

## Executive Board – 19 January 2021

<b>Subject:</b>	2021/22 Budget Consultation
<b>Corporate Director(s)/Director(s):</b>	Clive Heaphy, Strategic Director of Finance & Section 151 Officer
<b>Portfolio Holder(s):</b>	Councillor Sam Webster, Portfolio Holder for Finance, Growth & the City Centre
<b>Report author and contact details:</b>	Theresa Channell, Head of Strategic Finance & Deputy Section 151 Officer theresa.channell@nottinghamcity.gov.uk
<b>Other colleagues who have provided input:</b>	Colleagues within Strategic Finance
<b>Subject to call-in:</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Key Decision:</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Criteria for Key Decision:</b>	
(a)	<input type="checkbox"/> Expenditure <input type="checkbox"/> Income <input type="checkbox"/> Savings of £1,000,000 or more taking account of the overall impact of the decision
<b>and/or</b>	
(b)	Significant impact on communities living or working in two or more wards in the City <input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Type of expenditure:</b>	<input checked="" type="checkbox"/> Revenue <input type="checkbox"/> Capital
<b>Total value of the decision:</b>	Nil
<b>Wards affected:</b>	All
<b>Date of consultation with Portfolio Holder(s):</b>	October 2020 – January 2021
<b>Relevant Council Plan Key Theme:</b>	
Nottingham People	<input checked="" type="checkbox"/>
Living in Nottingham	<input checked="" type="checkbox"/>
Growing Nottingham	<input checked="" type="checkbox"/>
Respect for Nottingham	<input checked="" type="checkbox"/>
Serving Nottingham Better	<input checked="" type="checkbox"/>
<b>Summary of issues (including benefits to citizens/service users):</b>	
<p>This report sets out draft proposals for the revenue element of the Council's Medium Term Financial Strategy (MTFS) for 2021/22 to 2023/24 and an update on Period 7 2020/21 budget monitoring. The Council wishes to consult with its citizens, businesses and its partners in order to finalise its proposals in February 2021.</p> <p>Local authorities continue to operate in an extremely challenging financial environment with reduced levels of Government funding since 2010, the effects of Covid-19 and the uncertainties of Brexit and these challenges have impacted all Councils including Nottingham. Nottingham additionally has had local financial challenges, not least in respect of Robin Hood Energy, which have been well reported.</p> <p>These budget proposals are thus set in this context and reflect:</p> <ol style="list-style-type: none"> <li>a. A proposed increase in basic council tax from April 2021 of <b>1.99%</b> and an additional increase of <b>3.00%</b> to fund pressures in Adult Social Care funding as permitted by Government for 2021/22. This results in a total proposed increase in Council Tax of <b>4.99%</b>;</li> <li>b. Assumed net impact of <b>£18.2m</b> from the Local Government Settlement and 2021/22 Covid-19 funding announced as part of the November 2020 Spending Review, a significant part of this is one-year funding;</li> </ol>	

- c. New savings of **£15.6m** for 2021/22 of which:
  - o **£11.3m** are savings requiring public consultation
  - o **£4.4m** are savings not requiring public consultation of which
    - o **£4.0m** are in relation to workforce savings and
    - o **£0.4m** are non-workforce savings;
- d. Cost pressures of **£36.0m** in 2021/22 rising to **£43.4m** in 2023/24 arising from Covid-19 (costs and loss of income), contractual inflation, demographic growth and a range of other factors.

The overall impact of the above still leaves a remaining funding gap for 2021/22 of **£7.2m** which, unless identified, would need to be funded from diminishing reserves. Work continues to identify ways to reduce or eliminate this gap and the outcomes of this work will form part of the MTFs to be presented to the February 2021 Executive Board.

In drawing up its proposals, the Council is mindful of;

- a. The External Auditor’s Public Interest Report (PIR) into Robin Hood Energy in August 2020, following the company’s deteriorating financial position and the Council’s decision to sell the customer base and dispose of the Company;
- b. The subsequent Government-commissioned Non-Statutory Review (NSR) in November 2020.

The Council has accepted the findings of the PIR and will consider the findings of the NSR and a proposed ‘Recovery and Improvement Plan’ at the January 2021 Executive Board and a special meeting of the Council on 25 January 2021.

Implementation of the findings of both reports will be key priorities throughout 2021/22-2023/24 as the Council seeks to secure its medium term financial sustainability. Implementation of these findings will have short term financial consequences.

The Council considers that the best way to fund these costs and achieve medium term financial sustainability is not to continue to reduce its reserves but to spread costs over a number of years to allow reform to take place. To do this, the Council will require Ministry of Housing, Communities and Local Government (MHCLG) approval to allow the Council to borrow up to **£35m** to fund revenue spend. This request was submitted to MHCLG on 23 December 2020 (known as capitalisation).

The Council’s Chief Financial Officer (Section 151) has a statutory duty to make an assessment of the robustness of the budget and the adequacy of reserves. This will be a key part of the February 2021 MTFs.

**Exempt information:** None

**Recommendation(s):**

- 1 To endorse the draft consultation proposals as set out in paragraph **3.13** and **Table 8** of the report and to commence formal public consultation.
- 2 To note that further details relating to the individual consultation proposals are contained in **Appendix 1a-j**.

## 1 Reasons for recommendations

- 1.1 This report seeks endorsement to the Council's draft budget proposals for 2021/22 to 2023/24 to enable public consultation to commence. Consultation will run from 19 January 2021 until Full Council on 8 March 2021.
- 1.2 Proposals that include workforce reductions will be subject to internal consultation with trade unions and affected colleagues. Details of such proposals may, therefore, be amended during the consultation period and may impact on the way in which identified proposals will be delivered.

