



**NOTTINGHAM CITY COUNCIL**  
**EXECUTIVE BOARD**

**Date:** Tuesday, 17 September 2019

**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:** Kate Morris, Constitutional Services **Direct Dial:** 0115 8764353

**AGENDA**

**Pages**

- |          |   |         |
|----------|---|---------|
| <b>1</b> | <b>APOLOGIES FOR ABSENCE</b>  |         |
| <b>2</b> | <b>DECLARATIONS OF INTERESTS</b>  |         |
| <b>3</b> | <b>MINUTES</b><br>Last meeting held on 16 July 2019 (for confirmation)  | 3 - 10  |
| <b>4</b> | <b>REPORT TO EXECUTIVE BOARD FOLLOWING THE PUBLICATION OF THE INDEPENDENT INQUIRY INTO CHILD SEXUAL ABUSE</b><br>Report of the Leader of the Council  | 11 - 18 |
| <b>5</b> | <b>REVIEW OF 2019/20 REVENUE AND CAPITAL BUDGETS AT 30 JUNE 2019 (QUARTER 1) - KEY DECISION</b><br>Report of the Portfolio Holder for Finance, Growth and the City Centre   | 19 - 40 |
| <b>6</b> | <b>RESIDENTIAL DEVELOPMENT OF THE PADSTOW AND RIDGEWAY SITES, BESTWOOD - KEY DECISION</b><br>Report of the Portfolio Holder for Regeneration, Safety and Communications and the Portfolio Holder for Planning and Housing | 41 - 50 |
| <b>7</b> | <b>LOAN TO NOTTINGHAM CITY HOMES ENTERPRISE LIMITED FOR THE RE-DEVELOPMENT OF THE FORMER MEADOWS POLICE STATION - KEY DECISION</b>  | 51 - 58 |

Report of the Portfolio Holder for Planning, Housing and Heritage and the Portfolio Holder for Finance, Growth and City Centre

- |           |   |         |
|-----------|---|---------|
| <b>8</b>  | <b>EXPENDITURE OF GRANT FUNDS FOR THE WOLLATON HALL GALLERY REFURBISHMENT PROGRAMME 2019-2023 - KEY DECISION</b><br>Report of the Portfolio Holder for Leisure, Culture and IT  | 59 - 68 |
| <br>      |   |         |
| <b>9</b>  | <b>EXCLUSION OF THE PUBLIC</b><br>To consider excluding the public from the meeting during consideration of the remaining item(s) in accordance with Section 100A(4) of the Local Government Act 1972 on the basis that, having regard to all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information |         |
| <br>      |   |         |
| <b>10</b> | <b>RESIDENTIAL DEVELOPMENT OF THE PADSTOW AND RIDGEWAY SITES, BESTWOOD - EXEMPT APPENDIX</b><br>Report of the Portfolio Holder for Regeneration, Safety and Communications and the Portfolio Holder for Planning and Housing  | 69 - 76 |
| <br>      |   |         |
| <b>11</b> | <b>LOAN TO NOTTINGHAM CITY HOMES ENTERPRISE LIMITED FOR THE RE-DEVELOPMENT OF THE FORMER MEADOWS POLICE STATION - EXEMPT APPENDIX</b><br>Report of the Portfolio Holder for Planning, Housing and Heritage and the Portfolio Holder for Finance, Growth and City Centre   | 77 - 78 |

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](http://WWW.NOTTINGHAMCITY.GOV.UK). INDIVIDUALS INTENDING TO RECORD THE MEETING ARE ASKED TO NOTIFY THE GOVERNANCE OFFICER SHOWN ABOVE IN ADVANCE.

## **NOTTINGHAM CITY COUNCIL**

### **EXECUTIVE BOARD**

**MINUTES of the meeting held at Ground Floor Committee Room - Loxley House, Station Street, Nottingham, NG2 3NG on 16 July 2019 from 1.33 pm - 1.52 pm**

#### **Membership**

##### Present

Councillor David Mellen (Chair)  
Councillor Cheryl Barnard  
Councillor Eunice Campbell-Clark  
Councillor Neghat Khan  
Councillor Rebecca Langton  
Councillor Sally Longford (Vice Chair)  
Councillor Dave Trimble  
Councillor Sam Webster  
Councillor Adele Williams

##### Absent

Councillor Linda Woodings

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

Councillor Kevin Clark  
Councillor Andrew Rule

Alison Challenger	- Director for Public Health
Ian Curryer	- Chief Executive
Melanie Fretwell	- Principal Enforcement Officer - Community Protection
Chris Henning	- Corporate Director for Development and Growth
Laura Pattman	- Strategic Director of Finance
Janine Walker	- Head of SEND and Vulnerable Pupils
Kate Morris	- Governance Officer

#### **Call-in**

Unless stated otherwise, all decisions are subject to call-in. The last date for call-in is 25 July 2019. Decisions cannot be implemented until the working day after this date.

### **22 APOLOGIES FOR ABSENCE**

Councillor Linda Woodings – Council Business

### **23 DECLARATIONS OF INTERESTS**

Councillor Sam Webster declared an interest in item 7, Loan to Nottingham City Homes Enterprise Limited (NCH E Ltd) for Market Rent property acquisition, as an outgoing Board Member of Nottingham City Homes.

This did not preclude him from speaking on the matter as following Item 4, appointments to Outside Bodies he would no longer be on that Board.

## **24 MINUTES**

The minutes of the meeting held on 18 June 2019 were confirmed as a true record and were signed by the Chair.

## **25 APPOINTMENTS TO OUTSIDE BODIES**

The Board considered the report of the Portfolio Holder for Energy, Environment and Democratic Services seeking approval of nominations and appointment to Outside Bodies. The Portfolio Holder outlined the importance of these appointments meaning that Nottingham City Council is able to influence nationally, regionally or locally in respect of the community as a whole or in respect of certain sectors of the community. Unless otherwise stated all appointments are made for a 4 year period.

### **RESOLVED to:**

- (1) Agree, subject to confirmation with the Charity Commission where necessary, the following deletions of bodies from Register A:**
  - Civic Enterprise Nottingham Ltd
  - Gas Fund Trustees
  - Nottingham High School
  - Pakistan Community Centre Management Committee
- (2) Agree to the nomination / appointments to Outside Bodies as set out in Register A with amendments confirmed by the Board highlighted.**
- (3) Agree to transfer the following body to the Register of Bodies appointed to by Area Committees as it is relevant to one particular ward:**
  - Wollaton Park Golf Club Management Committee
- (4) Note that appointments are not required to the following bodies at this time:**
  - NET Development Board
  - SPLAT (Speaking, Learning, Acting Together)
- (5) Note the organisations contained in Register B (the register for Area Committee Appointments) and to delegate appointments to those organisations to the relevant area committees together with responsibility for adding to or deleting organisations from Register B.**
- (6) Note the revised process for managing Outside Bodies as laid out in appendix C published with the agenda;**

### **Reasons for recommendations**

Appointments to Outside Bodies need to be kept up to date to reflect changes in Council Membership following local elections

Approval of these recommendations helps to ensure that the bodies to which the Council appoints remain relevant to its business

Procedures are in place to maintain the register proactively and accurately during each four-year term.

#### Other Options Considered

The other option considered was not to make the nominations / appointment to Outside Bodies. This option was rejected as it would deny the City Council a voice on a number of key local, citywide and national organisations.

### **26     EXTENSION TO NOTTINGHAM CITY COUNCIL'S PUBLIC SPACES PROTECTION ORDERS IN RESPECT OF DOGS - KEY DECISION**

The Board considered the report of the Portfolio Holder for Regeneration, Safety and Communication seeking approval for the extension of existing Public Spaces Protection Orders (PSPO's) in respect of dogs across its administrative area.

The PSPO's were originally approved in May 2016 by Nottingham City Council's Executive Board and were designed to address various problems associated with dogs in relation to nuisance and annoyance to the public across Nottingham City.

The Board agreed that the PSPO's had been working well and were a fair and balanced way to address the issues. The PSPO's will be extended as they currently stand. Any extension of area, or addition of areas where dogs are banned would be subject to public consultation and approval by this Board.

#### **RESOLVED to:**

- (1) To authorise extensions to the following Public Spaces Protection Orders ("PSPOs"), having been satisfied that the test in section 59 of the Anti-social Behaviour, Crime and Policing Act 2014 is met, and having regard to the rights of freedom of expression and freedom of assembly so that they remain in effect for a further period of three years from the 25<sup>th</sup> September 2019,:**
  - (i) Nottingham City Council Dogs on Leads by Direction Public Spaces Protection Order 2016 ("PSPO 1") Appendix 1**
  - (ii) Nottingham City Council Dogs on Lead Public Spaces Protection Order 2016 ("PSPO 2") Appendix 2**
  - (iii) Nottingham City Council Dogs Exclusion Public Spaces Protection Order 2016 ("PSPO 3") Appendix 3**
  - (iv) Nottingham City Council Fouling of Land by Dogs and Requirement to Produce Device for or Other Suitable Means of Removing Dog Faeces Public Spaces Protection Order 2016 ("PSPO 4") Appendix 4**
- (2) To carry out the necessary advertisements and arrange for appropriate signage to be erected or amended where necessary in accordance with the legislative requirements**

### Reasons for recommendations

Before the Dog Control PSPOs were made in 2016, there were significant problems caused by dog related anti-social behaviour, nuisance and disorder across the whole city of Nottingham. Reports received showed that the problems were often caused by irresponsible dog owners allowing their dogs to intimidate citizens in Nottingham and run amok within the urban areas of Nottingham without being under the full control of their owners. Evidence showed that these issues impacted greatly on the quality of the life for the residents, visitors and businesses alike by intimidation to citizens, posing a danger to citizens and traffic control, and damage to play equipment, street furniture and the wildlife and trees. It undoubtedly had a detrimental effect on the quality of life of those in the locality.

Evidence gathered in the areas where the Council had previously implemented Dog Control Orders showed a reduction in dog related nuisance and disorder through the use of associated powers. Dog Control Orders were repealed under the Anti-social Behaviour, Crime and Policing Act 2014 ("the 2014 Act") and replaced by PSPOs. As such, the Dog Control PSPOs were implemented across the Council's administrative area to ensure that the problems being experienced at that time were not pushed into neighbouring areas. This ensured that the problems caused by dog related anti-social behaviour, nuisance and disorder across the city were cohesively dealt with effectively.

The powers arising from the Dog Control PSPOs are not intended to disrupt peaceful activities, for example families or groups taking their dog out for a walk but are solely used as a control measure for dogs to be kept under control by their owners at all times. They have successfully supported the Council in its efforts to stop irresponsible dog owners from causing anti-social behaviour and associated harassment, alarm and distress to members of the public.

It continues to be recognised that the most contentious part of the Dog Control PSPOs are where they directly impact on the City's parks. These are important public areas and it is imperative that the correct balance of use is obtained for all park users; this includes suitable and sufficient areas where dogs can safely be exercised 'off lead'. Authorised Officers are trained to only direct that a dog be placed on a lead on this land where necessary to '...prevent a nuisance or behaviour by the dog likely to cause annoyance or disturbance to any other person on any land that [this] Order applies or the worrying or disturbance of any animal or bird.'

The Nottingham City Council Dogs on Lead by Direction Public Spaces Protection Order 2016 has ensured that the correct balance of use has been maintained for all park users and has successfully supported the Council's commitments towards protecting its citizens and providing a safe and friendly environment for all park users and animals. The restrictions are reasonable, proportionate and satisfy the Animal Welfare Act 2006 whilst also providing the citizens of Nottingham with additional safety from dangerous and uncontrolled dogs. .

The Council has undertaken consultation in relation to the proposed extension to the expiry date of the Dog Control PSPOs only. Any other potential amendments to the Dog Control PSPOs would require formal consultation, publicity and notification in accordance with the 2014 Act authorised in accordance with the Council's Constitution first before a decision on any such amendment(s) to the Dog Control PSPOs could be taken.

The purpose of the proposed extension to the Dog Control PSPOs is to ensure a continuation of the prevention of those that are causing evidenced ASB and to control their dogs in a responsible fashion. Those going about their business in a peaceful and lawful manner are not be unreasonably affected by the prohibitions in the Dog Control PSPOs.

#### Other options considered

##### **Doing Nothing:**

If the Council chose to do nothing the existing PSPO's would lapse on 25<sup>th</sup> September 2019 and the powers associated with these Orders will no longer be available.

There are no longer alternative existing powers to control various problems associated with dogs in the administrative area of Nottingham as Nottingham City Council's Executive Board approved the revocation of the Order under the Dogs (Fouling of Land) Act 1996 ("the 1996 Act") in May 2016 in order for it to be replaced by the PSPOs.

The Dog Control Orders under the Clean Neighbourhoods and Environment Act 2005 ("the 2005 Act") were also superseded by the Dog Control PSPOs and are no longer available so for this reason, the option was rejected.

##### **Byelaws**

Byelaws such as the Regulations of Dogs at Robin Hood Chase, Dogs at Woodthorpe Park, on the Old Market Square and the Colwick Park Byelaws have been made in Nottingham and where in force, these Byelaws contain various dog controls, breach of which is an offence. However, they only apply to limited parts of the administrative area of Nottingham and the maximum fine on conviction in the Magistrates' Court for breach is, at most, a level 2 fine. Currently there is no fixed penalty notice available as an alternative to prosecution.

