application is assessed.

A number of reports (eg Runnymede Trust, 2017) have shown that continued austerity has had a disproportionate negative impact on BME groups. Theme Five recognises the need to support communities facing the financial challenges of welfare reform.

2. Disabled People or Carers

Ensuring that housing meets the needs of disabled people is central to any housing strategy. The new strategy attempts to set out how we will do this for those with both physical disabilities and learning disabilities and mental health needs.

There were some very robust consultation responses on the needs of people with physical disabilities. These focused on how far the Council was looking at issues of access and the issue of lifetime homes. Additionally, a recent report by the Equality and Human Rights Commission entitled "Housing and disabled people: Britain's hidden crisis" suggested that not enough was being done to ensure the housing needs of people with disabilities were being met.

3. Pregnancy and Maternity

Delivering more social and affordable homes will help to meet the needs of women who are pregnant or have very young children. Actions to improve housing conditions across all tenures and to tackle fuel poverty will also have a positive impact on this group.

4. People of different faiths/ beliefs and those with none

Theme Five of the strategy looks at the role of housing providers in building stronger communities and specifically mentions the role they have to play in community cohesion. Housing providers will be very aware that they are housing people from a range of different faiths and the need to support them, whilst ensuring that services are culturally appropriate.

This specific need is recognised in the draft Homelessness Prevention Strategy

The strategy will be strengthened in this area prior to sign off with an action to carry out further work on this in Nottingham in terms of a review of how it is considering the housing needs of disabled citizens, and how it should respond to recent national findings.

5. Older people

Whilst Nottingham has below national average numbers of older people and will continue to do so according to projections, there are specific housing needs amongst older people which need to be met. The aim is to keep people living independently and leading fulfilling lives for as long as possible. Extra care housing supports this aim and the delivery of more of this type of housing is an objective of the strategy.

Older people are more likely to experience fuel poverty, so our aims here will benefit this group.

We also recognise that many older owner occupiers have difficulty maintaining their homes. The Council has supported Age UK with its Home Improvement Agency for many years but now finds itself financially unable to do so. (this was raised in the consultation). The strategy states that we will continue our equity loan scheme to help older people with serious housing repair issues. This has also been delivered in partnership with Age UK

Work with Age UK to explore ways of continuing to provide assistance to older owner occupiers with limited resources to improve their homes

6. Young People

It has been highlighted nationally how it is becoming increasingly difficult for young people to get on the housing ladder. The strategy can help to a limited extent by supporting the delivery of housing and affordable products such as shared ownership. But there has to be recognition of how far the City can fix what is a national problem. Private renting is an increasingly important tenure because of lack of access to ownership; therefore much of the strategy's focus is on improving conditions within the PRS. This then benefits the many young people now living within it.

Youth homelessness and getting young vulnerable people into sustainable housing is discussed in Theme Four. The actions to better assess the needs of people with a range of support needs and place in appropriate supported accommodation will have a particular benefit for young people

This specific need is also recognised in the draft Homelessness Prevention Strategy

7. Other

- Looked after children: The continued of initiatives such as the use of group care homes using converted Council properties will assist the authority to meet its housing responsibilities towards looked after children
- Cohesion/ good relations: The role of housing providers in community cohesion and the housing aspects of "Nottingham

Together” have been stressed within Theme Five of the strategy

- Vulnerable children: Providing suitable, safe and sustainable housing is a fundamental base for supporting vulnerable children and their families; this strategy, through the delivery of new homes and raised standards in existing homes helps us to achieve this.
- Vulnerable adults: the evaluation of the pilot housing pathway for adults with learning disabilities and mental health issues will inform the effectiveness of our current approach and future direction as we seek to help more adults into supported living as an alternative to residential care.

Has consultation been done or planned for this proposal? •Completed •Planned

[screentip-sectionG](#)

Page 100
Has human rights legislation been considered in this proposal? •Yes •No (but see comments above re EHRC report and future actions)

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 specific actions identified above will be monitored at least 6 monthly. As stated above, many of the actions to deliver the objectives of the strategy will require their own EIAs at the point of implementation.

