



## **Nottingham City Council Overview and Scrutiny Committee**

**Date:** Wednesday 5 January 2022

**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**

**Director for Legal and Governance**

**Senior Governance Officer:** Laura Wilson

**Direct Dial:** 0115 876 64301

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|----------|--|---------|
| <b>1</b> | <b>Apologies for absence</b>   |         |
| <b>2</b> | <b>Declarations of interests</b>   |         |
| <b>3</b> | <b>Minutes</b><br>To confirm the minutes of the meeting held on 8 December 2021                                | 3 - 10  |
| <b>4</b> | <b>Recovery and Improvement - Update by the Leader</b><br>Report of the Head of Legal and Governance           | 11 - 12 |
| <b>5</b> | <b>Overview and Scrutiny Response to the Budget Consultation</b><br>Report of the Head of Legal and Governance | 13 - 20 |
| <b>6</b> | <b>Work Programme</b><br>Report of the Head of Legal and Governance  | 21 - 24 |

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## Nottingham City Council

### Overview and Scrutiny Committee

**Minutes of the meeting held at Ground Floor Committee Room - Loxley House, Station Street, Nottingham, NG2 3NG on 8 December 2021 from 2.01 pm - 4.54 pm**

#### Membership

##### Present

Councillor Anne Peach (Chair)  
Councillor Carole McCulloch (Vice Chair)  
Councillor Patience Uloma Ifediora  
Councillor Gul Nawaz Khan  
Councillor Jane Lakey  
Councillor Sajid Mohammed  
Councillor Toby Neal  
Councillor Angharad Roberts  
Councillor Andrew Rule  
Councillor Audra Wynter

##### Absent

Councillor Georgia Power  
Councillor Corall Jenkins

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

Councillor Neghat Khan - Portfolio Holder for Neighbourhoods, Safety and Inclusion  
Councillor Sam Webster - Portfolio Holder for Finance and Resources  
Beth Brown - Head of Legal Services  
Andrew Errington - Director of Community Protection  
Clive Heaphy - Interim Corporate Director for Finance and Resources  
Alvin Henry - Central Neighbourhoods Operations Manager  
Mary Lester - interim Director of Neighbourhood Services  
Kate Morris - Governance Officer

#### 42 Change to membership

The Committee noted that Councillor Ethan Radford had been replaced by Councillor Corall Jenkins

#### 43 Apologies for absence

Councillor Corall Jenkins  
Councillor Georgia Power

#### 44 Declarations of interests

None.

#### 45 Minutes

The minutes of the meeting held on 3 November 2021 were confirmed as a true record and were signed by the Chair.

#### **46 The Council's Budget (Medium Term Financial Plan) 2022/23 - 2025/26**

Councillor Sam Webster, Portfolio Holder for Finance and Resources, and Clive Heaphy, Interim Corporate Director for Finance and Resources introduced the report on the Council's Budget, the Medium Term Financial Plan (MTFP) for 2022/23 – 2025/26 to the Committee. They highlighted the following points from their presentation:

- (a) When this item came to the November committee, the budget gap was £28million rising to £38million by 2025/26. The increasing pressures seen across all core cities include demand for Children in care and adult social care costs;
- (b) The MTFP is now in a period of public consultation, which is due to end mid January 2022. Within the MTFP there are £12.2million new savings proposed, including £3.9million savings where public, external consultation is necessary. £8.3million represent internal efficiencies, including a reduction on 91 full time posts, 23 of which are currently vacant;
- (c) A range of work is ongoing to close the gap further, and from the previous forecast, of a £28million budget gap, this has now reduced to £15.7million. It is important to reduce this as far as possible to ensure the problem is not carried forward into future years;
- (d) Central Government has announced additional spend on Local Authorities totalling £1.6billion over the next year. There has been no formal announcement over allocations and so it is unclear how much Nottingham City will receive, formal confirmation is likely to come in mid December. This additional spend will help towards reducing the funding gap further;
- (e) The transformation programme continues to progress, headed by Richard Grice, the recently appointed Transformation Programme Director;
- (f) There are a number of consultation events being run, both in person and on line, allowing the public to engage with the Council around budget proposals. There are also events aimed at engaging with businesses, voluntary sector and partners, and sessions aimed specifically at engaging with young people as there are proposal that impact on youth centres;
- (g) The public consultation is longer this year, as suggested by the Improvement Board, and there have already good engagement with events that have so far taken place. The Portfolio Holder stressed that the consultation event is not a referendum, it is a method to help the Council consider different ways of thinking or approaching services as suggested by service users;

Committee members asked a number of questions sparking discussion. The following points were highlighted;

- (h) One of the largest costs to the Council is staff pay. Inflation causes this cost to increase as wages increase, this additional cost cannot be mitigated by price rises like in a business. Inflation also causes the cost of services to rise as it

costs more to provide the same service. In the past when inflation has risen Local Authorities have expected Central Government to increase pay awards to Councils to take into account these inflationary rises however this has not happened so much within the last decade;

- (i) The Council is currently protected from the energy price rises thanks to favourable contracts. However these will come to an end in early 2022 and there will be a rise in the energy costs that the Council has to pay;
- (j) The Spending review is due to deliver more funding to the Council from Central Government. However this is flat settlement, and will not rise with inflation, meaning it will be the equivalent of less service provision each year. Authorities across the country are calling for multi-year settlements rather than the annual settlement, to allow for more robust financial planning and forecasting for the longer term;
- (k) In addition to the inflationary pay rises the Council will be expected to cover the incoming Health and Social Care levy, a significant additional contribution through national insurance;
- (l) Recent cyber security penetration testing has been favourable and Nottingham City Councils cyber security team are pleased with the results. It is impossible to say that there will not be breaches in cyber security but IT staff feel that function is currently good;
- (m) The Treasury Management team is a very skilled hardworking team of very knowledgeable individuals. They actively manage over £1 billion of borrowing on a day to day basis. They would benefit from additional staffing resource, as could most teams within the Council, however with the right structure and right models of work management there is sufficient resource;
- (n) The traditional market that insured Local Authorities against significant events is no longer viable as it was too risky for the insurance companies. The Council is able to self insure through the use of earmarked reserves for catastrophic events. The Council does use traditional insurance for other assets, such as buildings, fleet, equipment, group companies etc;
- (o) Financial monitoring is being increasingly linked into the monitoring of Key Performance Indicators (KPIs) across the Council. This is further identifying key drivers of spend and will help the Council to financially plan. The link between operational performance and monitoring is being encouraged across all departments;
- (p) Un-earmarked reserves are being increased year on year to help improve resilience within the Council. Up until recently Nottingham City Council had the lowest level of reserves of the Core Cities. This is no longer the case but a further increase in the level of reserves would be beneficial;
- (q) The Council is required to hold a certain level of reserves for the PFI schemes across the city. These reserves are earmarked for each scheme and cannot be used for other purposes, so although reserves levels may appear high, some of the money is not accessible for use by the Council for the General Fund;