By virtue of Section 70 of the 2014 Act, existing byelaws that prohibit an activity regulated by a PSPO will be of no effect in relation to the restricted area during the currency of the PSPO and so for these reasons this option was also rejected.

##### **Other powers**

There are other powers available to control dogs, such as education and engagement, early intervention using non-statutory measures, Acceptable Behaviour Contracts, Injunctions, Criminal Behaviour Orders ("CBOs"), dispersal powers and other dog control legislation for example the Dangerous Dogs Act. Examples of these powers are details in the 'Dealing with irresponsible dog ownership Practitioner's manual' dated October 2014. These powers, other than education, are generally only effective in dealing with specific individuals and incidents, and have been largely ineffective in dealing with the wider issues experienced across Nottingham. Court Orders such as CBOs and Civil Injunctions can be issued, however this approach has also proven costly and time consuming. The Council will continue to be able to use these measures where appropriate but reliance on these powers alone was rejected.

## **27 APPROVALS IN RELATION TO THE EXPANSION OF NETHERGATE ACADEMY - KEY DECISION**

The Board considered the report of the Portfolio Holder for Early Years, Education and Employment seeking approval for projects to extend Nethergate

Academy in Clifton. Expansion of this academy will support the delivery of the City Council's Special Education Needs and Disabilities strategy by creating an additional 48 school places for September 2020.

Officers confirmed to the Board that the issue of parking is being addressed. Consideration is being given to a number of options including extension of onsite parking and / or introduction of traffic regulations.

**RESOLVED to:**

- (1) Approve the extension of Nethergate Academy by 48 places subject to consultation being successfully concluded and the necessary approvals in place;**
- (2) Amend the capital programme to reflect the capital funding envelope of £2,137,328 of funding from the Education and Skills Funding Agency (ESFS) phased over three years, noting that £250,000 has already been allocated towards this project previously;**
- (3) Approve the remaining SEND allocation received by the ESFA and an additional £275,000 from other funding sources, towards the cost of construction of the ASD unit at Nethergate Academy;**
- (4) Approve the use and procurement of consultants for mechanical and electrical services as this cannot be resourced in house;**
- (5) Approve the procurement of the contractor in compliance with the Councils financial regulations and procurement policies;**
- (6) Delegate authority to the Director of Legal and Governance to enter into contracts for the services and works;**
- (7) Approve funding of any direct costs and fees associated with Planning Building Control, Design Services and reimburse any project related costs incurred by the school; and**
- (8) Delegate authority to the Director of Major Projects to approve payment of any costs incurred by the school and to authorise reimbursement.**

Reasons for recommendations

This report sets out the approval necessary to deliver a 48 place Autistic Spectrum Disorder (ASD) unit at Nethergate school.

Following extensive consultation, Nottingham City Council (NCC) published a SEND strategy that sets out the principles of the SEND strategy across the city of Nottingham for the next five years. The development of this strategy involved looking at the type and number of places required and reviewing options for increasing provision at SEND schools in order to meet the growing demand for places and identifying priority areas. The first priority identified in this strategy is the expansion of ASD provision at Nethergate by 48 places.



A previous report in February 2019 (DDM 3304) allowed for this work to commence, including early works to allow the school to provide urgently required places by Easter 2019 and to look at the options and costs for delivering a separate 48 place ASD unit.

Other options considered

The first alternative option considered was to do nothing. This option was rejected as the shortfall in provision for pupils with ASD across the City needs to be addressed in order to mitigate an increase in the revenue costs for sourcing specialist provision for other providers that is not suitable in the long term.

The second alternative option was to procure the works through an available framework. This option was rejected, as the scheme is ideal to test the open market to ensure value for money.

**28     LOAN TO NOTTINGHAM CITY HOMES ENTERPRISE LIMITED (NCH E LTD) FOR MARKET RENT PROPERTY ACQUISITION - KEY DECISION**

The Board considered the report of the Portfolio Holder for Planning Housing and Heritage and the Portfolio Holder for Finance, Growth and City Centre seeking approval to provide a loan to Nottingham City Homes Enterprise Limited from an existing loan facility approved by Executive Board in December 2016. The loan will be used to expand the private rent portfolio through the acquisition of private rent properties.

**RESOLVED to:**

- (1) Approve a loan of £20.086m to Nottingham City Homes Enterprise Limited (NCH E Ltd) on the terms set out within the exempt finance advice; and**
- (2) Delegate authority to the Strategic Director of Finance to approve loan drawdown subject to the completion of due diligence as detailed in the exempt advice.**

Reasons for recommendations

Supporting NCH E Ltd to expand their private rent portfolio by providing a loan for the acquisition of private rent properties will help to drive up standards in the private rent sector ensuring well managed high quality properties are made available to rent.

Other options considered

Not providing a loan was also considered. This was rejected as it would be detrimental to the shared objective of improving the private rent sector in Nottingham and would restrict the ability of NCH E Ltd to develop a property portfolio and asset base.

**29     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 as defined in paragraph 3 of part 1, Schedule 12A of the Act.**

**30     LOAN TO NOTTINGHAM CITY HOMES ENTERPRISE LIMITED (NCH E LTD) FOR MARKET RENT PROPERTY ACQUISITION - EXEMPT APPENDIX**

**RESOLVED to note the content of the Exempt Appendix**

<b>Subject:</b>	Report to Executive Board following the Publication of the Independent Inquiry into Child Sexual Abuse
<b>Corporate Director(s)/Director(s):</b>	Alison Michalska, Corporate Director for Children and Adults
<b>Portfolio Holder(s):</b>	Councillor David Mellen, Leader of the Council
<b>Report author and contact details:</b>	Michelle Roe, Executive Officer, Children and Adults Directorate Tel: 0115 8763422 E: <a href="mailto:Michelle.Roe@nottinghamcity.gov.uk">Michelle.Roe@nottinghamcity.gov.uk</a>
<b>Subject to call-in:</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Key Decision:</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Criteria for Key Decision:</b>	
(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	
<b>and/or</b>	
(b) Significant impact on communities living or working in two or more wards in the City <input type="checkbox"/> Yes <input type="checkbox"/> No	
<b>Type of expenditure:</b>	<input type="checkbox"/> Revenue <input type="checkbox"/> Capital
<b>Total value of the decision:</b> Nil	
<b>Wards affected:</b> All	
<b>Date of consultation with Portfolio Holder(s):</b> 6 September 2019	
<b>Relevant Council Plan Key Theme:</b>	
Strategic Regeneration and Development	<input type="checkbox"/>
Schools	<input type="checkbox"/>
Planning and Housing	<input type="checkbox"/>
Community Services	<input type="checkbox"/>
Energy, Sustainability and Customer	<input type="checkbox"/>
Jobs, Growth and Transport	<input type="checkbox"/>
Adults, Health and Community Sector	<input checked="" type="checkbox"/>
Children, Early Intervention and Early Years	<input checked="" type="checkbox"/>
Leisure and Culture	<input type="checkbox"/>
Resources and Neighbourhood Regeneration	<input type="checkbox"/>
<b>Summary of issues (including benefits to citizens/service users):</b>	
This report is brought to Executive Board to advise of the recommendations following the publication of the Independent Inquiry into Child Sexual Abuse (IICSA) Report	
<b>Exempt information:</b>	
None	
<b>Recommendation(s):</b>	
<b>1</b> To note the content of the report attached at appendix 1	
<b>2</b> To note the timescale for responding to the requirements of the published IICSA Report	

## **1 REASONS FOR RECOMMENDATIONS**

- 1.1 The IICSA report has made two recommendations for the City Council to action. The purpose of the report is to highlight these recommendations and the proposed actions to fulfil them.

## **2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)**

- 2.1 The independent inquiry into historical child sexual abuse has examined evidence from Nottinghamshire and Nottingham City Councils. Following the inquiry hearing in October 2018 a report has been published which has made recommendations for both councils. The purpose of this report is to inform the Executive Board how the council intend to respond to these recommendations.

## **3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS**

- 3.1 None – This report is for information only

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

- 4.1 The report has no financial implications and is for information only.

Ceri Walters, Head of Commercial Finance.

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

- 5.1 There are no legal issues arising from this report

Richard Murphy, Solicitor, 9 September 2019

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

- 6.1 N/A

## **7 SOCIAL VALUE CONSIDERATIONS**

- 7.1 N/A

## **8 REGARD TO THE NHS CONSTITUTION**

- 8.1 N/A

## **9 EQUALITY IMPACT ASSESSMENT (EIA)**

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

No



An EIA is not required because this report is for information only.

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 No applicable

**11 PUBLISHED DOCUMENTS REFERRED TO IN THIS REPORT**

11.1 Children in the care of the Nottinghamshire Councils Investigation Report July 2019  
<https://www.iicsa.org.uk/publications/investigation/nottinghamshire-councils>

This page is intentionally left blank

# **Report to Executive Board following the Publication of the Independent Inquiry into Child Sexual Abuse**

## **Background**

- The Independent Inquiry into Child Sexual Abuse (IICSA) was established as a statutory inquiry on 12 March 2015 to consider the growing evidence of historical institutional failures to protect children from child sexual abuse, and to make recommendations to ensure the best possible protection for children in future.
- The inquiry launched 13 investigations into a broad range of institutions identified on the basis of the Panel's criteria for selection of investigations.
- In November 2015, Justice Goddard (the then chair of the Inquiry) announced that the independent investigation into child sexual exploitation would look into the historical failure to protect children in the care of Nottingham and Nottinghamshire Councils.
- A significant number of allegations (including physical and sexual abuse) of historical abuse in children's homes, previously operated by Nottinghamshire County and Nottingham City councils and other organisations, have been made, dating back to the 1940's.
- Currently, there are a significant number of actions, both criminal and civil, that are under way:
  1. *Police Operation Equinox which is the overarching umbrella for a variety of operations including:*
    - *Operation Daybreak*, which was launched by Nottinghamshire Police in 2011.
    - *Operation Xeres*, investigating similar allegations in north Nottinghamshire, launched in 2015.
  2. *Civil Claims against both the County and City Councils.*

## **Scope of the Inquiry – The Nottinghamshire and Nottingham Context**

1. Institutional responses to disclosures of allegations of sexual abuse in relation to the Beechwood Children's Home since 1967 to the present and the barriers to disclosure of such allegations.
2. A case study into the institutional responses to disclosure of allegations of child sexual abuse in foster carer and the barriers to disclosure of such allegations.
3. A case study into the institutional responses to disclosures of allegations of sexual abuse carried out by children against other children in the care of the Councils, and the barriers to disclosure of such allegations.

## **Progress**

- The Independent Inquiry into Child Sexual Abuse requested a variety of information from both Councils since January 2016. The requests were in relation to current and historical policies, procedures, guidance, investigation reports, civil claims, allegations against staff and foster carers and case records.
- The Public Hearing ran from 1<sup>st</sup> – 26<sup>th</sup> October (with a one week break).

## **Publication of Findings**

On 31<sup>st</sup> July 2019, IICSA published its findings into the extent of any institutional failures to protect children in the care of Nottingham City and Nottinghamshire County Councils from sexual abuse.

There were two recommendations for the City Council, for which we will need to publish our response within six months of the publication of this report:

1. Nottingham City Council should assess the potential risk posted by current and former foster carers directly provided by the council in relation to the sexual abuse of children. They should also ensure that current and former foster carers provided by external agencies are assessed by those agencies. Any concerns which arise should be referred to the appropriate body or process, including the Disclosure and Barring Service, the local authority designated officer (LADO) or equivalent, the fostering panel and the police.
2. Nottingham City Council and its child protection partners should commission an independent, external evaluation of their practice concerning harmful sexual behaviour, including responses, prevention, assessment intervention and workforce development. An action plan should be set up to ensure that any recommendations are responded to in a timely manner and progress should be reported to City's Safeguarding Children Partnership.

As part of the wider cross-cutting learning from the 14 strands of the Inquiry, they will return to a number of issues that have emerged during this investigation, including but not limited to:

- Harmful sexual behaviour.
- The barriers to disclosure of sexual abuse by children, including those in care, and proactive steps to reduce those barriers.
- The approach to civil litigation, including the role of insurers.

The full report can be found [here](#).

## **Next Steps**

- An action plan has been developed in response to the findings of the report and this will be shared with our safeguarding partners to ensure that they are committed to delivering the required improvements for Nottingham citizens. We will also report to appropriate Council committees.
- We continue to work in partnership with Nottinghamshire Police to actively support the ongoing criminal investigations, help to identify perpetrators and whenever possible, bring them to justice. We also work in partnership with Nottinghamshire County Council to progress Civil Claims and with Nottinghamshire CCG to help victims access the support they need.
- We continue to work with survivors of historical child sexual abuse, helping them access appropriate support. To help ensure that all partners are commissioning the right support the OPCC and NHS England have commissioned a comprehensive child sexual



abuse/sexual violence economic, health and social needs assessment for Nottinghamshire.