Approved by (manager signature):Graham de Max
Housing Strategy and Partnership Manager,
graham.demax@nottinghamcity.gov.uk tel
8763538

Date sent to equality team for publishing:29.5.18

Send document or link to:
equalityanddiversityteam@nottinghamcity.gov.uk

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.

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://gossweb.nottinghamcity.gov.uk/nccextranet/index.aspx?articleid=9770>
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.

Appendix 2

The City's new housing strategy: report on the consultation

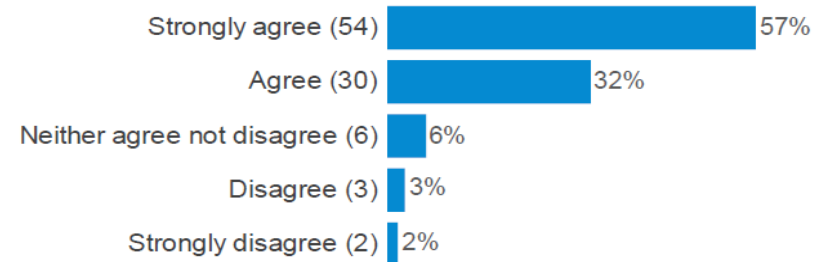
Consultation on the draft housing strategy was carried out in April and May 2018. It largely consisted of an online questionnaire, with the opportunity to also make open-ended comments. There were also some specific meetings at which the strategy was discussed. This report shows the results of the consultation.

Numerical analysis

There were 95 responses to the questionnaire. The results are shown below.

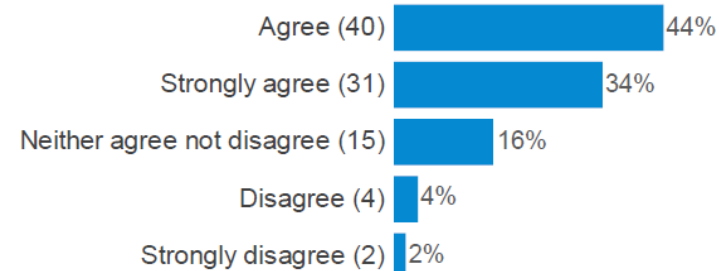
How strongly do you agree or disagree that these are the right themes/priorities?

| | Count | % |
|----------------------------|-------|-------|
| Strongly agree | 54 | 56.8% |
| Agree | 30 | 31.6% |
| Neither agree not disagree | 6 | 6.3% |
| Disagree | 3 | 3.2% |
| Strongly disagree | 2 | 2.1% |



Please consider Theme One “Delivering the new homes that Nottingham needs”, do you agree or disagree that the actions to deliver this objective are the right ones?

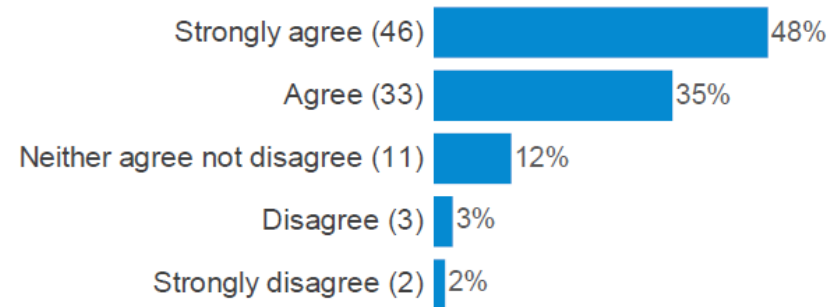
| | Count | % |
|----------------------------|-------|-------|
| Strongly agree | 31 | 33.7% |
| Agree | 40 | 43.5% |
| Neither agree not disagree | 15 | 16.3% |



| | | |
|-------------------|---|------|
| Disagree | 4 | 4.3% |
| Strongly disagree | 2 | 2.2% |