- (r) The issue of mis-assigned Housing Revenue Account (HRA) funds is currently under investigation. There are a number of options which will allow the Council to pay the money back into the HRA;
- (s) Committee members raised concerns about how “user friendly” the online consultation form appears. They highlighted that it not easily navigated on mobile phones, and require a computer, but many households don't have access to a computer, particularly in deprived areas, where services being lost will have the biggest impact. Committee members also highlighted that it was difficult to see what would directly impact individual wards;
- (t) The Portfolio Holder acknowledged that there was a lot of information on the consultation, but highlighted that it necessary to get that information across to allow citizens to make informed comments, as well as to satisfy legal elements to the consultation. He reiterated that there were in-person and online sessions taking place across the City to allow citizens to engage. He asked that if any Committee member had any suggestions to help make the information more accessible, that they contact the Media Communications team with their suggestions;
- (u) Where closures of Children's centres are proposed there will be specific and separate consultation. This targeted consultation will take place after this wider consultation is complete;
- (v) The Council set aside £15million to fund the transformation programme. There is a target that every £1 spent will generate a saving of £3. Savings have already started to be seen, however the biggest savings will come in to full effect later in the programme, around years 3 and 4. There are still concerns about the budget gap for 2022/23, use of reserves to have a balanced budget would be a very last resort;
- (w) The refreshed Council Plan contains both statutory and non-statutory activities. Working with an outcome based focus will allow changes in services to deliver the same outcomes with savings. Producing a balanced budget will include taking decisions that will affect citizens and the services they rely on. It is not an easy process but it is necessary.

The Chair thanks the Portfolio Holder and the Interim Corporate Director for their input and invited Councillor Neghat Khan, Portfolio Holder for Neighbourhoods, Safety and Inclusion, and Andrew Errington, Director of Community Protection to talk about Resident Parking Permit Schemes. They highlighted the following points

- (x) A separate and specific consultation is taking place with all residents in the City who are part of a parking permit scheme proposing the introduction of charges for second and third permits. This consultation will run through to 10 January 2022. The consultation has been promoted on social media as well as direct communication with all scheme participants;
- (y) The first permit will remain free where the property is not an HMO;
- (z) It is anticipated that any changes to the schemes would be implements on 1 April 2022, any delay to this implementation will impact on the savings predicted;

- (aa) The Service is trying a number of ways to generate savings, one of which is trialling paperless permits, using digital communication as a default and streamlining the services, reducing printing and postage costs;

During discussion prompted by Committee members questions the following points were made:

- (bb) The introduction of the charge for permits is likely to result in a greater demand for enforcement. There are no plans to increase the numbers of Community Protection Officers so enforcement action will need to take place within existing resources;
- (cc) Some wards have suffered with increased on street parking as a result of the Work Place Parking levy, permit schemes were introduced to alleviate this issue. This will need to be carefully addressed in communications with residents.
- (dd) Charges for permits have already been brought into effect for HMO's in student dense areas;
- (ee) This proposed alteration to the schemes is in consultation phase only, it may be that residents no longer want a scheme in their area, or are in favour of the proposed changes. Parking Permit schemes are only put in place where there is a need, and in line with the Traffic Management Act;
- (ff) The consultation applies to all schemes, including those that have been agreed, but not implemented. These schemes are currently on hold until the end of the consultation period. Committee members expressed frustration that Ward Councillors had not been updated and informed that schemes had been put on hold by Traffic Management;
- (gg) If 51% or more of residents within a specific scheme indicate that they want it removed then there will be a separate review to establish if removal would be within the terms of the Traffic Management Act. There would need to a wider assessment of traffic safety, including how much the scheme is used by residents, how many visitors use the scheme, how long they stay etc;
- (hh) Committee members raised concerns about how carers manage using permits, as it collecting it from the client etc would eat into the allotted time for care. The Portfolio Holder informed the Committee that Business permits are available for purchase by businesses that allow parking within schemes city wide;
- (ii) Some Committee members questioned why the first permit was not being made chargeable, and why some Local Authorities are charging much more than the proposed charges set out by Nottingham City Council. The Director of Community Protection informed the Committee that the permit charges can only be used to cover administration fees, and that it was not permissible by law to make a profit on them;
- (jj) The costs for introducing a scheme are met by the Ward Councillors from a specific budget. The costs for removing a scheme will also need to be met by

Ward Councillors for the same budget, however the cost of removing a scheme is much less than implementing one;

- (kk) All finance figures presented to the Committee are estimates. It is not possible to guess what the uptake of second or third permits will be. It is a policy decision to reduce subsidies and this is one way to do that;

The Chair thanked the Portfolio Holder and Director for their presentation and invited them to speak on the second focused topic they brought to the Committee, the creation of the Resident Development Team, a merger of the Neighbourhood Development and Community Development teams. They highlighted the following points:

- (ll) The current Neighbourhood Development Team focus on work with community groups to shape services within neighbourhoods and ensure a two-way dialogue between the Council and communities. The Community Development Team focuses on reducing inequality and working with community groups enabling cohesion within neighbourhoods;
- (mm) The new model creates a new Resident Development Team focusing on partnerships and volunteering within communities, and helping residents meet their own needs. There is a push to get services closer to citizens and operating within the Neighbourhood Hubs. Resources will be area based, working within clusters of wards. These clusters are based on the established Street Scene wards, which is known to work cohesively;
- (nn) Further embedding of the digital reporting system, Firmstep is being encouraged and will help to tackle issues quicker and more effectively. The team merger will see a reduction on 3.3 FTE posts. One of which is currently vacant.