Lime Culture CIC, a national sexual violence training and consultancy organisation with a strong track record of victim and survivor engagement is undertaking this work which includes a series of focus groups with victims and survivors and separately with professionals who are working with survivors. The resultant needs assessment will provide all commissioners in Nottinghamshire, including the City Council, with a solid evidence base for future support services and we shall use this to ensure that we and our partners continue to commission and provide the right support for our survivors.

- The safety and wellbeing of children and young people in the care of the City is and always will be our highest priority.

This page is intentionally left blank

<b>Subject:</b>	Review of 2019/20 Revenue and Capital Budgets at 30 June 2019 (Quarter 1)
<b>Corporate Director(s)/Director(s):</b>	Laura Pattman, Strategic Director of Finance
<b>Portfolio Holder(s):</b>	Councillor Sam Webster, Portfolio Holder for Finance, Growth and the City Centre
<b>Report author and contact details:</b>	Theresa Channell, Head of Strategic Finance & Deputy Section 151 Officer 0115 8763649 theresa.channell@nottinghamcity.gov.uk
<b>Subject to call-in:</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Key Decision:</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Criteria for Key Decision:</b>	
(a) <input checked="" type="checkbox"/> Expenditure <input checked="" type="checkbox"/> Income <input type="checkbox"/> Savings of £1,000,000 or more taking account of the overall impact of the decision	
<b>and/or</b>	
(b)    Significant impact on communities living or working in two or more wards in the City <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
<b>Type of expenditure:</b>	<input checked="" type="checkbox"/> Revenue <input checked="" type="checkbox"/> Capital
<b>Total value of the decision: £251.080m</b>	
<b>Wards affected:</b> All	
<b>Date of consultation with Portfolio Holder(s):</b> Throughout April – June 2019	
<b>Relevant Council Plan Key Theme:</b>	
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"/>
<b>Summary of issues (including benefits to citizens/service users):</b>	
<p>This report provides an up to date assessment of the Council's current and forecast year-end financial position for the General Fund revenue account, Capital Programme and the Housing Revenue Account (HRA) based on activity to the end of June 2019.</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 cumulative savings totalling <b>£271.4m</b> between 2010/11 and 2019/20.</p> <p>The 2019/20 draft outturn position is showing a net overspend of <b>£8.986m</b>. This follows overspends in 2016/17, 2017/18 and 2018/19 of <b>£2.522m</b>, <b>£4.215m</b> and <b>£1.681m</b> respectively. The majority of the <b>£8.986m</b> overspend is due to Children &amp; Young People (<b>£5.007m</b>) and Early Years, Education &amp; Employment (<b>£1.326m</b>). Reasons for these variances include overspends in Children in Care costs, increase in agency staff, unmet historical targets and other income reductions.</p> <p>Management is committed to delivering an on budget outturn however this is increasingly challenging given the sustained financial context within which the Council is operating. Management action is in place as detailed in section 2.2 and a key priority of this is monthly</p>	

monitoring of the outturn position to review progress on reducing the overspend, however further action may be required.
<b>Exempt information: State 'None' or complete the following</b> None.
<b>Recommendation(s):</b>
<b>1</b> To note: a) The overall current forecast net overspend of £8.986m, as set out in paragraph 2.2 and Appendix A. The Council is committed to delivering services on budget for 2019/20; b) the forecast working balance of £7.727m on the HRA, as set out in paragraph 2.7; c) the forecast position on the Capital Programme, as set out in paragraph 2.9; d) the Capital Programme projections at Quarter 1, as set out in paragraph 2.9 (table 5); e) the refreshed Capital Programme, including schemes in development, as set out in paragraph 2.9 (tables 6, 7 and 8).
<b>2</b> To approve: a. The movements of resources set out in paragraph 2.6 and Appendix D.
<b>3</b> To note and endorse the allocations from the corporate contingency as set out in paragraph 2.4.

## **1 REASONS FOR RECOMMENDATIONS**

- 1.1 It enables formal monitoring of progress against the 2019/20 budget and the impact of actual and planned management action.
- 1.2 The approval for virements of budgets is required by corporate financial procedures.

## **2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)**

- 2.1 The 2019/20 revenue budget was approved by City Council in March 2019. This periodic report summarises the current assessment of the Council's forecast outturn of the General Fund and HRA. Some report tables may not sum exactly due to rounding.
- 2.2 Forecasting is risk-based, reflecting the diverse nature of the Council's activities and the wide range of issues impacting on the financial position. Table 1 shows the current forecast overspend of **£8.986m** and is based on the ledger position as at 30 June 2019.

A range of management actions to address the forecast overspend have been introduced and communicated to colleagues, these include:

- Monthly monitoring reviewed by CLT and Executive Panel
- Vacancy freeze controls
- All but non-essential spend to cease
- Restrictions on travel and conference attendance to continue
- Stop all non-essential maintenance
- A further review of reserves

Budget Managers and Senior Leaders are accountable for delivering services on budget including delivery of existing savings. To compensate for the overall overspend position it may be necessary to deliver alternative savings however appropriate consultation will take place as required.

Following Executive Board in May, the portfolios have changed and the forecast outturn in Table 1 below reflects the new portfolios. The 2018/19 outturn variance column has been restated as per the current portfolios.

Appendix A provides more detail and Appendix B explains the main variances.

<b>TABLE 1: CURRENT FORECAST OUTTURN AS AT 30.06.19 (Q1)</b>		
<b>OUTTURN VARIANCE 2018/19 £m</b>	<b>PORTFOLIO</b>	<b>FORECAST OUTTURN £m</b>
(1.593)	Adult Care & Local Transport	(0.283)
3.341	Children & Young People	5.007
(0.089)	Communities	0.278
0.933	Early Years, Education & Employment	1.326
1.277	Energy, Environment & Democratic Services	0.131
(0.034)	Finance, Growth & the City Centre	0.382
(0.346)	Health, HR & Equalities	0.175
(0.057)	Housing, Planning & Heritage	0.205
(0.326)	Leisure, Culture & IT	(0.287)
(0.715)	Regeneration, Safety & Communications	0.821
<b>2.391</b>	<b>TOTAL PORTFOLIOS</b>	<b>7.755</b>
0.083	Corporate budgets	1.231
1.276	Companies	
<b>3.750</b>	<b>PRIOR TO CORPORATE MITIGATION</b>	<b>8.986</b>
(0.814)	Treasury Management/Collection Fund	
(0.255)	Contingency	
(1.000)	Corporate Grants	
<b>(2.069)</b>	<b>TOTAL MITIGATION/MANAGED UNDERSPENDS</b>	<b>0.000</b>
<b>1.681</b>	<b>TOTAL</b>	<b>8.986</b>

### 2.3 General Reserves

These provide a financial safety net to cover above-budget costs during the year. Variations in forecast outturn will impact on general reserves. Underspend increases reserves and overspend decreases them. Table 2 shows the potential impact of the current medium case forecast variance on the general reserve.

<b>TABLE 2: POTENTIAL IMPACT ON THE GENERAL RESERVE</b>	
<b>ITEM</b>	<b>£m</b>
<b>Opening Balance at 01.04.19</b>	<b>9.643</b>
2018/19 Outturn	(1.681)
2019/20 MTFP Increase in General Reserve	1.000
<b>Revised Opening Balance</b>	<b>8.962</b>

The minimum level of opening reserves for 2019/20 was set at **£10.643m**. The impact of the outturn for 2018/19 as approved by Executive Board May 2019 was a reduction in the general fund balance of **£1.681m**. Management action is being undertaken to address the **£1.681m** 2018/19 overspend to ensure the general fund balance is restored to the required level.

### 2.4 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 Strategic Director of Finance (SDF) 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 impossible. Contingency is **£1.775m** in 2019/20. Table 5 shows the allocations approved by the SDF up to the date of despatch of this report, which now require endorsement.

<b>TABLE 3: CONTINGENCY ALLOCATIONS REQUIRING ENDORSEMENT</b>	
<b>Item</b>	<b>Amount £m</b>
Marcus Garvey Day Centre	0.067
LEP Core Funding Contribution	0.063
Crocus Fields Care Home	0.040
Ageing Well Day	0.001
<b>TOTAL</b>	<b>0.171</b>

This leaves a remaining balance of **£1.604m**, although there are further pending applications, which will be reported as part of the next monitoring report. Forecast outturn assumes full use of contingency, although calls on this budget are being thoroughly scrutinised.

## 2.5 Cost reductions and Potential Overspend Risks

The 2019/20 budget includes new cost reductions of **£23.258m** and pressures of **£6.177m**. Any issues affecting the delivery of these are detailed in Appendix B.

## 2.6 Movement of Resources

Transfers of services between directorates and/or portfolios are reflected within the monitoring figures. Some transfers are before the change in Executive arrangements approved at Council in May so refer to previous portfolios that were in place until then. These movements of resources now require approval and are detailed in Appendix D.

## 2.7 HRA Budget

A budget for the HRA was approved at the February 2019 Full Council meeting, which would maintain the working balance at **£7.727m** at 31 March 2020. The working balance acts as a contingency to cover unexpected significant expenditure or loss of income. (During 2018-19 the Working Balance was increased from **£4.000m** to **£7.727m** to prepare for the impact of Universal Credit on arrears and bad debt.) The latest forecast is a projected in-year balanced position therefore retaining the working balance at **£7.727m**.

### Working Balance Brought Forward: Increase of £0.010m

The actual position of the Working Balance carried forward from 2018-19 was **£7.737m**, which is an increase of **£0.010m** from that reported in the Budget. Details of variance were set out in the outturn report considered by Executive Board in May 2019.

The table below shows the revised working balance at 31 March 2020.

<b>TABLE 4: HOUSING REVENUE ACCOUNT WORKING BALANCE</b>	
	<b>£m</b>
Estimated balance at 31 March 2020	<b>7.727</b>
Working Balance brought forward 2018/19	0.010
<b>Revised working balance at 31 March 2020</b>	<b>7.737</b>

## 2.8 Debtors Monitoring (Appendix C)

### Housing Rents

The figure achieved for the end of Quarter 1 (96.80%) is slightly behind the position this time last year (97.09%). There are now over 2,600 tenants in receipt of Universal Credit. We are continuing with the “Rent First” message in order to maintain collection rates.

### Council Tax – on track to deliver the assumed position in the MTFP

Collection for Quarter 1 of 2019/20 was 25.9%, which exceeds the monthly profiled target by 0.1% and in percentage terms, is a small decrease of 0.2% when compared to 2018/19; collection amounted to **£36.9m** compared to collection of **£35.1m** for the same period in 2018/19. Net debt collectable over the two financial years has increased from **£134.1m** in 2018/19 to **£141.8m** in 2019/20.

### National Non- Domestic Rates (NNDR) – on track to deliver the assumed position in the MTFP

Collection for Quarter 1 of 2019/20 was 30.4%, which was 1.9% above the profiled target. Collection amounted to **£43.8m**, compared to collection of **£40.9m** for the same period in 2018/19. Net debt collectable over the year has increased from **£141.8m** in 2018/19 to **£144.3m** in 2019/20.

### Sundry Income

The percentage of debts collected within 90 days in the 12 months to June 2019 is 79.50%, which is slightly more than the corresponding figure for 2018/19 of 79.00%.

The debtor day indicator (which shows how quickly debts are recovered) is currently 32 days, which is slightly better than the target of 32.30 days but is slightly worse as the corresponding figure for 2018/19 of 31 days.

There is significant work underway to improve debt collection rates in the Council's finance system Oracle, with particular focus on the implementation of Oracle Advanced Collections as part of the Fit for the Future (FFtF) programme. Advanced Collections is a debt management tool that will provide vastly improved debt collection functionality, enabling tailored debt strategies to be built into Oracle for different types of debt.

### Adult Residential Services

Quarter 1 collection is 96.50% against a target of 97.50%. The corresponding figure for 2018/19 Quarter 1 was 97.90%. Adult Residential Services is continuing to review existing procedures and implement changes where there is scope to do so. Money Carers Foundation cases continue to present challenges and dedicated resource is necessary for this. Work is being undertaken to identify and present cases for legal action where Adult Residential Services have exhausted current available action within the team.

### Estates Rents

The collection rate of 98.19% is above the set target of 97.50%. It is also an improvement of 0.25% on Quarter 1 2018/19.

## 2.9 Capital Programme Update

The outturn report approved an updated overall Capital Programme for 2019/20 of **£198.300m** for Category 1 General Fund Schemes and **£61.347m** for Public Sector Housing. During quarter 1 schemes to the value of **£18.078m** have been approved while slippage and other movements of approved schemes equates to **(£12.820m)**. Actual spend to the end of quarter 1 is **£18.658m**.