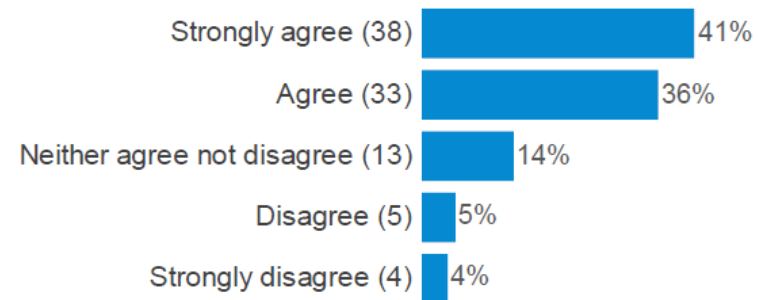
Looking at Theme two “Existing homes: Improving, maintaining good quality and making best use of them”, do you agree or disagree that the actions to deliver this objective are the right ones?

| | Count | % |
|----------------------------|-------|-------|
| Strongly agree | 46 | 48.4% |
| Agree | 33 | 34.7% |
| Neither agree not disagree | 11 | 11.6% |
| Disagree | 3 | 3.2% |
| Strongly disagree | 2 | 2.1% |



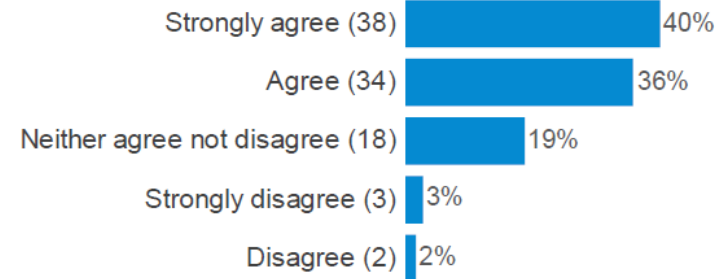
Looking at the theme “The challenge of homelessness prevention and providing specialist and supported housing”, do you agree or disagree that the actions to deliver this objective are the right ones?

| | Count | % |
|----------------------------|-------|-------|
| Strongly agree | 38 | 40.9% |
| Agree | 33 | 35.5% |
| Neither agree not disagree | 13 | 14.0% |
| Disagree | 5 | 5.4% |
| Strongly disagree | 4 | 4.3% |



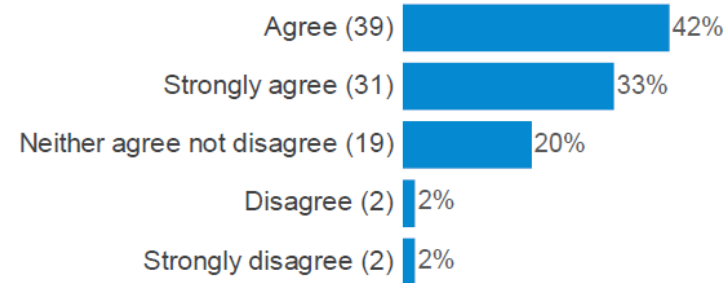
Looking at the theme “using the power of housing to improve health and wellbeing”, do you agree or disagree that the actions to deliver this objective are the right ones?

| | Count | % |
|----------------------------|-------|-------|
| Strongly agree | 38 | 40.0% |
| Agree | 34 | 35.8% |
| Neither agree not disagree | 18 | 18.9% |
| Disagree | 2 | 2.1% |
| Strongly disagree | 3 | 3.2% |