During discussion and questions from Committee members the following information was highlighted:

- (oo) Committee members wanted to know how the merged team would ensure that the relationship between Ward Councillors and community groups would be maintained, the reduction of Neighbourhood Development Officers has caused some difficulty in maintaining that relationship and the links into the community;
- (pp) Over the last 5 years there have been lots of small cuts to this service, posts have been reduced and funding has too, it is now not possible to offer the same service as previously. This transformation will look to deliver outcomes in a radically different way. The focus is enabling citizens to self-help through voluntary services. This is not a statutory service and many Councils across Britain no longer provide this service;
- (qq) These changes in structure are not part of the Transformation plan, these are changes in response to a need to reduce overall costs and still produce outcomes for citizens;
- (rr) Every Councillor will have a contact for ward issues, they may not be ward specific, but they will be area specific, covering a number of wards, based on

the Street Scene area definition. Councillors were concerned that this would cause a lot of upset in the community, for only a small saving;

The Chair thanked the Portfolio Holder and the Director for their presentations and asked Committee members to email any follow up questions to them direct. She invited Alvin Henry, Head of Waste and Mary Lester, Interim Director of Neighbourhood Services to give a presentation on Bulky Waste collection to the Committee. They highlighted the following points:

- (ss) Nottingham City is one of only two of the Core Cities who still offer free bulky waste collection. Liverpool is the other, which also has a high fly tipping rate;
- (tt) The proposal is to introduce a charge of £10 per booking, a charge that was introduced for white goods collections in April 2021. This will create approximately £99,000 income for the MTFP from 2022/23 onwards. This is estimated on a lower prediction of uptake of collections;
- (uu) There were concerns that the introduction of the charge for white goods may have resulted in an increase of fly tipping of these items, however this is not the case across the city and this indicates that citizens are prepared to pay for the disposal of their bulky waste;
- (vv) Mitigation work continues with universities and landlords in HMO dense areas to ensure end of term waste is disposed of correctly in order to reduce the spike in reports of fly-tipping and messy streets at term end. The bulky waste collection charge will also help to promote recycling, waste reduction and re-use across the city;
- (ww) Citizens in receipt of Council Tax Support will receive one free collection per year;

Committee members had a number of questions and the following information was highlighted:

- (xx) The introduction of the white goods collection charge has sped up the service provided and there have been very few complaints regarding the introduction of the charge;
- (yy) Committee members raised concerns about knock on costs that will be incurred with an increase in fly-tipping, and the impact that rubbish on the streets will have within communities. This will vary ward to ward depending on the demographic, there will be an increased push to make citizens responsible and to encourage reuse, and recycling and charges will remaining low. Committee member's also raised concerns around the need for additional enforcement action around fly-tipping and incorrect use of bins, and side waste;
- (zz) The Waste Team are working closely with the Enforcement team and are in discussion around the possible increased need for enforcement. Committee members cautioned against passing costs on to other teams in order to make savings;

- (aaa) The Committee agreed that there needs to be a balance of education, enforcement and support for citizens around correct waste disposal. The website page for booking bulky waste also offers citizens other options, such as links to re-use and donation sites.
- (bbb) Models using the 2020 data indicate that uptake will be around the predicted levels, although it may be higher. The pricing strategy has taken into account demographic. This also benefits the Carbon Neutral Strategy;
- (ccc) Committee members suggested discussions with Derby City and their waste management teams as figures for enforcement from the City are very good. The Head of Service agreed that this was a good idea and that strong professional links already exist with Derby City to facilitate these discussions;
- (ddd) Committee members suggested that there would be better uptake in areas of high Council housing and where there was good social housing, rather than in areas with high private landlord numbers. Additional education and communication is needed to private landlords to ensure they are aware of the changes and their responsibility around waste disposal;

The Chair thanked Members and Officers for their attendance at the meeting, and for the informative and detailed presentations. She asked that Committee members email any outstanding questions to the relevant Officers.

#### **47 Work Programme**

The Committee noted the work programme requesting a closer look at the Companies Transformation programme. The Carbon Neutral 2028 item will be deferred to a later meeting when more work has been done.

**Overview and Scrutiny Committee  
5 January 2022**

**Recovery and Improvement – Update by the Leader**

**Report of the Head of Legal and Governance**

**1 Purpose**

- 1.1 To consider a verbal update from the Leader on priorities in relation to Recovery and Improvement.

**2 Action required**

- 2.1 The Committee is asked to
- a) consider the information provided and use it to inform questioning and discussion
  - b) make recommendations if appropriate
  - c) make any necessary amendments to the work programme as a result of the information provided.

**3 Background information**

- 3.1 At its meeting on 9 June the Committee resolved to invite the Leader to attend each Overview and Scrutiny Committee meeting for approximately 15 minutes to provide a very brief update on key issues in relation to improvement and recovery, to aid work programme planning. These updates have been scheduled into the work programme in line with the Leader's availability.
- 3.2 The Leader will present information on the Council's current progress in relation to recovery and improvement to support the Committee to identify appropriate items for scrutiny at future meetings, in addition to items already agreed.
- 3.3 Following questioning and discussion, the Committee should use the information acquired in its discussions under the Work Programme item of the agenda.

**4 List of attached information**

- 4.1 None

**5 Background papers, other than published works or those disclosing exempt or confidential information**

- 5.1 None

## **6 Published documents referred to in compiling this report**

- 6.1 Reports to and discussion at Overview and Scrutiny Committee meetings since June 2021.