**TABLE 5: REVISED CAPITAL PROGRAMME AND ACTUAL SPEND FOR QUARTER 1**

	19/20 Forecast Spend £m	19/20 Additions £m	Other Movements (Slippage / Reprofiling) £m	Projected Outturn at Qtr1 £m	Actual Spend to Qtr1 £m	New Additions (Spend 20/21+) £m
<b>Public Sector Housing</b>						
Category 1 (Approved Schemes)	60.837	1.168	(7.411)	54.594	6.288	0.084
Category 2 (Planned Schemes)	0.510	0.000	(0.300)	0.210	0.000	0.000
<b>Public Sector Housing Total</b>	<b>61.347</b>	<b>1.168</b>	<b>(7.711)</b>	<b>54.804</b>	<b>6.288</b>	<b>0.084</b>
<b>General Fund</b>						
Category 1 (Approved Schemes)						
Transport Schemes	20.628	8.350	2.109	31.087	3.730	0.000
Education / Schools	5.836	0.000	0.666	6.502	0.768	0.000
Other Services	162.998	8.020	(7.909)	163.109	7.872	0.000
Category 2 (Planned Schemes)	8.838	0.540	0.025	9.403	0.000	3.258
<b>General Fund Total</b>	<b>198.300</b>	<b>16.910</b>	<b>(5.109)</b>	<b>210.101</b>	<b>12.370</b>	<b>3.258</b>
<b>TOTAL</b>	<b>259.647</b>	<b>18.078</b>	<b>(12.820)</b>	<b>264.905</b>	<b>18.658</b>	<b>3.342</b>

### Approvals in Quarter 1

Scheme amendments and additions of **£18.078m** have been approved in quarter 1 where the capital spend is expected to be incurred in 2019/20. Further additions of **£3.342m** have been included as future commitments.

Details of category 1 approvals during quarter 1 over £1.000m are listed below:

- **£8.350m** Transforming Cities Grant, grant funded project within the Transport section of the capital programme.
- **£6.200m** Third Party Loan to Nottingham City Home to acquire homes for homelessness.

### Other Movements (Slippage / Reprofiling)

Scheme movements (slippages / reprofiling) during quarter 1 2019/20 is **(£12.820m)**. Schemes where slippages is over £0.500m are detailed below in **Table 6**.

**TABLE 6: QUARTER 1 MOVEMENTS (SLIPPAGES / REPROFILING)**

Scheme	2019/20 Forecast at Outturn £m	2019/20 Scheme Forecast at Qtr1 £m	Movement £m
<b>Public Sector Housing</b>			
High Rise Sprinkler Systems	3.735	3.235	(0.500)
Modern Living	4.130	3.428	(0.702)
No Fines / Solid Wall			
Installations	2.768	0.747	(2.021)
ERDF - Energiesprong	7.379	6.379	(1.000)
Garage / Outbuildings			
Citywide	1.126	0.600	(0.526)
Woodthorpe & Winchester	0.058	0.720	0.662
Knights Close	2.814	2.102	(0.712)
Clifton Miners Welfare	2.974	2.571	(0.403)
Tunstall Drive	2.057	1.807	(0.250)
Other Public Sector Housing Movements			(2.259)
<b>Total Public Sector Housing</b>			<b>(7.711)</b>
<b>General Fund</b>			



Other Services			
Nottingham Castle			
Transformation	18.463	16.750	(1.713)
IT - Project Evolution	0.543	0.000	(0.543)
IT - Microsoft Licences	1.146	0.000	(1.146)
One Public Estate - Crocus			
Place	0.627	1.184	0.557
Loan NCH - Arboretum	4.000	3.000	(1.000)
Nottingham Skills Hub	6.000	11.800	5.800
Southside Regeneration	57.659	49.004	(8.655)
Other General Fund Movements			1.591
<b>Total General Fund</b>			<b>(5.109)</b>
<b>Scheme Movements at Quarter 1 - Total</b>			<b>(12.820)</b>

The management and maintenance of the Council's housing stock is delegated to Nottingham City Homes and as part of the ongoing maintenance of the stock there are significant works required to a small number of properties in the Arboretum at a cost of **£0.547m**.

In the Secure, Warm, Modern section of the Public Sector Housing Programme, this requires a re-allocation of the Modern Living budget line to create a specific "Modern Living – Arboretum" budget for **£0.547m**. A previous Delegated Decision 3103, approved the sale of these five properties to NCHE as part of the wider Arboretum works, however it has since been agreed by Leadership that these properties will now remain in the HRA.

This allocation does not require any additional resource and does increase the size of the Public Sector Housing Capital Programme and will be funded from a combination of Major Repairs Reserve, capital receipts and leaseholder contributions."

### **Public Sector Housing (HRA) Capital Programme**

The Public Sector Housing programme has been updated to reflect movements in quarter 1, the table below sets out the updated programme and resources.

<b>TABLE 7: PUBLIC SECTOR HOUSING - CAPITAL PROGRAMME &amp; RESOURCES</b>						
<b>Scheme</b>	<b>2019/20 £m</b>	<b>2020/21 £m</b>	<b>2021/22 £m</b>	<b>2022/23 £m</b>	<b>2023/24 £m</b>	<b>Total £m</b>
Category 1 - Approved Schemes	54.596	44.209	29.399	31.668	32.318	<b>192.190</b>
Category 2 - Planned Schemes	0.210	10.272	0.000	0.000	0.000	<b>10.482</b>
<b>Total Programme</b>	<b>54.806</b>	<b>54.481</b>	<b>29.399</b>	<b>31.668</b>	<b>32.318</b>	<b>202.672</b>
<b>Resources Available</b>						
Prudential Borrowing	(10.036)	(17.163)	0.000	0.000	0.000	<b>(27.199)</b>
Grants & Contributions	(5.722)	(1.316)	0.000	0.000	0.000	<b>(7.038)</b>
Major Repairs Reserve	(31.644)	(29.821)	(26.039)	(28.233)	(28.883)	<b>(144.620)</b>
Secured Capital Receipts	(7.404)	(1.883)	0.000	0.000	0.000	<b>(9.287)</b>
Unsecured Capital Receipts	0.000	(4.298)	(3.360)	(3.435)	(3.435)	<b>(14.528)</b>
<b>Total Resources</b>	<b>(54.806)</b>	<b>(54.481)</b>	<b>(29.399)</b>	<b>(31.668)</b>	<b>(32.318)</b>	<b>(202.672)</b>

## General Fund Capital Programme

The General Fund Capital Programme has been updated to reflect the movements in quarter 1, the table below sets out the updated programme and resources.

<b>TABLE 8: GENERAL FUND - CAPITAL PROGRAMME AND RESOURCES</b>						
<b>Scheme</b>	<b>2019/20 £m</b>	<b>2020/21 £m</b>	<b>2021/22 £m</b>	<b>2022/23 £m</b>	<b>2023/24 £m</b>	<b>Total £m</b>
<b>Approved Schemes</b>						
Transport Schemes	30.482	4.310	1.420	0.000	0.000	<b>36.212</b>
Education	6.502	0.043	0.000	0.000	0.000	<b>6.545</b>
Other Services	156.607	73.513	20.375	9.466	7.475	<b>267.436</b>
<b>Planned Schemes</b>	<b>9.378</b>	<b>33.406</b>	<b>5.337</b>	<b>5.407</b>	<b>5.900</b>	<b>59.428</b>
<b>Total Programme</b>	<b>202.969</b>	<b>111.272</b>	<b>27.132</b>	<b>14.873</b>	<b>13.375</b>	<b>369.621</b>
Prudential Borrowing	(104.701)	(72.863)	(19.157)	(5.965)	(4.306)	<b>(206.992)</b>
Grants & Contributions	(76.049)	(25.733)	(4.937)	(7.703)	(8.126)	<b>(122.548)</b>
Internal Funds / Revenue	(7.683)	(2.969)	(0.681)	(0.255)	(0.195)	<b>(11.783)</b>
Secured Capital Receipts	(2.096)	0.000	0.000	0.000	0.000	<b>(2.096)</b>
Unsecured Capital Receipts	(12.440)	(9.707)	(2.357)	(0.950)	(0.748)	<b>(26.202)</b>
<b>Total Resources</b>	<b>(202.969)</b>	<b>(111.272)</b>	<b>(27.132)</b>	<b>(14.873)</b>	<b>(13.375)</b>	<b>(369.621)</b>

The general fund capital programme is predicated on receiving **c£60m** of unsecured capital receipts, **£26.202m** as detailed in the above table and **c£35m** from prior decisions (summary below):

- Southside Regeneration sinking fund, **£15.000m**
- Replenish SAM Big Ticket Reserve, **£10.396m**
- Repay Guildhall redevelopment costs, **£7.074m**
- Other commitments, **c£2.530m**

Should capital receipts not be forthcoming the council would be required to temporarily fund this pressure by prudential borrowing, this temporary funding would lead to a budget pressure due to the costs of repaying debt.

### **3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS**

- 3.1 No other options were considered as the Council is required to ensure that, at a corporate level, expenditure and income are kept within approved budget levels and this report sets out how this is being 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 capital 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 general fund cost of borrowing on projected 2019/20 spend by **c£0.574m** 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



## **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 2019/20 – 2021/22 – Executive Board 19 February 2019

## **12 OTHER COLLEAGUES WHO HAVE PROVIDED INPUT**

12.1 Jo Worster – Team Leader (Strategic Finance)

0115 8763448

[Joanne.Worster@nottinghamcity.gov.uk](mailto:Joanne.Worster@nottinghamcity.gov.uk)

Charlotte Marsh – Senior Accountant (Current Year Monitoring & Forecasting)

0115 8764132

[Charlotte.Marsh@nottinghamcity.gov.uk](mailto:Charlotte.Marsh@nottinghamcity.gov.uk)

Julie Dorrington – Senior Accountant (HRA)

0115 8764617

[Julie.Dorrington@nottinghamcity.gov.uk](mailto:Julie.Dorrington@nottinghamcity.gov.uk)

Tom Straw – Senior Accountant (Capital Programmes)

0115 8763659

[Thomas.Straw@nottinghamcity.gov.uk](mailto:Thomas.Straw@nottinghamcity.gov.uk)

Ceri Walters – Head of Commercial Finance

0115 876 4128

[Ceri.walters@nottinghamcity.gov.uk](mailto:Ceri.walters@nottinghamcity.gov.uk)

	POSITION TO THE END OF P3 (JUNE)		YEAR END FORECAST POSITION	
Portfolio	Updated Estimate	Profiled Estimate	Estimated Outturn	Variance (under)/ over
Adult Care & Local Transport	98.523	26.423	98.240	(0.283)
Children & Young People	51.296	15.009	56.303	5.007
Communities	12.085	3.584	12.363	0.278
Early Years, Education & Employment	3.975	4.912	5.301	1.326
Energy, Environment & Democratic Services	20.395	4.062	20.527	0.131
Finance, Growth & the City Centre	10.579	4.606	10.961	0.382
Health, HR & Equalities	5.869	(3.040)	(5.694)	0.175
Housing, Planning & Heritage	6.159	1.616	6.364	0.205
Leisure, Culture & IT	11.450	3.706	11.163	(0.287)
Regeneration, Safety & Communications	(12.913)	(3.719)	(12.092)	0.821
<b>Total Portfolios</b>	<b>195.681</b>	<b>57.161</b>	<b>203.436</b>	<b>7.755</b>
Corporate Budgets	44.104	7.892	45.635	1.231
<b>Total General Fund</b>	<b>239.785</b>	<b>65.053</b>	<b>249.071</b>	<b>8.986</b>

**Portfolio Variances +/- £50k****Adult Care & Local Transport £0.283m favourable****Adults Social Care - £0.152m underspend**

- The underspend contains the following variances:
  - Staffing underspends of **£0.553m** across all areas of the service;
  - **£0.095m** overspend resulting from increased activity levels within the Northgate contract due to delays and impact of Universal Credit.
  - **£0.250m** underspend in Housing Related Support; the service is split across three portfolios, service overall is forecast to be on budget.
  - **£0.200m** overspend due to the increase to bad debt provision.
  - **£0.100m** overspend due to an increase in costs associated with S117/Ordinary residence disputes.
  - **£1m** shortfall in identified savings from partnership working.
  - **£0.336m** Deprivation of Liberty Safeguards forecast overspend due to the Mental Capacity Amendment Bill and the requirement for additional staffing to tackle the assessments backlog.
  - Reduction in the purchasing budget of **£1.080m**. This includes estimated demand and complexity for 2019/20 plus an estimated provision for further Transforming Care placements of **£0.524m**

The impact of the above on 2020/21+ is being developed.

**Workplace Parking Charge £0.135m adverse**

- The Workplace Parking Charge deficit is currently projecting to be **£0.135m** and potentially will continue into 2020/21+.

**Children & Young People £5.007m adverse**

- A gross overspend of **£8.053m** is forecast for Children's Integrated Services however the following assumptions have been made reducing the current forecast overspend to **£4.880m**
  - The service is reporting to achieve an in-year mitigation of **£3.172m** through the following Big Ticket Programmes:
    - Demand Management (cost avoidance)
    - Restorative and Performance Approaches
    - High Cost Placements
    - Fostering
    - Semi Independence
    - Workforce

Progress of these programmes is being undertaken routinely and monitoring will be updated to reflect progress and achievement.
- Directorate underspend of **£0.042m** will be achieved due to staffing.
- Based on the above assumptions, the service is reporting a net **£4.880m** overspend and is due to placement costs exceeding the budget due to levels of complexity, grants not fully covering costs and the higher cost of agency.

This will impact on 2020/21+.

## **Strategy & Policy £0.164m adverse**

- Shortfall in Data, Analysis and Insight for School Improvement income.

## **Communities £0.278m adverse**

### **Community Cohesion £0.203m adverse**

- This overspend is due to reduction in grant funding but the increased need for the service including a Hate Crime officer. Options to mitigate is currently underway.

