

ANNEX 2

DRAFT REVENUE MTFP 2020/21 to 2022/23

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1. INTRODUCTION

The Council's Revenue Medium Term Financial Plan (MTFP) is the financial representation of the Council's service plans for the next three years.

2. THE FINANCIAL FRAMEWORK

The main financial objectives for the City Council focus on: ensuring our financial planning and management support our citizens to have access to value for money services which are modern and fit for purpose; maintaining good underlying financial health and good governance, and always taking a longer-term view.

This policy-led, medium term approach to financial planning and management is good practice and ensures that we can fund our vision, values and priorities. The City Council is committed to maintaining financial stability and delivering value for money through effective, economic and efficient services.

3. CONSTRUCTING THE MTFP

The Medium Term Financial Strategy (MTFS) sets out the principles we work to in order to deliver our aims and objectives. The City Council operates on a principal of medium term, policy-led financial planning. This connects the vision, values and priorities with decisions made in setting the annual budget within the MTFP.

In particular, any new investment is considered in the context of how it will contribute to realising the City Council's vision and performance improvement more generally. Options are worked up for consideration and decisions to stop, reduce or reshape services are made in full knowledge of the impact on objectives. All proposals are scrutinised throughout the budget process by peers, senior colleagues and councillors. The whole approach is informed by the use of a variety of performance and financial data.

4. ECONOMIC AND FUNDING OVERVIEW

Local authorities continue to operate in a challenging financial environment of reduced levels of Government funding, with the full consequences of Brexit yet unknown.

Alongside this reduction in grant income, Nottingham has seen increased demand for a number of services, for example Adult Social Care and Children in Care. These increasing care costs, alongside continuing funding cuts, will have a significant impact on the Council's ability to fund other local services. It is expected that the continuing trend will mean that local services will be increasingly funded by local tax payers as Government funding continues to fall.

In the period from 2010/11 to 2019/20 the Council has had to make cumulative savings totalling **£271.4m** and will continue to have to make difficult decisions about the services it provides in order to close the budget gap for next year.

The figures in this report are based on the final Local Government Finance Settlement announced on 6 February although it is yet to be approved by Parliament. The scheduled parliamentary debate was postponed due to emergency legislation and now due to be debated week commencing 24 February.

Settlement Funding

Settlement Funding is the amount of funding assumed by the Ministry of Housing, Communities and Local Government (MHCLG) to be available to an authority through the estimated business rates share and general grant funding.

Table 1 summarises the total amount of funding assumed by MHCLG to be available to the authority through an estimated business rates share and general grant funding (including previous specific grants which have been rolled into it).

TABLE 1: SETTLEMENT FUNDING	
Elements of the Settlement	2020/21 £m
Business Rates Baseline	67.995
Business Rates Top-up	28.584
Revenue Support Grant	25.745
TOTAL	122.323

The Government has assumed a level of business rates for Nottingham based on the 2017 business rates revaluation. The figure included in **Table 1** is **£0.096m** higher than the forecast of retained business rates income as reported to MHCLG in the NNDR1 return and included in the MTFP.

Core Spending Power

Core Spending Power is the calculation by Government to assess the overall impact on local authority funding. This includes the Council Tax requirement, New Homes Bonus and the Settlement Funding. This attempts to assess the total resources over which the Council can exercise discretion in how it can spend its funding. The Government has published that Nottingham's overall increase in spending power will be **6.7%** or **£126** per dwelling in 2020/21 as set out in **Table 2**. However the estimates used for this calculation over-project for both business rates and council tax income. A more realistic increase based on the figures included in this report is closer to **5.8%** or **109** per dwelling with the equivalent of **2.3%** being generated from local taxation.

TABLE 2: CORE SPENDING POWER		
Elements of MHCLG Core Spending Power	MHCLG estimates	
	Revised 2019/20 £m	Final 2020/21 £m
Settlement Funding Assessment	120.362	122.323
Compensation for lower BR multiplier (<i>MHCLG estimate</i>)	3.097	3.871
Council Tax requirement (<i>MHCLG estimate</i>)	107.484	112.116
Social care precept (<i>MHCLG estimate</i>)	8.617	11.363
Improved Better Care Fund	14.565	16.115
Winter Pressures	1.550	0.000
Social Care Support Grant	2.648	9.793
New Homes Bonus grant	4.067	4.432
Total	262.390	280.013
Increase		17.623
Increase by dwelling		£126
Annual % change		6.72%

Retained Business Rates

With the localisation of Business Rates it is necessary for each authority to estimate the amount of business rates to be collected in 2020/21. The locally retained element of business rates is 50%, of which the council retains 49% and 1% is received by Nottinghamshire and City of Nottingham Fire and Rescue Authority. The monitoring and estimating of Business Rates is a local responsibility and the financial risk due to the volatility within Business Rates (including outstanding appeals) has an impact on the Council's overall funding.

Business Rates are based on the 2017 valuation list and the rateable value of businesses in Nottingham will be **£362.521m** (NNDR1 January 2020). There are currently numerous rating appeals lodged with the Government's Valuation Office in respect of rateable values. Not all of these will be successful either in full or part. The cost of any successful appeals will be met from the monies received, and hence will impact the Council's overall funding.

Top-up

Under the retained Business Rates system any authority whose Business Rates income is less than their initial baseline funding level, as is the case for Nottingham, will receive the balance as a 'top-up' grant.

Revenue Support Grant (RSG)

Authorities currently continue to receive RSG from the Government in addition to their retained business rates. The final settlement has confirmed funding for one year only with a full Spending Review and introduction of Fair Funding Review/75% Rates Retention now delayed until 2021/22.

Current RSG figures reflect an inflationary increase of **1.6%** or **£0.413m** from 2019/20 to 2020/21.

In the absence of a robust multi-year settlement from the Government the draft MTFP assumes the current level of settlement funding for 2020/21 will continue for 2021/22+. No assumptions have been made for the likely impact on future settlement funding of Government policy due to a lack of clear exemplification of the options being currently considered.

Specific Grants outside the Settlement

A number of additional grants have been announced which are outside of the settlement. The basis of distribution varies from grant to grant. The budget has again been constructed on the basis that if specific grant funding reduces then the expenditure and activity will reduce accordingly.

New Homes Bonus (NHB)

The New Homes Bonus grant is awarded to local Councils for increasing the number of new and affordable homes. The MTFP reflects the announced grant of **£4.432m** for 2020/21. The scheme remains unchanged for 2020/21 with details given for one year only, a consultation will commence in the spring on a new targeted housing incentive scheme. No NHB grant is assumed for 2021/22+ to support the budget.

Existing Social Care grants

The settlement confirmed that the existing levels of funding for Improved Better Care Fund (iBCF), Winter Pressures Grant and Social Care Support Grant in 2019/20 will continue into 2020/21. The Winter Pressures funding will be rolled into the iBCF and the 2019/20 Social Care Support Grant will be included in the new 2020/21 Social Care funding.

Improved Better Care Fund

This grant was initially awarded in 2017/18 with the purpose of contributing towards the increased pressure of Adult Social Care needs aiming to reduce pressures in Health and ensure the Social Care market is provided for. The 2020/21 allocation announced in the settlement of **£16.115m** reflects the roll-over of the 2019/20 allocation of **£14.565m** and the transfer of the previous **£1.550m** Winter Pressures grant.

Additional funding for Social Care

The settlement also confirmed an extra **£1bn** of social care grant funding in 2020/21 for all authorities with social care responsibilities. The allocation methodology, announced as part of a technical consultation in October 2019, uses a combination of the Adults Relative Needs Formula (RNF) and an assessment of each Council's ability to raise funds via the social care precept. The funding for Nottingham will be **£9.793m** (including the rolled-in 2019/20 grant of **£2.648m**).

Disabled Facilities Grant

This grant allocation is still to be confirmed for 2020/21 however in 2019/20 it was **£2.440m**. This grant contributes to the cost of improvements to citizens' homes to enable them to continue to live there. This forms part of the Better Care and a section 75 agreement.

Former Independent Living Fund (ILF) Grant

The **£0.702m** Former ILF Grant compensates cost pressures to local authorities caused by the closure of the ILF. The funding followed the introduction of the Care Act 2014, which ensures that key features such as personalisation, choice and control are now part of the mainstream adult social care system. Government have confirmed that the 2020/21 grant allocation will be maintained at the 2019/20 value.

Social Care in Prisons Grant

This grant allocation is still to be confirmed for 2020/21 however in 2019/20 it was **£0.149m**, recognising changes introduced as part of the Care Act that established that the local authority will be responsible for assessing and meeting the care and support needs of an offender residing in a prison, approved premises of bail accommodation.