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

- 2.1 Local authorities continue to operate in an extremely challenging financial environment with reduced levels of Government funding since 2010, the effects of Covid-19 and the uncertainties of Brexit. These have impacted all Councils and Nottingham City Council is no different. The Government's spending review on 25 November 2020 and the Provisional Local Government Settlement on 17 December 2020 confirmed a one-year funding settlement for 2021/22.
- 2.2 Throughout the period 2010/11 to 2019/20, the Council has had to make cumulative budget savings totalling **£271.4m**. The 2020/21 Budget and current MTFP was approved by Full Council on 9 March 2020, prior to the Covid-19 pandemic, and included new savings of **£15.6m**, existing savings plans of **£0.3m** and pressures of **£17.9m**.
- 2.3 The severe impacts of the Covid-19 pandemic on the City in 2020/21 will continue to have a fundamental financial impact for the medium term. An event of this magnitude undoubtedly means the Council will need to consider closely how its business and services should operate in the future. There remains potential longstanding impact on Council income if behaviour, working and spending patterns in the city continue to change. The significant pressures set out in this report reflect in large part the financial effects of the pandemic on the City.
- 2.4 In addition, the Council experienced significant financial exposures in respect of its interest in Robin Hood Energy and these will crystallise following the company entering into administration in January 2021. A number of other council owned companies have also experienced challenging trading conditions largely resulting from the effects of Covid-19.
- 2.5 The Council has responded to those challenges and has reported the financial impact on the 2020/21 budget to June and July Executive Boards. The scale of the impact and the statutory requirement to set a balanced budget led to the S151 Officer to recommend setting an Interim Budget for 2020/21. This was approved by September Executive Board and October Full Council.

### **2.6 Interim Budget 2020/21**

Key points from the Interim Budget (adjusted for additional Covid-19 funding) include:

1. Gross Covid-19 impact of **£78.4m** offset by mitigations including:
  - Confirmed Government Funding for Covid-19 of **£23.5m** and estimated Income Compensation Scheme relating to the loss of income as a result of Covid-19 of **£16.3m**;

- **£12.5m** of new 2020/21 savings were identified and approved, of which **£4.8m** are ongoing into 2021/22.
- Business as usual underspend of **£5.8m**, off-set by a carried over 2019/20 overspend of **£6.8m**.

A consequential funding gap of **£27.0m**.

2. An estimated **£38.2m** pressures relating to the decision to place Robin Hood Energy into administration plus **£6.0m** of provisions to cover the possibility of other council owned companies experiencing difficulties totalling **£44.2m** attributed to extraordinary events.
3. A total gap of **£71.2m** funded by the permanent release of **£38.7m** reserves and the use of a further **£31.3m** of reserves on a 'borrow and pay back' basis over 4 years to address the funding gap.

## 2.7 General Fund Estimated Outturn 2020/21 as at Period 7

The announcement of the Tranche 4 Covid-19 funding of **£10.7m** post the Interim Budget setting and other movements reduced the requirement to borrow from reserves to **£20.1m**. This reduction in borrowing has reduced the repayment schedule, the draft MTFP assumes the outturn for 2020/21 is in line with this latest forecast.

- 2.8 The latest forecast position as at 31 October 2020 (Period 7) shows a net reduction in costs of **£2.2m** from the Interim budget position. There is a **£3.8m** favourable Portfolio variance, this is largely within the Adult Care and Local Transport Portfolio where there is a budgeted underspend of **£4.0m** due to variances within Care Purchasing Budgets. There are additional overspends in relation to the Councils group companies mainly arising from the economic impact of Covid-19 on business models.
- 2.9 The period 7 gross Covid-19 impact is **£78.4m**. This includes:
  - Additional expenditure of **£37.7m** on areas like purchase of PPE and supporting vulnerable citizens;
  - The financial impact of Covid-19 on the Council's income-generating activities, which has been severe, with a current loss to the Council of **£27.6m** as a consequence of the closure of facilities like leisure centres and heritage attractions;
  - The impact on the Council's "commercialisation" strategy has been profound and currently stands at **£13.1m** due to reductions in dividends, returns and income. In addition, some of the companies it owns have experienced financial difficulties and are looking to the Council to support them.
- 2.10 The Government has provided the Council compensation of **£50.0m** but this has left the Council with a shortfall on expenditure and loss of income of **£28.4m** which has been funded from non-Covid underspends, in-year savings and reserves.
- 2.11 At the time of writing this report, national restrictions apply however the forecast is based on assumptions and national restrictions as at period 7 (October actuals).

The Corporate Leadership Team (CLT), and Budget Managers monitor the forecast on a regular basis and will update the forecast in light of the latest assumptions. An updated forecast for 2020/21 will be included within the MTFs which will be presented to the February 2021 Executive Board.

## **2.12 Robin Hood Energy and Public Interest Report (PIR)**

As a result of the Strategic Review of Robin Hood Energy (RHE), the decision was made to sell the customer base of the company to Centrica in September 2020 and the company entered into administration in January 2021. The Council has fully accepted the PIR and has both developed and is implementing an Action Plan to improve the governance of its companies.

This includes the role of a Company Governance sub-committee which, together with the Audit Committee and Overview & Scrutiny Committee, will monitor the implementation of the recommendations arising from the PIR. The PIR can be found at <https://www.nottinghamcity.gov.uk/public-interest-report/>.

## **2.13 Rapid Non-Statutory Review (NSR) into Nottingham City Council**

Following issuance of the Auditor's PIR, the Secretary of State for Housing, Communities and Local Government appointed Max Caller CBE in late October 2020 to lead a rapid, non-statutory review at the Council. The purpose of the review was to provide assurance on the financial position of the Council, its governance arrangements and the commercial and investment issues identified by the Council's External Auditors, Grant Thornton, in the PIR published on 11 August 2020.

2.14 This review involved providing the review team with a significant number of reports and interviews with senior colleagues and Councillors. The findings from the review were published in November 2020 and details can be found at <https://www.gov.uk/government/publications/nottingham-city-council-rapid-review>.

2.15 Key findings of the report include the need for a longer term financial planning horizon to ensure that the Council achieves financial sustainability over a 2-3 year recovery phase. Additionally, the report findings covered the Council's debt position, the lack of pace in releasing underutilised assets and governance matters for the Council and its companies.

2.16 The Council has developed a draft 'Recovery and Implementation Plan' in response to these findings which was sent to MHCLG in December 2020. Implementation of the findings of both reports will be key priorities throughout 2021/22-2023/24 as the Council seeks to secure its medium term financial sustainability.

2.17 Implementation of these findings will also have short term financial costs associated with transforming services. The Council considers that the best way to fund these costs and achieve medium term financial sustainability is not to place further pressure on its reserves but rather to spread costs over a number of years to allow reform to take place. Approval from Government is required to allow the Council to use capital resources in the form of borrowing to fund revenue

spending. A request for **£35.0m** (known as capitalisation) was submitted to MHCLG on 23 December 2020.

