

# Public Document Pack



**Nottingham**  
**City Council**

## **Nottingham City Council Executive Board**

**Date:** Tuesday, 17 March 2020

**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, Tel: 0115 8764353 **Direct Dial:** 0115 8764353

- 1 Apologies for absence**
- 2 Declarations of interests**
- 3 Minutes** 3 - 12  
Last meeting held on 18 February 2020 (for confirmation)
- 4 Consultation on Draft Local Plan Document (Education Contributions Supplementary Planning Document)** 13 - 32  
Report of the Portfolio Holder for Planning, Housing and Heritage
- 5 School Capital Maintenance Grant Allocations 2020/21 - Key Decision** 33 - 46  
Report of the Portfolio Holder for Early Years, Education and Employment
- 6 Eastcroft Depot Electricity Supply Upgrade - Key Decision** 47 - 56  
Report of the Portfolio Holder for Energy, Environment and Democratic Services
- 7 Nottingham Express Transit Network Extensions - Key Decision** 57 - 66  
Report of the Portfolio Holder for Adult Care and Local Transport
- 8 Exclusion of the public**  
To consider excluding the public from the meeting during consideration

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

- |           |  |         |
|-----------|--|---------|
| <b>9</b>  | <b>Eastcroft Depot Electricity Supply Upgrade - Key Decision - Exempt Appendix</b><br>Report of the Portfolio Holder for Energy, Environment and Democratic Services | 67 - 70 |
| <b>10</b> | <b>Nottingham Express Transit Network Extensions - Key Decision - Exempt Appendices</b><br>Report of the Portfolio Holder for Adult Care and Local Transport         | 71 - 74 |
| <b>11</b> | <b>Exempt Minutes</b><br>Last meeting held on 18 February 2020 (for confirmation)  | 75 - 80 |

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

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## Nottingham City Council

### Executive Board

**Minutes of the meeting held at Ground Floor Committee Room - Loxley House, Station Street, Nottingham, NG2 3NG on 18 February 2020 from 2.01 pm - 2.39 pm**

#### Membership

##### Present

Councillor David Mellen (Chair)  
Councillor Sally Longford (Vice Chair)  
Councillor Cheryl Barnard  
Councillor Neghat Khan  
Councillor Rebecca Langton  
Councillor Dave Trimble  
Councillor Adele Williams  
Councillor Sam Webster  
Councillor Kevin Clarke  
Councillor Andrew Rule

##### Absent

Councillor Eunice Campbell-Clark  
Councillor Linda Woodings

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

Candida Brudenell - Corporate Director for Strategy and Resources  
Theresa Channell - Head of Strategic Finance  
Chris Henning - Corporate Director for Development and Growth  
Laura Pattman - Strategic Director of Finance  
Catherine Underwood - Corporate Director for People  
Andy Vaughan - Corporate Director for Commercial and Operations  
Kate Morris - Governance Officer

#### Call-in

Unless stated otherwise, all decisions are subject to call-in. The last date for call-in is 28 February 2020. Decisions cannot be implemented until the working day after this date.

#### 78 Apologies For Absence

Councillor Eunice Campbell-Clark – Council Business  
Councillor Linda Woodings – Council Business

#### 79 Declarations Of Interests

None

#### 80 Minutes

The minutes of the meeting held on 21 January 2020 were confirmed as a true record and were signed by the Chair.

## **81 Approval To Adopt Biodiversity Supplementary Planning Document (SPD)**

The Board considered the report of the Portfolio Holder for Planning Housing and Heritage recommending that the Board adopt the Biodiversity Supplementary Planning Document. The proposed SPD has been amended following a consultation period and provides a clear framework for developers. The SPD will help Nottingham City Council to work towards the clear air targets, and to becoming a bee friendly city by 2023.

The Committee agreed that the positive actions encouraged by this SPD should not be at the expense of S106 contributions and that both inclusion of environmental aspects within developments as well as S106 contributions should be expected from developers.

### **Resolved to:**

- (1) Adopt the Biodiversity Supplementary Planning Document; and**
- (2) Note that this Supplementary Planning Document will apply to all planning applications that are validated on or after 26<sup>th</sup> February 2020.**

### **Reasons for Decision**

The Biodiversity Supplementary Planning Document will help to ensure that development meets the Council's aspirations in terms of biodiversity gain and carbon neutrality

### **Other Options Considered**

Not adopting the Biodiversity Supplementary Planning Document. This option was rejected as it would result in a lack of comprehensive planning guidance to underpin the Local Plan.

## **82 School Admission Arrangements 2021/22 For Community Schools - Key Decision**

The Board considered the report of the Portfolio Holder for Early Years, Education and Employment proposing changes to admission arrangements for the 2021/22 school year for community schools.

The changes proposed are to reduce the number of preferences parents can make under the primary co-ordinated scheme from 6 to 4, and to alter the catchment areas for Fernwood Primary and Middleton Primary schools to ensure provision for future pupils residing in the proposed new development on Woodyard Lane.

### **Resolved to:**

- (1) Approve the Local Authority's proposed admission arrangements for 2021/22 school year for community schools:**
  - to reduce the number of preferences that parents can make under the primary co-ordinated scheme from 6 to 4, and**
  - to change the catchment areas of Fernwood Primary and Middleton Primary School.**

### **Reasons for Decision**

The change to the number of preferences parents can make brings the primary co-ordination scheme in line with the Secondary admission arrangements. During the 19/20 admission round 97% of parents were offered a place at their first 4 preferred schools, and in the 18/19 admission round 98% of parents were successful in gaining a place at one of their first 4 preferences.

A review of the school catchment areas in Wollaton was undertaken in 2011/2012 and since that time both Fernwood and Middleton Primary Schools have been expanded by extra 210 places at each school. Following a change in demographics, housing developments and increased inward migration, the next phase is to rebalance the catchment areas for these schools.

The change to Middleton Primary catchment to include the proposed new housing development on Woodyard Lane does not currently affect any citizens, as there are no existing residents on the planned development site.

In 2011/12 the area of Tom Blower Close was moved to the catchment for Fernwood, it will be moved back to the catchment area for Middleton. Younger siblings of existing Fernwood pupils who are on roll at July 2021 will have priority over non-catchment siblings and will be considered as catchment siblings for first admission. This protected priority would not apply for subsequent siblings, so would apply for up to 6 years, 2026/27 academic year.

### **Other Options Considered**

The option to make other changes to the admissions arrangements was considered and rejected and they were not felt to be necessary or viable. Maintaining the Authority's admission arrangements for a further year will enable the authority to monitor the operation of the changes that are made to the 2021/22 arrangements, including those made by academies, in order to make any changes for subsequent years on an informed basis.

## **83 Report Schools Budget 2020/21 – Key Decision**

The Board considered the report of the Portfolio Holder for Early Years, Education and Employment presenting the Council's Schools budget for 2020/21. The following points were highlighted during discussion:

- (a) For 2020/21 there was a risk to the Authority of £1.060m which has been mitigated by a one off solution. This risk may need capturing as a budget pressure to the Local Authority during the 2021/22 budget process;
- (b) Schools funding has increased to fund pupil growth. The Central Expenditure funding has reduced by £1.060m;
- (c) There has been an increase of funding for Early Years education provisions and this has been passed on to providers;
- (d) High Needs has had an increase in funding of 17%.

**Resolved to:**

- (1) Note the overall indicative 2020/21 Schools Budgets to be spent incorporating the Schools, Central Schools Services, Early Years and High Needs blocks is £289.163m;**
- (2) Note that a balance of £0.567m, in the schools block has been transferred to the pupil growth contingency fund as per the approval of Schools Forum on 3 December 2019;**
- (3) Note that the 2020/21 DSG budget will be updated throughout the year to reflect subsequent adjustments made by the Education, Skills Funding Agency (ESFA) and that any balance remaining as a consequence of these adjustments will be allocated to the Statutory School Reserve (SSR);**
- (4) Note the potential risk to the LA in 2021/22 which will be captured in the risk assessment of the MTFP;**
- (5) Approve the in-year budget transfers and payments to schools, Private and Voluntary Charitable and Independent settings and Academies totalling £269.652m;**
- (6) Approve external spend associated with centrally retained expenditure totalling £2.694m;**
- (7) Note the procurement of external placements will be in accordance with the financial regulations, gaining approval through the appropriate processes;**
- (8) Approve the allocation of Pupil Premium and Early Years Pupil Premium and other grants outlined in section 2.6 to settings in accordance with the grant conditions; and**
- (9) Delegate the authority to the Portfolio Holder for Schools and the Corporate Director for People to approve any final budget adjustments.**

**Reasons for Decision**

The Board is asked to note information to allow them to understand how and on what basis different education grants are allocated to the Local Authority and how they are then distributed to educational settings. This then allows the School's Budget to be established within statutory timelines.

The decision is also needed to ensure that there are appropriate constitutional approvals in place to spend the grants.

**Other Options Considered**

Any other options were rejected as they do not align to the financial regulations issued by the Department for Education in relation to the allocation of the DSG and the pupil premium grant.

## **84 Redevelopment Of Former Eastglade School And Southchurch Court Garages Site For New Council Housing – Key Decision**

The Board considered the report of the Portfolio Holder for Planning, Housing and Heritage proposing the appointment of Nottingham City Homes to developed two City Council owned sites for 142 new Council homes at the former Eastglade School site and Southchurch Court Garage site. The two developments are being proposed together in order to achieve better value for money. During discussion, the following points were highlighted:

- (a) This proposal helps Nottingham City Council to work towards achieving its ambitious target to build 1000 new social homes for rent by 2023;
- (b) Funding will include contributions from Section 106 and right to buy replacement funds;
- (c) The site on Southchurch Court will hold 36, 1 bedroom apartments and the former Eastglade School site will hold a mix of 1 bedroom apartments, and 2 and 3 bedroomed houses;
- (d) The Bestwood area currently has a number of regenerations projects and this new housing will contribute to that.

### **Resolved to:**

- (1) Approve the budget for the construction of c142 new Council homes and associated costs within the funding envelope set out in the exempt appendix, with corresponding amendment to the Housing Revenue Account capital programme;**
- (2) Authorise Nottingham City Homes to appoint contractors for the redevelopments of both sites, subject to tenders being returned within the funding envelope set out in the exempt appendix, and to the demonstration of value for money, and to the completion of the legal formalities required for the appropriation of the site to Housing Revenue Account; and**
- (3) Approve the expenditure of £800,000 of Section 106 affordable Housing contributions, made in line with the planning conditions for developments at Haywood School (planning ref. 14/0436PFUL) and Woodhouse Park (planning ref.13/01703POUT), towards the cost of development on Eastglade.**

### **Reasons for Decision**

The development of these sites will contribute to the Council's commitment to build 1000 new Council homes for rent by 2023.

The developments will provide much needed, new, high quality social homes for affordable rent. It will enhance the neighbourhoods, and make constructive use of the two sites.

The Right to Buy element of the funding will be used to meet up to 30% of the cost of the developments. If this funding is not spent within a certain period it has to be repaid with interest to the Government.

The funding envelope, as set out in the in exempt appendix, includes allowances for contingencies and risks.

There is currently £800,000 of Section 106 Affordable Housing commuted sums available to be put towards improving the viability of the Eastglade site. £252,525 is from planning application 14/00436/PFUL3 Haywood School, Edwards Lane. The balance of £800,000 (£547,475) is from planning application 13/01703/POUT Woodhouse Park. This Section 106 contribution to the funding of the Eastglade development is justified by the additional costs imposed by the challenging topography of the site and lack of existing infrastructure. Under both agreements, the Council is obliged to use the affordable housing commuted sum 'towards the provision of Affordable Housing within Nottingham City'. This project meets this definition.

### **Other Options Considered**

The option to do nothing was rejected as both sites are in need of development and the provision of new affordable homes to rent is necessary to meet high levels of demand.

The option of disposal for private development was rejected as this would not contribute to the Council's commitment to build 1000 new social homes, and because neither site is likely to be commercially viable.