Local Reform & Community Voices Grant

This grant allocation is still to be confirmed for 2020/21 however in 2019/20 it was **£0.222m**, comprised of the following elements:

- Funding for Deprivation of Liberty Safeguards in Hospitals;
- Funding for Independent NHS Complaints Advocacy Services and
- Local Healthwatch Funding (Local Authorities have a duty to ensure that an effective local Healthwatch is operating in their area, delivering the activities set out in the legislation).

Public Health

The 2020/21 assumed grant for Nottingham is **£33m**, this is based on the 2019/20 allocation as currently there is no confirmation of the 2020/21 grant value. Since 2015/16 and based on the grant allocation in 2019/20, the grant has reduced by **£5.536m** (14.39%).

Local Council Tax Support & Housing Benefit Administration Subsidy Grant

The City Council will receive administration subsidy grants of **£1.879m** in 2020/21 (this was **£1.919m** in 2019/20) to fund the Council's statutory duty to administer and process Housing Benefit and directly related enquiries.

Dedicated School Grant (DSG)

The DSG is a ring-fenced grant subject to grant conditions requiring it to be used to support the Schools Budget as defined in the School and Early Years Finance Regulations.

The DSG funds educational establishments and specific services for Schools, Central Expenditure, Early Years and High Needs. The initial 2020/21 DSG budget allocation for Nottingham is **£287.760m** increasing by **£13.377m**. The material movements contributing to this increase are:

1. An increase in school pupil numbers from 41,075 to 41,784 (710) **£8.112m**;
2. Additional funding in High Needs of **£5.636m**

Any spend allocated to the Local Authority has been incorporated in the MTFP.

5. DRAFT MTFP 2020/21 – 2022/23

This section provides an update to the draft MTFP report presented to December Executive Board to reflect latest assumptions, Government announcements and the final settlement.

The December Executive Board reported an outstanding 2020/21 budget gap of **£2.405m**. Since the December report, further savings have been developed and these are detailed in this report to present a balanced position for 2020/21. In total **£15.623m** of proposals have been identified for 2020/21:

- December Executive Report savings of **£13.411m** for 2020/21, comprising:
 - **£12.432m** portfolio consultation proposals
 - **£0.979m** already approved / fast tracked proposals
- Additional savings presented within this report of **£2.212m** (**£1.212m** portfolio proposals and **£1.000m** corporate proposal) and other adjustments of **£0.193m** for 2020/21

Individual portfolio savings totaling **£14.623m** are detailed within **Appendix A**

Budget Overview and Headlines

The draft budget has been constructed in accordance with the MTFS and all relevant corporate financial protocols. It is a balanced budget; policy-led, medium term and risk assessed, reflects the Council Plan priorities and comprises:

- a 2020/21 net General Fund revenue budget of **£248.059m**;
- a council tax requirement of **£121.807m**, basic council tax increase of **1.99%** and an additional **2.00%** increase for the Adult Social Care precept
- total savings of **£15.623m**
- provision for pressures of **£17.911m** in 2020/21 including Adults demographic increases **£4.551m**, Adults National Living Wage **£2.042m** and Children and Young People increase of **£6.546m**;
- a general contingency of **£1.475m**;

- provision for pay inflation of **2.00%**, although at the time of writing the report the pay offer is yet to be announced, any variation to the MTFP assumption will need to be managed as part of the in-year monitoring and may lead to more savings being required;
- provision for contractual inflation where appropriate.

General Fund Revenue Budget

Table 3 summarises the changes required to update the 2019/20 base budget to refresh the starting point for the 2020/21 budget.

TABLE 3: BUDGET REFRESH				
DESCRIPTION	2020/21 £m	2021/22 £m	2022/23 £m	TABLE
Pressures / Overspend Risks	17.911	29.470	31.183	4
Pay / Contractual Inflation	12.287	18.596	24.944	5
Technical Adjustments	(5.985)	(4.069)	(2.057)	6
Previously Agreed Savings	(0.314)	(1.857)	(1.857)	7
TOTAL	23.898	42.139	52.213	

Budget assumptions are refreshed on an ongoing basis to reflect the Council's latest understanding in relation to inflation, corporate adjustments, previous MTFP proposals and emerging pressures/overspend risks.

Pressures / Overspend Risks

As in previous years, the Council continues to face significant budget issues that have a major impact on the MTFP. Further details of the funded pressures and potential overspend risks are summarised in **Table 4**. Most notably the continued demand for Adult Social Care and Children in Care has significantly increased the cost of these services. The Government's Spending Round acknowledges these pressures as a continuing national issue but the announced rollover of existing social care grants, proposed increase in funding and flexibility to set additional precept income is insufficient to fully meet these increased costs. The Government must ensure that its 2020 Spending Review builds on the September Spending Round by ensuring sustainable long-term funding so that the increasing burden does not fall on council tax payers or necessitate reductions in other local services.

TABLE 4: PRESSURE / OVERSPEND RISKS			
BUDGET ITEM	2020/21 £m	2021/22 £m	2022/23 £m
Adults Demographics	4.551	11.419	12.769
National Living Wage	2.042	4.159	4.159
Adult Care & Local Transport	6.593	15.578	16.928
Children's workforce related issues	1.950	1.950	1.950
Contractual increases	0.586	0.618	0.651
Remand costs	1.297	1.297	1.297
Complexity changes	2.713	4.252	4.583

Children & Young People	6.546	8.117	8.481
Historical savings	0.811	0.961	0.961
Early Years, Education & Employment	0.811	0.961	0.961
Individual Electoral Registration	0.050	0.050	0.050
Market supplement for drivers	0.143	0.143	0.143
Coroner - Contractual issue	0.500	0.500	0.500
Energy, Environment & Democratic Services	0.693	0.693	0.693
Trade Unions	0.070	0.070	0.070
Health, HR & Equalities	0.070	0.070	0.070
Markets (reduction of previous one-off)	(0.301)	(0.301)	(0.301)
Leisure, Culture & IT	(0.301)	(0.301)	(0.301)
Strategic Asset Management	0.737	0.737	0.737
Regeneration, Safety & Communications	0.737	0.737	0.737
Pressures Contingency	0.850	1.702	1.702
Nottingham Ice Centre	0.250	0.250	0.250
Capital	1.400	1.400	1.400
Treasury Management	0.262	0.262	0.262
Corporate	2.762	3.614	3.614
TOTAL	17.911	29.470	31.183

Inflation

Table 5 shows the pay, pension and specific inflation currently assumed for 2020/21 and subsequent years.

TABLE 5: INFLATION			
DESCRIPTION	2020/21 £m	2021/22 £m	2022/23 £m
Employee Pay / Pension	11.140	16.195	21.251
Specific contractual inflation	1.147	2.401	3.694
TOTAL	12.287	18.596	24.944

The draft MTFP includes a provision for pay inflation of **2.00%**. Although at the time of writing the report the pay offer is yet to be agreed. The National Employers who negotiate pay on behalf of 350 local authorities in England met with the Trade Unions on 5 February, a pay offer of **2.00%** was made but then rejected on the day by the Trade Unions. Any variation to the MTFP assumption once a final agreement is made will need to be managed as part of the in-year monitoring and may lead to more savings being required. For non-pay costs, the MTFP assumes no general inflation; only specific contractual inflation has been applied.

Technical Adjustments

Table 6 summarises the corporate adjustments that include anticipated movements in the financing of the capital programme and the debt portfolio, movements in reserves, net impact of changes in specific grants and various other changes. Provision has also been made for the revenue implications of investment schemes within the capital programme.

TABLE 6: TECHNICAL ADJUSTMENTS			
DESCRIPTION	2020/21 £m	2021/22 £m	2022/23 £m
Net movement in Reserves	5.448	3.801	6.266

Net movement in Specific Grants	(8.865)	(4.617)	(4.805)
Other	(2.569)	(3.253)	(3.518)
TOTAL	(5.985)	(4.069)	(2.057)

General Reserves

The proposed level of general reserves for 2020/21 is **£11.643m** and assumes that the outturn for 2019/20 is on budget.

Previously Agreed Savings

Table 7 summarises the continuing impact on the 2020/21 budget of saving decisions made in previous budgets.