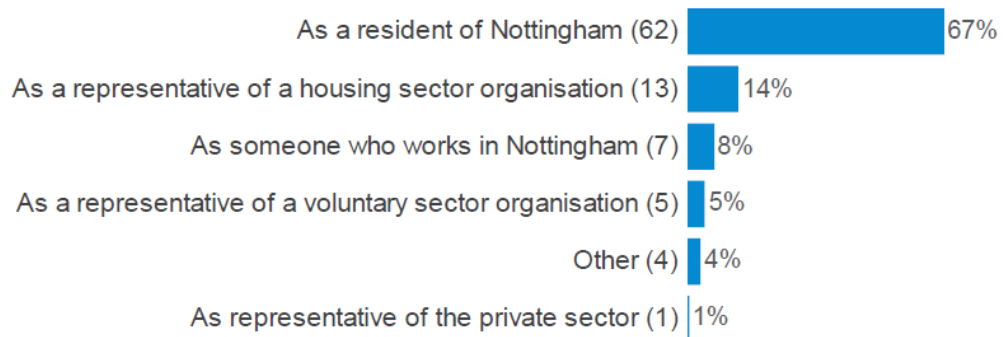
Looking at the theme “housing's role in strong communities”, do you agree or disagree that the actions to deliver this objective are the right ones?

| | Count | % |
|----------------------------|-------|-------|
| Strongly agree | 31 | 33.3% |
| Agree | 39 | 41.9% |
| Neither agree not disagree | 19 | 20.4% |
| Disagree | 2 | 2.2% |
| Strongly disagree | 2 | 2.2% |



In what capacity are you completing this questionnaire?

| | Count | % |
|--|-------|-------|
| As a resident of Nottingham | 62 | 67.4% |
| As a representative of a housing sector organisation | 13 | 14.1% |
| As a representative of a voluntary sector organisation | 5 | 5.4% |
| As representative of the private sector | 1 | 1.1% |
| As someone who works in Nottingham | 7 | 7.6% |
| Other | 4 | 4.3% |



Responses to themes derived from the open ended comments in the Housing Strategy consultation

Below are the comments which were received in addition to the answers to the questionnaire. Many of the comments do not directly relate to the themes of the strategy; however they are nevertheless raise valid housing policy issues which it is important to respond to.

| Suggestions/Observations | Response |
|--|---|
| <i>What other themes/priorities you think should be in the strategy?</i> | |
| Affordable homes needs to be a priority | The strategy shows how affordable homes will be delivered across all tenures. However, we want to see homes built across a range of needs and aspirations |
| <i>Is there anything missing in Theme one: delivering the new homes that Nottingham needs?</i> | |
| <i>Anti-Social Behaviour</i> | |
| Anti-social behaviour needs to be tackled. | Unclear as to why this comment is in this theme; however theme 5 identifies this as an objective. |
| <i>Environment</i> | |
| The Council should be preserving greenfield sites affordable houses need to be built and there is plenty of brownfield land or derelict buildings that need replacing. | Most of the sites on which new homes are being built are brownfield; certainly sites which have had previous uses and not greenfield. |
| <i>Partnership Working</i> | |
| NCH and NCC to work together to modernise homes rather than building new ones. | The Decent Homes Programme modernised the existing Council stock. However if the commenter is referring to homes which the Council |

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| | does not own, we are acquiring and modernising existing homes at the present time. Some of these will be bought by NCH for it to own; some are being purchased via the Housing Revenue Account Capital programme. |
| <i>Private Rental Sector</i> | |
| New homes are essential, rent is too high. | It is recognised that the private rented sector (PRS) is hugely important in the city's housing market, and institutional investment in this sector is welcomed and supported. However, existing buy to let landlords still have a role to play by delivering good quality, well managed and maintained homes. The Council wants to support this via its licensing schemes. |
| Tackle the buy to let issue which is the main problem in the private rented sector – institutional investors are preferable over small portfolio investors. | |
| <i>New Homes</i> | |
| Create a pathway for tenants to become homeowners. | This exists via the Right to Buy. However the Council would prefer to see tenants able to buy on the open market, thus releasing their home for someone else to be a tenant. |
| No further homes need to be built. | Our projections of population growth and needs suggest we do need a number of new homes |
| New homes should include the 'Secured by Design' standard as these lower the chances of burglary | NCH uses this; however it cannot be imposed on private developers |
| Invest in high density developments (Housing for the Compact City manifesto). | Efficient use of land within the city is strongly encouraged and there are numerous examples of higher density new housing including new city centre student accommodation; a Housing Design Guide is being produced to help achieve higher density urban living but we would not want to recreate the problems that we have sometimes seen historically with high density housing |
| There are developments bought by private developers who have not started years later. | The Government recognises this problem and the Council will use the powers available to it to get development going. |
| Developers need to start thinking innovatively. | We have an innovative developer in the city: Blueprint. The city encourages developers to be innovative to take on challenges such as |