2.18 Full Council will consider the 'Recovery and Implementation Plan' at a special meeting on 25 January 2021 and will receive an update on MHCLG's response to the draft plan and to the requests to allow it to enter into short term borrowing to fund revenue costs referred to above.

### **2.19 Recovery Plan and Improvement Board**

Part of the report's recommendations include the requirement for the Council to produce a three-year recovery plan and that should clearly set out the actions and key milestones required to restore the financial viability of the Council's capital programme and medium term revenue budget. The 'Recovery and Improvement Plan' will establish the actions required to end the current reliance on annual budget setting and towards implementing a more robust, medium-term financial planning process whilst reducing debt and releasing assets.

The report also recommends the creation of an Improvement Board to oversee the implementation of the three-year recovery plan. The Board Chair is to be independent and with the Leader of the Council as the only member of Nottingham City Council on the board. The costs of this Improvement Board are to be funded from the Council's revenue budget and are provided within the 2021/22 budget at an estimated cost of **£0.3m**.

### **2.20 Transformation Programme**

The need to transform the Council's services is a key finding of the NSR and the Improvement Board will oversee progress and report regularly to the Secretary of State. Initiating and delivering a robust and ambitious transformation programme will become a key priority for the Council in 2021/22 to ensure the delivery of a balanced and sustainable long term cost base for the Council. Further details on the Transformation Programme and plans to achieve a longer term financial planning horizon will be included within the MTFS which will be presented to February 2021 Executive Board.

### **2.21 Reserves**

Prior to the NSR, the Interim Budget had highlighted that the Council was carrying significant risk in relation to the low level of its unallocated and earmarked reserves in comparison to other similar sized Councils. The Interim Budget required both a significant permanent release of reserves in addition to borrowing and paying back of reserves. In fact, the interim budget required almost half of the Council's controllable reserves to be released in order to achieve a balanced position. The strategy has a significant impact on the Council's long term sustainability.

A critical element of achieving long term financial sustainability is to ensure the Council has adequate reserves to manage any future risks and the Council's Chief Financial Officer (Section 151) has a statutory duty to make an assessment of the robustness of the budget and adequacy of reserves as a key part of the February 2021 MTFS.

All these factors have necessitated a fundamental change in how reserves are managed and used. Since the Interim Budget, use of any of the Council's controllable reserves require S151 / Deputy S151 Officer approval prior to any movements being actioned.

Reserves are subject to a prioritisation process given the significant depletion during 2020/21. The MTFs to be presented to February 2021 Executive Board will provide further details on changes from 2021/22 including how the costs of the Transformation Programme are to be funded. This is required to ensure the S151 Officer can confirm the robustness of the budget and adequacy of reserves.

## 2.22 Voluntary Redundancy (VR) Programme

In response to the challenging financial environment faced by the Council a VR programme commenced in June 2020 with applications closing in August 2020. The Interim Budget included an initial phase of voluntary redundancy savings and two further reports have been approved by Executive Board in October and December 2020. The on-going savings from these additional phases have been reflected within this report. Senior Managers have continued to review these applications alongside developing budget proposals for 2021/22.

## 2.23 Available funding

**Table 1** shows the current estimate of available MTFP funding. The final Local Government Settlement is yet to be announced. Final funding figures in the February 2021 Executive Board report will reflect the Council's final assessment of business rates (NNDR) and the final Local Government Settlement announcement.

<b>Table 1: Current Estimate of Funding</b>			
<b>Budget Item</b>	<b>2021/22 £m</b>	<b>2022/23 £m</b>	<b>2023/24 £m</b>
Settlement Funding	(121.673)	(125.113)	(126.525)
Council Tax	(126.056)	(130.867)	(135.817)
Collection Fund – assumed deficit	5.419	3.422	3.422
<b>Assumed Funding</b>	<b>(242.310)</b>	<b>(252.557)</b>	<b>(258.920)</b>

## 2.24 Local Government Settlement Funding

The Local Government Settlement comprises Retained Business Rates, Top-up Grant and Revenue Support Grant (RSG). The provisional settlement was released on the 17 December 2020 and confirmed a one-year settlement for 2021/22.

Alongside the settlement MHCLG has also begun to provide details of the additional Covid-19 related support announced in the Spending Review (SR2020) on 25 November 2020.

## 2.25 Tax Base

The final 2021/22 Council Tax base is being presented to January 2021 Executive Board and assumes **66,396** Band D equivalents. Nottingham has a low tax base

relative to similar authorities with **80%** of dwellings, as at January, classified as either Band A or B. This means that each 1% added to Council Tax raises less revenue than similar authorities. Further details in relation to the Council Tax base are in the 'Council Tax – determination of the 2021/22 Tax Base' report which is also being presented to January 2021 Executive Board.

## **2.26 Council Tax**

Councils have the power to raise Council Tax by a maximum of **1.99%** in 2021/22 without a referendum. For Nottingham City Council, each **1%** rise in Band D raises **c£1.2m** of Council Tax income and levying a **1.99%** rise will therefore generate **£2.4m** of annual revenue. The Council proposes to levy this increase in full in 2021/22 and the draft MTFS assumes annual increases of **1.99%** pa in subsequent years.

## **2.27 Adult Social Care Precept**

The spending review also gave those Councils responsible for Adult Social Care, the powers to raise a further **3.00%** Council Tax in 2021/22. This is in addition to the basic **1.99%** Council Tax and must be used to fund Adult Social Care. The Council proposes to levy this precept in full generating **£3.602m** of annual revenue in addition to the regular Council Tax increase. The MTFS assumes that there will be no further precept announced in future years.

## **2.28 Collection Fund**

Covid-19 has impacted on both Council Tax and retained Business Rates income received to fund our day-to-day services. This income is likely to require time to recover to pre-Covid-19 levels, especially if there is a deep economic recession. This impact is potentially a significant financial risk into the medium term. Previous modelling based on analysis of long term trends may no longer reflect likely near future patterns due to the size & nature of the Covid-19 impact.

An estimated assessment of likely collection fund deficit for Council Tax and Business Rates have been included in the figures of this report. Final figures will be included within the February 2021 MTFS report.

## **2.29 Social Care Grants**

The provisional settlement announced **£12.8m** of social care grant for the City. This is **£3.0m** higher than in 2020/21. Confirmation was also provided for the Improved Better Care Fund (iBCF) allocation of **£16.1m** and is no change on the current year.