Another option for the Eastglade site including innovative energy efficient community housing alongside new allotments was rejected as no viable option could be found. This was mainly due to the high costs associated with the challenging topography of the site.

An alternative option for the Southglade site was to build family homes on the site, but this was rejected as the site could only accommodate 8 -10 family sized homes and the high unit cost would have made this option financially unviable.

## **85 Medium Term Financial Plan (MTFP) - Key Decision**

The Chair of the Board agreed that this item, although not on the agenda, could be considered as a matter of urgency in accordance with Section 100B(4)(b) of the Local Government Act 1972, because the business cannot be deferred as it requires approval by Full Council on 9 March 2020. The MTFP report requires approval at Full Council in order to set the Council Tax for 20/21. It is a legal requirement that Council Tax is set by 11 March 2020.

The Board considered the report of the Portfolio Holder for Finance, Growth and the City Centre presenting the Council's Medium Term Financial Plan (MTFP). This report comprises the revenue budget and capital programme for both the General Fund and the Housing Revenue Account (HRA). The following points were highlighted during discussion:

- (a) Nottingham City has seen a decade of cuts from Central Government that has necessitated approximately £0.25Billion in savings in that time. The funding from government has reduced from around £120m per year to £25m a year.
- (b) At the same time as significant cuts to funding there is an increased demand for services from the most vulnerable citizens;
- (c) The MTFP proposes £15.6m savings for 2020/21. Despite these cuts the Authority has worked hard to protect front line services for the most vulnerable citizens.

The Leader of the Council offered his thanks to Portfolio Holders and Officers for their hard work on the MTFP. Portfolio Holders echoed their thanks to Officers for their hard work during the process.

**Resolved to:**

**(1) 2019/20 Forecast Outturn (Annex 1)**

- a. To note the current forecast outturn for the 2019/20 General Fund, HRA revenue budgets and capital programmes.
- b. To approve budget virements and reserve movements set out in Appendices B and C.

**(2) MTFP 2020/21 – 2022/23 Revenue Element (Annex 2)**

- a. To note the General Fund revenue aspects of the MTFP.
- b. To note, endorse and release savings totalling £15.623m, £13.411m as set out in the December Budget consultation report and a further £2.212m as detailed in this report and set out in Table 8 and detailed within Appendices A of the report for public consultation
- c. To note, endorse and recommend to City Council:
  - i. The General Fund net budget requirement for 2020/21 of £248.059m
  - ii. Council Tax level (Band D) of £1,808.31 that will raise a total of £121.807m (a basic increase of 1.99% and 2.00% increase for Adult Social Care Precept)
  - iii. Delegated authority to the Corporate Leadership Team to implement all proposals after undertaking necessary consultation
  - iv. Delegated authority to the Chief Finance Officer (CFO) to approve payment of the pension deficit lump sum based on the best value approach for the Council

**(3) MTFP 2020/21 – 2024/25 Capital Programme Element (Annex 3):**

**Note, endorse and recommend to City Council:**

- a. The Capital Programme as detailed in Appendix D
- b. The additional key principle for the governance and management of the capital programme as set out in Section 5 and Section 8

- c. The extension of the rolling programmes as set out in revised General Fund Capital Programme Table 3**
- d. The revised Local Transport Programme as set out in Appendix C**

**(4) MTFP 2020/21 – 2022/23 HRA Element (Annex 4):**

- a. To note the following changes that impact on the HRA's financial sustainability include:**
  - i. Increase of social housing rents by 2.7%**
  - ii. Stock reduction of 248 resulting from new build stock, acquisitions and Right to Buy sales**
  - iii. Continued roll out of Universal Credit and end of benefits freeze**
  - iv. Impact of Grenfell Tower Public Enquiry and Hackitt review of building regulations and fire safety**
- b. To approve the:**
  - i. Proposed rent increase of 2.7% for 2020/21**
  - ii. Continuation of the tenant incentive scheme of up to £100 per annum with a budget of £2.000m**
  - iii. Proposed increase in general service charges of 1.7%, in line with Consumer Price Index (CPI)**
  - iv. A working balance of £7.727m to provide for the effects of Universal Credit and to support the new build programme**
  - v. Delegation of authority to Nottingham City Homes (NCH) to award capital contracts up to the value of the scheme/programme as set out in Appendix B of Annex 4 of the report**

- c. To note, endorse and recommend to City Council the 2020/21 HRA budget**

**(5) Robustness of the Budget (Annex 5):**

**To note, endorse and recommend to City Council the recommendations of the Chief Finance Officer (CFO) in respect of the robustness of the estimates within the budget and the adequacy of reserves. Specifically delegating authority to the CFO includes:**

- (a) Conduct a fundamental review of reserves, balances and provisions to create a resilience reserve. The reserve is to be sufficient to cover risks highlighted within the report and to give authority to review and amend the reserve in year based on any new or emerging risks.**
- (b) Update the MTFP principles to take into account the Council's reduced budget flexibility as a result of the continued use of one off measures to reduce overspends and present a balanced budget**
- (c) Review and update the current MTFP practices and amend as necessary to align with CIPFA Financial Management Code**
- (d) Produce a detailed 3 year MTFP to address the budget gaps in years 2 and 3 which will require a thorough transformation plan and strategy in order to balance the medium term financial position**

**(6) Budget Consultation 2020/21 (Annex 6):**

**To note the outcomes of the budget consultation and communication**

**Reason for Decision**

The meeting of Full Council on 9 March 2020 will set the budget and Council Tax rates for 2020/21. By setting the HRA elements of the report and endorsing the MTFP this

### **Other Options Considered**

There were numerous individual different options considered throughout the budget process too detailed and numerous to list as distinct options. The MTFP presented to the Board shows the final overall package of detailed proposals that see to balance levels of investment, cost reduction and an appropriate level of income.

## **86 Treasury Management Strategy 2020/21 and Capital & Investment Strategy 2020/21**

The Chair of the Board agreed that this item, although not on the agenda, could be considered as a matter of urgency in accordance with Section 100B(4)(b) of the Local Government Act 1972, because the business cannot be deferred as it requires approval by Full Council prior to April 2020 in order to comply with the CIPFA code.

The Board considered the report of the Portfolio Holder for Finance, Growth and the City Centre setting out the Treasury Management Strategy Statement 2020/21 and the Capital & Investment Strategy for 2020/21. The report looks at how to bring in revenue to the Council, investment and borrowing. The Council is committed to investing to grow the local economy, bring in more business rates and inviting private investment.

### **Resolved to:**

- (1) Endorse and recommend for approval by the Council at its meeting on 9 March 2020 the overall Treasury Management Strategy for 2020/21 and in particular:**
  - a. The strategy for debt repayment (minimum Revenue Provision) in 2020/21**
  - b. The Investment Strategy for 2020/21**
  - c. The Prudential Indicators and Limits for 2020/21 to 2022/23**
  - d. Adopt the current Treasury Management Policy Statement.**
  
- (2) Endorse and recommend for approval by the Council at its meeting on 9 March 2020 the Capital and Investment Strategy 2020/21**

### **Reasons for Decision**

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

- Financial Regulations and the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management by submitting a policy and strategy statement for the ensuing financial year;
- guidance issued by the Secretary of State under section 15(1) (a) of the Local Government Act 2003 in approving, at Council, an Annual Investment Strategy before 1 April;
- guidance issued by the Secretary of State under section 21 (1A) of the Local Government Act 2003 which requires the preparation of an annual statement of the Council's policy on making a Minimum Revenue Provision (MRP) for the repayment of debt.

The Capital Strategy is a new requirement for Nottingham City Council, the strategy has to comply with:

- The Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code and the Code of Practice on Treasury Management;
- regulations requiring the Council to have regard to the Code are issued under section 1 of the Local Government Act 2003.
- guidance issued by the Secretary of State under section 15(1) (a) of the Local Government Act 2003 in approving, at Council, an Annual Investment Strategy before 1 April;

#### **Other options considered**

Not adopting these strategies would be against the CIPFA code and for this reason this option was rejected.

The Ministry of Housing, Communities & Local Government Guidance and the CIPFA Code do not prescribe any particular strategies for local authorities to adopt. The Chief Financial Officer, having consulted the portfolio holder, believes that the proposed strategies represent an appropriate balance between risk management and cost effectiveness.

#### **87 Exclusion Of The Public**

The Board decided to exclude the public from the meeting during consideration of this/ the remaining agenda 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 outweighed the public interest in disclosing the information, as defined in Paragraph(s) 3 and 4 of Part 1 of Schedule 12A to the Act

#### **88 Redevelopment Of Former Eastglade School And Southchurch Court Garages Site For New Council Housing - Key Decision - Exempt Appendix**

The Board noted the information contained within the exempt appendix.

#### **89 Establishment Of Commercial Waste Company**

The Board considered the exempt report of the Portfolio Holder for Energy, Environment and Democratic Services.

**Resolved to approve the recommendations as recorded in the exempt minute.**

#### **90 Treasury Management Strategy 2020/21 and Capital & Investment Strategy 2020/21 - Exempt Appendix**

The Board noted the information contained within the exempt appendix.

<b>Subject:</b>	Consultation on Draft Education Contributions from Residential Developments Supplementary Planning Document
<b>Corporate Director(s)/Director(s):</b>	Chris Henning, Corporate Director of Development and Growth Paul Seddon, Director of Planning and Regeneration
<b>Portfolio Holder(s):</b>	Councillor Linda Woodings, Portfolio Holder for Planning, Housing and Heritage
<b>Report author and contact details:</b>	Steve Ryder, Planning Officer (0115) 876 3970 steve.ryder@nottinghamcity.gov.uk
<b>Subject to call-in:</b>	<input checked="" type="checkbox"/> Yes <input 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 checked="" 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 Wards
<b>Date of consultation with Portfolio Holder(s):</b>	27 January 2020
<b>Relevant Council Plan Key Theme:</b>	
Nottingham People	<input checked="" type="checkbox"/>
Living in Nottingham	<input checked="" type="checkbox"/>
Growing Nottingham	<input checked="" type="checkbox"/>
Respect for Nottingham	<input type="checkbox"/>
Serving Nottingham Better	<input checked="" type="checkbox"/>
<b>Summary of issues (including benefits to citizens/service users):</b>	The Education Contributions from Residential Development Supplementary Planning Document (SPD) will provide guidance on the requirement for Section 106 financial contributions for the provision of education infrastructure required as a consequence of new residential development. It supplements policies in the adopted Core Strategy and Local Plan Part 2: Land and Planning Policies document (LAPP).
<b>Exempt information:</b>	None.
<b>Recommendation(s):</b>	
<b>1</b>	To approve the draft Education Contributions Supplementary Planning Document (SPD) appended to this report and release it for a period of public consultation.
<b>2</b>	To delegate authority to the Director of Planning and Regeneration to approve any minor changes required to the draft SPD prior to public consultation commencing.

**1 Reasons for recommendations**

- 1.1 The production of the above SPD will help to ensure that the Council secures any required education infrastructure associated with new residential development.

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

- 2.1 SPDs are documents which add further detail to the policies in the Local Plan. They can be used to provide further guidance for development on specific sites, or on particular issues. SPDs are capable of being a material consideration in planning decisions but are not part of the statutory development plan.
- 2.2 Under the Education Act 1996, Nottingham City Council as Education Authority has a statutory duty to ensure that there are sufficient school places available within the City to meet the educational needs of the population.
- 2.3 This SPD will provide additional guidance to housing developers on the City Council's approach (as Planning Authority) to seeking contributions towards education infrastructure provision.

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

- 3.1 Not producing or supporting the draft SPD would result in a lack of comprehensive planning guidance to underpin the Local Plan and ensure that the City Council's educational needs are met.

## **4 Finance colleague comments (including implications and value for money/VAT)**

- 4.1 The Education Contributions from Residential SPD will bring in income in accordance with a standard formula mechanism to reflect actual costs. This additional section 106 income must be spent in line with the section 106 agreement and will require appropriate monitoring to ensure that the contribution is expended as agreed.
- 4.2 New regulations came into force on 1st September 2019 that allow local authorities to charge a fee through section 106 to contribute towards the cost of monitoring and reporting on developer contributions. The regulations state that this fee should be 'fair' and 'reasonable' and reflect the authority's estimate of the cost of monitoring. These fees will enable the Council to fund a suitable resource to ensure that developer contributions are fully monitored.