## **7 Wards affected**

- 7.1 All

## **8 Contact information**

- 8.1 Laura Wilson  
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**Overview and Scrutiny Committee  
5 January 2022**

**Overview and Scrutiny Response to the Budget Consultation**

**Report of the Head of Legal and Governance**

**1 Purpose**

- 1.1 To receive an update on the budget situation.
- 1.2 To agree the Committee's response to the budget consultation, incorporating the comments of the Children and Young People Scrutiny Committee and the Health and Adult Social Care Scrutiny Committee, for submission to Executive Board in February.

**2 Action required**

- 2.1 The Committee is asked to
  - a) consider the update on the budget situation from Councillor David Mellen, Leader of the Council and Clive Heaphy, Corporate Director for Finance and Resources.
  - b) consider the verbal feedback from Councillor Anne Peach, Chair of the Overview and Scrutiny Committee, Councillor Carole McCulloch, Chair of the Children and Young People Scrutiny Committee, and Councillor Georgia Power, Chair of the Health and Adult Social Care Scrutiny Committee, on their respective Committees' elements of the budget.
  - c) agree the content of the overall Overview and Scrutiny response to the budget consultation for submission to Executive Board in February.
  - d) delegate authority to the Statutory Scrutiny Officer and the Senior Governance Officer to draft the final wording of the response based on the discussions at today's meeting and in consultation with the Chairs of the Overview and Scrutiny Committees.

**3 Background information**

- 3.1 At meetings held in November and December the three Council Scrutiny Committees considered the relevant sections of the budget proposals which have been put forward for public consultation by Executive Board. At those meetings, the Committees considered what comments they might wish to make in response to the budget proposals for submission to Executive Board. These comments will make up part of the Board's consideration of the overall budget consultation feedback.

- 3.2 Since those meetings were held, progress has been made in understanding the budget situation with the announcement of the financial settlement from central government. Councillor David Mellen, Leader of the Council, and Clive Heaphy, Corporate Director of Finance and Resources, are attending the meeting to update the Committee in order to ensure the Committee has the latest available information prior to agreeing the response to the consultation.
- 3.3 The Chairs of the Health and Adult Social Care Scrutiny Committee and the Children and Young People Scrutiny Committee will verbally present their committees' feedback on the relevant elements of the budget proposals and the Chair of the Overview and Scrutiny provide a reminder to the Committee on the comments made at their December meeting. The Committee should incorporate these comments into its overall response to the budget on behalf of all three Committees for submission to the February meeting of Executive Board.

#### **4 List of attached information**

- 4.1 Financial Settlement Update.

#### **5 Background papers, other than published works or those disclosing exempt or confidential information**

- 5.1 None

#### **6 Published documents referred to in compiling this report**

- 6.1 Reports to and discussion at:
- Children and Young People Scrutiny Committee held on 25 November 2021
  - Overview and Scrutiny Committee held on 8 December 2021 and
  - Health and Adult Social Care Scrutiny Committee held on 16 December 2021.

#### **7 Wards affected**

- 7.1 All

#### **8 Contact information**

- 8.1 Laura Wilson  
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## OVERVIEW AND SCRUTINY

### Provisional Local Government Finance Settlement (LGFS) 2022/23

#### 1 Introduction

- 1.1 The Council's Medium-Term Financial Plan has been developed based on a number of funding assumptions in the absence of any detail on a financial settlement for Local Authorities. The provisional settlement has now been made available and the Council's financial position and projections have been updated in light of this.
- 1.2 This report provides an initial analysis of the 2022/23 Provisional Settlement released on 16 December 2021 by the Department of Levelling Up, Housing and Communities (DLuHC) and concentrates on the local impact for Nottingham and the associated MTFP implications.
- 1.3 Further updates will be provided, as appropriate, when more information and analysis becomes available from either DLuHC or other sources and will inform the basis of any final recommendations to the Executive Board and to Council in setting the 2022/23 budget.