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| | zero carbon homes, modular building, construction timescales and construction skills capacity but has to strike a balance between innovation and affordability. |
| It is good that the Council has considered the impact of the low proportion of family homes in the city on the surrounding boroughs. | Yes, we need more good quality family homes to stop the “flight to the suburbs” of aspiring households |
| New homes need to meet the needs of the population. (single/family/retirement/accessible) | This strategy aims to deliver this mix. |
| Theme One action 4 appears to preclude accessible housing for disabled people of all ages and we are therefore proposing that this action is extended to include this group of people. | Agreed. Some bungalows and other homes are built specifically for older people but it is clearly the case that people of all ages have disabilities which require suitable, accessible homes. The Council’s allocations policy allows for disabled people of all ages to be allocated bungalows provided they are not within a designated scheme for older people. This action will be amended. |
| We believe the City Council should apply inclusion principles to all types of residential development scheme (where viable), whatever their size, for example large family houses, student accommodation, 'specialist' housing). We therefore urge the Council to incorporate 100% homes built to Category 2 of the National Housing standard and 10% built to Category 3 standard. | The draft Local Plan has a policy on Specialist and Adaptable Housing. Essentially it asks for 10% of homes to meet Category 2 (Accessible and Adaptable) of the national standard. The Council cannot ask for more than this for reasons of viability. |
| <i>Social Housing</i> | |
| Social housing to meet the needs of one and two-bedroom accommodation needs. | The two bedroom need is recognised, and where appropriate, some one bedroom properties will be considered. |
| The tenants who are housed in these new homes need to be accountable for the upkeep of the property. | Agreed, and this is enforced via the tenancy agreement, which should be fully explained to new tenants by all providers |
| Social housing quality should not be compromised by the strain on limited resources available at the Council. | Agreed. Obviously new homes must be built within the borrowing envelope available to the Council and NCH, but that does not mean compromising quality. |
| <i>Is there anything missing in Theme two: Existing homes: Improving, maintaining good quality and making the best use of them?</i> | |

| <i>Maintaining existing homes</i> | |
|---|--|
| The Decent Homes Standard must remain a priority. There are critical safety investments to prioritise following the Grenfell Tower fire. | The Council and NCH totally agree and work to enhance the safety of high rise blocks is currently underway. The ongoing programme to maintain the decent home standard has “Safe” as one of its main workstreams. |
| All homes need updating, including owner-occupied properties, so that they don’t get into a state of disrepair. | Agreed, but this largely falls to the landlord or owner. The work that the Council does to raise standards in the PRS is part of this; however landlords also need to be proactive in protecting their investment, which of course also benefits tenants. Unfortunately there are no longer grants available for homeowners to repair their properties, but the Council is keen to continue its equity loan scheme to support lower income, older owners to deal with major problems in their homes. This is stated in the strategy. |
| Good to see that the Greater Nottingham standard acknowledges that Registered Providers need to maintain quality standards in the management and maintenance of their homes and that this can be achieved through regular engagement. | RPs are major partners and it is critical that they work with the Council and deliver a consistent service. It shouldn’t matter who your landlord is; there should be an expectation of high standards. |
| It depends on the costs of maintaining older homes, costs needs to be weighed up against maintaining old homes vs building new ones. | In the case of the Council’s stock, where it has become unviable (eg high rise blocks in Lenton and Radford) it has done this and demolished it and replaced it with new homes. |
| <i>Support in the Home</i> | |
| The issue comes from where does the provision to support vulnerable home owners come from when funding that assisted then has gone. | See comment above re lower income homeowners. Whilst it has the means to do so the Council will seek to continue to assist them. |
| <i>Private Rental Sector</i> | |
| Rogue landlords will always find a way around schemes like selective licensing. A more targeted approach of the rogue landlords is needed. | Licensing makes it more difficult for rogue landlords to slip under the radar. There has been a targeted approach via the Government-funded Rogue Landlord programmes, and the Safer Housing Team continues to have a focus on this. |