Roma Desai, Commercial Business Partner, Strategic Finance, 19 February 2020

## **5 Legal and Procurement colleague comments (including risk management issues, and legal, Crime and Disorder Act and procurement implications)**

- 5.1 The Council as Planning Authority has a power to adopt Supplementary Planning Documents (SPDs) which add more detail and guidance in relation to Local Plan policies and which then become material planning considerations when planning applications are determined. The adoption of SPDs is an executive function and the Board therefore has the power to release the SPD for public consultation as required as part of the relevant statutory process.

Ann Barrett, Team Leader (Planning, Environment and Leisure) Legal Services, 10 February 2020.

## **6 Strategic Assets & Property colleague comments (for decisions relating to all property assets and associated infrastructure)**

- 6.1 The SPD to be consulted on, outlined in this report, will affect the viability of future residential developments undertaken by the Council and capital receipts obtained in future disposals of residential development sites proposed by the Council.

Rod Martin, Development Manager, Strategic Assets and Property, 19<sup>th</sup> February 2020

## **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:

(Please explain why an EIA is not necessary)

Yes

The Education Contributions Supplementary Planning Document is part of the EqlA for the emerging Local Plan Part 2 (Land and Planning Policies document) and can be viewed at:

<https://www.nottinghamcity.gov.uk/information-for-business/planning-and-building-control/planning-policy/the-local-plan-and-planning-policy/lapp-local-plan-part-2-examination/examination-library/core-documents/> (see documents with references LAPP-CD-REG-11, LAPP-CD-REG-12, LAPP-CD-REG-13).

## **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 Greater Nottingham, Broxtowe Borough, Gedling Borough, Nottingham City Aligned Core Strategies (Part 1 Local Plan) September 2014.

- 11.2 Nottingham City Land and Planning Policies Development Plan Document,(Local Plan Part 2) January 2020.

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# Education Contributions from Residential Developments

## Supplementary Planning Document

Consultation Draft – March 2020



## Contents

### Contents

1.0	Foreword .....	1
2.0	Purpose and Status of the Document .....	2
3.0	Consultation .....	3
4.0	Introduction .....	4
5.0	Section 106 Agreements .....	5
6.0	Policy Context .....	6
7.0	Assessment of contribution need.....	7
8.0	How education Section 106 planning contributions will be applied.....	9
9.0	Methodology for calculating Education s106 contributions.....	10
	Appendix 1: Methodology and formula used to calculate Education Contributions per development of 10 or more houses or 2+ bed flats.....	12

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## 1.0 Foreword

1.1 Policies IN4 and LS5 of the Nottingham Local Plan (part 2) require that developer contributions will be sought where necessary to support new and expanded community facilities depending on the scale and nature of development proposals and the need arising from the development. The purpose of this Supplementary Planning Document (SPD) is to provide further guidance to developers on the Local Planning Authority's requirements for new or improved educational nursery, primary or secondary facilities as a result of new residential development.

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## 2.0 Purpose and Status of the Document

- 2.1 Nottingham City Council has prepared this Education Contributions Supplementary Planning Document in order to provide additional guidance on the City Council's approach to seeking contributions towards education infrastructure provision from new housing development within the city. Policy 19 of the Aligned Core Strategy 2014 (ACS)<sup>1</sup> and Policies IN4 (Developer Contributions) and Policy LS5 (Community Facilities) of the Land and Planning Policies Local Plan Part 2 (LAPP)<sup>2</sup> provide the policy basis for requiring such contributions.
- 2.2 This SPD outlines the City Councils approach to raising financial contributions via planning obligations under section 106 (s106) of the Town and Country Planning Act 1990 (as amended)<sup>3</sup>.
- 2.3 This SPD provides more detail on the local approach to seeking developer contributions for education, while taking account of updated DfE guidance: 'Securing developer contributions for education' (November 2019)<sup>4</sup> and the National School Delivery Cost Benchmarking report for Primary, Secondary and special educational needs (SEN) schools (June 2019)<sup>5</sup>.
- 2.4 The contributions raised will be directed to funding works associated with addressing the increased pressure on existing school provision that a development will generate. This approach will ensure that new housing development makes a proportionate contribution to meeting the additional requirement for education provision that it will generate.

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<sup>1</sup> <https://www.nottinghamcity.gov.uk/media/361912/broxtowe-gedling-and-nottingham-aligned-core-strategies.pdf>

<sup>2</sup> <http://documents.nottinghamcity.gov.uk/download/7056>

<sup>3</sup> <http://www.legislation.gov.uk/ukpga/1990/8/contents>

<sup>4</sup>

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/843957/Developer\\_Contributions\\_Guidance\\_update\\_Nov2019.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/843957/Developer_Contributions_Guidance_update_Nov2019.pdf)

<sup>5</sup> <https://ebdog.org.uk/wp-content/uploads/2019/06/F07125-National-School-Delivery-Cost-Benchmarking-Primary-Secondary-and--SEN-Schools-Final-June-2019-v6.7a.pdf>

### 3.0 Consultation

3.1 This draft SPD has been prepared for public consultation, the results of which will help shape the final document. The consultation period runs from (dates to be confirmed). You can view a paper copy of the document at Loxley House reception and Nottingham Central Library.

3.2 You may comment on the SPD in a number of ways:

On line at: [www.nottinghamcity.gov.uk/localplanconsultations](http://www.nottinghamcity.gov.uk/localplanconsultations)

By email: [localplan@nottinghamcity.gov.uk](mailto:localplan@nottinghamcity.gov.uk)

Although the Council would prefer comments to be made electronically, if this is not possible, they will consider written representations by post to the following address:

Planning Policy Team,  
Loxley House, Station Street,  
Nottingham,  
NG2 3NG

If you would like any further information on the SPD please contact the Planning Policy Team at the above address or by telephone on (0115) 876 4594.

## 4.0 Introduction

- 4.1 Under the Education Act 1996, Nottingham City Council as Education Authority retains the statutory duty to ensure that there are sufficient school places available within the City to meet the educational needs of the population. This is the case regardless of whether schools are; LA maintained, have academy status, or are free schools.
- 4.2 There is a sound policy basis for requesting Education Contributions from relevant housing developments and the Planning Authority's approach has been devised to take account of educational need whilst ensuring that the contributions to be required may be spent flexibly on those schools which serve the relevant development.
- 4.3 The Education Authority receives a central government capital grant to support the supply of places, which arise as a consequence of demographic growth. This is referred to as 'Basic Need funding'. However in terms of pupils arising from new housing developments the government does not provide funding to develop or expand educational facilities, and expects that such places will be funded by developer contributions. In order for new residential developments to be sustainable, the demand they create for education provision will need to be catered for as part of the Council's school place planning strategy. The timely provision of education infrastructure is essential to secure high quality school places where and when they are needed.
- 4.4 The City Council as Planning Authority will therefore seek Education Contributions from housing developers to meet the cost of new school places arising as a consequence of new development, including affordable housing, in order to ensure that education provision remains sustainable. Such contributions may be added to Basic Need funding, where there is a need to increase capacity or enhance existing educational facilities due to demand for places also arising from other factors.

## 5.0 Section 106 Agreements

- 5.1 Planning obligations under Section 106 of the Town and Country Planning Act 1990 (as amended), (commonly known as s106 agreements) are legal agreements between Local Planning Authorities and developers which are linked to planning permissions.
- 5.2 Section 106 agreements are used when it is considered that a development will have significant impacts on the local area that cannot be moderated by means of conditions attached to a planning decision. Such agreements may make provision for the payment of a financial contribution to mitigate the effects of those impacts and thus make an otherwise unacceptable development proposal acceptable.
- 5.3 The Community Infrastructure Levy (CIL) is a planning charge, introduced by the Planning Act 2008 as a tool for local authorities in to help deliver infrastructure to support the development of their area. At the time of writing Nottingham City Council does not have a CIL in place, although it remains a possible option for consideration in the future. Should the Council decide to introduce CIL, consultation on the level of CIL to be charged for particular uses will take place with interested parties in accordance with the statutory process. If education contributions were then included in the CIL they would replace the requirement for s.106 contributions.

## 6.0 Policy Context

6.1 National and Local policies and other material planning considerations are used to determine what is needed to make a development acceptable.

6.2 The National Planning Policy Framework (NPPF)<sup>6</sup> states (paragraph 94):

*'It is important that a sufficient choice of school places is available to meet the needs of existing and new communities. Local planning authorities should take a proactive, positive and collaborative approach to meeting this requirement, and to development that will widen choice in education. They should:*

*a) give great weight to the need to create, expand or alter schools through the preparation of plans and decisions on applications; and*

*b) work with schools promoters, delivery partners and statutory bodies'*

6.3 ACS Policy 19: Developer Contributions, outlines that developments are expected to meet the reasonable cost for infrastructure required as a consequence of the proposal. The extent of the contributions will be fairly and reasonably related to the scale and type of scheme. Considerations will also be given to economic conditions and viability.

6.4 LAPP Policy IN4: Developer Contributions, echoes Policy 19 of the ACS, indicating that development will be expected to meet the reasonable costs of new infrastructure or services required as a consequence of the proposal. This policy also specifies community facilities, including education, as an example of infrastructure or services that an obligation may (subject to viability and viability issues) be negotiated for.

6.5 LAPP Policy LS5 (Community Facilities) allows for developer contributions to support new and expanded community facilities, subject to scale and nature of development proposals and the need arising from the development. Housing developments are specified in the justification as possibly giving rise to the need for new or expanded facilities to support new communities, depending on the nature of the proposal and the capacity of existing facilities in the area.

6.6 These planning policies support the Council's position of securing contributions from developers through section 106 agreements, and using the funds to provide appropriate school facilities for the local community. In addition the Department for Education (DfE) publication 'securing developer contributions for education'<sup>7</sup> provides additional advice and guidance in relation to such contributions.

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[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/810197/NPPF\\_Feb\\_2019\\_revised.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/810197/NPPF_Feb_2019_revised.pdf)

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[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/843957/Developer\\_Contributions\\_Guidance\\_update\\_Nov2019.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/843957/Developer_Contributions_Guidance_update_Nov2019.pdf)

## 7.0 Assessment of contribution need

- 7.1 The Council's consideration of whether Education Contributions are required will be informed by the projected capacity figures for the relevant educational needs. Low levels of surplus places at a school do not necessarily equate to there being sufficient capacity at that school as it is generally accepted that schools should not operate at 100% of their capacity. The Education Authority ideally needs to operate at 5% surplus capacity to allow for fluctuations in demand, parental choice and in-year migration. This level of surplus should not count as available when calculating Education Contributions.
- 7.2 Where a new development is proposed in an area with sufficient projected capacity, no Education Contribution will be required; however, where the proposed development would result in insufficient projected capacity, a contribution will be required.
- 7.3 As a development may be implemented within 3 years of the granting of planning permission and may not be completed until some years later (especially for major or phased developments,) the Education Contribution may not actually be available to the Council at an appropriate time to deliver the necessary related projects. For example, payment of an Education Contribution may not be made until the first house on a development is occupied but many more houses may become occupied at or around the same time and accommodate children who need school places. Basic Need or LA borrowing may therefore be required as forward funding to make provision for the children occupying the development, which will then be retrospectively recouped from the Education Contribution when paid.
- 7.4 In addition to increased pupil yield from housing development, there are other factors which contribute to the need for additional school places in a given area, i.e. increased birth rate and inward migration, which should be reflected in the Council's 'Basic Need' funding allocation. The necessary lead time for delivering such expansion projects will often require forward-funding of S106 Education Contributions (if this is a factor), which again would then need to be recouped later to replenish the appropriate funding stream.
- 7.5 Education Contributions will be sought in relation to outline or full applications for planning permission for residential developments of 10 or more houses or flats with 2 or more bedrooms and which are likely to result in the need for additional education provision.
- 7.6 Applications for less than 10 dwellings will be exempt unless their co-location with other sites requires examination of their cumulative impact. Education Contributions will not be sought for one bedroom dwellings or student accommodation.