TABLE 7: PREVIOUSLY AGREED SAVINGS			
PORTFOLIO	2020/21 £m	2021/22 £m	2022/23 £m
Adult Care & Local Transport	0.083	(0.699)	(0.699)
Children & Young People	(0.029)	(0.215)	(0.215)
Early Years, Education & Employment	0.154	0.154	0.154
Energy, Environment & Democratic Services	(0.030)	(0.030)	(0.030)
Finance, Growth & the City Centre	(0.314)	(0.884)	(0.884)
Leisure, Culture & IT	(0.157)	(0.157)	(0.157)
Regeneration, Safety & Communications	(0.021)	(0.026)	(0.026)
TOTAL	(0.314)	(1.857)	(1.857)

Portfolio Savings

During the budget process, colleagues and councillors work together to identify budget savings which, when taken together, direct funding into the Council's priorities and balance the budget. This is a complex and time consuming activity. These will be found from a combination of income generation, demand management, service transformation and efficiencies.

Portfolio savings proposed for 2020/21 are included in **Table 8** below and detailed by lead portfolio within **Appendix A**

- **£13.411m** of these proposals were included in the December Budget Consultation report
- **£1.212m** of additional/amended savings are identified within **Appendix A**, individual consultation will be undertaken with regards to these proposals as appropriate.

TABLE 8: SUMMARY OF NEW SAVINGS			
DESCRIPTION	2020/21 £m	2021/22 £m	2022/23 £m
Portfolio Consultation Proposals	(12.432)	(9.167)	(9.124)

Already approved / Fast track Proposals	(0.979)	(0.746)	(0.715)
Savings in December Consultation	(13.411)	(9.913)	(9.839)
Portfolio Proposals	(1.212)	(0.910)	(0.955)
Additional/Amended Savings	(1.212)	(0.910)	(0.955)
TOTAL	(14.623)	(10.823)	(10.794)

Table 9 summarises by budgeted portfolio the total value of both previously consulted and additional/amended proposals.

TABLE 9: PORTFOLIO SAVINGS			
BUDGETED PORTFOLIO	2020/21 £m	2021/22 £m	2022/23 £m
Adult Care & Local Transport	(5.379)	(2.280)	(2.192)
Children & Young People	(2.020)	(2.020)	(2.020)
Communities	(0.308)	(0.308)	(0.308)
Early Years, Education & Employment	(0.255)	(0.265)	(0.275)
Energy, Environment & Democratic Services	(1.346)	(1.346)	(1.311)
Finance, Growth & the City Centre	(3.213)	(2.668)	(2.583)
Health, HR & Equalities	(0.219)	(0.269)	(0.419)
Housing, Planning & Heritage	(0.070)	(0.070)	(0.070)
Leisure, Culture & IT	(0.865)	(0.923)	(0.968)
Regeneration, Safety & Communications	(0.949)	(0.674)	(0.649)
TOTAL	(14.623)	(10.823)	(10.794)

Corporate Proposal

The MTFP assumes the total use of **£6.000m** from the MRP reserve between 2019/20 and 2021/22 to support the general fund. In order to balance the 2020/21 budget **£1.000m** use of Minimum Revenue Provision (MRP) reserve has been brought forward from 2021/22; this rephasing of MRP reserve has consequently added **£1.000m** to the budget gap in 2021/22.

Historical freeze on incremental pay rises – Supreme Court ruling

In November 2018, the Supreme Court refused the Council's application to appeal a previous judgement in relation to the historical freeze on incremental pay rises. The matter was returned to the Nottingham Employment Tribunal to assess the position of individual claimants and oversee the complex process of agreeing schedules of loss; this legal process is still ongoing. This ruling is likely to result in additional costs to the Council; however as yet this is unknown. The full financial implications won't be known until the Nottingham Employment Tribunal process has been concluded.

Budget Requirement

Table 10 shows the resulting proposed draft net budget requirement for 2020/21 and the current budget projections for 2021/22 and 2022/23 before any additional savings.

TABLE 10: NET BUDGET

DESCRIPTION	2020/21 £m	2021/22 £m	2022/23 £m	TABLE
2019/20 Budget Requirement	239.785	239.785	239.785	
Budget Refresh	23.898	42.139	51.213	3
SUB-TOTAL	263.683	281.924	290.998	
Portfolio savings	(14.623)	(10.823)	(10.794)	9
Corporate proposal	(1.000)	1.000		
NET BUDGET	248.059	272.101	280.203	

Funding

The position relating to Retained Business Rate income carries significant risks for the Council. The assumed share of the business rate income is **£67.899m** in 2020/21, which is **£0.96m** below our Business Rate Baseline as determined by the Government for the purpose of the settlement.

Under the retention scheme, there are both potential risks and rewards in calculating our share of the yield. The major risks and concerns are; the level of successful rating appeals that may be made in the year, the unknown level of bankruptcies and businesses going into administration, the number of empty properties, the number of new properties and the collection rate achievable. We have to make an estimate of the impact of all these, based on limited trend information. The NNDR1 return submitted to MHCLG in January 2020 estimated the net rates as **£144.447m** after all reliefs, with **£1.500m** assumed for bad debts (1.0%) and **£6.438m** for appeals (4.5%) leaving total collectible rates for 2020/21 as **£136.509m**.

The Council in 2020/21 expects to receive **£9.230m** section 31 grant, this grant compensate councils for the loss of income, suffered as a result of previously announced changes to the business rates multiplier and various reliefs. The impact of these grants has been included within the budget refresh figures and details are shown in **Table 11**.

TABLE 11: SECTION 31 GRANTS (BUSINESS RATES)	
DESCRIPTION	2020/21 £m
Small business rates relief	3.919
Multiplier cap	2.702
Retail Discount	1.399
Discretionary Scheme	0.017
Supporting Small Business Relief	0.047
NNDR1 return	8.084
Under-indexing of Top-up Grant	1.146
TOTAL	9.230

Under the current scheme 100% of any business rates uplift in both the Enterprise Zone and the Creative Quarter can be retained and ring-fenced for these areas. No retained uplift for either the Enterprise Zone or the Creative Quarter is expected in 2020/21.

Table 12 sets out the overall funding assumed within the MTFP.

TABLE 12: FUNDING			
DESCRIPTION	2020/21 £m	2021/22 £m	2022/23 £m
Projections			
- Retained Business Rates	(67.899)	(69.257)	(70.642)
- Top Up	(28.584)	(29.155)	(29.738)
- Revenue Support Grant	(25.745)	(23.813)	(21.843)
NET POSITION	(122.227)	(122.225)	(122.223)

The MTFO assumes that retained business rates and top-up grant will increase by currently projected future CPI inflation and RSG grant will consequently fall in line with a flat overall settlement funding position.

Collection Funds

The collection funds are held separately from the General Fund and account for income collected from council tax and business rates. An annual review is undertaken to assess the estimated level of collection, the likely balance of the funds and to advise the precepting authorities (Fire and Police) of their share of any surplus/deficit. This enables them to take this into account in their own budget calculations.

It is estimated that for 2020/21 there will be a surplus on the council tax collection fund of **£1.643m** with the City Council share of this being **£1.402m**. In addition, there will be a surplus on the business rates of **£5.352m** with the City Council share of this being **£2.622m**.

Both these amounts will be paid into the Business Rates & Collection Fund Reserve previously created to protect against any future volatility in funding. This is a particular concern for 2021/22+ with the unknown impact of the next Spending Review and the introduction of Fair Funding Review/75% Rates Retention.

Proposed Council Tax

Table 13 shows the implications for the proposed level of council tax needing to be levied.

If the final budget is in line with the total figures outlined in this report, the proposed total council tax levied for 2020/21 will be **£121.807m**, equating to a Band D of **£1,808.31** and a Band A of **£1,205.54**, this represents a basic increase of **1.99%** and an adult social care precept of **2.00%**.

TABLE 13: AMOUNT TO BE RAISED BY COUNCIL TAX	
DESCRIPTION	2020/21 £m
Net Budget Requirement	248.059
Funding	(122.227)
Collection Fund – Council Tax	(1.402)
Collection Fund – Business Rates	(2.622)
COUNCIL TAX REQUIREMENT	121.807

6. MEDIUM TERM FINANCIAL OUTLOOK (MTFO)

In examining proposals for the 2020/21 budget, the Council considers both the immediate situation and the longer term outlook and assesses the impact of decisions accordingly.