#### 2 Financial Settlement Overview

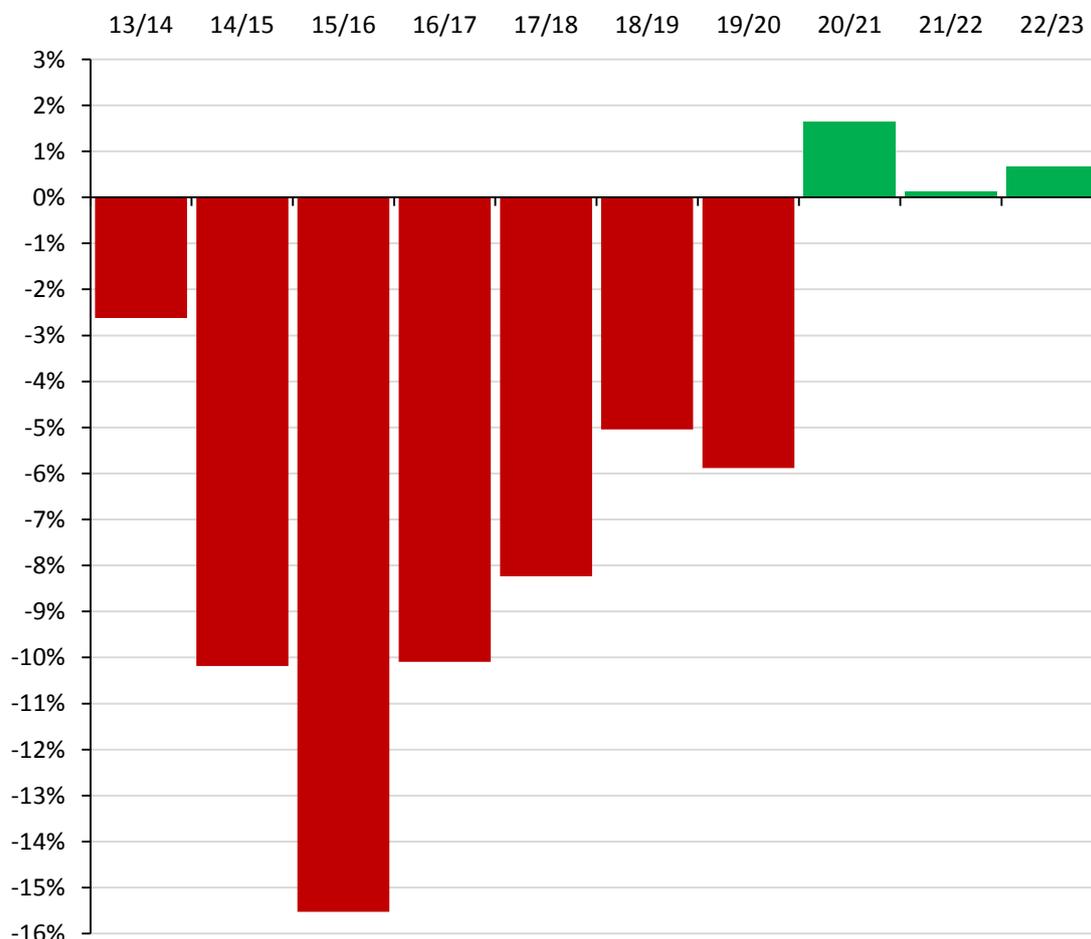
- 2.1 Key headlines of the provisional settlement are:
  - A only one-year settlement provided with a more fundamental review of local government funding starting in Spring 2022 for expected implementation in 2023/24 (i.e. Fair Funding Review/baseline reset);
  - Referendum criteria of **2%** basic council tax and **1%** ASC precept flexibility confirmed for 2022/23;
  - Core Spending Power (CSP) as assumed by DLuHC has increased nationally by **6.9% (£3.5bn)** and **7.1% locally (£20.3m)**;
  - Settlement rolls forward many aspects of the 2021/22 methodology but with only an additional **0.5% (£75m)** added nationally to settlement funding assessment with **0.7% (£0.8m)** locally for Nottingham;
  - Overwhelming increase in funding is coming through increases in Social Care and other existing grants and a significant new one-off '2022/23 Services Grant' created to fund general responsibilities (**£6.7m**);
    - It is expected this grant will be folded into future settlements to be distributed by whatever future funding scheme is eventually proposed by DLuHC
  - Social Care grant has increased nationally by **37.2% (£0.6bn)** and **35.0% locally (£4.5m)** – existing 2021/22 level has been baselined with additional grant allocated by Adults Relative Needs Formula (RNF) and equalisation of assumed ASC precept
  - New 'Market Sustainability & Fair Cost of Care Fund' grant (**£1.0m** locally) has been introduced to fund social care reforms – this comes with conditions (and additional expenditure requirements) outlined in a separate announcement by the Department of Health & Social Care (DoHSC)
  - Improved Better Care Fund has increased slightly by assumed 3% inflation (**£0.5m**)
  - Additional one-off payment of New Homes Bonus alongside legacy payment with current methodology & baseline retained (totally **£2.5m**)
  - Lower Tier Services grant continues at broadly existing level (**£0.7m**)

## 2022/23 Settlement Funding Assessment (SFA)

- 2.2 The Settlement Funding Assessment represents the total amount of funding allocated to the authority through the settlement calculations based on DLUHC-estimated business rates share, council tax income and RSG (including old grants which have previously rolled into the SFA).
- 2.3 The provisional settlement allocates settlement funding of **£123.3m** to Nottingham in 2022/23. This is an overall increase of **0.7%** compared with 2021/22. A breakdown of the headline figures is shown in **Table 1**.

Main Element of Settlement	2021/22 £m	Provisional Settlement 2022/23 £m	Change £m
Revenue Support Grant	25.887	26.685	0.798
Business Rates Baseline ( <i>DLUHC estimate</i> )	67.995	67.995	0.000
Business Rates Top-up	28.584	28.584	0.000
<b>TOTAL</b>	<b>122.466</b>	<b>123.264</b>	<b>0.798</b>

- 2.4 DLUHC use an estimate for our Retained Business Rates figures in the settlement calculations. The actual figures used in the February MTFP report will be those locally assessed and included in our NNDR1 returned to DLUHC by late January 2022.
- 2.5 **Graph 1** below illustrates Nottingham's recent annual changes in SFA and shows the announced 2022/23 increase in comparison to the recent history of significant cuts.