## **2.30 Covid-19 grants**

MHCLG has also published a policy paper outlining their proposed approach to Covid-19 support in 2021/22. The Council's allocation for pressures grant has been confirmed as **£11.7m**. MHCLG are seeking views on the continuation of the Sales, Fees & Charges Scheme for the first 3 months of 2021/22. This scheme was introduced to compensate Councils for an element of specific lost income due to the pandemic.



### **2.31 New Homes Bonus**

The New Homes Bonus rewards local authorities for increasing the number of new or occupied homes. The latest grant award was announced alongside the provisional settlement and is **£4.0m** for the City for 2021/22.

### **2.32 Lower Tier Services Grants**

As part of the 2021/22 provisional settlement MHCLG introduced new specific grant to cover lower tier service costs. Nottingham has been allocated **£0.7m**.

### **2.33 Other specific grants**

Expenditure on grant funded activities will be reduced in line with any funding reductions. If this is not possible proposals will be identified in the draft MTFS to cover any shortfall and include in the consultation.

## **3 Draft Medium Term Financial Plan (MTFP) 2021/22-2023/24**

### **3.1 MTFP – pre Covid-19**

The MTFP as approved at February 2020 (pre Covid-19) reported a net budget requirement of **£272.1m** for 2021/22 and an original budget gap of **£24.6m** for 2021/22 and **£30.1m** for 2022/23.

### **3.2 Medium Term Financial Outlook (MTFO) refresh included within the Interim Budget**

The Interim Budget report approved by September 2020 Executive Board included an MTFO refresh for the period to 2023/24 recognising the forecast impact of the pandemic on the longer term. This established a funding gap of **£53.7m** in 2021/22 rising to **£63.8m** by 2023/24. It was clear that unless further significant funding and/or savings could be made, the Council would not have sufficient reserves to cover this gap. The interim budget report can be found at <https://committee.nottinghamcity.gov.uk/ieListDocuments.aspx?CId=177&MId=8553>.

### **3.3 Medium Term Financial Plan (MTFP)**

The Council has undertaken significant activity to try to close the gap in the face of further growing pressures. The Government spending review proposals for local government as set out in the provisional settlement announcement in December 2020, have provided a combined **£24.3m** of resources (although only half of this funding is likely to be on-going).

In recognition of the financial challenges, the Council has had to consider how its business and services should operate in the future and this is reflected in a number of the budget savings proposals. The Council is proposing further reduction in its service spending and workforce costs of **£17.5m** (**£15.6m** of new proposals and **£1.9m** of previously announced voluntary redundancies).

The measures so far identified above would still leave a funding gap of **£7.2m** which would need to be met from reserves but the Council continues to work to identify ways to reduce or eliminate this funding gap and any further measures will be considered in the final proposed MTFs in February 2021.

**Table 2** below shows the evolution of the funding gap (as per the Interim Budget) for 2021/22 from **£53.7m**, to the position before further savings of **£24.7m** for 2021/22.

<b>Table 2: MTFP Refresh since Interim Budget</b>			
<b>Budget Item</b>	<b>2021/22 £m</b>	<b>2022/23 £m</b>	<b>2023/24 £m</b>
<b>Gap as at 22 Sept Exec Board</b>	<b>53.733</b>	<b>60.635</b>	<b>63.832</b>
<b><u>Budget updates</u></b>			
Reserves – re-profiled repayments	(4.948)	(3.746)	(3.746)
Pay – assumed 21/22 pay freeze	(2.472)	(2.472)	(2.472)
Pressures – updated for companies & mitigation	(1.193)	2.095	4.375
Improvement Panel costs	0.300		
<b><u>Funding updates</u></b>			
Collection fund – re-profiled assumed deficits	1.331	(0.665)	(0.665)
Council tax – latest tax base	(0.221)	1.778	0.656
Council tax – 3% ASC precept	(3.602)	(3.739)	(3.881)
Settlement / Covid-19 compensation	(18.228)	(6.620)	(8.035)
<b>Updated Gap</b>	<b>24.699</b>	<b>47.266</b>	<b>50.065</b>

### 3.4 Reserves re-profiling

Tranche 4 funding from Government in autumn 2020 reduced the Covid-19 unfunded gap in 2020/21. This, together with the latest forecast for 2020/21, has reduced the level of reserves to be borrowed and paid back in 2020/21. The consequence is to reduce the pay back element by **£12.4m** over the 3 years.

### 3.5 Pay assumptions

The previous MTFP and current Interim Budget assumed 2% pay inflation plus pay progression. The spending review in November announced pay inflation for 2021/22 and assumes £250 increase per FTE at grades with a salary less than £24,000 and zero pay award for all other grades. This change in assumption has resulted in a saving of **£2.5m**.

### 3.6 Pressures

The Interim Budget included a refresh of the known cost pressures facing the Council in 2021/22 and future years. These have been subject to a further critical review and are now projected as shown in **Table 3**, with full details to be included within the February MTFs report.

Many of the pressures are driven by the longer term impact of Covid-19 on lost income, continued extra costs and an assessment of which previously assumed savings are now unachievable in changed circumstances. The Companies pressure is mainly arising from the assumed ongoing economic impact of Covid-19 on business models and the removal of dividends in the MTFP.

The latest national restrictions came after this critical review of the pressures work and therefore future monitoring reports will reflect whether any of these assumptions need updating based on the latest national or region situation.