Current MTFO for 2020/21 through to 2022/23 assumes:

- Council tax increases of **3.99%** in 2020/21 (**1.99%** basic increase and **2.00%** adult Social care precept), **1.99%** Council Tax increase for 2021/22 and 2022/23
- Settlement funding confirmed for 2020/21 with working assumption that overall funding for 2021/22+ will continue at same level. The MTFO will updated once more details are known of the Spending Review, Fair Funding Review and 75% Rates Retention
- Working assumption of nil underlying growth in retained business rates over the future years of the MTFO
- Pay award of **2.00%** per annum for all years within the MTFO, at the time of writing the report the pay offer for 2020/21 has yet to be agreed, any variation to this assumption will need to be managed in year
- The recent pension valuation reported an increase to the primary rate and a decrease in the annual pension deficit lump sum payment. The net impact of the changes is an additional cost to the draft MTFP of **£2.2m** pa and it is proposed, as a one off measure, the additional cost for 2020/21 will be funded from reserves. The Council is currently evaluating the most appropriate method of paying the pension deficit lump sum, either monthly, annual payment or one off payment.
- No NHB grant for 2021/22+ to support budget

All these budget assumptions will be subject to on-going review in light of changing circumstances.

Table 14 includes the impact of the 2020/21 budget savings contained elsewhere in this report and confirms the need for on-going significant cost reductions in the short to medium term of **£25m** in 2021/22 and **£30m** in 2022/23.

TABLE 14: MEDIUM TERM FINANCIAL OUTLOOK			
DESCRIPTION	2020/21 £m	2021/22 £m	2022/23 £m
2019/20 Net Budget Requirement	239.785	239.785	239.785
Updated Budget Assumptions	23.898	42.139	52.213
SUB-TOTAL	263.683	281.924	291.998
Already approved / fast tracked proposals	(0.979)	(0.746)	(0.715)
Portfolio proposals	(13.644)	(10.077)	(10.079)
Corporate proposals	(1.000)	1.000	0.000
ASSUMED NET BUDGET	248.059	272.101	281.203
Retained Business Rates, Top-up & RSG	(122.227)	(122.225)	(122.223)
Council Tax	(121.807)	(125.311)	(128.905)
Collection Funds	(4.025)	0.000	0.000
ASSUMED FUNDING	(248.059)	(247.536)	(251.128)
NET MTFO POSITION	0.000	24.565	30.075

7. Financial Stability and the Management of Risk

The Council's strategy is to have financial stability and ensure that our financial pressures are known, understood and well managed. The CFO advises on this using the principles within the MTFS, best practice and professional experience.

Under sections 25-27 of the Local Government Act 2003 (part II), the CFO is required to formally report to councillors on the robustness of the budget estimates and the adequacy of the City Council's financial reserves.

A corporate financial risk assessment has been undertaken to determine key risks and their impact on the budget. This ensures that adequate overall corporate budgetary provision is available to cover for unforeseen future events. This approach is embedded within the budget process and is used to inform the level of reserves required. Details appear in **Annex 5**.

The proposed General Fund balance for 2020/21 is **£11.643m** and has been informed by the risk assessment, financial climate and comparison to other Core Cities.

Annex 5 details the separate report (incorporating the risk assessment) relating to the robustness of the budget and the adequacy of reserves and has been written by the CFO in her capacity as S151 officer.

Transformation Programmes

The Council is currently undertaking the implementation of a new Enterprise Resource Planning (ERP) system for Finance, HR and Payroll which is due to go live from April 2020. This is a key transformation and business change programme that will deliver operational efficiencies. The use of the MRP reserve to fund this transformational activity has enabled the release of **£0.700m** ongoing savings.

8. CIPFA Financial Management Code

The Chartered Institute of Public Finance and Accountancy (CIPFA) published a Financial Management Code in October 2019. This code is designed to support good practice in financial management and to assist local authorities in demonstrating their financial sustainability. **Annex 5** provides more detail on the Financial Management Code and the principles that the Council will need to adopt in order to be compliant.

9. Accountability

Portfolio pages are included below, providing an outline of the key responsibilities of each portfolio and the headline revenue budget. Portfolio Holders are expected to deliver the City's policies and priorities within the resources made available to them. The budgets set for 2020/21 form the basis by which performance management can take place.

The regular monitoring of budgets takes place at various management levels within the Council, including at monthly reports to CLT, Leadership and Executive Panel and is reported quarterly to Executive Board. This is particularly important in highlighting areas of budget pressures, as early as possible in the process, to enable management action to take place.

The City Council recognises the importance of individual and collective accountability and requires managers acknowledge their responsibilities to deliver services on time, to the required standard and within budget, and to implement any savings and investment allocated to their areas. In recognition that financial management is an integral aspect of

effective leadership and good management, relevant councillors and managers are required to participate fully in all aspects of financial processes.

10. Portfolio Pages

Leader / Regeneration, Safety & Communications – Councillor David Mellen



Broad Responsibilities:

- Promote Core Values & Objectives of Council
- Overseeing the strategic use of resources and the strategic planning cycle of the Council
- Political leadership and development of City, reflecting national, European and international policy and strategic partnerships
- Support to portfolio holders

- Strategic Regeneration and Development
 - Overview of all regeneration activity across the City
 - City Centre, major regeneration projects
 - Local Economic Partnership and European Funding
- Strategic Transport
 - HS2
- Strategic and Operational Property
- Metro Strategy
- Community Safety
- Crime and Drugs Partnership
 - Overview of the Council's Section 17 responsibilities.
 - Public and Consumer Protection
 - Community Safety and Respect for Nottingham
 - Domestic Violence
- Communications and Marketing

Revenue Budget 2020/21: Regeneration, Safety & Communications				
	Base Budget £m	Adjustments, Inflation & Previous Decisions £m	Portfolio Proposals £m	Net Budget £m
Total	(12.075)	1.745	(0.949)	(11.279)

Deputy Leader / Energy, Environment and Democratic Services – Councillor Sally Longford



Broad Responsibilities:

- Deputise for the Leader;
- Value for Money and Organisational Health;
- Improved cross-cutting delivery;

- Sustainability
 - Climate change and Carbon Reduction
 - Nature Conservation - Strategy
- Energy, energy bills, fuel poverty
 - Energy from Waste including Enviroenergy (Waste Recycling Group)
 - Nottingham Energy Partnership
 - Waste disposal and waste collection
 - Clean air / Air quality
 - Emergency Planning
 - Flooding and flood risk
 - Robin Hood Energy
 - Smart Cities
- Legal and Democratic Services
 - Elections
 - Monitoring
 - Facility and Building Services
- Customer Services and Customer Care

Revenue Budget 2020/21: Energy, Environment and Democratic Services				
	Base Budget £m	Adjustments, Inflation & Previous Decisions £m	Portfolio Proposals £m	Net Budget £m
Portfolio	20.714	1.544	(1.346)	20.911
Corporate item	0.090	0.000	0.000	0.090
Portfolio Total	20.804	1.544	(1.346)	21.001

Adult Care & Local Transport – Councillor Adele Williams



Broad Responsibilities:

- Adults
 - Corporate Strategies for Older People and Vulnerable Adults
 - Championing Independent Living
 - telecare
 - catering
 - Adult Safeguarding
 - Lead on commissioning of Adults Services
 - Health and Social Care Integration (shared)
 - Meals at Home
 - Adult Passenger Transport
- Neighbourhood Transport
 - NET phase 1,2 and 3
 - Road repairs and resurfacing
 - Traffic Management and Parking
 - Highways Design and Maintenance
 - Public Transport
 - Corporate Transport Fleet
 - Cycling
- Street Lighting

Revenue Budget 2020/21: Adult Care & Local Transport				
	Base Budget £m	Adjustments, Inflation & Previous Decisions £m	Portfolio Proposals £m	Net Budget £m
Total	97.313	4.398	(5.379)	96.333

Children & Young People – Councillor Cheryl Barnard



Broad Responsibilities:

- Children's Services
 - Performing the lead role for Children's Services in accordance with statutory requirements and guidance
 - Children's Safeguarding and children's social care
 - Children in Care and Care Leavers
 - Leading on Early-Intervention
 - Children's Partnership and Young People's Plan
 - Youth and Play teams
 - Youth justice services
 - Children's Centres
 - Children's Disability
 - Children's Mental Health
 - Lead on commissioning of Children's Services

Revenue Budget 2020/21: Children & Young People				
	Base Budget £m	Adjustments, Inflation & Previous Decisions £m	Portfolio Proposals £m	Net Budget £m
Total	51.324	6.000	(2.020)	55.304

Communities – Councillor Rebecca Langton



Broad Responsibilities:

- Neighbourhood Regeneration
 - Neighbourhood Retail Management
 - Cleansing
 - Street Scene
- Area Working
 - Area committee highways work
 - Neighbourhood Management
 - Community Engagement
 - Neighbourhood communications
 - Welfare Rights
- Partnerships – voluntary sector and faith
 - Lead on refugees and asylum seekers
- Community Sector
 - Lead role with the Community Sector and Volunteering
 - Community Centres
- Community Cohesion
- One Nottingham