- 7.7 While many early years places are provided by the private, voluntary and independent (PVI) sectors, Education Authorities have a duty to ensure early years provision within the terms set out in the Childcare Acts 2006 and 2016. All of the City's primary schools now have a nursery. Education Contributions have a role to play in helping to fund additional nursery places required as a result of housing growth, in particular where these are proposed as part of school expansions at existing or new schools.
- 7.8 The Council may therefore require a contribution for Early Years provision (0-4 years) and post-16 provision (16-19) if a proposed development will result in insufficient capacity. The per pupil cost of early years provision is assumed to be the same as for a primary school. Similarly, further education places provided within a secondary school sixth form will cost broadly the same as a secondary school place.
- 7.9 The need for an Education Contribution will be established by comparing the number of pupils generated by the development with the following:
- The pupil projections for the catchment and / or neighbouring schools and / or
  - The schools in the local pupil place planning area (as determined by the Education Authority), as some schools do not have a designated catchment area.
- 7.10 Where it can be demonstrated that the number of pupils generated by a development is greater than the spare capacity required in the catchment, neighbouring and/or planning area of schools, the Education Authority may require a contribution to fund the provision of the additional school places required, for:
- a) 0-4 years (early years places)
  - b) 4-11 years (primary places)
  - c) 11-16 years (secondary places)
  - d) 16-19 years (post-16 provision)
  - e) For b, c and d above, a 'cost per pupil place' uplift to account for the significant percentage of Special Educational Need or Disability (SEND) children in mainstream Nottingham City schools will be applied. At the time of writing this is 15%.

## **8.0 How education Section 106 planning contributions will be applied**

- 8.1 Education Section 106 will provide funding for construction and, where required land, to provide additional capacity or to enhance existing facilities at academies or maintained schools. This may include, but is not limited to:
- a) Providing additional school places
  - b) Providing new schools or school buildings
  - c) Adapting, extending or enhancing existing school buildings
  - d) Improving school grounds, sports and physical education facilities
  - e) Developing, improving or extending SEND facilities (or other non-mainstream projects) in a special school, within a mainstream school or as separate unit.
- 8.2 Planning obligations will need to allow the flexibility to direct funds appropriately within a 10 year period.
- 8.3 It may not always be practical or desirable to use s106 contributions to provide additional capacity at the catchment school, because, for example, the site may be constrained, detailed feasibility work may lead to a change of project or the school may not have the infrastructure space necessary to support the increased capacity. In these circumstances, the contributions would be used to provide or enhance capacity through extension, refurbishment or re-modelling of existing schools where the needs could be best met, or towards the provision of a new school.
- 8.4 A number of faith schools and academies have their own admissions criteria and are making changes to their age range, admission arrangements and catchments areas. This, combined with pupil migration across catchments, planning areas, and the relatively small geographical area of the City as a whole requires the Education Authority to have the flexibility to use the funding at the most appropriate school(s).
- 8.5 The Council may therefore identify more than one school project in a planning obligation, whilst still meeting the general tests for a s106 Agreement of being necessary, directly related to the development and fairly and reasonably related to it<sup>8</sup>. This will usually involve naming a primary and / or secondary school 'planning area.' Planning areas are determined locally by the Council. They include a number of schools and are primarily determined by geographical location. This will enable the Council to respond to such changing circumstances as those outlined above and in view of the long timescales which are often involved in building a new development. The wording of the relevant planning obligations should be flexible enough to enable this. The general approach will therefore be to allow the contribution to be used for the provision or enhancement of education facilities at one or more of the schools in the relevant 'planning area'. In some circumstances, it may be possible to identify a specific preferred school and 'contingency' school expansion project.

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<sup>8</sup> Regulation 122 Community Infrastructure Levy Regulations 2010 (as amended)

## 9.0 Methodology for calculating Education s106 contributions

(Costs of provision / charge per mainstream pupil place)

- 9.1 The Council will use the National School Delivery Cost Benchmarking report: Primary, Secondary and SEN Schools, June 2019<sup>9</sup> (or such update or other Department for Education (DfE) recognised report as may replace or supersede it,) as the basis for calculating Education Contributions.
- 9.2 This report was produced by Hampshire County Council in partnership with the DfE, Education Building and Development Officers Group, East Riding Council, Infrastructure and Projects Authority, Local Government Association and National Association Construction Frameworks. It shows the average cost of delivering school places, looking at projects over a 5-year period.
- 9.3 The required Education Contribution will normally be based on the average cost per place for Rebuild & Extension projects outlined in the report, as opposed to the higher cost of New Build, as the Education Authority's projects will mainly fall under this category. At the time of writing

The cost per primary place is £14,189

The cost per secondary place is £15,239

### Projected pupil generation per development type

- 9.4 All education contributions are based on an assessment of probability and averages, recognising that the precise mix of age groups and school choices cannot be known before a development is built. Site specific factors will always need to be taken into account, but the Education Authority's pupil yield methodology is based on evidence of recent developments, national guidance and local analysis of the cost of providing school places, benchmarking other LAs pupil yield rates and local pupil projections.
- 9.5 The pupil yield formula the City Council has set is 3 pupils per year group for every 100 houses (2/3/4 bed) and 3+ bed flats.

	<b>Total pupil yield rate per 100 houses (2/3/4</b>
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<sup>9</sup> <https://ebdog.org.uk/wp-content/uploads/2019/06/F07125-National-School-Delivery-Cost-Benchmarking-Primary-Secondary-and--SEN-Schools-Final-June-2019-v6.7a.pdf>

	<b>bedrooms) or flats (3 or more bedrooms)</b>
<b>Primary age pupils</b>	<b>21</b>
<b>Secondary age pupils</b>	<b>15</b>

9.6 5 bed houses are uncommon for developments within the City but where a development does include 5 bed houses, they may be counted as 2 houses for the purposes of the calculation.

9.7 For 2 bed flats 1 primary pupil *per year group* for every 100 x 2 bed flats. Which equates to 7 primary pupils for every 100 x 2 bed flats.

9.8 It is assumed that smaller, younger families will be likely to be accommodated in such flats with some moving to houses before their children reach primary age and most before their children reach secondary age. The Council will not therefore claim an Education Contribution for secondary places for 2 bed flats, nor will it claim any contribution for 1-bed flats as it is not anticipated that these will be occupied by people with children.

**Uplift to account for the high percentage of Nottingham City pupils with a Special Educational Need or Disability (SEND)**

9.9 Approximately 15% of pupils in Nottingham City have a Special Education Need or Disability (SEND) or an EHCP (Education Health Care Plan). An increase in housing will lead to an increase in the need for SEND provision. The cost of funding a place in a special school is calculated at being four times the cost of mainstream provision. Despite this, the Education Authority will only seek additional funding towards the cost of supporting SEND pupils who are in mainstream provision. Therefore it is not necessary to disaggregate the SEN pupil yield factor according to different complex needs. An additional 50% uplift for 15% of the pupil places required by a development (equating to an additional 7.5% of the original total) will be factored in to the calculation of Education Contributions to account for this need.

9.10 Allowing the Education Provision to be used for the provision or enhancement of education facilities, will give the Education Authority the flexibility required to direct funds to appropriate SEND or other non-mainstream projects as appropriate. Such as to enable school building alterations to increase a mainstream school's capacity to cater for children with SEND, for example by creating sensory rooms or a SEND unit within a school.

9.11 The Councils methodology and the application of the formula used to calculate Education Contributions is summarised further in the Appendix.

## Appendix 1: Methodology and formula used to calculate Education Contributions per development of 10 or more houses or 2+ bed flats

<b>Table A: 2 Bed Flats, Education Contribution per development</b>
<b>Primary Contribution Methodology</b>
Step 1: (Number of 2 bed flats x pupil yield of 7 per 100 flats) x cost per primary place = A Step 2: SEND contribution 7.5% of A = B Step 3: Total primary contribution = A+B
<b>Primary Contribution Formula</b>
Step 1: (Number of 2 bed flats x 0.07) x £14,189 = A Step 2: 0.075 x A = B Step 3: Total primary contribution = A+B
<b>Secondary Contribution methodology</b>
No secondary contribution required on 2-bed flats.
<b>Example 1: Calculating the total Education Contribution for 50 x 2 bed flats</b>
1. (50 flats x 0.07 = 3.5 primary pupils) x £14,189 = £49,662 (A) 2. 0.075 x £49,662 = £3,725 (B) 3. Total contribution = A+B = £49,662 + £3,725 = £53,386
<b>Table B: 2/3/4 Bed houses and 3+ Bed flats, Education Contribution per development</b>
<b>Primary Contribution Methodology</b>
Step 1: (Number of houses / 3+ bed flats x pupil yield of 21 per 100 houses) x cost of primary place = A Step 2: SEND contribution 7.5% of A = B Step 3: Total primary contribution = A + B
<b>Primary Contribution Formula</b>
Step 1: (Number of houses / 3+ bed flats x 0.21) x £14,189 = A Step 2: 0.075 x A = B Step 3: Total primary contribution = A + B
<b>Secondary Contribution Methodology</b>
Step 1: (Number of houses / 3+ bed flats x pupil yield of 15 per 100 houses) x cost of secondary place = A Step 2: SEND contribution 7.5% of A = B Step 3: Total secondary contribution = A + B
<b>Secondary Contribution Formula</b>
Step 1: (Number of houses / 3+ bed flats x 0.15) x £15,239 = A Step 2: 0.075 x A = B Step 3: Total secondary contribution = A + B
<b>Example 2: Calculating the Education Contribution for 100 x 3/4 bed houses</b>
<b>Primary</b>
1. (100 houses x 0.21 = 21 primary pupils) x £14,189 = £297,969 (A)
2. 0.075 x £297,969 = £22,348 (B)
3. Total primary contribution = A+B = £297,969 + £22,348 = £320,317
<b>Secondary</b>
1. (100 houses x 0.15 = 15 secondary pupils) x £15,239 = £228,585(A)
2. 0.075 x £228,585 = £17,144 (B)
3. Total secondary contribution = A+B = £228,585 + £17,144 = £245,729
<b>Total Contribution = Total Primary Contribution + Total Secondary Contribution</b>
= £320,317 + £245,729
= £566,046