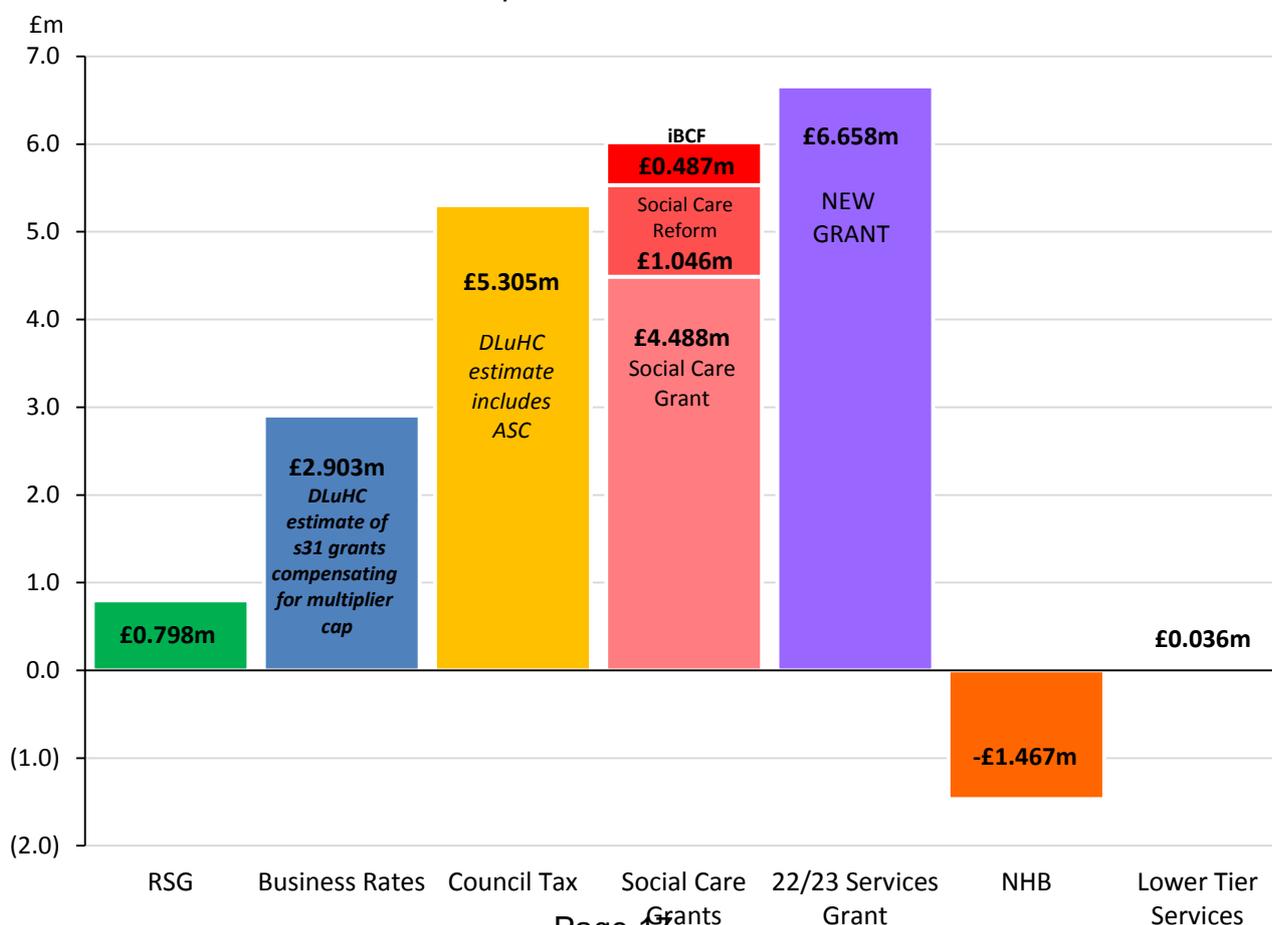


## Core Spending Power

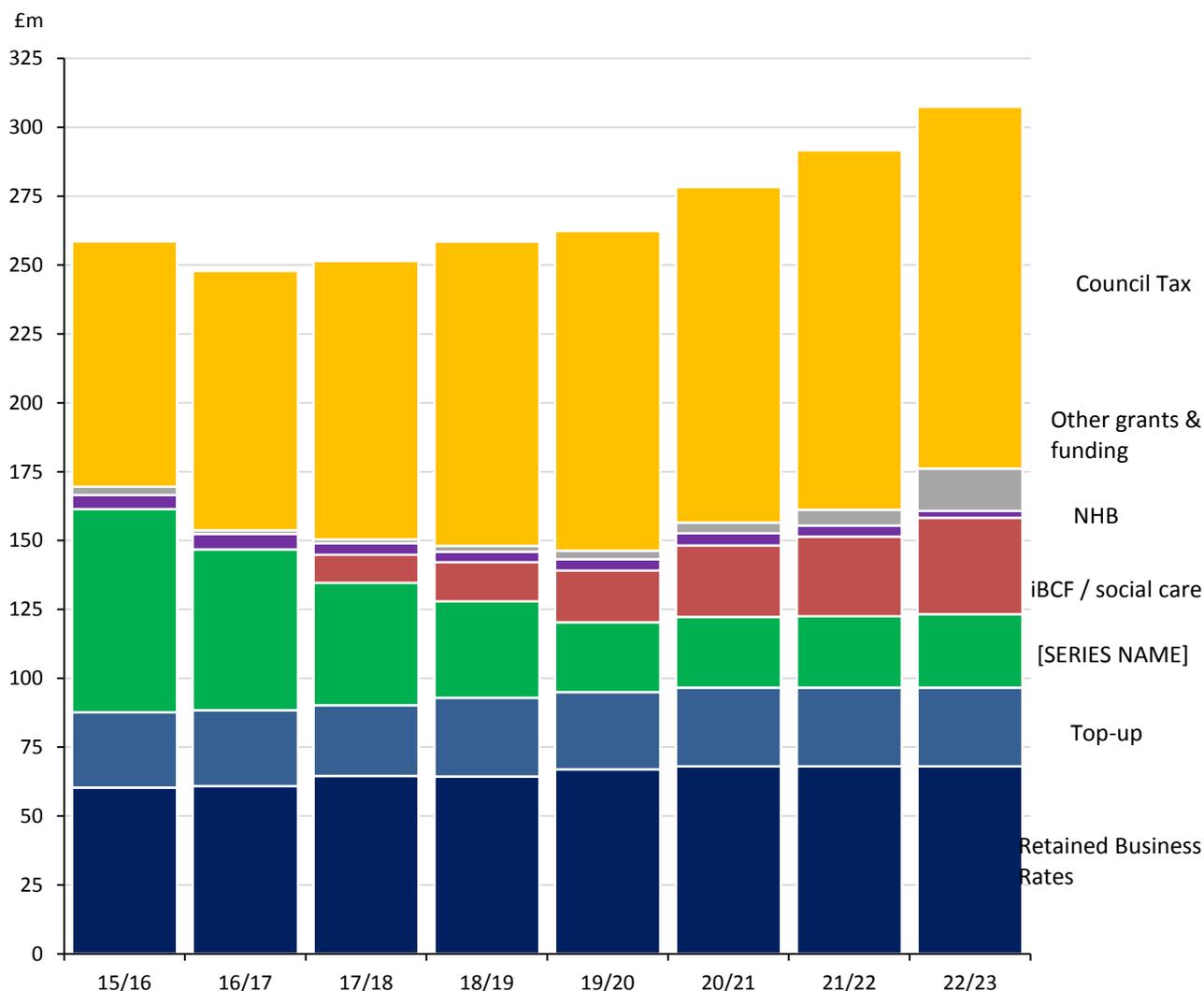
2.6 **Table 2** sets out the DLUHC's spending power calculation for Nottingham using the information published in the Settlement.