Revenue Budget 2020/21: Communities				
	Base Budget £m	Adjustments, Inflation & Previous Decisions £m	Portfolio Proposals £m	Net Budget £m
Total	11.570	0.736	(0.308)	11.998

Early Years, Education & Employment – Councillor Neghat Kahn



Broad Responsibilities:

- Schools
 - Education Improvement Board
 - Educational provision 3 – 16 including Academies and Free Schools
 - Attendance
 - School re-organisation and governance
 - Attendance
 - Special Educational Needs – Special Education Schools
 - Pupil Referral Units
 - Virtual School for Children in Care
 - Employability in Schools
 - Services to schools
 - Schools catering
- Jobs and Skills:-
 - Lead on skills and employment
 - Post 16 Training, FE and HE
 - Apprenticeships
 - Develop opportunities for young people and adults
 - Local Jobs for Local People and Making the Connections
 - Investment initiatives
 - Nottingham and Notts Futures Advice, Skills and Employment

Revenue Budget 2020/21: Early Years, Education & Employment				
	Base Budget £m	Adjustments, Inflation & Previous Decisions £m	Portfolio Proposals £m	Net Budget £m
Total	3.878	1.196	(0.255)	4.820

Finance, Growth & the City Centre – Councillor Sam Webster



Broad Responsibilities:

- Finance & Resources
 - Finance
 - Health and Safety
 - Risk Management
 - Collection of Council Tax and NNDR
 - Housing and Council Tax Benefits
- Income Generation and Commercialisation
- Commissioning and Procurement
- City Centre Management
 - City Centre Retail Management
 - Licensing and Environmental Health
 - Trading Standards
 - Taxi Strategy
- Business & Growth
 - Growth Plan Delivery
 - Business Support, Development and Liaison
 - Inward Investment
 - Social Enterprise and Enterprise Development
- Creative Quarter

Revenue Budget 2020/21: Finance, Growth & the City Centre				
	Base Budget £m	Adjustments, Inflation & Previous Decisions £m	Portfolio & Corporate Proposals £m	Net Budget £m
Portfolio	9.885	2.953	(2.855)	9.983
Corporate items	47.715	4.357	(1.358)	50.714
Total	57.600	7.310	(4.213)	60.697

Health, HR & Equalities – Councillor Eunice Campbell-Clark



Broad Responsibilities:

- Health:-
 - Public Health and Wellbeing
 - Health inequalities
 - Smoking and avoidable injuries
 - Chair of the Health and Well Being Board
 - Mental Health and Well-being
 - Teenage Conception
 - Oral / Dental health
 - Wider Health Links
- Health and Social Care Integration (shared)
- Equalities
- HR and Transformation

Revenue Budget 2020/21: Health, HR & Equalities				
	Base Budget £m	Adjustments, Inflation & Previous Decisions £m	Portfolio Proposals £m	Net Budget £m
Total	(5.884)	0.229	(0.219)	(5.874)

Housing, Planning & Heritage – Councillor Linda Woodings



Broad Responsibilities:

- Planning
 - Planning policy and development management
- Housing
 - Physical neighbourhood transformation and regeneration
 - Estate Management – Council and private estates
 - Private Housing and Private Rented Sector
 - Performance of NCH and Housing Associations
 - Student Housing
 - Housing with care and support
 - Strategic and Retained Housing functions
 - Regeneration Land and Property
 - Temporary Accommodation commissioning
 - HiMOs
- Heritage
- Homelessness and Housing Aid

Revenue Budget 2020/21: Housing, Planning & Heritage				
	Base Budget £m	Adjustments, Inflation & Previous Decisions £m	Portfolio Proposals £m	Net Budget £m
Portfolio	6.342	0.290	(0.070)	6.562
Corporate item	(2.950)	0.000	0.000	(2.950)
Total	3.392	0.290	(0.070)	3.612

Leisure, Culture & IT – Councillor Dave Trimble



Broad Responsibilities:

- Leisure and Culture:
 - Parks, allotments, open spaces and playgrounds
 - Street Parks (Play Zones)
 - Leisure Centres
 - Museum and Heritage sites
 - Libraries, Arts and Events, Museums, Theatres and Sport
 - Lead on arms-length venues – Ice Arena, Playhouse, Theatre Royal & Royal Centre
 - Nature conservation – operational
- Tourism
 - Place Marketing Organisation
- Markets, fairs and toilets
- Cemeteries and crematoriums
- Digital Inclusion and IT
 - Information Management and Assurance
- International and European Links

Revenue Budget 2020/21: Leisure, Culture & IT				
	Base Budget £m	Adjustments, Inflation & Previous Decisions £m	Portfolio Proposals £m	Net Budget £m
Total	11.863	0.449	(0.865)	11.447

11. Tax Strategy and Policy – year ended 31 March 2021

Context

The purpose of this section is to set out the Council's (comprising the Council and its subsidiary companies) policy and approach to conducting its tax affairs and dealing with tax risk for year ended 31 March 2021. Organisations and groups with an annual turnover of £200m per annum are legally required to publish a tax strategy, for organisations with a lower turnover although not statutorily required to do so the adoption of a tax strategy is considered to be good practice. This document draws on the Council's current approach to Tax administration and follows best practice in the sector and from advisers.

The document will be reviewed annually by the Council's Section 151 Officer and any amendments will be presented to Executive Board for approval.

This document addresses the Council's:

- a) Approach to risk management and governance arrangements
- b) Attitude towards tax planning
- c) Level of acceptable risk in relation to UK taxation
- d) Approach to dealings with HM Revenue & Customs

Tax Policy

In line with the Council's commitment to adhere to the best ethical and professional standards, the Council commits to conduct its tax affairs in order to:-

- a) Comply with all relevant tax laws, rules, regulations and reporting requirements wherever it operates
- b) Ensure that the tax strategy is at all times consistent with the overall strategy, approach to risk and values of the Council.
- c) Apply diligence and care to the management of risks associated with tax matters, and ensure that governance and assurance procedures are appropriate
- d) Foster constructive, professional and transparent relationships with tax authorities, based on integrity, collaboration and mutual trust
- e) The Council will use incentives and reliefs to minimise the tax costs of conducting its activities. The Council will not enter into transactions that have a main purpose of gaining a tax advantage or intentionally make interpretations of tax law that are opposed to the original intention of the legislation.

Risk Management and Governance

In accordance with the Council's Constitution, the Audit Committee has oversight of the governance of Council Affairs. The Council prepares an Annual Governance Statement in accordance with the Accounts and Audit (England) Regulations 2015 which is considered annually by the Audit Committee alongside the Statement of Accounts. The Council has adopted a Governance Framework that is consistent with the 2016 CIPFA/SOLACE Framework Delivering Good Governance in Local Government.

Authority is delegated to officers for the day-to day operation of the Council's affairs in accordance with an agreed schedule of delegation. As head of paid service the Chief Executive is ultimately accountable to the Council for all aspects of operational management of Council affairs.

The Monitoring Officer and Section 151 Officer fulfil key roles in ensuring that the Council complies with all applicable statutes and regulations and maintains appropriate financial records and systems of control. The operational application of these roles is delegated to other officers within the Council establishment.

Personnel managing the Council's tax affairs are appropriately qualified and experienced; they are required to update their knowledge through Continuing Professional Development and liaising with colleagues within the sector through appropriate forums and informally to ensure that best practice is maintained.

When it is judged to be required the Council seeks advice from appropriately qualified external advisers.

The Council adopts appropriate risk management processes and controls to provide assurance that the Council is complying with the requirements of applicable statutes and the Tax Strategy. This includes consideration of reputational risk arising from the Council's approach to tax.

Attitude to Tax Planning

The Council's policy in relation to tax is to comply with its legal duty to account for and pay all tax due and recover all tax to which it is entitled.

The Council will use available incentives and reliefs to minimise the tax costs of conducting its activities, thereby retaining more funds available to maintain the delivery of services to citizens.

The Council aims to pay the amounts of tax legally due. There are likely to be circumstances where this amount may not be clearly defined, or where alternative interpretations or approaches might result in different tax outcomes. In these circumstances, the Council will use its best judgement to determine the appropriate course of action. This will usually involve seeking advice from external professional advisers and/or HMRC.

The Council will not enter into transactions that have a main purpose of gaining a tax advantage or intentionally make interpretations of tax law that are opposed to the original intentions of the legislation.

Level of Acceptable Risk

In accordance with generally accepted best practice, The Council's appetite to risk is determined on an activity basis such that risks are taken in a controlled manner within the overall governance framework set by Council with a generally cautious approach to risk. The Section 151 Officer will determine the degree of risk in any activity, consulting colleagues, members of Council and external advisers as appropriate.