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<b>Subject:</b>	School Capital Maintenance Grant Allocations 2020/21
<b>Corporate Director(s)/Director(s):</b>	Catherine Underwood – Corporate Director for People (Children and Adults)
<b>Portfolio Holder(s):</b>	Councillor Neghat Khan – Portfolio Holder for Early Years, Education and Employment
<b>Report author and contact details:</b>	Nicole Wilkinson– Assistant Project Manager, Major Projects. Tel: 0115 8763746 e-mail: Nicole.wilkinson@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 type="checkbox"/> Revenue <input checked="" type="checkbox"/> Capital
<b>Total value of the decision:</b>	<b>£ 1,203,570</b>
<b>Wards affected:</b>	<b>All</b>
<b>Date of consultation with Portfolio Holder(s):</b>	21 <sup>st</sup> January 2020
<b>Relevant Council Plan Key Theme:</b>	
Nottingham People	<input checked="" type="checkbox"/>
Living in Nottingham	<input type="checkbox"/>
Growing Nottingham	<input type="checkbox"/>
Respect for Nottingham	<input type="checkbox"/>
Serving Nottingham Better	<input type="checkbox"/>
<b>Summary of issues (including benefits to citizens/service users):</b>	
<p>The Capital Maintenance grant allocation from the Department for Education (DfE) is expected to be confirmed in late Spring 2020. An estimated amount of £1.2 million is forecast to be allocated to improve the condition of school buildings maintained by Nottingham City Council (NCC).</p> <p>In previous years the timing of the announcement has meant a challenging timescale to deliver projects. In order to mitigate this for 2020/21, approval was obtained via Executive Board 19<sup>th</sup> March 2019 as part of the previous year's scheme 2019/20, to start prioritising and scoping the programme of works, allowing more time for the delivery of the programme.</p> <p>This report seeks an approval in advance of receipt of the funding announcement to the recommendations and within the defined parameters set out below. This will enable the project prioritisation and delivery of the projects in Appendix A to commence once funding has been allocated.</p>	
<b>Exempt information:</b>	None.
<b>Recommendation(s):</b>	
<p>1. To accept and approve the allocation received by the Department for Education (DfE) of the School Capital Maintenance funding upon receipt to the projects as set out in appendix A,</p>	
<p>2. To note that £0.136 million is set aside as a contingency fund.</p>	
<p>3. To allow the adjustment of the number of projects prioritised in Appendix A and the</p>	

contingency upon receipt of the grant announcement, should it be necessary.
4. Once funding has been received, to approve £0.025 million to allow the scoping and prioritisation of projects for a programme of works in 2021/22 to commence in Autumn 2020.
5. Once funding has been received, to amend the Capital Programme to include the allocation of grant.
6. Once funding has been received, to delegate authority to the Corporate Director for People to allow the adjustment of the number of projects prioritised in Appendix A and the contingency should it be necessary.
7. To allocate contingency funding to projects such as health and safety or condition issues which arise during 2020/21, and to adjust the funding allocation for each project once cost information is finalised, subject to value for money being demonstrated and costs being within the overall budget allocated for this programme of works.
8. To appoint NCC Design Services to design, procure and manage the projects.
9. To approve the procurement of the works through the East Midlands Regional construction framework – an OJEU (the Official Journal of the European Union) compliant framework.
10. To delegate authority to the Head of Legal Services to sign contracts with the preferred contractors following procurement exercises to allow the projects to be delivered.
11. To approve a payment of up to £0.100m from the Building Schools for the Future (BSF) Lifecycle Reserve fund to Rosehill Special School to undertake condition and maintenance works to the building.

## 1 Reasons for recommendations

1.1 The prioritisation of the funding is based on advice received and an extensive review of schools. There are two areas where funding has been prioritised:

- Health and Safety issues likely to impact on children and staff.
- Condition issues likely to impact on the operation of the school.

1.2 The balance of the funding for the School Condition grant has been identified as part of the prioritisation process and £0.136 million will be held as a contingency amount to deal with urgent health and safety or condition issues that arise during the financial year 2020/21. Delegating authority to the Corporate Director for People to approve these projects will enable a swift response to urgent issues as they arise.

1.3 It is assumed that the DfE will continue to allocate the Capital Maintenance grant to Local Authorities. In order to plan ahead for the delivery of future schemes, £0.025 million will be allocated to begin the prioritisation for a programme of works in 2021/22. Further approvals will be sought to allocate funding to this programme of works in Spring 2021 on the assumption that funding will be allocated by the DfE. This forward planning will ensure that the Local Authority prepares for delivery and sets out a clear programme of future works to maintain schools, subject to funding being received.

- 1.4 Rosehill Special School was rebuilt under wave 2 of the BSF programme. As part of this programme to meet the requirements of the Department for Education (DfE), both the school and the City Council had to commit to funding a lifecycle fund so that the building could be maintained to the same standard as a new Private Finance Initiative (PFI) school for 25 years. Rosehill Special School has now been operational for eight years and the school are undertaking minor works to the building that will improve the education environment, health & safety and security. The works will be procured directly by the school in line with financial regulations and with the support of the Major Projects team.

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

- 2.1 An announcement of the Capital Maintenance grants for the financial year 2020/21 is expected imminently. Based on previous funding allocations, it is expected that around £1.2 million will be allocated to improve the condition of school buildings maintained by Nottingham City Council.
- 2.2 This report identifies how the grant will be prioritised to support the Health and Safety and condition needs of schools in Nottingham.
- 2.3 The highest priorities relate to health and safety requirements, for example, where work is required to address the risk of asbestos. The next priorities are those condition issues that mean school buildings are not weather proof or that they are not warm in winter. This could include schools that require roof replacement, windows, boilers, heating pipes and electrical infrastructure.
- 2.4 The overall condition liability for schools in the City is significantly greater than the funding available and there is insufficient funding to complete all the necessary works to ensure all schools will not be at risk from inclement weather. To ensure the most urgent projects are taken forward, a further prioritisation has taken place in consultation with external specialist contractors that takes into consideration the immediacy of the risk to the school.

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

- 3.1 Consideration was given to combine the Condition funding and the Basic Need funding. If combined this funding could be used to address the shortfall in school places across the city.
- 3.2. Consideration was also given to amalgamating the Condition grant with broader City Council capital funding.
- 3.3 Both of these options have been rejected, as they would leave schools at risk of closure through health and safety or condition issues. It would also mean that school buildings would continue to deteriorate, increasing the risk of forced closure for emergency repairs
- 3.4 With regard Rosehill School, to 'do nothing' has been rejected as, while this would retain the funding within the Lifecycle Reserve; it would not support the maintenance of the school as a positive environment for education.

## **4 Finance colleague comments (including implications and value for money/VAT)**

#### **4.1 Capital Implications**

This decision assumes that the Council will be awarded School Capital Maintenance Funding of £1.204m in 2020/21. The schemes detailed in Appendix A can be completed within this assumed funding allocation and will be added to the Capital Programme.

- 4.2 Any difference between the assumed grant and actual grant will lead to a change in contingency figure. Should the actual figure be significantly less than the assumed £1.204m then the schemes within Appendix A will require value engineering or removing from the programme to fit within the revised funding allocation.
- 4.3 The capital programme will be amended to reflect the £0.100m project at Rosehill which is funded from the Building Schools for the Future (BSF) Lifecycle Reserve.
- 4.4 Appendix A details £0.025m for feasibility costs, should any of these schemes not progress then the abortive costs will require charging to revenue and alternative funding will need to be identified.
- 4.5 As detailed in recommendation 4, when the Corporate Director for Children and Adults either adjusts the projects in Appendix A or approves new schemes copies of the relevant reports are to be shared with Technical Finance ensuring the Capital Programme is updated accordingly.

Tom Straw – Senior Accountant (Capital Programmes) 14<sup>th</sup> February 2020

#### **4.6 Revenue Implications**

If approval is given to allocate the School Capital Maintenance funding allocations as outlined in Appendix A any ongoing maintenance costs which arise after the completion of capital works will need to be funded from the schools budget.

Julia Holmes – Senior Commercial Business Partner (Commercial Finance)  
14th February 2020

### **5 Legal and Procurement colleague comments (including risk management issues, and legal, Crime and Disorder Act and procurement implications)**

- 5.1 There are no significant concerns with the recommendations set out in the report. Scape's East Midlands Regional Framework provides a compliant procurement route for the works to be undertaken. Sue Oliver Procurement Category Manger – Places 13/02/2020.
- 5.2 This report does not raise any significant legal issues provided all contracts are awarded in accordance with the City Council's Financial Regulations.

Andrew James – Team Leader, Commercial, Employment and Education  
14/02/20

### **6 Strategic Assets & Property colleague comments (for decisions relating to all property assets and associated infrastructure)**

6.1 Property support this School capital improvement programme on a prioritised basis and subject to all statutory consent being obtained as necessary, Peter Taylor Principal Surveyor 12/2/2020.

## **7 Social value considerations**

7.1 The Proposed framework agreement contains a number of Social Value KPIs, such as diverting waste to land fill, local spend and local employment targets to which the schemes will be measured.

## **8 Regard to the NHS Constitution**

8.1 There are no implications on the NHS constitution

## **9 Equality Impact Assessment (EIA)**

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

No

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

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

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

10.1 None.

## **11 Published documents referred to in this report**

11.1 None.

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Appendix A: Capital Maintenance Programme 2020/21

School	Scope	Cost (£)
Claremont Primary	Replacement of Windows	99,200
Bentinck Primary	Fire alarm	62,000
Cantrell Primary	Heating	100,000
Southglade Primary	Structural issues	99,200
Claremont Primary	Heating	80,000
Snapewood Primary	Boiler replacements	117,800
Berridge Brushfield Junior	Heating	248,000
Fernwood Primary	Boiler replacements	235,600
Feasibility cost 21/22		25,000
Contingency		136,770
		1,203,570

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## Equality Impact Assessment Form

[screentip-sectionA](#)

### 1. Document Control

#### 1. Control Details

Title:	School Capital Maintenance Grant Allocation 2020/21
Author (assigned to Pentana):	Nicole Wilkinson
Director:	Catherine Underwood
Department:	Children and Adults
Service Area:	Major Projects
Contact details:	0115 876 3746 nicole-wilkinson@nottinghamcity.gov.uk
Strategic Budget EIA: Y/N	N
Exempt from publication Y/N	N

Page 41

#### 2. Document Amendment Record

Version	Author	Date	Approved
1	Nicole Wilkinson	29.01.2020	

#### 3. Contributors/Reviewers

Name	Position	Date

#### 4. Glossary of Terms

Term	Description

#### [screentip-sectionB](#)

### 2. Assessment

#### 1. Brief description of proposal / policy / service being assessed

This report focuses on the anticipated condition funding allocation. The funding is to address condition issues of schools maintained by the local authority. Works to improve roofs, windows, remove asbestos, address heating systems and fire alarm issues will be undertaken if the report is approved.

#### [screentip-sectionC](#)

#### 2. Information used to analyse the effects on equality:

There is no significant benefit or adverse impact on any groups as a result of the works. The works will improve the condition and longevity of existing school buildings but the remit of these works is maintenance rather than improving accessibility for particular groups.

Contractors will be procured using the Scape Regional Framework which offers a compliant mechanism for procuring works. Works are banded depending on the on value and there are likely to be a number of contractors appointed to

carry out works. Contractors have key performance indicators in place to ensure they monitor local spend and involvement with any small to medium enterprises. The information is monitored by SCAPE and reviewed by the City Council procurement team.

**3. Impacts and Actions:**

<u>screeintip-sectionD</u>	Could particularly benefit X	May adversely impact X
People from different ethnic groups.	<input type="checkbox"/>	<input type="checkbox"/>
Men	<input type="checkbox"/>	<input type="checkbox"/>
Women	<input type="checkbox"/>	<input type="checkbox"/>
Trans	<input type="checkbox"/>	<input type="checkbox"/>
Disabled people or carers.	<input type="checkbox"/>	<input type="checkbox"/>
Pregnancy/ Maternity	<input type="checkbox"/>	<input type="checkbox"/>
People of different faiths/ beliefs and those with none.	<input type="checkbox"/>	<input type="checkbox"/>
Lesbian, gay or bisexual people.	<input type="checkbox"/>	<input type="checkbox"/>
Older	<input type="checkbox"/>	<input type="checkbox"/>
Younger	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Other (e.g. marriage/ civil partnership, looked after children, cohesion/ good relations, vulnerable children/ adults).	<input type="checkbox"/>	<input type="checkbox"/>
<b><i>Please underline the group(s) /issue more adversely affected or which benefits.</i></b>		

[screeentip-sectionE](#)

**How different groups could be affected**  
(Summary of impacts)

Provide details for impacts / benefits on people in different protected groups.

The works will improve the condition of school buildings and the scheme is being procured via Nottingham City Homes or through the Scape Regional Framework (lower band) for the Midlands.

The programme will ensure children in the City continue to receive an education, without disruption to learning as a result of building issues; supporting schools to address issues they could not otherwise afford to resolve and addressing health and safety issues that schools could not afford to rectify.

The prioritisation of projects should be based on risk, identifying where there is a risk that the school will close unless the works are completed. Previously, projects have been prioritised on this basis and where there is a risk to the health and safety of those using the building.

[screeentip-sectionF](#)

**Details of actions to reduce negative or increase positive impact**  
(or why action isn't possible)

**1 Actions will need to be uploaded on Pentana.**

The works will be assessed for any impact on equality both during construction and post completion. This will be achieved by liaising with the contractor and school to ensure there have been no adverse impacts on any particular group.