### **NS Operational Hub £0.062m adverse**

- Current pressure of **£0.062m** linked to 2019/20 MTFP saving of the closure of the Woodfield's employment hub. Further work being undertaken in 2019/20 to implement a plan to mitigate.

## **Early Years, Education & Employment £1.326m adverse**

- The overspend is due to unmet historical saving targets and income targets that through schools buy back are now unachievable. This income contributed towards statutory functions and therefore costs reductions are limited. This will impact on 2020/21+.

## **Energy, Environment & Democratic Services £0.131m adverse**

### **Civic & Coronial Services £0.389m adverse**

- Mortuary services contract – contract price **£1.000m** more than previous years. This cost is split 50/50 with Nottinghamshire County Council creating an in year pressure of c. **£0.550m**. The forecast includes use of the provision created in previous years. This will impact on 2020/21+.

### **Energy Services £0.260m favourable**

- Energy Services are forecasting £0.260m underspend.
- The waste disposal budget and utilities budget are forecasting in accordance with the planned expenditure of **£10.867m**, this causing an over spend of **£2.329m**. This is being mitigated by:
  - **£1.864m** of this is being mitigated through pressures funding held corporately and
  - It was agreed through the budget process that any remaining pressure would be funded by contingency within year, and this is forecast at **£0.465m**. This will impact on 2020/21+.

### **Facilities & Building Services £0.154m favourable**

- Planned business plan achievement due to increased income growth and efficiencies.

### **Legal & Democratic £0.053m favourable**

- Overachievement of income in conveyancing.

## **Finance, Growth & the City Centre £0.382m adverse**

### **Analysis & Insight Service £0.101m favourable**

- Underspend on operational costs, however these due to slippage and are a one off.

### **Contracting & Procurement £0.079m adverse**

- Reduction in grant income, this is offset by underspends in the directorate captured in other portfolio's.

**Environmental Health & Licensing £0.201m adverse**

- Income shortfall due to lack of licensing applications, a direct and conscious consequence of tighter policies. This pressure was highlighted within 2018/19, and further work is being undertaken in 2019/20 to implement a mitigation plan.

**Housing Related Support £0.140m favourable**

- Service is split across three portfolios, service overall is forecast to be on budget.

**Nottingham Catering £0.132m favourable**

- Increased income, this may impact on 2020/21+.

**S&R Directorate £0.304m adverse**

- Corporate One Device saving IT saving of **£0.250m**, this will impact on 2020/21+.

**Strategy & Policy £0.189m adverse**

- Unachieved saving from previous years; areas of mitigation are being reviewed however if they are not identified this will impact on 2020/21+.

**Health, HR & Equalities £0.175m adverse****Human Resources £0.300m favourable**

- Underspends across multiple cost centres, with the majority from Equalities and Transformation budgets.

**OT Directorate £0.346m adverse**

- Historic unachieved savings/income shortfall. Currently forecast to be mitigated in full.

**Public Health £0.139m adverse**

- **£0.120m** – Needle exchange service provision due to contract variation from current service provider. An alternative solution was identified as a matter of urgency due to significant health risks to service users and the increased risk of discarded needles within the City Centre. This will impact on 2020/21+.
- **£0.017m** - overspend relating to increase in demand for chlamydia screening, this will impact on 2020/21+.

**Housing, Planning & Heritage £0.205m adverse****Housing Related Support £0.195m adverse**

- Service is split across three portfolios, service overall is forecast to be on budget.

**Leisure, Culture & IT £0.287m favourable****Museums £0.078m adverse**

- This service is currently projecting an overspend of **£0.078m**; this is due to:
  - **£0.050m** MTFP savings for Newstead Abbey, that is unachievable in line with what was agreed and
  - **£0.029m** for Caves of Nottingham income shortfall. This is due to a previous agreement by the Property department of a rent free period to the Egalitarian Trust pending completion of the Broadmarsh Development



**Sports & Leisure £0.191m favourable**

- Increased income, this may impact on 2020/21+.

**Regeneration, Safety & Communications £0.821m adverse****Crime & Drugs Partnership £0.147m adverse**

- Uncertainty over NCH income and OPCC funding reduction. No mitigation for these in place.

**Property Trading Account £0.737m adverse**

- The current projected forecast for Strategic Assets & Property is **£0.737m** overspend.

This is due to the:

- refocus of strategic investment by the organisation reducing the return from investing in rental properties and
- Other in-year pressures.

Mitigation through a disposal and investment strategy is being progressed to aim to mitigate this position, at this stage, the specific properties and delivery plan for this mitigation have yet to be earmarked or realised and this remains a risk. This could impact on 2020/21+.

**Marketing & Communications £0.103m adverse**

- Anticipated shortfall in Design and Print income. New software is being piloted (due to go live in October 2019), which aims to deliver efficiencies and mitigate this pressure.

**Uniformed Services £0.135m favourable**

- Vacancies within CPO's, and increases in fine income due to more enforcement officers in post.

**Corporate £1.231m adverse**

- Delays in Management Review. This review was expected to deliver ongoing annual savings of **£1.509m** per annum. This could impact on 2020/21+.

## DEBTORS MONITORING TO 30 JUNE 2019

## APPENDIX C

Debtors - Performance Review – Q1 2019/20	Q1 June	Q2 Sept	Q3 Dec	Q4 Mar
<b>BVPI 66a - Housing Rent Collection (%)</b> <i>(cumulative - current tenants only)</i>				
<i>(arrears + debit)</i> Actual	96.80			
Target	98.50			
Last Year Actual 2018-19	97.09	97.93	98.55	98.26
<b>BVPI 9 - Council Tax Collection (%)</b>				
<i>(in year cumulative)</i> Actual	25.90			
Target	25.80			
Last Year Actual 2018-19	26.10	50.80	76.60	93.20
<b>BVPI 10 - NNDR Collection (%)</b>				
<i>(in year cumulative)</i> Actual	30.40			
Target	28.50			
Last Year Actual 2018-19	27.34	54.90	79.03	97.30
<b>Sundry Income Collection (%)</b>				
<i>(12 month rolling average)</i> Actual	79.50			
Target	99.00	99.00	99.00	99.00
Last Year Actual 2018-19	79.00	79.80	83.00	79.20
<b>Sundry Income Debtor Days – General</b>				
Actual	32.00			
<i>(12 month rolling average)</i> Target	32.30	32.30	32.30	32.30
Last Year Actual 2018-19	31.00	36.00	38.00	41.00
<b>Estates Rents Collection (%)</b>				
Actual	98.19			
<i>(12 month rolling average)</i> Target	97.50	97.50	97.50	97.50
Last Year Actual 2018-19	97.94	98.01	97.89	97.94
<b>Adult Residential Services Collection (%)</b>				
Actual	96.50			
<i>(12 month rolling average)</i> Target	97.50			
Last Year Actual 2018-19	97.90	97.70	97.50	96.80

**VIREMENT 2019-20 REQUIRING EXECUTIVE BOARD APPROVAL**
**APPENDIX D**

Details	Net Amount	Department		Portfolio	
	£m	From	To	From	To
Operational virements prior to changes in Portfolio arrangements					
Savings realignment	0.098	DG	CA	FRCS	ASCH
	0.048	DG	SR	RG	FRCS
	0.027	SR	CA	FRCS	ELY
	0.011	CO	SR	ES	HP
	0.021	within CO		ES	CP
	0.002			ES	EE
	0.043			ES	FRCS
	0.042			ES	LL
	0.011			CP	EE
	0.006			LL	EE
	0.011			THR	EE
	0.004			EE	FRCS
Pay Model adjustments	0.007	Corporate	CA	FRCS	ASCH
	0.001		CO	FRCS	CP
	0.004		CO	FRCS	LL
	0.004	CO	SR	CP	RG
Housing Related Support	3.958	SR	DG	ASCH	HP
	0.235	SR	DG	within HP	
Libraries IT Resource	0.126	SR	CO	CP	LL
Employee budget realignment b/t Parking and Security & Logistics	0.092	within CO		THR	CP
Neighbourhood Services Review	0.262			CP	EE
	0.138			CP	FRCS
	0.004			CP	LL
Community Protection Review	0.083			CP	FRCS

Energy budget adjustments	0.144			HP	CP
	0.124	within CO		CP	RG
	0.009	CA	CO	ASCH	EE
	0.004	within CO		CP	EE
	0.000	DG	CO	ES	EE
Commercial Infrastructure & Energy Realignment	0.080	within CO		THR	EE
Utility Budget adjustment	0.002	within CO		LL	EE
Budget realignment b/t Early Help & Property Services	0.021	CA	DG	ELY	RG
Marketing employee realignment	0.036	SR	CO	RG	LL
Streetscene employee budget realignment	0.020	within CO		EE	LL
Building Services realignment	0.027	within CO		FRCS	LL
Armed Forces funding	0.025	Corporate	CO	FRCS	LL
Energy Employees realignment	0.006	within CO		EE	FRCS

**Transfer of Services resulting from changes in Portfolio arrangements**

Adult Social Care / Quality & Change	93.189	within CA	ASCH	ACLT
Commissioning & Procurement (part)	2.155	within SR		
Quality & Change (part)	2.165	within CA	ELY	ACLT
Commercial & Infrastructure (part)	0.246	within CO	THR	ACLT
Neighbourhood Services (part)	(15.942)			
Major Projects (part)	17.145	within DG		
Traffic & Transport (part)	(0.759)			
Community Protection (part)	3.147	within CO	CP	COM
Commercial & Operations Support Services	1.253	within CO	FRCS	
Commissioning & Procurement (part)	0.849	within SR		
Finance (part)	0.454			
Community Protection (part)	1.118	within CO	LL	
One Nottingham	0.077	within SR	ES	
Commercial & Infrastructure (part)	(0.101)	within CO	THR	
Neighbourhood Services (part)	5.220		EE	
Neighbourhood Services (part)	(0.060)		ES	

Legal & Governance (part)	0.237	within SR	CP	EE&DS
Commercial & Infrastructure (part)	10.512	within CO	EE	
Neighbourhood Services (part)	1.698			
Traffic & Transport (part)	0.169	within DG	FRCS	
Neighbourhood Services (Facilities & Bldgs)	2.864	within CO		
HR & Transformation (part)	1.480	within SR		
Legal & Governance (part)	2.905			
Neighbourhood Services (part)	(0.167)	within CO	THR	
Customer Access Programme	0.772	within SR	HP	
Childrens Integrated Services (part)	51.418	within CA	ELY	CYP
Commissioning & Procurement (Childrens)	0.113	within SR		
Strategy & Policy (part)	(0.238)			
Inclusive Learning	0.448	within CA	ELY	EY,E&E
Major Projects (part)	0.107	within DG	ES	
Education Partnerships / School Improvement	2.003	within CA		
Economic Development (part)	1.341	within DG	RG	
Commissioning & Procurement (part)	0.140	within SR	ASCH	FG&CC
Community Protection (part)	1.751	within CO	CP	
Corporate Leadership & Departmental Resources	0.262	within CX	FRCS	
Commercial & Infrastructure (part)	0.233	within CO		
Neighbourhood Services (part)	(0.897)			
Major Projects (part)	0.853	within DG		
Commissioning & Procurement (part)	0.569	within SR		
Strategy & Policy (part)	1.313			
Finance (part)	7.019			
Strategy & Resources Business Support	(0.048)			
Corporate & Democratic Core	0.107			
Economic Development (part)	0.317		within DG	
Development & Growth Directorate	(0.885)			
Strategy & Policy (part)	0.206	within SR		
Commissioning & Procurement (part)	(0.195)	within SR	ASCH	HPH

Community Protection (part)	0.972	within CO	CP	
Housing Development (Regeneration)	(0.072)	within DG	HP	
Housing Strategy	(0.028)		HP	
Housing Related Support incl. Strategic Homelessness	4.623			
Strategic Assets & Property (part)	0.039			
Planning (part)	(0.222)			
Childrens Integrated Services (part)	1.015	within CA		
Information Technology	3.252	within SR	CP	
Strategic Assets & Property (part)	0.323	within DG	FRCS	
Sport & Culture	6.787	within CO	LL	
Neighbourhood Services (part)	0.642			
Economic Development (part)	0.223	within DG		
Community Protection (part)	6.393	within CO	CP	R,S&C
Planned Maintenance	3.453		FRCS	
Major Projects (part)	0.078	within DG	RG	
Development & Growth Directorate	0.200			
Strategic Assets & Property (part)	(22.868)			
Planning (part)	0.023			
Crime & Drugs Partnership	1.011	within SR		
Strategy & Resources Director	0.841			
Traffic & Transport (part)	0.380	within DG	THR	H,HR&E
HR & Transformation (part)	4.487	within SR	THR	
Public Health	(10.356)	within CA	ASCH	
Corporate Items	(2.950)	Corporate	HP	HPH
	0.090		EE	EE&DS
	44.884		FRCS	FG&CC