<b>Budget Item</b>	<b>2021/22 £m</b>	<b>2022/23 £m</b>	<b>2023/24 £m</b>
Covid-19 reduced income	16.793	12.091	8.453
Covid-19 additional expenditure	10.217	9.159	8.748
Business as usual	0.870	10.348	18.298
Companies	4.394	5.891	5.485
Covid 19 - unachievable savings	3.777	3.039	2.446
<b>Total</b>	<b>36.051</b>	<b>40.528</b>	<b>43.430</b>

**Table 4** below shows the pressures by Portfolio, Corporate and the Companies pressures.

<b>Lead Portfolio</b>	<b>2021/22 £m</b>	<b>2022/23 £m</b>	<b>2023/24 £m</b>
Adult Care & Local Transport	(2.182)	1.961	7.323
Children & Young People	14.347	16.973	19.029
Communities, Highways & Strategic Transport	3.265	2.680	2.011
Employment & Community Protection	0.000	0.051	0.000
Energy, Environment & Democratic Services	1.769	1.081	0.852
Finance, Growth & the City Centre	1.993	0.968	0.690
Health, HR & Equalities	0.112	0.136	0.000
Housing, Planning & Heritage	0.937	0.691	0.493
Leisure, Culture & IT	4.810	2.818	1.266
Regeneration, Schools & Communications	6.442	7.093	6.095
<b>Portfolios</b>	<b>31.492</b>	<b>34.452</b>	<b>37.760</b>
Corporate	0.165	0.185	0.185
Companies	4.394	5.891	5.485
<b>Total</b>	<b>36.051</b>	<b>40.528</b>	<b>43.430</b>

### 3.7 Improvement Board

The costs of the Improvement Board are to be met by the Council as described in paragraph 2.19.

### 3.8 Collection Fund

The Government has announced legislation to enable Council Tax and Business Rates collection fund deficits to be repaid over three financial years rather than the current one year. This enables the MTFP to spread the currently assumed combined 2020/21 deficit of **£12.3m**.

The Interim Budget originally assumed a deficit of **£4.1m** for 2021/22, this has been re-profiled to **£5.4m** to reflect the published scheme details resulting in an amendment of **£1.3m**.

Further amendments are expected in the February MTFS report when the final estimates of the collection fund deficits will be included.

### 3.9 Council Tax updated assumptions

The spending review announced the option for a **3.00%** Adult Social Care precept in 2021/22 only, this was after the Interim Budget and it is assumed and included within the MTFO refresh. January Executive Board is also being presented with the Council Tax Base report and the MTFO refresh is aligned to these assumptions.

### 3.10 Settlement and additional Covid-19 funding

**Table 5** summarises the required updates to the MTFO funding assumptions to reflect the provisional settlement and additional 2021/22 Covid-19 funding and compensation announced by MHCLG in December 2020.

Further details will be included in the February MTFS report capturing the final settlement expected in early February and retained business rates projections reported to MHCLG in late January.

<b>Table 5: Settlement / Covid-19 compensation</b>			
<b>Budget Item</b>	<b>2021/22 £m</b>	<b>2022/23 £m</b>	<b>2023/24 £m</b>
Update to Settlement assumptions in MTFO			
• RSG / Top-up Grant	(1.502)	(2.889)	(4.304)
Specific Grants			
• Additional Social Care Grant	(3.048)	(3.048)	(3.048)
• Lower Tier Services Grant	(0.683)	(0.683)	(0.683)
• Additional one-off 2021/22 NHB grant	(1.132)	-	-
Update to 21/22 Covid-19 funding assumptions			
• 2021/22 Covid-19 funding	(11.681)	-	-
• Local Council Tax Support Scheme funding	(4.182)	-	-
• Remove previous assumption in respect of Council Tax and Business Rates compensation (pending further scheme details)	5.000	-	-
• Assumed extra Income Compensation (pending further scheme details)	(1.000)	-	-
<b>Total</b>	<b>(18.228)</b>	<b>(6.620)</b>	<b>(8.035)</b>

### 3.11 Balancing the MTFP

**Table 6** details how the MTFP is proposed to be balanced for 2021/22 and includes details of already approved savings and proposed further savings. At the present time, the proposals require the use of **£7.2m** reserves to achieve a balanced position and without capitalisation, would require a further **£7.5m** to fund the cost of redundancies assumed in the savings proposals.

<b>Table 6: Balancing the MTFP</b>			
<b>Budget Item</b>	<b>2021/22 £m</b>	<b>2022/23 £m</b>	<b>2023/24 £m</b>
<b>Updated Gap</b>	<b>24.699</b>	<b>47.266</b>	<b>50.065</b>
<b><u>Savings</u></b>			
Already approved proposals - Phase 2 VR (table 7)	(1.874)	(2.301)	(2.276)
Consultation savings detailed in this report (table 8)	(11.261)	(14.291)	(14.324)
Workforce and other savings (table 9)	(4.376)	(3.631)	(3.561)
<b>Outstanding Gap</b>	<b>7.188</b>	<b>27.043</b>	<b>29.904</b>
<b><u>Further Mitigation</u></b>			
Use of Reserves	(7.188)	-	-
Remaining 5% Workforce to meet £9.5m (full year)	-	(6.112)	(6.202)
Further 5% Workforce	-	(6.500)	(9.500)
Transformation	-	(14.431)	(14.203)
<b>Balanced Budget</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>

### 3.12 Additional Voluntary Redundancy (VR) proposals approved post the Interim Budget

Since the Interim Budget was approved there have been two further reports to Executive Board detailing additional VR proposals and the savings from the October Executive report are detailed in **Table 7** below.

<b>Table 7: Already Approved Proposals – Phase 2 VR</b>			
<b>Lead Portfolio</b>	<b>2021/22 £m</b>	<b>2022/23 £m</b>	<b>2023/24 £m</b>
Adult Care & Local Transport	(0.377)	(0.503)	(0.503)
Children & Young People	(0.083)	(0.110)	(0.110)
Communities, Highways & Strategic Transport	(0.354)	(0.363)	(0.363)
Employment & Community Protection	-	-	-
Energy, Environment & Democratic Services	(0.061)	(0.081)	(0.081)
Finance, Growth & the City Centre	(0.300)	(0.311)	(0.311)
Health, HR & Equalities	(0.025)	(0.034)	(0.034)
Housing, Planning & Heritage	(0.008)	(0.011)	(0.011)
Leisure, Culture & IT	(0.359)	(0.479)	(0.479)
Regeneration, Schools & Communications	(0.306)	(0.409)	(0.384)
<b>Total</b>	<b>(1.874)</b>	<b>(2.301)</b>	<b>(2.276)</b>

### 3.13 Portfolio Consultation Proposals

**Table 8** summarises the **£11.3m** consultation proposals to be delivered by Portfolio Holders with more detail provided in **Appendix 1a-j**.