The majority of the works will be programmed to be completed during school holiday periods and structured phasing of the work will ensure any disturbance to either pupils and staff will be kept to a minimum

--	--

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

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

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

Once the works are complete, a post-occupancy review will be undertaken to ensure that the projects have met the needs of the individual schools.

Page 45

**6. Approved by (manager signature) and Date sent to equality team for publishing:**

<p><b>Approving Manager: Sarah White , Programme Manager , Major Projects team. Tel: 91563410.Sarah.white1@nottinghamcity.gov.uk</b></p> <p>The assessment must be approved by the manager responsible for the service/proposal. Include a contact tel &amp; email to allow citizen/stakeholder feedback on proposals.</p>	<p><b>Date sent for scrutiny:</b> 29/01/20</p> <p><u><a href="mailto:equalityanddiversityteam@nottinghamcity.gov.uk">equalityanddiversityteam@nottinghamcity.gov.uk</a></u></p>
<p><b>SRO Approval: Sarah White</b></p>	<p><b>Date of final approval: 24.2.20 Saema Mohammad</b></p>

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

1. Read the guidance and good practice EIA's  
<http://intranet.nottinghamcity.gov.uk/media/1924/simple-guide-to-eia.doc>
2. Clearly summarised your proposal/ policy/ service to be assessed.
3. Hyperlinked to the appropriate documents.
4. Written in clear user-friendly language, free from all jargon (spelling out acronyms).
5. Included appropriate data.
6. Consulted the relevant groups or citizens or stated clearly, when this is going to happen.
7. Clearly cross-referenced your impacts with SMART actions.

<b>Subject:</b>	Eastcroft Depot Electricity Supply Upgrade
<b>Corporate Director(s)/Director(s):</b>	Andy Vaughan, Corporate Director for Commercial and Operations
<b>Portfolio Holder(s):</b>	Councillor Sally Longford, Portfolio Holder for Energy, Environment & Democratic Services
<b>Report author and contact details:</b>	Katie Greenhalgh, Energy Projects Manager <a href="mailto:Katie.greenhalgh@nottinghamcity.gov.uk">Katie.greenhalgh@nottinghamcity.gov.uk</a> 011587 62460 07904 383073
<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 A
<b>Wards affected:</b>	Meadows
<b>Date of consultation with Portfolio Holder(s):</b>	11 February 2020
<b>Relevant Council Plan Key Theme:</b>	
Nottingham People	<input checked="" type="checkbox"/>
Living in Nottingham	<input checked="" type="checkbox"/>
Growing Nottingham	<input type="checkbox"/>
Respect for Nottingham	<input type="checkbox"/>
Serving Nottingham Better	<input checked="" type="checkbox"/>
<b>Summary of issues (including benefits to citizens/service users):</b>	
<p>Eastcroft Depot is an operational site to the South East of Nottingham City, with a history of energy innovation through its proximity to the city’s incinerator and associated district heat network. Eastcroft Depot is owned by Bridge Estate and is occupied by a number of Nottingham City Council (NCC) Services areas, including Highways, Waste, Neighbourhood Services, Energy Services, Fleet Services, Catering etc. The site is the proposed location for a number of innovation projects, for which funding and approval have already been sought and received:</p> <ul style="list-style-type: none"> <li>- <b>Fleet electrification:</b> the majority of NCC’s fleet is based at Eastcroft, including vans, cage tippers, sweepers and minibuses. This fleet is gradually being converted to the UK’s largest LA electric vehicle fleet, with 30% (c.140 vehicles) already converted.</li> <li>- <b>Electric RCVs:</b> Fleet Services have purchased two of the UK’s first fully electric Refuse Collection Vehicles and there are scheduled for delivery to Eastcroft in Autumn 2020.</li> <li>- <b>Vehicle2Grid:</b> NCC has secured Interreg NWE funding through the CleanMobilEnergy project to introduce the UK’s largest V2G trial, with 40 EV chargepoints to be installed which allow a bidirectional flow of energy, from grid to vehicle and from vehicle to grid and adjacent buildings. This means that electric vehicles can be used as batteries to support the grid at peak times and reduce energy bills on site.</li> <li>- <b>Large scale renewable energy and battery storage:</b> through the CleanMobilEnergy project, deployment of 3 commercial PV systems at Eastcroft has taken place, and a large stationary battery is planned, to bring the site “off-grid” during peak times.</li> </ul>	

These projects will make significant financial and carbon savings for the Council, estimated to be over £200,000 and c. 45tCO<sub>2</sub>e per annum.

Through work to deliver these projects and co-ordination between departments at the Depot Strategy Group, it has been identified that a new electricity supply to the site is required. In its current state, the site's electrical infrastructure means that:

- No additional EV charging can be installed at the site, including the eRCVs which would then need to be based at Queen's Drive P&R
- Solar PV installed on the Tamar building is unable to generate at maximum capacity,
- We are unable to install equipment funded through the CleanMobilEnergy project (V2G and battery storage), and
- Basic improvement projects on site such as installation of electric heating in the Medway building are putting electrical infrastructure at risk of being overloaded.
- There is limited ability to take advantage of opportunities and improvements to operations.

Eastcroft Depot is also supplied on a ring main from the substation on site, which is not resilient in the event of failure.

The proposal described in this report (see section 1 "Reasons for recommendations") will facilitate the following:

- It will be possible to convert all fleet based at the Depot to electric and guarantee that there is enough power available to charge them, hugely reducing our environmental impact and improving air quality within the city, as well as significantly reducing costs, with EVs significantly cheaper to operate than diesel alternatives.
- An area of the site has been allocated as our "fleet charging hub", following consultation at the Depot Strategy Group, and additional provision has been allowed for possible conversion of the full RCV fleet to electric in the future.
- The proposal also means that we can fulfil funding obligations and install V2G and battery storage technologies at the site, reducing operating costs and generating new income streams.
- Solar PV will be able to generate at its maximum potential, reducing costs and cutting carbon.
- Importantly, the whole site's electrical infrastructure will be upgraded and futureproofed to improve the safety of operations and building use, and allow for expansion, such as the recent incorporation of Rushcliffe BC operations to the site.

**Exempt information:**

An appendix to the report is exempt from publication under paragraph 3 of Schedule 12A to the Local Government Act 1972 because it contains information relating to a tender process 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 would jeopardise the Council receiving best value for money in a competitive tender process, following this approval process.

**Recommendation(s):**

- 1** Approve the capital funding allocation required for the new electricity supply, as detailed in the exempt financial Appendix A.
- 2** Approve procurement of a Principal Contractor to deliver the works described in this report, through a competitive tender process and to delegate authority to Head of Energy Services,

	to award and sign the contract with the chosen provider following the outcome of the tender process.
<b>3</b>	Approve the spend of capital, as detailed in the exempt financial Appendix A, following the award of the works to a Principal Contractor through the competitive tender process.
<b>4</b>	Approve the budget for fuel and vehicle tax to be transferred from service areas' budget to Fleet Services when a diesel vehicle is replaced with an EV (including the retrospective application of this decision to include EVs already purchased). Approve that this budget transfer is ring-fenced to fund the increased costs associated with the electrification of the fleet, such as the electricity supply upgrade referenced in this report.
<b>5</b>	Approve that all future vehicle purchases will be 100% Battery Electric Vehicles, unless Fleet Services determine that this is not possible, in order to ensure that fuel savings are achieved.
<b>6</b>	To note that these recommendations are subject to approval in relation to the proposed works to the site being separately received from the Trusts and Charities Committee.

## **1 Reasons for recommendations**

- 1.1 Eastcroft Depot currently has 6 small, independently metered electricity supplies. The majority of these supplies are at capacity, with very limited capacity available on the remainder. The consequence of this, at present, is that no additional EV charging can be installed at the site, including for the eRCV pilot, Solar PV installed on the Tamar building is unable to generate at maximum capacity, we are unable to install equipment funded through the CleanMobilEnergy project (V2G and battery storage) and basic improvement projects on site such as installation of electric heating in the Medway building are putting electrical infrastructure at risk of being overloaded. Eastcroft Depot is also supplied on a ring main from the substation on site, which is not resilient in the event of failure.
- 1.2 This puts delivery of Council Plan pledges at risk, including achieving a Carbon Neutral city by 2028, improving air quality and generating income and achieving financial savings.
- 1.3 Energy Services have worked up a solution to this problem and have sought and received permission from Western Power Distribution to consolidate the 6 existing supplies into 1 large High Voltage incoming supply, with a new substation to be located adjacent to the Conway building (see Appendix B). New radial supplies will then be installed from the substation to each building and to feeder pillars to supply EV chargers and other equipment.
- 1.4 The new electricity supply involves the installation of HV cabling and associated civils to connection points at London Road and Lady Bay Retail Park. It also requires the construction of a new substation on site and electrical and civils works associated with re-cabling the site. This work has been fully costed, including removal of asbestos, contaminated land and the planning application associated with listed buildings on site. Expected project

costs are detailed in the financial Appendix A but will be confirmed through a competitive tender process.

1.5 The proposal will bring the following benefits:

- Improved air quality
- Reduced Carbon emissions
- Increased renewable energy generation
- Reduced energy costs
- Reduced diesel costs
- New income streams provided by supplying Western Power Distribution and National Grid with “grid services”
- Funding obligations met, including reduced risk of “clawback”
- Increased resilience of site’s electrical infrastructure
- Site futureproofed against new operations and working methods
- Creation of an exemplar energy/transport innovation hub

1.6 To ensure value for money, the proposal will be taken through a competitive tender process to source a suitable Principal Contractor to deliver the works. NCC do not have the skills and capacity to deliver the whole solution in house.

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

### 2.1 **Go Ultra Low**

2.1.1 In January 2016 the Office for Low Emissions (OLEV) announced that Nottingham, partnered with Nottinghamshire County Council and Derby City Council, was one of four successful cities in securing funding for the Go Ultra Low City Programme nationally. As a result, £6.12m of funding has been made available to support measures across the Nottingham and Derby areas for a package of measures to support the uptake of Ultra-Low Emission Vehicles up to 2019/20.

2.1.2 The funding includes allocation for converting NCC fleet to electric with 30% converted to date, including street sweepers, 3.5t cage tippers, the first electric minibuses to be used by a LA in the UK, as well as standard vans and cars, most of which are based at Eastcroft.

2.1.3 NCC has also bought 3 ULEV (Ultra Low Emission Vehicle) taxis to loan out to drivers to encourage uptake, also based at Eastcroft, and is building the first ULEV service centre run by a LA at Eastcroft. Over the last three years, the number of ULEVs on our roads has grown by more than 200% - NEVS (Nottingham Electric Vehicle Services) is being developed to support and encourage these growing numbers, giving drivers the confidence to switch to electric knowing there is a local, knowledgeable and affordable service station to tend to all their needs as they arise.

2.1.4 This concentration of conversion to electric vehicles and the associated charging infrastructure and electricity consumption has put pressure on Eastcroft’s electrical infrastructure, which is now at capacity and requires upgrading to ensure that both existing and future demands can be met.

### 2.2 **CleanMobilEnergy**

2.2.1 CleanMobilEnergy is a three year, European funded project which involves many partners across North West Europe working together to develop a

Smart Energy Management System, integrating Renewable Energy and Electric Vehicles.

2.2.2 Nottingham City Council has secured funding to deliver a City Pilot demonstrator as part of the project and will install an innovative 'vehicle to grid' (V2G) commercial electric vehicle charging at Eastcroft Depot. The project is Project Managed by Energy Services and is a collaboration between Fleet, Transport Strategy and Energy teams. The project will seek to install:

- 40 battery electric V2G compatible vans and cars
- Up to 40 V2G bi-directional units to enable the vehicles to be used for energy storage and grid balancing
- A minimum of 88kW of solar photovoltaics at Eastcroft Depot
- A large lithium ion battery,
- A purpose built 'Interoperable Energy Management System' to control energy flows

2.2.3 The demonstrator aims to maximise the use of locally generated renewable generation to cut the carbon emissions and costs associated with charging electric fleet vehicles, as well as reducing peak demand by using vehicles for short-term storage.