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| Release HMOs back to residents and families. | The Council's continued support for the building of purpose built student accommodation will have an impact on current HMOs. Where possible these could well return to family use; however some property types do not lend themselves to reconversion back to family homes and may continue as HMOs. There is a need for shared housing in the city, but it needs to be well managed. The additional and mandatory licensing schemes help to ensure this. |
| The private rented sector is where the problems lie. | Our data shows that the poorest conditions are in the PRS; however this should not overshadow the fact that there are some very good landlords providing good quality homes for a range of needs. |
| There should be a scheme for landlords to help them make their homes accessible for disabled people. | Recent national reports have highlighted this issue, and as the PRS becomes more important, so should disabled people be able to access it. If longer tenancies become the norm then it is more likely that landlords will be willing to make their properties accessible. It is an action for the strategy to carry out a "reality check" of how the City is addressing the housing needs of disabled people and what more can be done. |
| Landlords need to be held accountable for the way they are letting their houses get into disrepair while charging extortionate rates to students. | Additional Licensing covers most student HMOs and ensures that minimum standards are met. Students can use Unipol in order to have confidence in the landlord they are letting from and the quality of the property. As the purpose built sector grows and there is greater competition for landlords, those offering poor quality will struggle to let their properties |
| Much of the stock in the wards (covered by licensing) is in the wards with highest numbers of BME population, who may face additional rises in rent | This was considered as part of the equalities impact assessment for selective licensing. The view of the Council is that over the whole course of the scheme the costs are low and can be absorbed by |

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| | landlords as part of their business costs. |
| G4S and providers of accommodation for asylum seekers should require a licence | This type of accommodation is licensable |
| Resources | |
| These actions are the right ones, but will the Council be able to undertake what it has promised? | Many of the actions in the strategy are already funded, and many can be delivered at little or no cost other than officer time and through effective partnerships. |
| <i>Is there anything missing in Theme three: The Challenge of homelessness prevention and providing specialist and supported housing?</i> | |
| Homelessness | |
| Include the target for reducing use of B&Bs. | This is a target within the strategy |
| Preventive measures are the most important. | Agreed, and this strategy, together with the new Homelessness Prevention Strategy will follow this principle. |
| Homelessness is a well-known issue, preventative strategies do not seem to be working, need to really address why people are becoming homeless. | Considerable analysis has been carried out on the causes of homelessness. The Homelessness Reduction Act requires us by law to follow a prevention based approach. The Council has been highly successful in homelessness prevention in the past and aims to be so again. The new Homelessness Prevention Strategy has a focus on addressing the causes of homelessness |
| Those who are citizens of Nottingham and were made homeless after living as a city resident should take precedent over those who did not live here previously. | This is already the case: the legislation provides for this. |
| Housing first to solve the housing crisis and for those with complex needs. | The Council and its partners are considering how it can implement Housing First, and the approach is highlighted within the strategy |