<b>TABLE 2: 'CORE' SPENDING POWER</b>		
	<b>Revised 2021/22 £m</b>	<b>Provisional 2022/23 £m</b>
Settlement Funding Assessment	122.466	123.264
Compensation for lower BR multiplier ( <i>DLuHC estimate</i> )	5.032	7.935
Council Tax requirement ( <i>DLuHC estimate</i> )	126.056	131.361
Improved Better Care Fund	16.115	16.602
New Homes Bonus grant	4.013	2.546
Returned NHB funding	0.000	0.000
Social Care Grant	12.840	17.328
Market Sustainability & Fair Cost of Care Fund		1.046
Lower Tier Services Grant	0.683	0.720
2022/23 Services Grant		6.658
<b>Total</b>	<b>287.205</b>	<b>307.461</b>
Increase		20.256
Increase by dwelling		£142 7.1%

2.7 **Graph 2** below visually represents the breakdown of the year-on-year change in spending power i.e. not the impact on MTFP as Council Tax and Business Rates are based on notional DLUHC assumptions.



2.8 **Graph 3** below shows the recent history of Nottingham's Core Spending Power. This demonstrates how RSG has been broadly substituted by specific grants and the recent overall spending power increases are due to assumed Council Tax income.



### Business Rates compensation

DLuHC has included an estimate of the compensation we will receive for the previous under-indexing of the business rates multiplier. The final figure used in the budget will not be known until the completion of our NNDR1 return in January.

### Council Tax

The Government has confirmed that the referendum limit for the basic increase in council tax will be **2%** and the flexibility to raise additional Adult Social Care precept will be **1%** in 2022/23.

The total council tax requirement of **£131.4m** assumed by DLuHC for 22/23 is slightly lower than the **£132.1m** we are currently assuming in the latest MTFP projections. This is because they have assumed different parameters in their own analysis of our likely tax base growth.

### New Homes Bonus

The cumulative NHB grant for Nottingham is **£2.5m** in 2022/23; this made up of **£1.7m** new grant and the continuation of **£0.8m** previous legacy payments.

Details of the NHB scheme have remained unchanged with the national baseline growth factor remaining at 0.4%; the award will be for one year only.

DLuHC are assuming again that there will be no direct return of NHB funding previously top-sliced from the settlement.

### **Social Care**

The **£17.3m** announced for social care grant is **£4.5m** higher than the 2021/22 grant. The existing baselined 2021/22 level of **£12.8m** is currently allocated against **£4.8m** Adults and **£8.0m** Children’s budgets.

### **Social Care Reform**

The **£1.0m** announced for ‘Market Sustainability & Fair Cost of Care Fund’ is a new source of funding and was not previously included in the MTFP.

It comes with conditions and for planning purposes it will be assumed in the MTFP that it is required to fund new Adults burdens i.e. no impact on bottom line. Future distribution will be dependent on Nottingham meeting DoHSC criteria.

### **Lower Tier Services**

The **£0.7m** announced for lower tier services is slightly higher than 2021/22 and was not included in our latest MTFP projections as we believed it would drop out.

### **2022/23 Service Grant**

The **£6.7m** announced for general services is a new source of funding distributed using the original 2013/14 SFA as a basis of allocation and was not included in the MTFP.

It is one-off but the national funding will presumably form part of the quantum available for any future redesigned settlement system.

The 2022/23 amount will however be excluded from any future transitional protections when the proposed funding reform is implemented. As a working assumption it is assumed that the MTFP will assume that the same level will notionally roll forward as part of our future SFA figures rather than as a specific grant – until we have a clearer idea of how any reform and ‘fair funding’ formula will impact our distribution.

## **3 Comparative Figures**

**Table 3** shows the percentage increases in spending power for England and Core City comparators:

- Nottingham’s **7.1%** increase for 2022/23 is slightly higher than the national average of **6.9%** but slightly lower than the Core City average of **7.3%**.
- We have the same spending power per dwelling as the national average at **£2,155**

<b>TABLE 3: CORE CITIES SPENDING POWER</b>			
<b>AUTHORITY</b>	<b>2022/23</b>		
	<b>% change</b>	<b>£ per dwelling</b>	<b>£ change</b>
England	6.88%	2,155	139
Manchester	8.42%	2,201	171
Liverpool	7.36%	2,290	157
Birmingham	7.34%	2,362	162
Leeds	7.29%	1,789	122
<b>Nottingham</b>	<b>7.05%</b>	<b>2,155</b>	<b>142</b>
Sheffield	6.96%	2,016	131
Newcastle	6.94%	2,154	140
Bristol	6.66%	2,050	128
Core Cities average	7.31%	2,129	145

## 4 Impact on MTFP

- 4.1 The MTFP is currently being updated. Changes in the funded to the assumptions contained in the report to Executive Board in November are set out in Table 4. The table shows that overall there has been an increase of £11.722m in funding compared to that previously anticipated.
- 4.2 It should however be noted that this is still an incomplete picture – further analysis might uncover additional changes in the detail of the settlement documents.

<b>TABLE 4: CHANGE IN ASSUMPTIONS IN THE NOVEMBER REPORT</b>			
<b>Issue</b>	<b>November Report £m</b>	<b>2022/23 Provisional Settlement £m</b>	<b>Change £m</b>
Retained Business Rates <sup>A</sup>	(67.686)	(66.476)	1.210
Top-up Grant	(29.104)	(28.584)	0.520
RSG	(26.358)	(26.685)	(0.327)
Council Tax <sup>B</sup>	(132.946)	(132.062)	0.884
Collection Fund <sup>C</sup>	3.336	3.336	0.000
<b>Funding</b>	<b>(252.757)</b>	<b>(250.471)</b>	<b>2.286</b>
S31 grants <sup>A</sup> (Business Rates)	(8.971)	(11.651)	(2.680)
New Homes Bonus	(0.803)	(2.546)	(1.743)
Improved Better Care Fund	(16.115)	(16.602)	(0.487)
Social Care Grant	(14.924)	(17.328)	(2.404)
Social Reform funding		(1.046)	(1.046)
<i>(assume new Adults burdens)</i>		1.046	1.046
Lower Tier Services Grant	(0.683)	(0.720)	(0.037)
Services Grant		(6.658)	(6.658)
<b>Within Net Budget</b>	<b>(41.496)</b>	<b>(55.505)</b>	<b>(14.009)</b>
<b>Overall Impact</b>	<b>(294.254)</b>	<b>(305.975)</b>	<b>(11.722)</b>

## 5 Conclusion

- 5.1 The provisional settlement has provided more funding than we speculatively projected but insufficient to close the current MTFP gaps. Further work is underway to identify options for closing the gap and delivering a balanced budget and MTFP.
- 5.2 The draft settlement is out for consultation with responses due back by 13 January 2022. Based on past experience we can expect confirmation of the Final Settlement around the first week of February 2022.