## Operational virements after changes in Portfolio arrangements

Savings realignment	0.040	within CO		ACLT	COM
	0.059			EE&DS	
	0.003			FG&CC	
	0.025			L,C&IT	
	0.013	within CO		ACLT	EE&DS
	0.003	within CO			
	0.060	DG	Corporate	ACLT	FG&CC
	0.054			FG&CC	
	0.027			EY,E&E	
	0.054	SR		FG&CC	
	0.250	within SR		L,C&IT	
	0.050	within DG		R,S&C	
Fleet Budget Realignment	0.100	within CO		EE&DS	ACLT
	0.075			FG&CC	
Utilities Realignment	0.002	CO	CA	EE&DS	ACLT
	0.008		DG		COM
	0.001	within CO			CYP
	0.003	CO	CA		EY&EE
	0.001		DG		FG&CC
	0.001				L,C&IT
	0.000	within CO			R,S&C
	0.002	within CO			
	0.000	CO	SR		
	0.000		DG		
	0.004				
	0.001	within CO			
	0.001	within CO			
Housing Related Support Budget Realignment	1.678	SR	CA	within ACLT	
Business Rates allocation	0.126	Corporate	SR	FG&CC	EE&DS
	0.593		DG		R,S&C

Economic Development employee budget realignment	0.103	within DG		FG&CC	EE&DS
Pay Model adjustment	0.035	Corporate	SR	within FG&CC	
Community Protection Realignment	0.042	within CO		R,S&C	FG&CC
	0.026	within CO			HPH
Rental Income transfer to Property Services	0.046	SR	DG	FG&CC	R,S&C
Prudential Borrowing Technical Adjustment	0.004	CO	SR	L,C&IT	FG&CC
	2.070	DG		R,S&C	
	251.082				

Department	Key
Children & Adults	CA
Commercial & Operations	CO
Chief Executive	CX
Development & Growth	DG
Strategy & Resources	SR
Housing Revenue Account	HRA
Former Portfolios	Key
Adult Social Care & Health	ASCH
Community Protection	CP
Energy & Environment	EE
Education & Skills	ES
Finance, Resources & Commercial Services	FRCS
Housing & Planning	HP
Leisure & Localities	LL
Regeneration and Growth	RG
Transport and HR	THR

Portfolio	Key
Adult Care & Local Transport	ACLT
Communities	COM
Energy, Environment & Democratic Services	EE&DS
Children & Young People	CYP
Early Years, Education & Employment	EY,E&E
Finance, Growth & The City Centre	FG&CC
Housing, Planning & Heritage	HPH
Leisure, Culture & IT	L,C&IT
Regeneration, Safety & Communications	R,S&C
Health, HR & Equalities	H,HR&E



<b>Subject:</b>	Residential development of the Padstow and Ridgeway sites, Bestwood
<b>Corporate Director(s)/Director(s):</b>	Chris Henning, Corporate Director for Development and Growth
<b>Portfolio Holder(s):</b>	Councillor David Mellen, Portfolio Holder for Regeneration, Safety and Communications Councillor Linda Woodings, Portfolio Holder for Planning and Housing
<b>Report author and contact details:</b>	Fran Cropper, Regeneration Team Leader 0115 8763956 fran.cropper@nottinghamcity.gov.uk
<b>Subject to call-in:</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Key Decision:</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Criteria for Key Decision:</b>	
(a) <input checked="" type="checkbox"/> Expenditure <input type="checkbox"/> Income <input type="checkbox"/> Savings of £1,000,000 or more taking account of the overall impact of the decision	
<b>and/or</b>	
(b)    Significant impact on communities living or working in two or more wards in the City <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
<b>Type of expenditure:</b>	<input type="checkbox"/> Revenue <input checked="" type="checkbox"/> Capital
<b>Total value of the decision:</b> See exempt appendix.	
<b>Wards affected:</b> Bestwood	
<b>Date of consultation with Portfolio Holder(s):</b> 20 <sup>th</sup> August 2019	
<b>Relevant Council Plan Key Theme:</b>	
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 checked="" 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"/>
<b>Summary of issues (including benefits to citizens/service users):</b>	
<p>The former Padstow main school site (Local Plan reference PA8) and the former Padstow detached playing field site at Ridgeway (Local Plan reference PA5) have been designated for residential development in the emerging Local Plan. The Council's preferred option is to procure a developer to deliver a mixture of market sale and affordable housing across both sites. It is anticipated that approximately 350 new homes will be built, including 93 new Council houses. The land for the market sale housing will be sold to the developer, and the Council will retain the ownership of the land for the new Council houses, which will be built under licence by the developer. This report seeks approval to begin the development process.</p>	
<b>Exempt information:</b>	
<p>Appendix 1 contains commercially sensitive information relating to contract negotiation, which is exempt from publication under paragraph 3 of Schedule 12A of the Local Government Act 1972. The exempt appendix contains information relating to the business affairs of the Council. The public interest in maintaining the exemption outweighs the public interest in disclosing the information, as it would prejudice contract negotiations throughout the procurement process.</p>	

<b>Recommendation(s):</b>	
1.	To appropriate the land under S122 of the Local Government Act 1972 for Planning (Development) purposes in advance of the proposed sale and/or development of the sites for housing development.
2.	To declare the former Henry Whipple annex surplus, and to include it within the Padstow development site, and for the holding department to remain responsible for all the revenue costs of holding the building until the property is sold including, but not limited to, security costs, utilities, business rates and maintenance costs.
3.	To commence the procurement process to select a developer partner to acquire a proportion of the Padstow and Ridgeway sites for private residential development, and to build new Council housing under licence on the remainder.
4.	To approve the current estimated project costs as set in the Exempt appendix.
5.	To transfer the land for the new private housing to the successful developer at a price to be determined through the procurement process.
6.	To engage external legal support to assist with preparation of the development agreement, transfer deeds and ancillary contract documentation, and to support the procurement process and the subsequent conveyancing work.
7.	To approve the provision of a budget to cover the cost of external legal support through the General Fund, which will be reimbursed through the capital receipt for the land, in line with the projected costs set out in the exempt appendix.
8.	To amend the Housing Revenue Account capital programme to cover the development of 93 new affordable housing units, to be built by the developer, owned by Nottingham City Council (NCC), and managed by Nottingham City Homes (NCH), in line with the projected costs set out in the exempt appendix.
9.	To delegate authority to the Corporate Director for Development and Growth, in consultation with the Leader of the Council/Portfolio Holder for Regeneration, Safety and Communications, to approve the final terms and conditions of the development agreement and the disposal for both sites, and to award the contract following completion of the procurement process.
10.	To delegate authority to the Director of Strategic Assets and Property to approve any additional actions and expenditure which will maximise the value of the sites.
11.	To transfer the land on which the Housing Revenue Account properties will be built from the General Fund to the HRA, on terms to be agreed by the Director of Strategic Assets and Property.

## **1 REASONS FOR RECOMMENDATIONS**

- 1.1 This proposal supports the City Council's housing strategy, Quality Homes for All (2018-2021) in providing quality homes with diversity of tenure.

- 1.2 The emerging Local Plan and the current Local Plan support residential development of predominantly family housing on these sites (PA8 and PA5).
- 1.3 The appropriation of the land under Section 122 of the Local Government Act 1972 has begun. This changes the land use out of Education, and changes it for Planning purposes as a future housing development site. The process of appropriation removes the third party remedy of seeking an injunction, e.g. to prevent the stopping up of public rights of way and other third party rights, which would delay development. However, an affected party could still seek financial compensation, the liability for which may fall to the Council if any potential purchaser were unable, at the time of the claim, to meet the liability, for example if the developer went into administration prior to settling the claim.
- 1.4 The development principles devised for guidance (see appendix 2) show the type of design quality and housing mix which the Council would require the successful developer to deliver in order to meet its aspirations for the sites. These will help to meet the demand for new market sale and affordable housing, as recognised in the Council's current housing delivery targets.
- 1.5 The proposal to procure a developer, rather than simply to transfer the ownership of the sites by market sale, is intended to give the Council greater control over the programme/phasing of new build, and the quantity, quality (specifications), ownership and delivery of new affordable housing. The latter will be a greater proportion of the total than would be required as a standard affordable housing contribution through a S106 agreement. The cost of the affordable housing units will be agreed with the developer as part of the procurement process, and is set out in the exempt appendix.
- 1.6 The competitive negotiated procurement process will give the Council a much greater degree of control but requires a commensurate commitment of resources, in the form of officer time, which is not currently available within Legal Services. Therefore external resources will be appointed to provide the necessary support. This will be funded from existing General Fund resources, and subsequently reimbursed from the capital receipt for the land, as set out in the exempt appendix.
- 1.7 The new Council housing element of the development will contribute to the spending of Right to Buy (RTB) replacement funding within the time limit, which might otherwise have to be returned to Central Government with interest. The RTB replacement funds can be used to fund up to 30% of new Affordable Housing Delivery. The HRA capital programme will be amended to include the proposed affordable housing, showing the capital costs, borrowing requirement and payback period associated with the new affordable housing to be developed on these sites. The intention is for the affordable housing to be built under licence by the developer on land which will remain in Council ownership, so avoiding unnecessary land tax costs. The land for the affordable housing will be appropriated from General Fund to the HRA at the market value. This project cost is not eligible for RTB replacement funding.

## **2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)**

- 2.1 The emerging Local Plan and the current Local Plan support residential development of predominantly family housing on these sites (PA8 and PA5).

- 2.2 The Council's current targets for delivery of social/affordable housing, and for housing of all types, indicate the importance of delivering new housing on these sites.
- 2.3 The main Padstow site is one of the most prominent development sites in the city, by virtue of its size and location. It is important that the quality of new development here reflects this. In addition to preparing appropriate design guidance, the preferred procurement method will enable the Council to control this aspect of the development.
- 2.4 The two sites covered by this report sit either side of a third development site at Beckhampton Road (Local Plan reference PA6) (see plan at appendix 3). The current intention is for the whole of this site to be developed for new Council housing by NCH for approximately 100 new units. The quantity of new housing to be delivered across these three neighbouring sites underlines the need to maintain high quality standards to ensure a positive environmental impact on the neighbourhood. This will be ensured on the Beckhampton Road site via the Council's partnership with NCH, which will act as the development agent.
- 2.5 Consultation with local residents was undertaken in summer 2017 and November 2018, and significant amendments to the proposed layouts have been made on the basis of the views expressed by local people.

### **3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS**

- 3.1 Do nothing. This was rejected as the sites have been identified for residential development within the Local Plan, and development will contribute to meeting the Council's housing delivery targets, as well as providing much needed new social homes for rent.
- 3.2 Market sale. This option was rejected because it would not provide the Council with the necessary degree of control over the quality and delivery of the new housing, and would result in fewer affordable housing units.
- 3.3 Development of Council housing on the whole of both sites. This option was rejected because the sites are situated in an area with a relatively high level of Council housing, giving an opportunity to increase the mix of tenures in the area, and allow for an appropriate mix and balance of housing options. When considered in the context of surrounding new developments, it was considered that the proposed option provided the best mix and balance of tenure choice for local people.

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

- 4.1 See exempt appendix.

Thomas Straw (Senior Accountant Capital Programmes) 23<sup>rd</sup> August 2019

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

- 5.1 The City Council is obliged to carry out a procurement to appoint a developer for this site because of the City Council's requirement for the developer to build new

affordable homes. The value of those building works is in excess of the applicable financial threshold in the Public Contracts Regulations 2015. For this development the City Council is proposing to use a procurement process which includes the opportunity for negotiation with the bidders. This process will ensure the City Council is able to discuss with bidders the details of the transaction including phasing of the development and will enable the City Council to secure the best deal.

- 5.2 This report includes at recommendation 6 approval to appoint external legal advisers to support the City Council through the tender procedure. External support is required because of the complexity of the transaction and the likely significant resource demand on the legal services team throughout the procurement process and potentially and ultimately up to exchange of contracts of the development agreement.
- 5.3 The external advice will include assistance with the preparation, and structure of, the development agreement (which will be a lengthy and complex agreement which has many conditions and will see the land developed and transferred in phases) and other legal documentation to complete the transaction, including forms of transfer deeds for the phased sales of the site, a revenue based overage deed and, if necessary, the construction contract together with documentation for the professional team and warranties and guarantees for the affordable housing built for the City Council. The legal documentation will be extensive and complex and is to be prepared substantively in draft form at the outset, as part of the procurement process for the selection of a preferred developer.
- 5.4 The City Council's finance advisors should liaise with the external advisors to take into consideration tax implications and tax advice for this scheme to feed into the legal documentation if and when necessary.
- 5.5 The Legal Services team will work closely with officers from the Development team to manage and control the costs of the external legal advisers. The Legal Services team will also work with the external advisers to ensure knowledge transfers to our external advisors for the benefit of the City Council wherever possible and to ensure the development proceeds as smoothly as possible.

Andrew James, Team Leader, Commercial, Employment and Education  
Mick Suggett, Team Leader, Conveyancing, 22 August 2019.

- 5.6 The Competitive Procedure with Negotiation, or alternative negotiation procedure, is an appropriate route to engage the market for a project of this nature, and is more likely to secure the best outcomes for the Council than one of the non-negotiated routes. The procedure will be managed by the Procurement Team to ensure compliance with Contract Procedure Rules, Public Contracts Regulations, and other applicable Council policies and national legislation.

Jonathan Whitmarsh, Lead Procurement Officer, Procurement & Contracting,  
22 August 2019.