<b>Lead Portfolio</b>	<b>2021/22 £m</b>	<b>2022/23 £m</b>	<b>2023/24 £m</b>
Adult Care & Local Transport	(4.014)	(4.054)	(4.054)
Children & Young People	(1.189)	(1.848)	(1.848)
Communities, Highways & Strategic Transport	(0.588)	(1.133)	(1.133)
Employment & Community Protection	(1.605)	(1.680)	(1.680)
Energy, Environment & Democratic Services	(0.693)	(1.018)	(1.018)
Finance, Growth & the City Centre	(1.264)	(1.409)	(1.409)
Health, HR & Equalities	(0.266)	(0.297)	(0.297)
Housing, Planning & Heritage	-	-	-
Leisure, Culture & IT	(1.267)	(1.987)	(2.020)
Regeneration, Schools & Communications	(0.376)	(0.864)	(0.864)
<b>Total</b>	<b>(11.261)</b>	<b>(14.291)</b>	<b>(14.324)</b>

### 3.14 Other additional savings

**Table 9** summarises **£4.4m** of additional savings, of which **£4.0m** are in relation to workforce reductions and **£0.4m** to non-workforce savings. These savings will have minimal or no service impact and therefore do not require public consultation. These proposals will be subject to Trade Union and internal colleague consultation process.

<b>Lead Portfolio</b>	<b>2021/22 £m</b>	<b>2022/23 £m</b>	<b>2023/24 £m</b>
Adult Care & Local Transport	(0.738)	(0.245)	(0.225)
Children & Young People	(0.790)	(0.771)	(0.791)
Communities, Highways & Strategic Transport	(0.367)	(0.367)	(0.297)
Employment & Community Protection	-	-	-
Energy, Environment & Democratic Services	(1.052)	(0.902)	(0.902)
Finance, Growth & the City Centre	(0.425)	(0.415)	(0.415)
Health, HR & Equalities	(0.173)	(0.173)	(0.173)
Housing, Planning & Heritage	(0.096)	(0.082)	(0.082)
Leisure, Culture & IT	(0.499)	(0.511)	(0.511)
Regeneration, Schools & Communications	(0.237)	(0.165)	(0.165)
<b>Total</b>	<b>(4.376)</b>	<b>(3.631)</b>	<b>(3.561)</b>

### 3.15 Options to balance 2021/22

The current funding gap for 2021/22 is **£7.2m** rising to **£29.9m** in 2023/24.

In addition to meeting funding gaps, the Council's ability to mitigate risk has been impacted by the significant reduction in earmarked reserves as part of its strategy to balance 2020/21. Whilst work continues to review proposals and to identify further savings, some of this work may not be concluded by Full Council on 8 March 2021. This is because some of the work may itself require consultation which may not be complete.

If this is the case, the Council will need to identify some use of reserves to cover the gap until such time as the further proposals are consulted upon and accepted. Furthermore, without capitalisation, a further **£7.5m** would be required to fund the cost of redundancies assumed in the savings proposals.

The NSR identified the likelihood of the need for 'external financial support' in order to balance the 2021/22 budget. This is not expected to be in the form of Government Grant but rather permitting the Council to borrow to allow it to spread its costs over a number of years whilst it transforms itself, reduces debt levels and sells land and property to release funds.

This would ensure that the Council could adequately fund the transformation programme, exit costs of the workforce reductions and maintain its reserve levels to protect itself against future risks. The Improvement Board and the Recovery and Improvement Plan will focus on how the Council will achieve a longer term and sustainable financial outlook and the Transformation Programme is critical in achieving this. Ongoing engagement will continue with MHCLG to determine the extent of the support that is available from Government.

A request to fund **£35m** of revenue spend from capital resources was submitted to MHCLG on 23 December 2020. The outcomes of the discussions with MHCLG are expected to be known in time for the MTFS in February 2021.

Without further Government support the Council will be required to instigate a further use of reserves to close the budget gap. This will severely impact on the ability to fund transformation activity and workforce reduction costs.

### **3.16 Workforce reductions**

The budget strategy for 2021/22 includes a target 5% workforce reduction for 2021/22 rising to 10% by year 3 of the MTFO. The first 5% amount for 2021/22 is **£8.0m** rising to **£9.5m** in year 2 and 3, this recognises that in year one there will not be a full year saving due to the timing of implementing this target. The Council has identified **£4.0m** aligned to this strategic aim, although further proposals continue to be assessed.

### **3.17 Transformation**

The need to transform the Council's services is a key finding of the NSR and the Improvement Board will oversee progress and report regularly to the Secretary of State. Initiating and delivering a robust and ambitious Transformation Programme will become a key priority for the Council in 2021/22 to ensure the delivery of a balanced and sustainable long term cost base for the Council. Further details on the Transformation Programme and plans to achieve a longer term financial planning horizon will be included within the MTFS which will be presented to February 2021 Executive Board.

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

4.1 Throughout the budget process a range of different options have been considered including various levels of council tax, investment and cost reductions. This is a complex process with many iterations and possibilities too numerous and detailed to present as discrete options here. This report presents the overall set of current

draft proposals which together seek to balance levels of investment, income, cost reductions and an appropriate level of council tax.

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

- 5.1 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.

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

- 6.1 The City Council is required to set a balanced budget for 2021/22 before 11 March 2021.
- 6.2 Insofar as the cost reduction proposals as set out in this report contain workforce reduction proposals, Section 188(1) of the Trade Union and Labour Relations (Consolidation) Act 1992 ("TULR(C)A") may well be engaged and sufficient time will need to be set aside for relevant consultation with the appropriate representatives of affected employees.
- 6.3 A detailed and comprehensive risk assessment will be undertaken in order to inform the Chief Finance Officer's (CFO's) assessment of the affordability of the MTFs and the consequent recommended levels of reserves and contingencies. Any increases in these levels, reflect the higher level of risk inherent in the budget arising from significantly reduced external funding sources, transfer of risks from Central Government and the resultant high levels of cost reductions required. The risk assessment will inform the budget report to Executive Board in February 2021.

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

- 7.1 None

## **8 Social value considerations**

- 8.1 None

## **9 Regard to the NHS Constitution**

- 9.1 None

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

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

No



An EIA is not required because any decisions relating to the draft budget proposals will be set out in further reports to Executive Board in February and to



City Council in March 2021. Equality Impact Assessments are being carried out, where appropriate, for all relevant budget proposals and a summary will be provided with these reports.