Relationship with HM Revenue & Customs

It is the Council's intention to have constructive, professional and transparent relationships with tax authorities, based on concepts of integrity, collaboration and mutual trust. The Council's aim is to meet all its statutory and legislative tax requirements.

As part of this, personnel managing the Council's tax affairs will:

- Submit all statutorily required returns and payments in accordance with deadlines and respond to requests for information by tax authorities in a courteous and timely manner
- Conduct all dealings with tax authorities with openness and honesty, maintaining the Council's standard policies on integrity and ethics.
- Engage in open and early dialogue to discuss tax planning, strategy, risks and significant transactions
- Aim to minimise the risk of future challenge and gain certainty in our tax affairs by proactively entering into dialogue with HMRC in real time with regard to issues where the correct treatment is uncertain.

- Where disagreements arise, work together to resolve issues by agreement (where possible)
- Respond to Consultations as appropriate, either directly with HMRC or via appropriate representative groups.

Bodies covered by this Tax Strategy and Policy

The following bodies are covered by this strategy and policy:

- Enviroenergy Ltd
- Nottingham City Council
- Nottingham City Homes
- Nottingham City Transport
- Nottingham Ice Centre Limited
- Nottingham Revenues & Benefits Ltd
- Robin Hood Energy
- Thomas Bow Ltd

Adult Care & Local Transport

Appendix A.1

	Department	Service Area	Title of Proposal	Narrative	2020/21 £m	2021/22 £m	2022/23 £m
1	C&A - Adults	ASC	Commissioned services review	Ensure the best value for payment of commissioned social care services to support eligible citizens.	(0.800)	0.000	0.000
2	C&A - Adults	ASC	Introduction of Best Practice Policy	In line with the Better Lives, Better Outcomes programme the Care and Support Policy will be reviewed in conjunction with the new approach and learning achieved.	(0.300)	(0.300)	(0.300)
3	C&A - Adults	ASC	Short Breaks	Partnership working between Nottingham City Homes and Adult Social Care to create a Short Breaks Facility for citizens with complex Learning Disabilities	(0.030)	(0.060)	(0.060)
4	C&A - Adults	ASC	Consultation Fees and Charging	A system for charging will be put in place for in-house home care once the non-chargeable reablement is completed.	(0.005)	(0.010)	(0.010)
5	C&A - Adults	ASC	Day Care offer for Older People	Relocate The Willows older people day service into Cherry Trees residential service	(0.019)	(0.019)	(0.019)
6	C&A - Adults	ASC	Alternative Accommodation	Developing Alternative Accommodation options for citizens with Neurological Conditions	(0.024)	(0.048)	(0.048)
7	C&A - Adults	ASC	Fees and Charges review	The implementation for the removal of the subsidy for those citizens who can afford to contribute to their social care (Day Care, Transport, Additional Carer) has been delayed. Due to this delay the expected saving created from this policy change will impact in 2020/21	(0.099)	(0.028)	0.000
8	C&A - Adults	ASC	External funding UPDATED PROPOSAL	Non recurrent external funding that supports initiatives already captured in the 2020/21 MTFP	(1.741)	0.000	0.000
9	C&A - Adults	ASC	Non-recurrent equipment budget	Release of non-recurrent minor adaptations and specialist equipment budget underspend, carried forward from 2017/18+	(0.312)	0.000	0.000
10	C&A - Adults	ASC	Management redesign NEW PROPOSAL	Review of management posts to identify and create efficiencies across the whole department.	(0.090)	(0.090)	(0.090)
11	C&O	Commercial & Energy Infrastructure	Highways Services - Commercialism	The commercialisation of the Highways Services	(0.772)	(0.539)	(0.508)
12	C&O	Neighbourhood Services	On-street parking changes	Increase hourly rate	(0.064)	(0.064)	(0.064)
13	C&O	Neighbourhood Services	On-street parking changes	Introduce a through the night charge	(0.021)	(0.021)	(0.021)
14	C&O	Neighbourhood Services	On-street parking changes	Consistent tariffs throughout the day and evening	(0.009)	(0.009)	(0.009)
15	C&O	Neighbourhood Services	On-street parking changes	Minimum tariff is 1hr	(0.009)	(0.009)	(0.009)
16	C&O	Neighbourhood Services	On-street parking changes	Introduce charging for motorbikes	(0.017)	(0.017)	(0.017)

	Department	Service Area	Title of Proposal	Narrative	2020/21 £m	2021/22 £m	2022/23 £m
17	C&O	Neighbourhood Services	On-street parking changes	Extend cashless zones	(0.050)	(0.050)	(0.050)
18	C&O	Neighbourhood Services	On-street parking changes	Extend pay by phone system	(0.020)	(0.020)	(0.020)
19	C&O	Neighbourhood Services	On-street parking changes (Lenton Lane and Willow Road)	Implement charging on free bays	(0.006)	(0.006)	(0.006)
20	C&O	Neighbourhood Services	On-street parking charges in Meadows	Increase price	(0.015)	(0.015)	(0.015)
21	C&O	Neighbourhood Services	On-street parking charges in Sherwood	Increase price	(0.016)	(0.016)	(0.016)
22	C&O	Neighbourhood Services	ULEV Fleet Framework	Income from Commission Payments	(0.005)	(0.005)	(0.005)
23	C&O	Neighbourhood Services	Workplace Parking Levy	Consultancy Income	(0.020)	0.000	0.000
24	D&G	Traffic	Fees and Charges	A review of fees and charges for activities on the public highway to take account of the Consumer Price Index and full cost recovery.	(0.025)	(0.025)	(0.025)
25	D&G	Traffic	City Centre decluttering	Working in collaboration with the BID to support A-board and other decluttering initiatives to make the city centre more accessible and attractive to visitors and shoppers.	(0.010)	(0.010)	(0.010)
26	D&G	Traffic	Bus Lane Enforcement Review	Introduce a new camera at congestion hot spots to improve bus time reliability	(0.080)	(0.120)	(0.180)
27	D&G	Public Transport	Link bus Rationalisation / Commercialism	Commercialise Park and Ride services	(0.250)	(0.250)	(0.250)
28	D&G	Public Transport	Easylink Contract	Seek increased external financial contribution towards Easylink 'door-to-door' passenger transport service contract	(0.020)	(0.020)	(0.020)
29	D&G	Public Transport	Concessionary travel	Implementation of anti-fraud measures and revised operator reimbursement methodology	(0.120)	(0.100)	(0.010)
30	D&G	Public Transport	Bus departure fees	Revise Victoria Bus Station departure fee and introduce Park and Ride departure charge	(0.015)	(0.015)	(0.015)
31	D&G	Public Transport	Link buses	Let advertising contract on Link Buses	(0.015)	(0.015)	(0.015)
32	D&G	Public Transport	Linkbus rationalisation	Link bus efficiencies	(0.400)	(0.400)	(0.400)
33	D&G	Major Projects	Private Finance Initiative	Private Finance Initiative refinancing	(0.258)	(0.158)	(0.158)
PORTFOLIO TOTAL					(5.637)	(2.438)	(2.350)

Children & Young People

Appendix A.2

	Department	Service Area	Title of Proposal	Narrative	2020/21 £m	2021/22 £m	2022/23 £m
1	C&A - Children's	Children In Care / Placements	Intensive support in high risk situations for children to avoid removing them into care	Investing in a dedicated small team to support families and children where they are on the edge of coming into care. We intend to use funds committed to high cost placements to pilot an alternative intensive approach in direct support.	(0.500)	(0.500)	(0.500)
2	C&A - Children's	Children In Care / Placements	External Placements	Increasing our approach to help children and young people live in their families or foster families instead of residential care so reducing the number of external residential placements.	(0.590)	(0.590)	(0.590)
3	C&A - Children's	Children In Care / Placements	Internal Residential Provision	Extending one of our specialist residential homes to create more space and a sensory room, will allow us to use all 4 beds for young people with complex needs. This keeps them close to home and schools they know well and saves money in the longer term.	(0.203)	(0.203)	(0.203)
4	C&A - Children's	Children In Care / Placements	Special Guardians Review	A national partner in Practice Local Authority has committed to supporting us in reviewing how to offer appropriate and meaningful support to Local Authority Special Guardians and for our previously looked after children on child arrangement orders. We aim to improve our support, whilst reorganising the help we offer to create efficiencies.	(0.093)	(0.093)	(0.093)
5	C&A - Children's	Children In Care / Placements	Parental and Family Assessment Approach	We will increase our assessment capacity to avoid delay for children which is costly where they could potentially return to families, but require a thorough assessment.	0.140	0.140	0.140
6	C&A - Children's	Children In Care / Placements	Semi Independence	Create alternatives to semi-independence placements, where this is assessed to be safe and appropriate as part of a goal to help more young people experience living in families - to include supported lodgings scheme.	(0.426)	(0.426)	(0.426)
7	C&A - Children's	Children In Care / Placements	Foster Carers	Continue to expand our fostering service to offer caring, committed local families who can provide homes for our children in care.	(0.287)	(0.287)	(0.287)
8	C&A - Children's	Early Help	NGY Contract	Reduced contribution	(0.010)	(0.010)	(0.010)
9	C&A - Children's	Early Help	Children's Centres NEW PROPOSAL	Reduction in activity budgets	(0.049)	(0.049)	(0.049)
10	C&A - Children's	Early Help	Play and Youth Teams NEW PROPOSAL	The restructure of the Play and Youth service	(0.003)	(0.003)	(0.003)
PORTFOLIO TOTAL					(2.020)	(2.020)	(2.020)