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| Have you considered many different areas for housing homeless people, including the wealthier wards? | Where people are rehoused is obviously a factor of where housing is available. The use of the private rented sector to discharge our homelessness duties widens the geographical spread of where households can be rehoused and extends choice. |
| Homeless people would need one bed flats, think about the knock on effect of housing homeless people will have on others waiting to be housed. | The allocations policy is being reviewed in order to respond to changing patterns of demand and the Council's approach to homelessness. |
| <i>Partnership Working</i> | |
| Work to remove barriers to employment. | The connection between stable housing and employment is recognised and there is a strong working relationship between the DWP, the Council's employment services and the homelessness sector, both voluntary and statutory |
| There is scope to consider greater joining up of multi-agency partnership working with charities or through projects such as Response to Complexity to be able to support the complexity of homelessness and those who require specialist or supporting housing (i.e. victims of domestic violence). | The Homelessness Prevention Strategy Implementation Group (SIG) is a multi-agency partnership which seeks to explore opportunities for greater collaboration and invites all members (including those from the voluntary and Domestic and Sexual Violence and Abuse sector) to bring forward agenda items to progress such discussions |
| NCH should have the opportunity to work with NCC Adult Social Care to deliver cost effective housing solutions. | This has been achieved at Benedict Court in Top Valley for people with mental health issues and in other initiatives. There are further proposals for this type of model. The strategy fully supports this collaboration. |
| Homeless housing should be safe, inviting and affordable but need support people with the complex issues too. To address the root cause you would need to work closely with Adult Social Care. | Agreed; the new homelessness prevention strategy emphasises this need. |
| There is no clear definition of the term 'specialist'. In the draft strategy groups are listed including older people. However, BME people are not listed, or refugees or migrant communities as requiring specialist supported housing. | 'Specialist' in this context is taken to mean housing which meets specific needs to make independent living possible. The needs of BME people, refugees and migrant communities are recognised throughout the strategy, but these do not necessarily entail the delivery of specialist housing (although support, particularly for refugees is recognised as sometimes requiring a tailored approach) |

| <i>Support in the Home</i> | |
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| Utilise the rise in technology in the home as a way for vulnerable adults to remain living independently. | The city has a strong track record in the use of assistive technology and will continue to maximise its use in order to support older people to live independently. Both NCH and RP partners (notably Nottingham Community Housing Association through its SMaRT service) have embedded assistive technology in their services. |
| Every effort should be made to keep people in their own homes especially older or disabled people, assistance should be given to allow them to do so. | |
| Disabled people are in all the sectors of society identified by the Strategy and need to live in a variety of housing types. Some are not in need of supported care etc., but just need to have access to housing which is fully accessible | |
| <i>Resources</i> | |
| Where is the funding to enact these actions coming from? | The Council faces significant financial challenges in meeting the requirements of the Homelessness Reduction Act, but will make full use of its own resources plus grant funding to deliver a more effective approach to homelessness prevention and response which reduces costs further down the line, ie eliminating the use of Bed and Breakfast. A lot of the work that will deliver this theme of the strategy are based on an objective to get people into more appropriate housing which supports independence and is less costly. |
| There seems to be less and less supported housing due to cuts | Reductions in central government funding to local government have unquestionably led to a reduction in supported housing and housing related support. However Nottingham has done more than many other areas to work with its partners to try and protect these services and ensure that supported accommodation is available to people in need even when there has been no statutory requirement to provide it. |
| <i>Is there anything missing in Theme four: Using the power of housing to improve health and wellbeing and prevent ill health?</i> | |
| <i>Community</i> | |
| Plan houses with transport links to community facilities. | Agreed, and this is factored into development |
| Neighbourhoods needs improving – encourage people to take | This is very much within the ethos of Theme Five. Social housing |

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| pride in their front gardens, tackle anti-social behaviour and nuisance neighbours | providers can do this through rigorous enforcement of tenancy agreements. Our licensing schemes in the PRS also have conditions relating to the exterior of properties and of course tackling antisocial behaviour |
| <i>Health and Wellbeing</i> | |
| There should be a commitment to help tackle mental health problems, including social isolation in the home. | Agreed; the approach of this strategy places a strong emphasis on meeting the need of people with mental health issues. |
| Green space and natural light is an important aspect of health and wellbeing and this should be integrated. Too many poor quality schemes get approval. | The Council gives consideration to these factors at planning stage |
| Not sure that health and wellbeing should be a priority, a disjointed approach without working with the appropriate services will not work. | The point of having health and wellbeing as a priority in the strategy is to highlight its importance for housing and vice-versa. The aim of the Memorandum of Understanding is to achieve greater levels of integration and to make the approach less disjointed |
| <i>Partnership Working</i> | |
| Collaborating with other housing providers with communal spaces (parks/safe spaces) to combat loneliness and improve mental health. | These factors should be taken into account at design and planning stages. It is clear that there is a relationship between design and mental wellbeing, and this can be considered in the work on the housing design guide |
| <i>Is there anything missing in Theme five: Housing's role in strong communities?</i> | |
| <i>Community</i> | |
| High quality housing will make people take pride in their area & build communities. | Agreed. The regeneration of areas like Lenton and Radford will hopefully demonstrate this over time. |
| It is hard to have a strong community when you are living with strangers all around you. Encourage street celebrations, cultural awareness events, tea in the park and community services. | Although this is not specifically a housing issue, housing providers have a definite role to play. NCH organises and supports a number of community events, as do other social housing providers, for example Tuntum's role in supporting the annual carnival |
| <i>Environment</i> | |
| Particularly support the aim that new housing developments should enhance the local environment and deliver sustainability. | The influence that housing can have in improving the local environment is highlighted in the strategy. Trent Basin is a very good example of new |