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

11.1 None

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

### 12.1 Voluntary Redundancy Programme and Budget Proposals

<https://committee.nottinghamcity.gov.uk/ieListDocuments.aspx?CId=177&MId=8580>

Voluntary Redundancy Programme

<https://committee.nottinghamcity.gov.uk/ieListDocuments.aspx?CId=177&MId=8587>

Interim Budget 2020/21 – 5 October 2020 Full Council

<https://committee.nottinghamcity.gov.uk/ieListDocuments.aspx?CId=155&MId=8540>

Interim Budget 2020/21, Medium Term Financial Outlook and Draft Strategy 2021/22 to 2023/24, 22 September Executive Board

<https://committee.nottinghamcity.gov.uk/ieListDocuments.aspx?CId=177&MId=8553>

Public Interest Report

<https://www.nottinghamcity.gov.uk/public-interest-report/>.

Council Financial Position – 2020/21 Budget Update, 21 July 2020 Executive Board

<https://committee.nottinghamcity.gov.uk/documents/s105034/Council%20Financial%20Position%20-%20202021%20Budget%20Update.pdf>

Council Financial Position – Financial Risk Assessment, 29 June 2020 Executive Board

<https://committee.nottinghamcity.gov.uk/documents/s104181/Council%20Financial%20Position%20-%20Financial%20Risk%20Assessment.pdf>

Medium Term Financial Plan (MTFP), 18 February 2020 Executive Board

<https://committee.nottinghamcity.gov.uk/ieListDocuments.aspx?CId=177&MId=7979>

	Department	Service Area	Title of Proposal	Narrative	2021/22 £m	2022/23 £m	2023/24 £m
1	People	Adults	Commissioning review	A programme of strategic commissioning review and redesign to ensure the best value in adult social care commissioning spend. Savings based on service reconfiguration and contract reviews across community support, home care and residential care services	(3.000)	(3.000)	(3.000)
2	People	Adults	New health & social care operating model	To create a new target operating model for Adult Social Care and integrated health and care for the city. Review and reshape the Adult Social Care structure to deliver a more sustainable service model with NHS and communities	(0.100)	(0.100)	(0.100)
3	People	Adults	Transform social care practice to deliver strengths-based approaches	Introduction of consistent strengths-based practice to reduce reliance on formal care services and to promote independence	(0.100)	(0.100)	(0.100)
4	C&O	Fleet Workshop	Renew fleet parts contract	Undertake retendering of existing parts contract for fleet services and secure 3% efficiency savings from Nov 21	(0.020)	(0.040)	(0.040)
5	C&O	Fleet Workshop	Service redesign of Fleet service	Restructure to reduce posts in fleet by July 2021 due to efficiency savings through introduction of new 'Fleet Wave' paperless IT system	(0.069)	(0.089)	(0.089)
6	C&O	Fleet Workshop	Staff MOT & Servicing offer	Launch of new staff competitive mot and servicing offer from 21/04/21, maximising capacity in light vehicle workshop	(0.020)	(0.020)	(0.020)
7	C&O	Fleet Workshop	Increased ULEV Framework sales	Promotion of the new ULEV vehicle purchasing framework to other local authorities to support them converting to ULEV vehicles. (NCC receive 1% commission on all vehicle sales through this new framework)	(0.005)	(0.005)	(0.005)
8	D&G	Public Transport	Rationalisation of linkbus network	Rationalised linkbus feeder network and Medilink retained through Workplace Parking Levy funding	(0.700)	(0.700)	(0.700)
<b>PORFOLIO TOTAL</b>					<b>(4.014)</b>	<b>(4.054)</b>	<b>(4.054)</b>

	Department	Service Area	Title of Proposal	Narrative	2021/22 £m	2022/23 £m	2023/24 £m
1	People	Children's Integrated Services	Extend block contract for residential placements	Increase the block contract through a Procurement process	(0.126)	(0.380)	(0.380)
2	People	Children's Integrated Services	Block contract for independent fostering	Commission bespoke small block independent fostering provider	(0.050)	(0.050)	(0.050)
3	People	Children's Integrated Services	Semi Independence transformation	Establishing Gap home, supported lodgings and another transition house to provide different options for young people in semi-independence and leaving care	(0.100)	(0.200)	(0.200)
4	People	Children's Integrated Services	Specialist intervention to avoid older children coming into care	Application of evidence-based Multi-Systemic Therapy team to reduce the numbers of teens going into care	(0.300)	(0.300)	(0.300)
5	People	Children's Integrated Services	Rehabilitation service	Dedicated social work service to work on restoring children in care to their families of origin following intensive work and input	(0.300)	(0.300)	(0.300)
6	People	Children's Integrated Services	Children's Centre offer	Children's Centre offer will become more targeted and available from fewer locations working with partners to redesign the universal offer	(0.279)	(0.418)	(0.418)
7	People	Children's Integrated Services	Increase internal residential provision	Replicate our 4 bedded children's home to provide more internal residential care	(0.034)	(0.200)	(0.200)
<b>PORTFOLIO TOTAL</b>					<b>(1.189)</b>	<b>(1.848)</b>	<b>(1.848)</b>