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

- 6.1 Property have placed formal notice of the Council's intention to appropriate for Planning (development) purposes in the Local Press for two consecutive weeks as required by sect 122 of the Local Government Act 1972. Any objections received will be reported to Executive Board so these may be taken in to account when making the decision to appropriate.

The proposed disposal of the site by way of procurement will give the Council greater control over the phasing and quality of the development, however requirements could impact upon the capital receipt received for the sites when compared to the receipt that could be received if the sites were sold in the open market without restriction.

Rod Martin, Development Manager- Strategic Assets and Property, 20 August 2019.

- 6.2 The Henry Whipple Annex building or MALT NORTH has not been used as a school for over ten years. It was partially refurbished in 2009/10 to provide office accommodation for what was then a Multi-disciplinary team. It sits within the Children's portfolio and is due to be vacated at the end of September 2019 and declared surplus to operational requirements.

Discussions with Nick Lee (Director of Education) have concluded that there are no plans to expand the current Henry Whipple provision and there is no other educational use for the building.

Strategic Assets and Property and Education would like to see the building demolished as soon as possible to reduce the risk of vandalism on site which could impact on the adjoining school building. It would be sensible to ensure that external demolition works where the building adjoins the school would be completed during school holidays.

Advice from Deborah Millar, Business Partner, Strategic Assets and Property, 21 August, 2019.

## **7 SOCIAL VALUE CONSIDERATIONS**

- 7.1 The proposed development will contribute to meeting the need for diverse new housing, including new affordable housing, within the city. The construction of the new housing has the potential to benefit the local economy by providing opportunities for local employment and local businesses, which may be engaged in the developer's supply chain; the procurement process will require prospective development partners to demonstrate how they would maximise these benefits.

## **8 REGARD TO THE NHS CONSTITUTION**

- 8.1 N/A

## **9 EQUALITY IMPACT ASSESSMENT (EIA)**

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

No



An EIA is not required because:

The approval 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 N/A

**11 PUBLISHED DOCUMENTS REFERRED TO IN THIS REPORT**

11.1 N/A

This page is intentionally left blank



## Appendix 1: Site Plan Padstow and Ridgeway



1. Former Padstow School Site, Eastglade Road, Bestwood
2. Former Padstow School Detached Playing Field, Ridgeway, Bestwood

© Crown copyright and database right 2019. Ordnance Survey Licence number 100019217  
Stoshan Stewart 18/08/2019

Nottingham City Council  
**Propertyplus**  
Loxley House  
Station Street  
Nottingham NG2 3NG  
Tel : 0115 8763000  
Property Support  
Development & Growth

This page is intentionally left blank

<b>Subject:</b>	Loan to Nottingham City Homes Enterprise Limited for the re-development of the former Meadows Police station.		
<b>Corporate Director(s)/Director(s):</b>	Chris Henning, Corporate Director for Development and Growth		
<b>Portfolio Holder(s):</b>	Councillor Linda Woodings, Portfolio Holder for Planning, Housing and Heritage Councillor Sam Webster, Portfolio Holder for Finance, Growth and City Centre		
<b>Report author and contact details:</b>	Fran Cropper, Regeneration Team Leader, Regeneration <a href="mailto:Fran.cropper@nottinghamcity.gov.uk">Fran.cropper@nottinghamcity.gov.uk</a>		
<b>Subject to call-in:</b>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	
<b>Key Decision:</b>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	
<b>Criteria for Key Decision:</b>			
(a) <input checked="" type="checkbox"/> Expenditure <input type="checkbox"/> Income <input type="checkbox"/> Savings of £1,000,000 or more taking account of the overall impact of the decision			
<b>and/or</b>			
(b) Significant impact on communities living or working in two or more wards in the City <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
<b>Type of expenditure:</b> <input type="checkbox"/> Revenue <input checked="" type="checkbox"/> Capital			
<b>Total value of the decision:</b> See exempt appendix.			
<b>Wards affected:</b> Meadows			
<b>Date of consultation with Portfolio Holder(s):</b> 21 August 2019			
<b>Relevant Council Plan Key Theme:</b>			
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"/>		
<b>Summary of issues (including benefits to citizens/service users):</b>			
To provide a loan to Nottingham City Homes Enterprise Limited (NCH E Ltd), to facilitate the expansion of their private rent portfolio by the re-development of the former Meadows police station with 21 two bedroom apartments.			
<b>Exempt information: State 'None' or complete the following</b>			
The amount of the loan and an appendix to the report is exempt from publication under paragraph 3 of Schedule 12A to the Local Government Act 1972 because they contain information relating to the financial affairs of the authority and, having regard to all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information. It is not in the public interest to disclose this information because it may adversely impact the future trading activities of NCH, specifically by making public the anticipated build costs. This could prejudice contract negotiations.			

<b>Recommendation(s):</b>	
<b>1</b>	To approve a loan to Nottingham City Homes Enterprise Limited (NCH E Ltd) on the terms set out within the exempt financial advice.
<b>2</b>	To delegate authority to the Strategic Director of Finance to approve loan drawdown subject to the completion of due diligence as detailed in the exempt finance comments

## **1 REASONS FOR RECOMMENDATIONS**

- 1.1 To support NCH E Ltd to expand their private rent portfolio by providing a loan for the re-development of the former Meadows police station with 21 two bedroom apartments for private rent.
- 1.2 This loan is subject to further due diligence by the Finance section of the City Council.

## **2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)**

- 2.1 The private rented sector (PRS) is the fastest growing housing market locally and nationally. NCH E Ltd is a trading subsidiary, the purpose of which is to generate new business and secure additional income to reinvest into Nottingham communities. NCH E Ltd is committed to develop new private rented homes ensuring high quality, well managed properties for private renters are available.
- 2.2 The Loan will be on market terms in compliance with State Aid regulations, at a rate equivalent to the Public Works Loan Board (PWLB) annuity rate borrowing plus a premium for the inherent risk taken by the City Council.
- 2.3 The new development (see CGI imaged attached) will be a land mark building on a key arterial route, close to other new Nottingham City Council developments. It will provide highly sought after two bedroom apartments in an excellent location for the city centre, and will add to NCH E Ltd's private rental portfolio.
- 2.4 The Police declared this site surplus to their requirements, and the site was acquired by NCH E Ltd in order to re-develop the site with new private rented two bed apartments.
- 2.5 NCH E Ltd secured planning permission for the development on the 8<sup>th</sup> January 2019; planning permission reference 17/02512/PFUL3. Demolition is planned to commence October 2019, construction in January 2020 and will complete by June 2021.
- 2.6 This re-development project complements the ongoing regeneration of the Meadows and the Southern Gateway to the city.

## **3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS**

- 3.1 Not to provide loan financing. If NCH Ltd is not given a loan then it will not be possible to meet the shared objective of improving the PRS offer in Nottingham and will not allow NCH E Ltd to develop a property portfolio and asset base. It will not enhance the regeneration of the Meadows and would leave a prominent building/site undeveloped.

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

- 4.1 Please see exempt appendix.  
Tom Straw – Senior Accountant (Capital Programmes) 29 July 2019

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

- 5.1 The main legal issues are:-

- A) To ensure that the loan is compliant with State Aid strictures. Enquiries are currently being conducted to assess the impact of these strictures upon the terms of the loan and that they are taken in consideration.
- B) To ensure that there is legal documentation to ensure an enforceable loan and security. Security should not only include charges but also that the Council is satisfied as to the construction contractor, construction contract documentation and design
- C) To ensure that the whole site is secured.

Brian Stewart, Senior Solicitor, Contracts and Commercial Team 15/8/2019

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

- 6.1 The former Meadows Police Station was acquired by the council and sold on to Nottingham City Homes on 31<sup>st</sup> July 2017. When NCH and NCH E Ltd have secured internal approvals NCH will transfer the land to NCH E Ltd. NCH E Ltd's proposal for the site includes additional land that was not purchased by NCH at the time the Former Meadows Police Station was acquired. This additional land is land that was compulsorily purchased for the NET tram extension and is vested in the council. Property are working with NCH, NCH E Ltd and the NET team to facilitate the sale of the additional land required for NCH E Ltd to carry out the proposed development.

Comments provided by Rod Martin, Development Manager 30/7/2019

#### **7 SOCIAL VALUE CONSIDERATIONS**

- 7.1 Not applicable

#### **8 REGARD TO THE NHS CONSTITUTION**

- 8.1 Not applicable

#### **9 EQUALITY IMPACT ASSESSMENT (EIA)**

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

No



An EIA is not required because:

No significant impact regarding 6 equality strands, therefore an EIA deemed unnecessary

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 Planning permission reference 17/02512/PFUL3

CGIs of new development.





view from Meadows Way



view from Saffron Gardens



view from Rutland Close

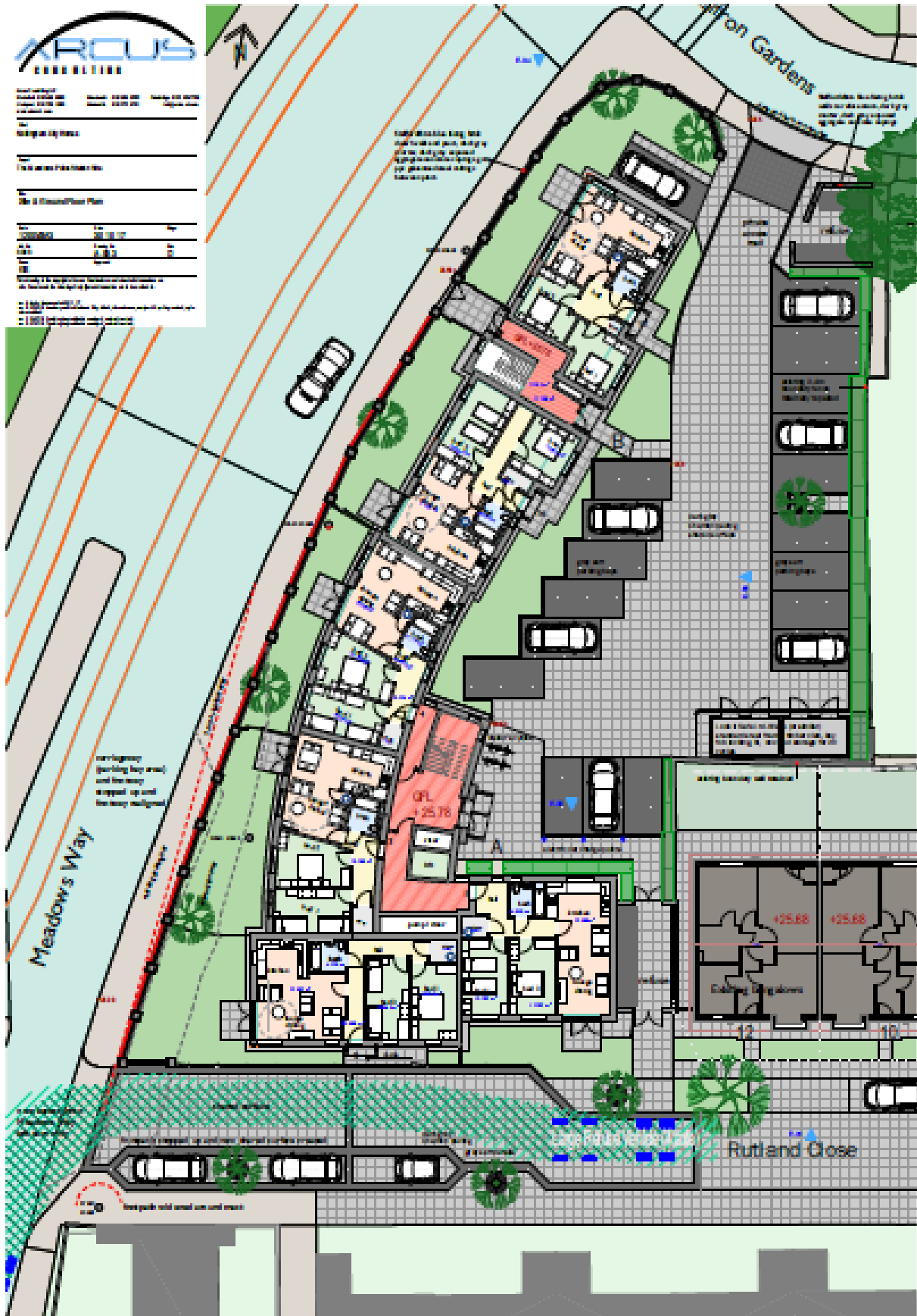


boundary detail



view from Meadows Way at junction with Rutland Close





This page is intentionally left blank

<b>Subject:</b>	Expenditure of grant funds for the Wollaton Hall gallery refurbishment programme 2019-2023
<b>Corporate Director(s)/Director(s):</b>	Andy Vaughan, Corporate Director Commercial and Operations
<b>Portfolio Holder(s):</b>	Councillor David Trimble, Portfolio Holder Leisure, Culture and IT
<b>Report author and contact details:</b>	Rachael Evans, Museums Development Manager Tel: 0115 8762197 e: Rachael.Evans@nottinghamcity.gov.uk
<b>Subject to call-in:</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Key Decision:</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Criteria for Key Decision:</b>	
(a) <input checked="" type="checkbox"/> Expenditure <input type="checkbox"/> Income <input type="checkbox"/> Savings of £1,000,000 or more taking account of the overall impact of the decision	
<b>and/or</b>	
(b)    Significant impact on communities living or working in two or more wards in the City <input type="checkbox"/> Yes <input type="checkbox"/> No	
<b>Type of expenditure:</b>	<input checked="" type="checkbox"/> Revenue <input checked="" type="checkbox"/> Capital
<b>Total value of the decision:</b> £2,767,633	
<b>Wards affected:</b> All	
<b>Date of consultation with Portfolio Holder(s):</b> 20 August 2019	
<b>Relevant Council Plan Key Theme:</b>	
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 type="checkbox"/>
Leisure and Culture	<input checked="" type="checkbox"/>
Resources and Neighbourhood Regeneration	<input type="checkbox"/>
<b>Summary of issues (including benefits to citizens/service users):</b>	
<p>The Museum Service has been incredibly successful in achieving support from grant giving organisations in order to develop the service as a world-class visitor attraction. Wollaton Hall will benefit greatly from this additional income levered in and the proposed project will support the site in becoming a self-sustainable attraction moving forward.</p> <p>The gallery refurbishment programme is a grant funded staged programme. Stage 1 is fully funded and therefore can be delivered imminently. Stages 2-4 will be delivered in turn once they too are fully funded by external grants.</p>	
<b>Exempt information:</b>	
None	
<b>Recommendation(s):</b>	
1    To delegate authority to the Director of Sports & Culture to accept grant awards totalling £2,086,091 for activities up to and including financial years 2021/22.	
2    To approve submission of bids totalling £681, 542 for funding from The Wolfson Foundation and other grant giving organisations to fulfil the funding requirements for the Wollaton Hall	