2.2.4 The total project budget is €7.2 million which is partly funded by Interreg North West Europe, of which €1.6 million will be allocated to Nottingham during the project lifetime from September 2017 until March 2021.

2.2.5 In order for the equipment to be installed, Western Power Distribution, Nottingham's DNO (Distribution Network Operator), have confirmed that a new electricity supply is required at Eastcroft which is capable of the import and export demands required by the project.

### 2.3 **Depot Strategy Group**

2.3.1 The Depot Strategy Group ensures the effective operation of Eastcroft Depot, with input from all Service areas based at the site and other key stakeholders.

2.3.2 The Group has been consulted with to ensure that any upgrades to the site's electrical infrastructure are delivered with minimal impact on operations and are resilient to current and future demands of site users.

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

3.1 **Do nothing** – this option was discounted due to the risk to existing projects and funding streams, including electrification of fleet and installation of renewable energy solutions, which could include clawback of funds already spent. This option would also exclude a range of identified benefits including reduced costs, opportunity for new income streams and carbon reduction.

3.2 **Install charging and renewable infrastructure and equipment at other sites** – this option was discounted, as electrical infrastructure at other sites was found to have similar conditions and was unable to accommodate the equipment to be installed. This option would also have significant operational impacts, including increasing travel distances for fleet vehicles and lack of parking availability.

3.3 **Source alternative funding** – this option has been thoroughly explored, including liaising with funding bodies (Go Ultra Low, Interreg NWE, BEIS etc) to see if extra funding could be sourced, as well as requesting funding from the Bridge Estate that owns the site. An allowance had not been made for this work in funding bids due to the detailed technical feasibility required to assess the electrical infrastructure and potential loadings, which ultimately identified this issue, and funders were unable to commit additional funds. The work is also outside the remit of the Bridge Estate’s landlord responsibilities. A capital loan was found to be the only available option.

#### **4 Finance colleague comments (including implications and value for money/VAT)**

4.1 See exempt appendix A.

Matthew Connell – Commercial Business Partner (Commercial & Operations)  
Tom Straw – Senior Accountant (Capital Programmes)  
Claire Gavagan – Strategic Business Partner (Commercial & Operations)  
03/03/2020

#### **5 Legal and Procurement colleague comments (including risk management issues, and legal, Crime and Disorder Act and procurement implications)**

##### **Procurement**

5.1 Procurement colleagues will assist with process of contracting with a suitably qualified and experienced contractor to carry out the electrical works referenced in this report.

Paul Ritchie, Procurement Category Manager, 26/02/2020.

##### **Legal comments**

5.2 The site is not currently capable of supporting the energy and fleet services projects proposed to be delivered from it.

5.3 The network extension will enable the Council to deliver the projects, each of which seek to ensure the Council meets its carbon neutral agenda and objectives.

5.4 Doing nothing will not only prevent the delivery of the projects practically but will also result in the withdrawal of funding offered to the Council for these projects.

5.5 Due to the specialist nature of the works, a contractor will need to be procured following an EU compliant tender process, which legal colleagues will support procurement colleagues with.

5.6 As it is understood that the depot site sits on Bridge Estate land, the works will need to be additionally approved by the Trusts and Charities Committee so that they can be satisfied the works will ensure continued adherence to its charitable objectives.

Dionne Screamon, Legal, Solicitor 26/02/2020

#### **6 Strategic Assets & Property colleague comments (for decisions relating to all property assets and associated infrastructure)**

- 6.1 Property supports the recommendations within this report.
- 6.2 The fragility of the current infrastructure limits the potential development opportunities of the Eastcroft site.
- 6.3 Infrastructure improvements must also be looked at in the context of City power infrastructure as a whole and, more specifically, the lack of capacity to support major developments in the south side gateway.
- 6.4 In general asset management terms and future-proofing, the site will be enhanced by implementing the recommendations.

Philip Dawes, Strategic Assets and Property, Business Partner 26/02/2020

## **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:

(Please explain why an EIA is not necessary)

N/A - No significant change to policies or practices or potential for discrimination; infrastructure project on NCC commercial property.

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

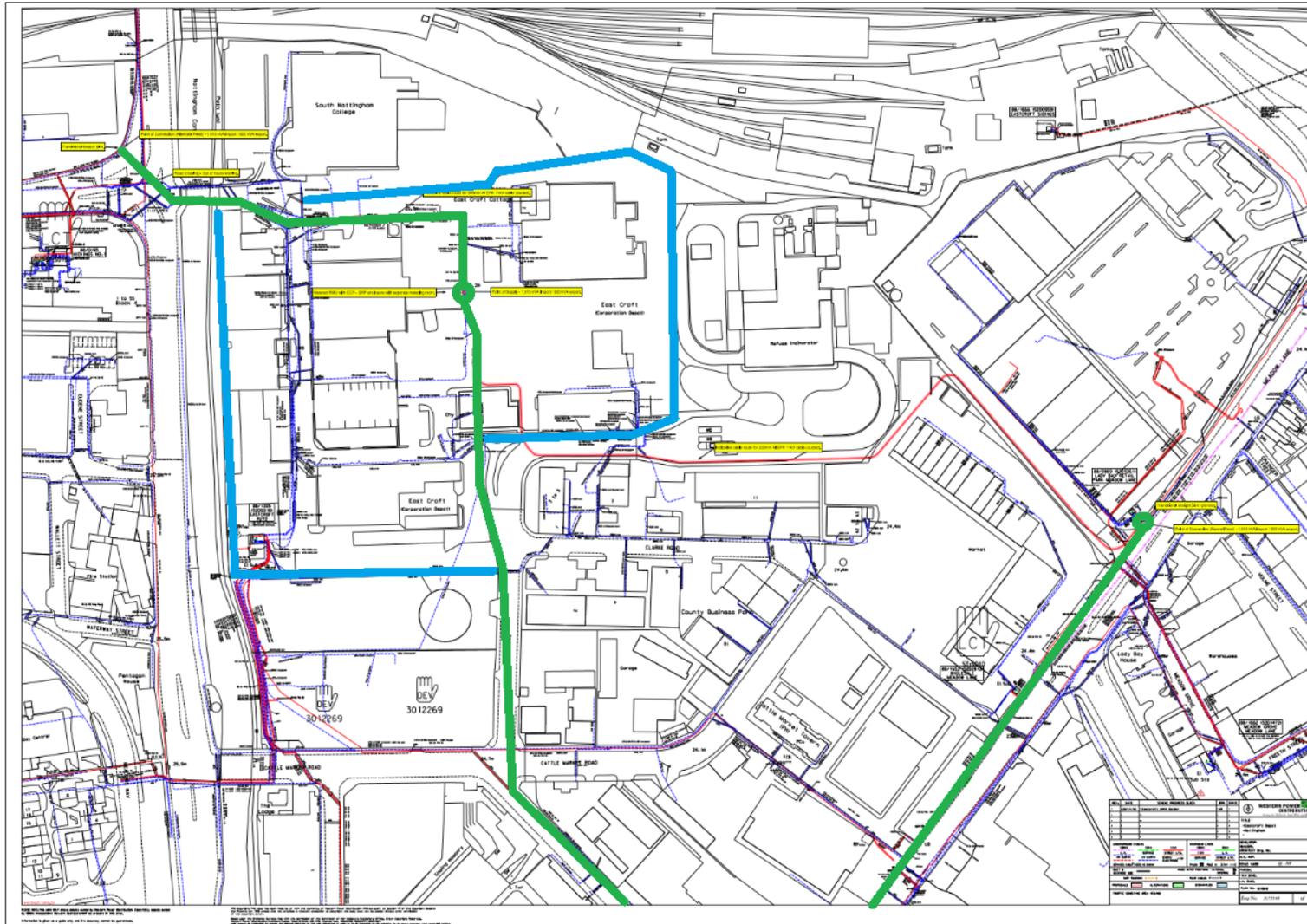
## **11 Published documents referred to in this report**

- 11.1 Go Ultra Low: Executive Board report May 2018
- 11.2 Leader's Key Decision 3202 - CleanMobilEnergy (Commercial Renewables and Electric Vehicle Pilot)

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## Appendix B – Site Plan

1. HV cable route (marked in green, circle indicates location of new substation South of Conway)



## 2. LV cable route



<b>Subject:</b>	Nottingham Express Transit network extensions
<b>Corporate Director(s)/Director(s):</b>	Chris Henning, Corporate Director for Development and Growth Chris Deas, Major Projects Director
<b>Portfolio Holder(s):</b>	Cllr Adele Williams, Portfolio Holder for Adult Services and Transport.
<b>Report author and contact details:</b>	Steve Tough, Acting Head of Transport Projects and Public Transport. Email: steve.tough@nottinghamcity.gov.uk Tel: 0115 8764096
<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 checked="" type="checkbox"/> Yes <input 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 3	
<b>Wards affected:</b> Dales, Meadows	
<b>Date of consultation with Portfolio Holder(s):</b> 17 <sup>th</sup> February 2020	
<b>Relevant Council Plan Key Theme:</b>	
Nottingham People	<input type="checkbox"/>
Living in Nottingham	<input checked="" type="checkbox"/>
Growing Nottingham	<input checked="" type="checkbox"/>
Respect for Nottingham	<input type="checkbox"/>
Serving Nottingham Better	<input checked="" type="checkbox"/>
<b>Summary of issues (including benefits to citizens/service users):</b>	
<p>Nottingham’s tram, Nottingham Express Transit (NET), is a major part of the integrated public transport network in Nottingham, and has been extremely well received by the public, stakeholders and businesses. The current tram system has nearly 19 million users per annum and is continuing to grow, with 30% of NET trips formerly undertaken by car or by park and ride. The system is of particular benefit to people with mobility difficulties and contributes significantly to economic growth in Nottingham, improving access to jobs, and maximising inward investment. NET provides a reduction in emissions as an energy efficient mode.</p> <p>This report seeks approval to undertake the next stage of the feasibility work for extensions towards Gedling (initially to the Racecourse park and ride), HS2 and Long Eaton, and Fairham Pastures, and to support Broxtowe Borough Council in its’ investigation of an extension to Kimberley and Langley Mill.</p>	
<b>Exempt information: State ‘None’ or complete the following</b>	
<p>Information on the funding approach is exempt from publication under paragraph 3 of Schedule 12A to the Local Government Act 1972 because it contains information relating to the financial or business affairs of any particular person (including the authority holding that information) and, having regard to all the circumstances, the public interest in disclosing the information. It is not in the public interest to disclose this information because it could prejudice future funding availability for Nottingham Express Transit network extensions development work.</p>	
<b>Recommendation(s):</b>	
1 To approve proceeding with the Outline Business Case stage for tram extensions towards Gedling	

	(initially to the Racecourse park and ride), HS2 and Long Eaton, and Fairham Pastures.
<b>2</b>	To approve the funding approach set out in exempt Appendix 3.
<b>3</b>	To delegate authority to the Major Projects Director to appoint consultants to undertake specialist NET development work as identified in paragraph 2.11 of the report and to enter into contracts with Broxtowe and HS2.
<b>4</b>	To note that a public consultation on the proposals will take place later in 2020.
<b>5</b>	To agree that the Council provides technical support to Broxtowe Borough Council in its' investigation of an extension to Kimberley and Langley Mill.

## **1. Reasons for recommendations**

- 1.1 Preliminary economic appraisals for tram extensions have identified viable route corridors to be taken forward. Approval of the recommendations in this report will enable the next stage of development of the extensions proposals (Outline Business Case) to take place.
- 1.2 NET development work is complex it requires specialist advisors across a number of specialist fields. These will need to be procured to support the Outline Business Case work and subsequent stages.
- 1.3 A full public consultation will be required to inform the Outline Business Case stage, and this will take place early in the process.
- 1.4 Broxtowe Borough Council has committed to preparing a preliminary economic assessment on a potential extension to Kimberley and Langley Mill. Given the Council's experience of tram delivery and its position as NET Promoter, assistance should be provided to undertake this work.