Communities

Appendix A.3

	Department	Service Area	Title of Proposal	Narrative	2020/21 £m	2021/22 £m	2022/23 £m
1	C&O	Community Protection	Community Centres NEW PROPOSAL	Review of facilities management costs	(0.040)	(0.040)	(0.040)
2	C&O	Directorate	Partnership working NEW PROPOSAL	Closer partnership working with communities	(0.050)	(0.050)	(0.050)
3	C&O	Neighbourhood Services	Public Realm Services	Integration of Public Realm Management	(0.150)	(0.150)	(0.150)
PORTFOLIO TOTAL					(0.240)	(0.240)	(0.240)

Early Years, Education & Employment

Appendix A.4

	Department	Service Area	Title of Proposal	Narrative	2020/21 £m	2021/22 £m	2022/23 £m
1	C&A - Education	Education Partnerships	Post 16 SEN Transport	Formal adoption of Post 16 Travel Policy. Proposal has been consulted on with directly affected families.	(0.025)	(0.025)	(0.025)
2	C&A - Education	Inclusive Learning	Routes to Inclusion	Social and Emotional Mental Health assessment, training and advisory service to be commercially marketed to external bodies	(0.005)	(0.010)	(0.015)
3	C&A - Education	Inclusive Learning	Commercial Opportunities in Education	Commercial opportunities in Education	(0.015)	(0.020)	(0.025)
4	D&G	Economic Development	Futures	Reduction in annual NCC contribution	(0.104)	(0.104)	(0.104)
5	D&G	Major Projects	School PFI grants	Ensure school PFI models are picking up the full cost of contract management	(0.101)	(0.101)	(0.101)
6	D&G	Major Projects	Residual asset management budget	No further calls anticipated on the budget	(0.005)	(0.005)	(0.005)
PORTFOLIO TOTAL					(0.255)	(0.265)	(0.275)

Energy, Environment & Democratic Services

Appendix A.5

	Department	Service Area	Title of Proposal	Narrative	2020/21 £m	2021/22 £m	2022/23 £m
1	C&O	Commercial & Energy Infrastructure	Expansion of Energy schemes	Additional Income from Energy Initiatives	(0.250)	(0.250)	(0.250)
2	C&O	Commercial & Energy Infrastructure	Reduction in Contaminated waste	Increase recycling and reduce contamination	(0.050)	(0.050)	(0.050)
3	C&O	Neighbourhood Services	Establish a Council owned Commercial Waste company	To set up an arms-length company for Commercial Waste	(0.200)	(0.200)	(0.200)
4	C&O	Neighbourhood Services	Commercial Waste	To organically grow the Commercial Waste Business by 5%	(0.080)	(0.080)	(0.080)
5	C&O	Neighbourhood Services	Additional Mid-winter garden waste collection NEW PROPOSAL	Mid-winter garden waste e.g. free Christmas tree collection service and advise citizens of their disposal options, specific collection will require a £10 payment in advance of collection	(0.010)	(0.010)	(0.010)
6	C&O	Neighbourhood Services	Building Services	Efficiencies and Income growth in Building Services	(0.150)	(0.150)	(0.150)
7	C&O	Neighbourhood Services	Building Cleaning NEW PROPOSAL	Reduced Cleaning in Council Facilities, specifically Loxley house	(0.025)	(0.025)	(0.025)
8	S&R	Customer Services	Customer-centric Approach NEW PROPOSAL	Digitalise services to improve productivity and reduce costs associated with process inefficiencies. Rationalise first contact into Customer Hub encouraging improved access, channel shift and improved access to expertise, enable a single view of the citizen and ensure compliance is duly adhered to	(0.200)	(0.200)	(0.200)
9	S&R	Legal & Governance	Legal & Governance	Reduction in posts across Legal & Governance	(0.121)	(0.121)	(0.121)
10	S&R	Legal & Governance	Grant funding	Maximise grant funding over 2 years to fund a post in Legal & Governance	(0.035)	(0.035)	0.000
11	S&R	Legal & Governance	Offsite storage	Reduction in cost for offsite storage by reviewing and reducing the number of boxes stored long term off site	(0.020)	(0.020)	(0.020)
12	S&R	Legal & Governance	Conveyancing	Income target increase	(0.005)	(0.005)	(0.005)
13	S&R	HR & Customer	Registrars	Increased income	(0.020)	(0.020)	(0.020)
14	S&R	HR & Customer	Customer Hub	Staffing Reduction	(0.023)	(0.023)	(0.023)
15	S&R	HR & Customer	Civic function	Efficiencies	(0.008)	(0.008)	(0.008)
PORTFOLIO TOTAL					(1.196)	(1.196)	(1.161)

Finance Growth & the City Centre

Appendix A.6

	Department	Service Area	Title of Proposal	Narrative	2020/21 £m	2021/22 £m	2022/23 £m
1	C&O	Community Protection	Reduce Environmental Health	Reduce by 1fte	(0.025)	(0.025)	(0.025)
2	C&O	Community Protection	Reduce Trading Standards Officers	Reduce by 1fte	(0.035)	(0.035)	(0.035)
3	C&O	Neighbourhood Services	Nottingham Catering UPDATED PROPOSAL	Increased Income	(0.120)	(0.100)	(0.100)
4	C&O	Neighbourhood Services	Charge Pest Control to the Housing Revenue Account (HRA)	Charge HRA for the costs associated with Housing Landlord function	(0.040)	(0.040)	(0.040)
5	S&R	Analysis & Insight	Corporate Performance and Policy team	Reduction of a post	(0.041)	(0.041)	(0.041)
6	S&R	Commissioning & Procurement	Alternative funding	Use of external funding to support delivery of Adults and Social Care contracts.	(0.085)	(0.085)	0.000
7	S&R	Commissioning & Procurement	Reduction in procurement posts	The proposal involves a reduction in the size of the procurement team	(0.062)	(0.062)	(0.062)
8	S&R	Commissioning & Procurement	Commissioning Team	Reduction in Commissioning Team posts	(0.112)	(0.112)	(0.112)
9	S&R	Commissioning & Procurement	Review of contracts	Review of contracts across the council.	(0.200)	(0.200)	(0.200)
10	S&R	Strategic Finance	Treasury Management	Saving generated from Treasury Management activity from work undertaken to reduce cost of borrowing / generate financial returns from use of resources	(0.260)	(0.260)	(0.260)
11	S&R	Strategic Finance	Insurance premiums	Saving following the successful negotiation of policies in terms of self-insurance	(0.110)	0.000	0.000
12	S&R	Strategic Finance	Council Tax and Business Rates	Realignment of activity to further target fraud in relation to Council Tax and Business Rates	(0.210)	(0.210)	(0.210)
13	S&R	Strategic Finance	Housing Benefits	Reduce the error rates in relation to Housing Benefit, introduce an invest to save quality assurance approach working with partners	(0.210)	(0.210)	(0.210)
14	S&R	Strategic Finance	East Midlands Shared Services (EMSS)	Contract Price Reduction and service provision	(0.200)	(0.200)	(0.200)
15	S&R	Strategic Finance	Nottingham Revenue & Benefits (NRB)	Contract and service delivery review following successful trading surplus	(0.100)	(0.050)	(0.050)
16	S&R	Strategic Finance	Strategic Finance	Removal of vacant posts	(0.125)	(0.125)	(0.125)
17	S&R	Strategic Finance	Replacement ERP system - Oracle cloud solution	Savings from licence fees and hosting costs	(0.700)	(0.700)	(0.700)
18	S&R	Strategic Finance	Discretionary Business Rates relief	Review of discretionary relief awarded to business rates payers	(0.055)	(0.055)	(0.055)
PORTFOLIO TOTAL					(2.690)	(2.510)	(2.425)