	gallery refurbishment project between now and 2023 and if successful to incur expenditure once grant funding has been secured.
3	To approve the following staged refurbishment programme at Wollaton Hall: Stage 1 (2019-2020) – refurbished Great Hall, front entrance, bird room and fish room. Stage 2 - refurbish the mineral gallery and insect gallery Stage 3 – refurbish the Willoughby Room and Natural Connections Stage 4 – refurbish the African Gallery.
4	To delegate authority to the Director of Sports & Culture to enter into contracts required to deliver the programme.
5	To approve the use of earmarked donations/reserves as match funding totalling £36,000 to deliver the Wollaton Hall gallery refurbishment programme and to approve subsequent drawdown of further donations to deliver the programme to meet the Council's match funding requirements.

## 1 **REASONS FOR RECOMMENDATIONS**

- 1.1 The gallery refurbishment programme at Wollaton Hall is necessary to improve the visitor offer and therefore increase visitor dwell time. This in turn will increase secondary spend. The additional income generated will enable the Museum Service to move towards becoming self-sustainable. Currently engagement with the history and natural history collections at Wollaton Hall is low. The average dwell time throughout the whole Hall is just 29 minutes.
- 1.2 An in-depth visitor consultation showed there is a confusion about the identity of the site. The stories about the history and natural history are confusing for visitors and need to be interpreted much more clearly. The project will strengthen the identity of Wollaton Hall.
- 1.3 The galleries are looking outdated and tired after achieving record numbers of visitors following the Heritage Lottery Fund funded external renovation programme in 2007.
- 1.4 The current galleries do not engage a diverse audience. To ensure the new galleries are accessible for all an Advisory Panel has been established with participation from over 25 representatives from communities. The panel and visitors will be consulted with during each stage to ensure the new galleries meet the needs of a diverse audience.
- 1.5 The gallery refurbishment programme will support a 400% increase in dwell time.
- 1.6 The increased commercial offer will include a more regular pop-up café in Wollaton Hall which will enable visitors to stay longer and support the increase of secondary income.
- 1.7 Consultation from 2014 to 2019 with current and potential visitors has shown that whilst Wollaton Hall is visited regularly by local communities there is much that needs to be done to improve it.

- 1.8 Funding has already been secured to deliver the four year Arts Council England's National Portfolio Organisation programme which includes the gallery refurbishment programme. Additional funding has also been secured from the Heritage Lottery Fund and FCC Communities Foundation which will enable Stage 1 of the gallery refurbishment programme to be delivered.

## **2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)**

### **2.1 Natural History Collection**

Wollaton Hall was purchased by Nottingham Corporation in 1924 to house the Natural History Collection. It opened its doors in 1926 as the Nottingham Natural History Museum. The collection of over 750,000 natural science objects has been peer reviewed by the National Natural History Museum as a collection of national significance. Currently the limited displays exhibit 1500 objects. The proposal is to make accessible over 15,000 objects and to alleviate confusion about the site with clear and accessible interpretation marrying both the history with the natural history.

### **2.2 Visitor Figures**

In 2007 Wollaton Hall re-opened its doors following a major renovation programme, which focused primarily on necessary high level stonework repairs and the external spaces, funded by the Heritage Lottery Fund and the European Regional Development Fund. The site improvements caused visitor figures to rise substantially from 48,000 to over 300,000 in just 10 years. The increase has meant the current displays, some of which are several decades old, have had hefty usage and are in desperate need of updating.

### **2.3 Income Generation**

In 2017 Wollaton Hall hosted a world exclusive exhibition 'Dinosaurs of China'. In 16 weeks over 130,000 visitors engaged with the exhibition. The increased engagement with the subject matter was reflected in the immediate increase in dwell time and income generation. It also had a wider impact on the local economy. The Scarborough Tourism Economic Activity Report 2017 revealed that Nottingham City showed the strongest visitor growth in the county with an increase in the value of tourism of £24 million. This was credited to Dinosaurs of China. The exhibition placed Wollaton Hall firmly on the global map as a centre of excellence for natural sciences. As such, it should remain a free resource for our local communities and therefore increasing secondary spend by improving the site offer is a necessity for the site to be sustainable.

### **2.4 Consultation**

#### **2.4.1 In-depth Interview-led questionnaires**

The significant increase in footfall at Wollaton Hall prompted the Service to evaluate how the site currently engages visitors with its permanent galleries. In 2014 an in-depth interview-led gallery evaluation with over 450 visitors revealed that whilst the Hall is visited regularly there is much that needs to improve. Key points raised include:

- Average dwell time is less than 30 minutes.
- The current galleries look worn out and need updating to make them relevant and accessible. (Due to both the age of some galleries and the dramatic increase in footfall/usage)

- The galleries do not reflect the national importance of the natural history collection.
- The galleries do not engage visitors of all ages to participate and learn.
- There is confusion about the site, a lack of identity (corporate hire space or museum gallery?)

#### 2.4.2 Project Lab

Various stakeholders have been consulted leading up to and supporting the process of developing the masterplan for Wollaton. This includes a Wollaton Hall Project Lab consultation phase whereby the following stakeholders were consulted with:

- 7 volunteers
- 11 university students
- 92 families
- 24 science technicians
- 47 teachers
- 20 head teachers
- 5 artists
- 17 adults
- 10 members of staff
- 111 school students
- 3 schools
- 4 museums
- 1 taxidermist
- 5 organisations (including My Sight Nottingham)
- 1 community group

#### 2.4.3 Self-led Visitor Consultation

In 2019 further visitor consultation on site showed that 75% of visitors has come to the Hall specifically for natural history and saw the need for the refurbishment programme. 25% were more interested in the history. Both will be addressed coherently.

#### 2.4.4 Advisory Panel

In 2019 an Advisory Panel was set up to act as an ongoing consultation panel for developments at Wollaton Hall to ensure the Museum Service meet the needs of all its visitors. The panel is made up of over 25 representatives from key organisations and communities including Autism East Midlands, My Sight, MESH, Disabled Employees Support Network, Ignite! and schools from across Nottingham.

#### 2.5 National Portfolio Organisation

In 2018 the Museum Service was awarded National Portfolio Organisation status by Arts Council England leveraging in a grant of £1.8 million 2018-2022 to deliver the Museum Service business plan including the Wollaton Hall gallery refurbishment programme as an example of best practice and leadership in the sector.

#### 2.6 Risk

Due to the staged nature of the proposed project the risk is mitigated. Each stage of the project will only go ahead once full costs are covered by secured external funding. Stage 1 has received full funding from Arts Council, Heritage Lottery Fund and FCC Communities Foundation. Therefore it is proposed that Stage 1 commences installation within the timeframe of the grant funding (2019-2020). 25% of funding is currently secured for stages 2-4 and the Service has been invited into stage 2 of the application process for a Wolfson Foundation grant. Stage 2 would commence once 100% of funding is secure.

### **3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS**

- 3.1 The principal alternative option would be to do nothing. This option was rejected as it would mean the exhibitions will continue to look outdated and dwell time will decrease further. Income generation will not increase and the sustainability of the site will be brought into question.

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

- 4.1 This decision seeks approval to accept Arts Council England National Portfolio Organisation grant totalling £1.865m. This is continuation ring-fenced funding for Nottingham City Council's Museums service following a successful bid. Within this funding envelope, £0.252m has been earmarked for the gallery refurbishment at Wollaton Hall.
- 4.2 This decision also seeks approval to accept grants awarded to the Council totalling £0.185m (£95k Heritage Lottery Fund and £90k FCC Communities Foundation). This funding has been awarded to contribute towards the gallery refurbishment at Wollaton Hall.
- 4.3 In order to lever in the grant funding, the Council will need to provide match funding. This will be achieved by using earmarked reserves held in the Council's accounts from donations. The balance on this reserve at 31 March 2019 was £36.3k. The Museums service are expected to continue to receive donations and these will remain earmarked for improvements at Wollaton Hall.
- 4.4 Appendix A shows a summary of the financial impact of this decision and all expenditure is required to be cashflowed to ensure it is in line with the receipt of the grants.
- 4.5 The Council's Museums service will be seeking further funding totalling £0.682m in order to complete the programme of works. As outlined in the report, expenditure will be phased in relation to funding secured and this will avoid an unfunded pressure. Corporately the Council cannot make available any match funding to lever in further external grant, therefore, if match funding is required this will need to be identified by the Service Area.
- 4.6 The Head of Service for Culture and Libraries will need to put measures in place to ensure compliance to each of the grant award conditions to avoid possible clawback of grant.
- 4.7 Subject to approval of this report, the Council's capital programme will need to be updated to include the Wollaton Hall gallery refurbishment project.

- 4.8 The Council has not elected the Wollaton Hall site as culturally exempt and due the capital works being in the gallery the Council will not incur any exempt income in relation to these works. Therefore, this project does not raise any Partial Exemption issues for the Council.

Maria Balchin, Senior Commercial Business Partner and Thomas Straw,  
Senior Accountant (Capital Programmes) 23 August 2019

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

- 5.1 A suitable contractor will be procured in compliance with Contract Procedure Rules to carry out the works.

Jonathan Whitmarsh, Lead Procurement Officer, Procurement & Contracting  
22 August 2019

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

- 6.1 There are no significant concerns with the decision being sought and Strategic Assets and Property are supportive of the project.

Jason Tyler (Property Business Partner) on 23 August 2019

## **7 SOCIAL VALUE CONSIDERATIONS**

- 7.1 Social value will be taken into consideration during the procurement process for the fabrication and installation of the galleries.

## **8 REGARD TO THE NHS CONSTITUTION**

- 8.1 Wollaton Hall Natural History Museum plays an important role in connecting people and nature. There is clear evidence that contact with nature has positive effects on people's physical and mental health.
- 8.2 Contact with nature has been shown to have lots of positive effects on people's health and fitness, lowering blood pressure and reducing recovery times from illness. It helps people cope with stress and maintain concentration, to have a positive outlook and to generally feel satisfied with life. (Natural England 2012)
- 8.3 Wollaton Hall Natural History Museum will help support the Nottingham Health and Well-being strategy action plan.

## **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)



An EIA is not required at this stage. The Equalities Team are members of the project's Advisory Panel and there will be full consultation at each stage to ensure there is access for all.

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 Scarborough Tourism Economic Activity Monitor Report 2017  
7 Million Wonders: How natural history museums help people and nature flourish in the North West.

This page is intentionally left blank

Appendix A

## Wollaton Hall gallery refurbishment programme & Arts Council England Grant Award 2019-2023

NPO grant	2018/19	2019/20	2020/21	2021/22	Sub-totals	TOTALS	Accounts	Notes
Museums Service	420,460	443,205	387,598	361,402	1,612,665		Revenue	
Wollaton Transformation	45,737	22,992	78,599	104,795	252,123		Capital	
<b>Total NPO grant award 2018-2022</b>	<b>466,197</b>	<b>466,197</b>	<b>466,197</b>	<b>466,197</b>		<b>1,864,788</b>		<b>Secured and receiving in instalments</b>
Heritage Lottery Funding						<b>95,000</b>	Capital	<b>Secured and receiving in instalments</b>
FCC Communities Foundation (prev Wren)						<b>90,000</b>	Capital	<b>Secured</b>
Donations : N-V-9555-E73-971-1						<b>36,303</b>	Capital	<b>secured</b>
						<b>2,086,091</b>		
Subject to bid applications / contributions / donations						<b>681,542</b>	Capital	Funding subject to bids and fundraising
						<b>2,767,633</b>		

This page is intentionally left blank

Document is Restricted

This page is intentionally left blank

Document is Restricted

This page is intentionally left blank