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

- 2.1 Nottingham's tram is a major part of the integrated public transport network in Nottingham, and has been extremely well received by the public, stakeholders and businesses. The current tram system;
  - has nearly 19 million users per annum and is continuing to grow, with recent year on year increases of over 5%, and since the first tram line opened, public transport use in Nottingham has grown by nearly 25%.
  - contributes significantly to Nottingham being the only city outside London recording a reduction in car usage. 30% of tram trips were formerly undertaken by car or by park and ride.
  - is of particular benefit to people with mobility difficulties, with evidence of users gaining an increased quality of life, and of opening up new employment opportunities based on the improved accessibility provided by the system.
  - contributes to economic growth in Nottingham, improving access to jobs, and maximising inward investment, with significant commercial development adjacent to the City Centre tram stops and along the routes. Businesses in Nottingham have cited good public transport links as a major factor in business relocation and expansion.
  - provides a reduction in emissions as an energy efficient mode and is non-polluting at the point of use.

### 3. Further tram extensions

3.1 The ambition has always been to develop a number of tram routes around Nottingham, and the options under consideration for further tram extensions are linked heavily to the strategic regeneration programme in and around the Greater Nottingham conurbation. These are;

- **An eastern route to Gedling via the Meadows, new Island site development, Waterside, Daleside Road, Racecourse park and ride and Netherfield.** This route would serve the Island site (minimum 1,750 homes and 55,000 sq m of office space) and through the Waterside Regeneration area, which proposes a further 3,000 homes and 150,000 sq m of employment land, and the Council has recently adopted a Supplementary Planning Document for part of the site to help shape the proposals in this area. A full route would also serve development sites in Gedling at Teal Close (830 homes, 18,000 sq m employment) and potentially Gedling Colliery (1,050 homes, 30,000 sq m employment).
- **a route south from the current Clifton park and ride terminus through the proposed Fairham Pastures development site** which proposes 3,000 homes and 100,000 sq m of employment land, and which received planning permission in May 2019.
- **Toton P&R to HS2 and Long Eaton.** This route extension is considered essential to meet the objectives of the HS2 Growth Strategy, which identifies the potential for 74,000 additional jobs and £4bn GVA uplift in the East Midlands, with much of this benefit derived from well connected development in the area adjacent to the HS2 Hub.

### 4. Council Plan pledge

4.1 The routes under consideration are consistent with the Council Plan pledge to 'Help Nottingham people access jobs by promoting and building tram extensions south of Clifton and from Chilwell Park and Ride to the proposed HS2 Station at Toton and explore the feasibility of further major tram extensions through Netherfield to Gedling Colliery and Gamston and west of the City to Kimberley.'

4.2 Further tram extensions would also contribute to key manifesto commitments to create new jobs for Nottingham people, complete the Southside transformation, build new homes, and to become the first carbon neutral city by 2028 and improve air quality.

### 5. Preliminary economic appraisals

5.1 Preliminary economic appraisal work on potential tram extensions has been undertaken, and a summary of the findings is provided in Appendix 1. This identifies the estimated usage levels for the extensions and the forecast costs and economic benefits that would be achieved, based on the Government's economic appraisal guidance. A range of figures are provided for the eastern route which reflects different assumptions on the extent of development in the Waterside area.

5.2 Based on the appraisal findings, extensions to the Racecourse park and ride, Fairham Pastures and HS2 are currently considered viable and should be taken forward to the Outline Business Case stage. Extensions further east towards Gedling could potentially follow at a later stage when development proposal are more established in this corridor.

5.3 It is also proposed to take forward an extension from the HS2 Hub to Long Eaton. This leg of the route has been assessed through the East Midlands Gateways Connectivity Study,

which was commissioned by the Council on behalf of the HS2 Strategic Board, and has identified a strong preliminary economic case for a series of transport interventions (including the tram to Long Eaton) which are necessary to maximise the wider economic benefits of the HS2 Hub. The package of measures was approved by the HS2 Executive Board on 23rd January 2020 and this work will also provide the evidence base to support any changes required of the HS2 Hybrid Bill through the petitioning process.

- 5.4 Broxtowe Borough Council is supportive of an extension from Phoenix Park to Kimberley and then on to Langley Mill, which would link to HS2, and has allocated £100,000 for a preliminary feasibility assessment into the proposed route. It is recommended that the Council offers technical support to Broxtowe in taking this work forward.
- 5.5 Routes further west from HS2 to East Midlands Airport and Derby, which also feature in the HS2 Growth Strategy, and east towards Gamston have been considered and are likely to be longer term projects.
- 5.6 A plan showing the proposed routes to be taken forward is included at Appendix 2.

## **6. Outline Business Case (OBC) stage**

- 6.1 The next stage of this work will be to develop the Outline Business Case (OBC). This stage further develops routes and will involve undertaking consultation on the proposals, reviewing options and engineering feasibility, and undertaking more detailed environmental, financial and economic assessments. This stage is necessary to enable discussions with Government, and will be subjected to rigorous scrutiny as to the value for money and commercial viability of potential routes, and consistency with local, regional and national policy and objectives. This stage is expected to be complete in Autumn 2021.
- 6.2 Discussions about developing, procuring and funding the implementation of the extensions will also need to take place during the OBC stage with the existing NET Concessionaire, Tramlink, who has an operating concession until 2034. The concession has provisions to allow extensions to be procured without the need for termination.
- 6.3 The tram development work is extremely complex, and in order to proceed effectively, a number of specialist consultants will be required to undertake engineering, environmental, economic, financial, legal, parliamentary agent, land agent and project management work. It is proposed that consultants are commissioned on a phased basis to reflect the scope and progress of the work.
- 6.4 In order to facilitate a prompt start to the OBC stage, it is proposed that authority to appoint consultants is delegated to the Major Projects Director.

## **7. Further development and delivery stage**

- 7.1 Once the OBC is complete, the next stage would be to secure powers and consents to build and operate the extended system, either through local planning processes or through a Transport and Works Act (TWA) application.

## **8. Development Funding**

- 8.1 As already experienced through the current tram network, the successful delivery of future tram extensions will bring very significant investment into Greater Nottingham. As well as bringing in significant external funding to build the new lines, the construction phase will provide opportunities for jobs and training to local people, and supplier contracts to local businesses. Following opening, the improved transport network and accessibility will also

provide a catalyst for inward investment, further economic growth and cleaner air for citizens.

8.2 It is anticipated that significantly increased funding for infrastructure delivery is likely to become available at a national level in the next few years and the Council will only be in a position to realise the economic and environmental benefits by securing funding in the longer term if tram development work is undertaken at an early stage and that a scheme is ready for implementation.

8.3 The Government has acknowledged that there are limited current funding avenues for development work and the Council is making strong representations on this issue in an effort to influence the composition of new funding sources.

8.4 £150,000 has been made available for NET development work from the fund allocated to the region for HS2 (subject to Government ratification), and further contributions will be sought for the OBC and future stages on tram development work from any regional and national pot that becomes available.

8.5 Further detail regarding the funding approach is set out in exempt Appendix 3.

## **9. Timescales and Project Assurance**

9.1 An outline delivery programme has been prepared and has identified that full development and implementation is likely to take up to 10 years to complete. The timescales for each route option may vary due to alternative methods of securing powers and external factors, in particular development timescales and approval processes. However there will be significant economies of scale in undertaking the development work for the recommended options together. Key preliminary milestones are as follows;

- Investigate options and Public Consultation – Autumn 2020
- Outline Business Case (OBC) completion and submission to Government – Summer/Autumn 2021
- Make Transport and Works Act application and hold Public Inquiry - Summer 2023
- Legal Order made and readiness to procure – Summer 2024
- Procurement complete and construction starts - Winter 2025/26
- Tram services start operating on extended network – 2028 – 29

9.2 The project will be subject to Major Project's robust project management approach, and will be rigorously monitored through the Council's Gateway process.

## **10 Other options considered in making recommendations**

10.1 Not progressing with this work - option rejected as it risks that the economic and environmental benefits of high quality transport links, and the benefits from developments at HS2 and in the Greater Nottingham area, are not realised. The success of a number of development sites is dependent on achieving high levels of connectivity to key population and employment centres.

## **11 Finance colleague comments (including implications and value for money/VAT)**

11.1 Please refer to exempt Appendix 4 for finance comments.

## **12 Legal and Procurement colleague comments (including risk management issues, and legal, Crime and Disorder Act and procurement implications)**

12.1 There are no significant procurement issues with the recommendations set out within the report. The procurement team will work with the client to ensure the procurement activity set out in para 6.3 is in-line with Public Procurement Regulations. Sue Oliver – Places Category Manager 24/02/2020

12.2 While this report identifies that there are significant legal issues involved in relation to the activities and actions to be undertaken as described in the report, in particular at paragraph 9.1, the recommendations themselves do not raise any significant legal issues. The appointment of consultants must be made in compliance with the City Council's Financial Regulations and the Public Contracts Regulations 2015. The Council should document the arrangements with Broxtowe BC and must ensure it complies with the funding conditions with HS2 associated with the HS2 funding. Andrew James Team Leader – Commercial, Employment and Education 25/02/2020

## **13 Strategic Assets & Property colleague comments (for decisions relating to all property assets and associated infrastructure)**

13.1 No implications.

## **14 Social value considerations**

14.1 The tram network provides direct access to the City Centre, Nottingham railway station and other key employment, health and education centres, significantly increasing accessibility to these key facilities. The system serves some of the most deprived neighbourhoods in the city, and has expanded catchment areas for employment and key facilities from these areas. It has facilitated a wider range of potentially better employment opportunities for many employees, and it will also encourage inward investment thereby increasing the range of opportunities available to local people.

14.2 The tram network is fully accessible to people with disabilities, with all trams 100% low floor throughout and with level boarding at all stops. There is evidence that the tram network has expanded work catchments and increased the quality of life for mobility impaired users.

14.3 The tram network is non-polluting at the point of use and the extension will contribute to the City ambition of being carbon neutral by 2028.

## **15 Regard to the NHS Constitution**

15.1 N/A

## **16 Equality Impact Assessment (EIA)**

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

No



16.2 An EIA is not required because:

(Please explain why an EIA is not necessary)

16.3 An EIA is not required because the work activity will consider equality issues, addressing social issues with inequalities and low car ownership remaining in the study area. Tram extensions will in particular improve:

- accessibility for people with mobility difficulties;
- travel to work options to existing and proposed employment sites, in particular from areas with low indices of Multiple Deprivation;
- public transport to main centres of leisure and shopping and access to key facilities such as medical facilities.

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

17.1 None

**18 Published documents referred to in this report**

18.1 None

### Tram extensions – main findings of preliminary studies

1. The table below identifies the estimated usage levels for the extensions and the forecast costs and economic benefits that would be achieved, based on the Government's economic appraisal guidance. A range of figures are provided for the eastern route which reflects different assumptions on the extent of development in the Waterside area.
2. The Department for Transport appraisal process considers a benefit to cost (BCR) ratio in excess of 2 as high value for money, with a BCR over 4 considered very high value for money.

	<b>Toton P&amp;R to HS2 Hub</b>	<b>Clifton P&amp;R to Fairham Pastures</b>	<b>Nottingham Station to Racecourse Park and Ride</b> Figures vary depending on route taken and extent of Waterside development
Extra Distance (kms)	1.5	1.8	2.5 - 3.0
Passengers per annum (millions)	4.7	0.8	2.0 - 5.6
Capital costs £m (2018 prices)	110	49	96 - 116
Cost (£m 2010 prices)	106	35	71 - 86
Economic benefits (£m 2010 prices)	379	78	160 - 262
<b>Benefit to cost ratio</b>	<b>3.59</b>	<b>2.26</b>	<b>2.25 – 3.68</b>

Costs include 40% risk allowance and 39% optimism bias.

Costs and benefits expressed in 2010 prices based on Government guidance for comparison between schemes

Costs exclude potential new depot/stabling, land, statutory fees, taxes, environmental mitigation works.

Wider Economic Impacts as defined in WebTAG not assessed.



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