Health, HR & Equalities

Appendix A.7

	Department	Service Area	Title of Proposal	Narrative	2020/21 £m	2021/22 £m	2022/23 £m
1	C&A - Public Heath	Public Heath	Contractual efficiencies NEW PROPOSAL	Contractual efficiencies	(0.050)	0.000	0.000
2	S&R	HR & Customer	Employability budget	Reductions to the employability budget will be offset by support from a European Social Fund Bid and improved value for money via a tender for recruitment and training support.	(0.050)	(0.150)	(0.300)
3	S&R	HR & Customer	Transformation budget	This budget provides support for training, development and engagement of employees across the council. Activity will be correspondingly reduced.	(0.055)	(0.055)	(0.055)
4	S&R	HR & Customer	Non-salary budgets	Reduction in non-salary budgets across the HR & Customer directorate.	(0.064)	(0.064)	(0.064)
PORTFOLIO TOTAL					(0.219)	(0.269)	(0.419)

Housing, Planning & Heritage

Appendix A.8

	Department	Service Area	Title of Proposal	Narrative	2020/21 £m	2021/22 £m	2022/23 £m
1	C&O	Community Protection	Increase charges to HRA for ASB activity NEW PROPOSAL	A 10% increase to the HRA charge for the contribution to ASB – in line with cumulative inflation	(0.026)	(0.026)	(0.026)
2	D&G	Planning and Regeneration	Pre-application fees	Increase due to the level of major developments taking place in the City	(0.010)	(0.010)	(0.010)
3	D&G	Planning and Regeneration	Framework contractual cost	Negotiated reduction in contract price for the current provision has been agreed of £20k	(0.020)	(0.020)	(0.020)
4	D&G	Planning and Regeneration	Planning post	Use of alternative funding mechanisms to cover Planning post	(0.040)	(0.040)	(0.040)
5	D&G	Strategic Homelessness	Strategic Homelessness	One off use of reserve to support Strategic Homelessness budgets releasing base budget for one year	(0.250)	0.000	0.000
6	D&G	Various	HRA charges	Increased charges for retained housing	(0.224)	(0.224)	(0.224)
PORTFOLIO TOTAL					(0.570)	(0.320)	(0.320)

Leisure, Culture & IT

Appendix A.9

	Department	Service Area	Title of Proposal	Narrative	2020/21 £m	2021/22 £m	2022/23 £m
1	C&O	Neighbourhood Services	Cemeteries and Crematoria	Additional Income	(0.050)	(0.050)	(0.050)
2	C&O	Neighbourhood Services	Parks Development Activity	Increased Parks Development Project Management Fee Income	(0.020)	(0.020)	(0.020)
3	C&O	Neighbourhood Services	Tree Services	Additional Income	(0.020)	(0.020)	(0.020)
4	C&O	Neighbourhood Services	Parks Commercial	Commercial landscape and grounds maintenance contracts	(0.050)	(0.050)	(0.050)
5	C&O	Neighbourhood Services	Spectacolour NEW PROPOSAL	Reduction of Spectacolour Neighbourhood Floral Bedding	(0.025)	(0.025)	(0.025)
6	C&O	Neighbourhood Services	Close 2 out of 3 Super Loos NEW PROPOSAL	Impacted areas are Spondon St and Forest Park & Ride £0.045m to come out of contract Victoria Embankment to remain open	0.000	(0.018)	(0.063)
7	C&O	Sport & Culture	Events	Review events / new commercial developments	(0.050)	(0.050)	(0.050)
8	C&O	Sport & Culture	Cultural Grants	Reduction in Cultural Grants	(0.025)	(0.025)	(0.025)
9	C&O	Sport & Culture	Theatre Royal and Concert Hall	Increase commercial income	(0.100)	(0.100)	(0.100)
10	C&O	Sport & Culture	Nottingham Tennis Centre	Review current operating model	(0.080)	(0.120)	(0.120)
11	C&O	Sport & Culture	Libraries	Hire of rooms	(0.001)	(0.001)	(0.001)
12	C&O	Sport & Leisure	Leisure Centres NEW PROPOSAL	Review the operating model of leisure centres	(0.200)	(0.200)	(0.200)
13	D&G	Economic Development	Tourist Information Centre	Reduction in annual costs	(0.050)	(0.050)	(0.050)
14	S&R	IT	ITLT senior management	Reduction in ITLT senior management post	(0.050)	(0.050)	(0.050)
15	S&R	IT	IT management and change management	Reduction in IT management and change management positions	(0.042)	(0.042)	(0.042)
16	S&R	IT	Service Support team	Reduction in Service Support team capacity	(0.023)	(0.023)	(0.023)
17	S&R	IT	IT Infrastructure	Infrastructure savings - a range of low risk changes regarding licences, support and maintenance	(0.026)	(0.026)	(0.026)
18	S&R	IT	Replacement frequency for laptops	Extension of replacement frequency for laptops. Currently 5,500 laptops are replaced on a 5 year cycle and extending this would generate savings.	(0.050)	(0.050)	(0.050)
PORTFOLIO TOTAL					(0.862)	(0.920)	(0.965)

Regeneration, Safety & Communications

Appendix A.10

	Department	Service Area	Title of Proposal	Narrative	2020/21 £m	2021/22 £m	2022/23 £m
1	C&O	Community Protection	Parking Enforcement	Productivity Review through yield increase	(0.060)	(0.060)	(0.060)
2	C&O	Community Protection	Residents parking permits	Charging for non-council tax payers for parking permits (£100) Charging for any fourth permits issued (£100)	(0.028)	(0.028)	(0.028)
3	C&O	Community Protection	Community protection	Extended vacancy management and income maximisation	(0.125)	(0.125)	(0.125)
4	C&O	Community Protection	Security Services	Delivery of patrol, events, site security, alarm monitoring and response services.	(0.100)	(0.100)	(0.100)
5	C&O	Community Protection	CCTV Control Room	Additional savings from the Implementation of the previous budget decision to establish one 24/7 Control Room by merging CCTV with Traffic Control	(0.025)	(0.025)	(0.025)
6	C&O	Community Protection	PCC contribution towards partnership working NEW PROPOSAL	Further joint working with PCC	(0.025)	(0.025)	(0.025)
7	D&G	Directorate	Partnership working NEW PROPOSAL	Closer partnership working with communities	(0.050)	(0.050)	(0.050)
8	D&G	Directorate	Advertising / Sponsorship NEW PROPOSAL	Increase income into the Council by developing new advertising and sponsorship propositions to support organisations wishing to reach residents, workers, visitors and students in the City. Review external spend on advertising and ensure optimum value for money is being achieved.	(0.100)	(0.100)	(0.100)
9	C&O	Neighbourhood Services	Planned Maintenance	Reduce the Planned/Preventative maintenance budget for 1 year only	(0.200)	0.000	0.000
10	D&G	Strategic Asset & Property	Vacant post	Deletion of half a vacant post	(0.020)	(0.020)	(0.020)
11	D&G	Transport Strategy	Grant maximisation NEW PROPOSAL	Maximisation of grants within Transport Strategy will enable salary costs to be met from grants for 20/21.	(0.100)	0.000	0.000
12	S&R	Marketing & Comms	Reduce Arrow from 4 to 3 editions	This change would be supported by additional promotion to shift even more citizens to our digital channels for Council information and news. The Council would consider and seek to offer a bespoke solution for people who cannot access digital information	(0.033)	(0.033)	(0.033)
13	S&R	Marketing & Comms	Social Media accounts management	Cease using third party software to manage Social Media accounts	(0.014)	(0.014)	(0.014)
14	S&R	Analysis & Insight	Citizens and Respect Survey	Two residents surveys are traditionally carried out annually and the proposal is to not carry one of them out in 2020 or 2021	(0.015)	(0.025)	0.000
15	S&R	Marketing & Comms	Design and Print	Delete vacant manager post and re-align team under remaining manager in the service	(0.030)	(0.030)	(0.030)
16	S&R	Marketing & Comms	Increase income	Increase income into the service via existing income target streams	(0.005)	(0.005)	(0.005)
17	S&R	Marketing & Comms	Print procurement review	Review how print is currently procured within the Council and re-tender the print framework	(0.005)	(0.005)	(0.005)
PORTFOLIO TOTAL					(0.935)	(0.645)	(0.620)