**Overview and Scrutiny Committee  
5 January 2022**

**Work Programme 2021/22**

**Report of the Head of Legal and Governance**

**1 Purpose**

- 1.1 To consider the Committee's work programme for 2021/22.

**2 Action required**

- 2.1 The Committee is asked to consider the work programme for the remainder of the municipal year and make any amendments as required

**3 Background information**

- 3.1 The purpose of the Overview and Scrutiny Committee is to ensure all statutory and other roles and responsibilities are fulfilled to the required standard, covering review and development of key strategic issues, policies and strategies relevant to Nottingham and its residents, and adding value through the examination of issues of local importance and concern.
- 3.2 The Committee is responsible for setting and managing its own work programme to fulfil this role.
- 3.3 In setting a programme for scrutiny activity, the Committee should aim for an outcome-focused work programme that has clear priorities and a clear link to its roles and responsibilities. The work programme needs to be flexible so that issues which arise as the year progresses can be considered appropriately.
- 3.4 Where there are a number of potential items that could be scrutinised in a given year, consideration of what represents the highest priority or area of risk will assist with work programme planning. Changes and/or additions to the work programme will need to take account of the resources available to the Committee.
- 3.5 The Committee has agreed to focus much of its scrutiny in 2021/22 on the Council's recovery and improvement, including implementation of the recommendations from the Report in the Public Interest concerning the Council's governance arrangements for Robin Hood Energy Ltd (PIR) and the Non-Statutory Review of Nottingham City Council (NSR), both of which took place in 2020. In order to ensure that scrutiny is timely and relevant, the Committee will need to regularly consider its scheduling of recovery and improvement items for scrutiny at future meetings.
- 3.6 The Committee's current work programme is included at Appendix 1.

**4 List of attached information**

4.1 Overview and Scrutiny Committee Work Programme 2021/22.

**5 Background papers, other than published works or those disclosing exempt or confidential information**

5.1 None

**6 Published documents referred to in compiling this report**

6.1 Reports to and discussion at Overview and Scrutiny Committee meetings throughout 2021/22.

**7 Wards affected**

7.1 All

**8 Contact information**

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## Overview and Scrutiny Committee Work Programme 2021-22

Date	Items
<b>9 February 2022</b>	<ul style="list-style-type: none"> <li>• <b>Recovery and Improvement Update from the Leader</b> 10-15-minute update from the Leader on priorities in relation to Recovery and Improvement</li> <li>• <b>Library Service Transformation Consultation</b> To be consulted on the Library Service redesign proposals</li> <li>• <b>2021-22 Work Programme</b></li> </ul>
<b>9 March 2022</b>	<ul style="list-style-type: none"> <li>• <b>Recovery and Improvement Update from the Leader</b> 10-15-minute update from the Leader on priorities in relation to Recovery and Improvement</li> <li>• <b>Recovery and Improvement</b> Focus to be agreed</li> <li>• <b>Work Programme 2022-23 Development</b></li> <li>• <b>2021-22 Work Programme</b></li> </ul>
<b>6 April 2022</b>	<ul style="list-style-type: none"> <li>• <b>Recovery and Improvement Update from the Leader</b> 10-15-minute update from the Leader on priorities in relation to Recovery and Improvement</li> <li>• <b>Recovery and Improvement</b> Focus to be agreed</li> <li>• <b>2021-22 Work Programme</b></li> </ul>

Space has been left in the work programme to retain flexibility in order to accommodate timely scrutiny of issues in relation to recovery and improvement, ie items scheduled may need to be moved to later meeting dates to facilitate this. The items below may be scheduled if there are gaps in the work programme or if they become priorities.

<b>Items still to be considered for work programme/ Reserve items</b>
<ul style="list-style-type: none"> <li>• <b>Workforce Reorganisation and Restructure</b> To consider workforce reorganisation and restructure in the light of the need to achieve recovery and the impact on policy and essential</li> </ul>

<b>Items still to be considered for work programme/ Reserve items</b>	
	services; and in the light of the impact of Covid and reinstatement of the workforce.
• <b>Governance</b>	To consider the impact of constitutional and other governance changes introduced in response to recommendations for improvement and recovery
• <b>Planning Enforcement</b>	To consider the effectiveness of the Planning Enforcement process, including resourcing (finance and workforce arrangements), with particular reference to retrospective planning applications, especially in student areas.
• <b>Citizenship/ immigration service provision and support</b>	Focus to be determined
• <b>Houses of Multiple Occupation and selective licensing</b>	Focus to be determined
• <b>Student Accommodation</b>	To consider whether the number of developments meet demand and free up family housing
• <b>Scooter Pilot</b>	To consider the success of the wind scooter trial, including the illegal use of scooters and enforcement, measures of success, evaluation and plans for the future
• <b>Crime and Drugs Partnership</b>	To consider information on the current work of the Crime and Drugs Partnership (focus to be agreed; suggestion is ASB, including domestic violence and neighbourhood disputes and impact on community policing and protection) and performance against the Crime and Drugs Partnership Plan
• <b>Digitalisation and Transformation</b>	Focus to be agreed <u>Referral from CYPSC</u> To look at current digital access across the city; how this impacts on access to services particularly given the likelihood that there will be continued emphasis on virtual/ online provision for the foreseeable future; and what can be done to address these issues
• <b>Nottingham's Carbon Neutral Policy</b>	To explore the impact of the budget, delays because of COVID, schemes/ engagement with other bodies and partners on achievement of carbon neutral targets
• <b>Review of Leisure Services</b>	To be consulted on the review of Leisure Services