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| | housing delivering sustainability. Where we can influence the level of sustainability in new homes, particularly new council/NCH homes we are doing so. |
| <i>Partnership Working</i> | |
| Residents working in collaboration with their landlord works better when there is mutual respect and trust. | Agreed – social housing providers have a duty to work with their tenants and consult with them on the issues and decisions that will affect their homes and communities. |
| Training and employment should be expanded to encourage new suppliers of training and apprenticeships into the city. Have a strategy which actively encourages wider community benefits. | The housing strategy has emphasised the important role that housing providers have in helping tenants into apprenticeships, training and employment. |
| Place additional emphasis on partnership working with organisations who manage estates to widen partnership working. | There is an objective within the strategy to ensure that all housing providers are participating in local partnerships at an appropriate level. |
| <i>General Comments on the Housing Strategy</i> | |
| Support for landlords | This is assumed to mean private landlords: licensing schemes, accreditation and the general advice and information for landlords are all aimed at supporting landlords; they are not just about enforcement |
| Support for homeowners | There are two elements to this: building more homes for ownership and providing assistance to homeowners who have difficulty in maintaining their homes. The strategy addresses both: we want to see higher levels of home ownership and the strategy supports new homes for ownership across a range of needs and aspirations. In terms of assistance to more vulnerable owners there are many ways (eg assistive technology) in which people can be supported to remain independent in their homes; we will also endeavour to continue to offer equity loans to those who are financially unable to carry out essential work to their homes |
| Support for those who want to own their own home | See response above |
| Protection for the environment | This is a major consideration in both the delivery of new homes and the |

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| | maintenance and fuel efficiency of the existing stock. |
| Nottingham citizens being given priority for housing over 'non-indigenous' people | Nottingham citizens are given priority as there are residence requirements to be eligible to be allocated housing |
| Nottingham City Council fulfil the promises in this Housing Strategy | The strategy will have a delivery plan which will be monitored and ensure that the actions are delivered, naturally subject to changes in national policy etc. |
| Tackle anti-social behaviour | Theme Five identifies the role that housing providers have in this area. |
| Innovative housing design | We want to see innovation in housing design |
| Build more houses | The strategy sets out how we will do this |
| Simple English would have made this document more accessible. | It is regrettable if the reader has found the document not as accessible as it might be; however it has attempted to avoid jargon and to explain terminology and the issues as simply as possible. |

Detailed responses

Detailed responses were received from the following:

- BME Housing Network
- Nottingham City Homes
- Notts Disabled People's Movement

These submissions have been incorporated into the table above.

General Quotes about the strategy

"This is a comprehensive and impressive plan"

"It is good to see the intention of (housing providers) working together, (with standards set) for housing provision in the city"

"The Strategy gives an understanding of the challenges and all the hard work needed to meet those challenges".

"I agree that good housing goes a long way to improve health and wellbeing"

“The work of Nottingham Together is appreciated as contributing to the diversity and cohesiveness of communities within the City”

“We welcome the overall ethos of the Housing Strategy, but believe there are some serious issues regarding inclusion for disabled people”