	Department	Service Area	Title of Proposal	Narrative	2021/22 £m	2022/23 £m	2023/24 £m
1	C&O	Community Partnerships	Reduce the number of Council owned Community Centres	Transfer/ Disposal of 3 Community Centres Review and identification of surplus community assets	(0.060)	(0.082)	(0.082)
2	C&O	Community Partnerships	Reduce Area Based Grants by 10%	Current contracts finish March 2022. Recommission service with a 10% funding cut from 2022 as part of tender process	0.000	(0.118)	(0.118)
3	C&O	Community Partnerships	Reduce Communities of Identify Grants by 10%	Current contracts finish March 2022. Recommission service with a 10% funding cut from 2022 as part of tender process	0.000	(0.049)	(0.049)
4	C&O	Community Partnerships	Reduce Cllr Local Area Grants by 25%	Reduce the amount each ward area receives in local area grants by 25%	(0.044)	(0.044)	(0.044)
5	C&O	Community Partnerships	Review unspent ward budgets	Review in-year unspent ward revenue budget	(0.050)	0.000	0.000
6	C&O	Community Partnerships	Create a new approach to Neighbourhood & Community Working	Changes to operating models to strengthen how communities are supported and broadening out the geography boundaries that are operating	(0.154)	(0.154)	(0.154)
7	C&O	Community Partnerships	Removal of Student Action Officer	Realignment of Student support activity enables efficiencies in how the Council support residents that are also students	(0.042)	(0.042)	(0.042)
8	C&O	Community Partnerships	Redesign of Tasking, Intelligence & Support function	Deletion of non-frontline business support post	(0.032)	(0.032)	(0.032)
9	C&O	NS Operational Hub	Reduce staff resources in the supported colleague hub.	Remove vacant posts (general operatives) within the supported employee team	(0.048)	(0.048)	(0.048)
10	C&O	Parking	New cashless parking scheme: Lenton Industrial estate	Introduce new on street cashless parking scheme by Nov 21	(0.020)	(0.050)	(0.050)
11	C&O	Parking	New cashless parking scheme: Queens drive industrial estate	Introduce new on street cashless parking scheme by Nov 21	(0.016)	(0.040)	(0.040)
12	C&O	Parking	New cashless parking scheme: Blenheim industrial estate	Introduce new on street cashless parking scheme by Nov 21	(0.012)	(0.030)	(0.030)
13	C&O	Parking	Off street car parks tariff review	Small increase in off street tariffs at MSCP and surface car parks from 01/04/21	(0.060)	(0.060)	(0.060)
14	CEX	Finance	Welfare Rights	Amalgamation of 2 teams supporting the city	(0.050)	(0.050)	(0.050)
15	CEX	Finance	Welfare Advisory services	Review the offer in conjunction with other advisory services - Housing Aid, NCH advisors and CAB & make or buy	0.000	(0.335)	(0.335)

Department	Service Area	Title of Proposal	Narrative	2021/22 £m	2022/23 £m	2023/24 £m
		(Transformation activity)				
<b>PORTFOLIO TOTAL</b>				<b>(0.588)</b>	<b>(1.133)</b>	<b>(1.133)</b>

## Employment & Community Protection

## Appendix 1d

	Department	Service Area	Title of Proposal	Narrative	2021/22 £m	2022/23 £m	2023/24 £m
1	C&O	Community Partnerships	Removal of 24/7 monitoring of Public Space CCTV Monitoring	Redesign of how Public Space CCTV is actively monitored across the City	(0.202)	(0.202)	(0.202)
2	C&O	Community Partnerships	Redesign of the Security offer for Council Buildings/Sites	Redesign of security provision across the Council sites maximising the use of the accredited NSI Gold Alarm Receiving Centre and response team	(0.358)	(0.358)	(0.358)
3	C&O	Operations	Reduction of ASB Enforcement Officers	Removal of ASB Enforcement Officer posts	(0.110)	(0.110)	(0.110)
4	C&O	Operations	Reduction of Community Protection Officers	Transformation to a response model of service delivery with a tighter focus on the statutory responsibilities of the service	(0.709)	(0.709)	(0.709)
5	D&G	Economic Development	Reduction of grant to Futures	Reduce NEET grant to statutory minimum	(0.050)	(0.050)	(0.050)
6	S&R	HR	Employability budget reduction	Maximise in house support and training for apprentices and work services across the council should enable us mitigate the impact of this proposal	(0.175)	(0.250)	(0.250)
<b>PORTFOLIO TOTAL</b>					<b>(1.605)</b>	<b>(1.680)</b>	<b>(1.680)</b>

	Department	Service Area	Title of Proposal	Narrative	2021/22 £m	2022/23 £m	2023/24 £m
1	C&O	Energy Services	BEIS grant funding to facilitate Green Homes Grant Programme	Energy Services have recently extended their value of a Section 31 Agreement with the Department for Business Energy and Industrial Strategy (BEIS)	(0.200)	(0.200)	(0.200)
2	C&O	Bulky Waste	Bulky Waste (White Goods) Charging Charge £10 per collection	Introduce a charge of £10 for the collection of 'large item white goods' (e.g. fridges, freezers, washing machines, tumble dryers)	(0.035)	(0.035)	(0.035)
3	C&O	Garden Waste	Garden Waste Charge for additional bin(s)	Retain free garden waste service, and introduce a charge of £25 for households who have / request a second bin. £25 per additional garden waste bin.	(0.027)	(0.027)	(0.027)
4	C&O	Building Cleaning	Circa 10% reduction of internal cleaning spend to reflect building closure/under occupancy	Impacted by exit or reduced occupancy of satellite offices and depots	(0.050)	(0.100)	(0.100)
5	C&O	Operations	Waste Operations	Proposed to increase Bin Starter Packs to £35 for 2 x bins and £50 for 3 x bins (from £20/£35). Removal of RPI on green waste disposal charge	(0.035)	(0.035)	(0.035)
6	Corporate	Customer Services (S&R as lead)	Improving customer access to the council	Rationalisation of contact centres and incoming calls across the council to provide one customer focused entry point. 2 year programme - savings to mature in 22/23	(0.275)	(0.550)	(0.550)
7	CEX	Legal & Governance	Reduction of grade D post	Reduction of grade D post	(0.024)	(0.024)	(0.024)
8	CEX	Legal & Governance	Reduction of Area Committees and associated members allowance budget	Reduction of Area Committees and associated members allowance budget. 7 Area Committees @ £6,763 per chairs allowance.	(0.047)	(0.047)	(0.047)
<b>PORTFOLIO TOTAL</b>					<b>(0.693)</b>	<b>(1.018)</b>	<b>(1.018)</b>

	Department	Service Area	Title of Proposal	Narrative	2021/22 £m	2022/23 £m	2023/24 £m
1	C&O	Regulation	Environmental Health, Trading Standards, Licensing.	Review of statutory functions, creating a new three stage operating model	(0.172)	(0.172)	(0.172)
2	C&O	Commercial Catering	Reduction in commercial catering outlets & management cost	Commercial Catering services and sites have been significantly impacted by Covid. We will only retain the commercially viable operations, and this allows for a reduction in management costs by the release of a management post	(0.048)	(0.048)	(0.048)
3	D&G	Economic Development	Grant income repurpose	Use new grant income to replace business growth components of economic development programme	(0.250)	0.000	0.000
4	D&G	Economic Development	Review of place marketing	Gradual reduction of funding to allow for current review process on place marketing to conclude and strategy for attracting external income from business to be implemented'	(0.050)	(0.050)	(0.050)
5	CEX	Finance	Contract efficiencies	Review of non-pay budgets and external contracts	(0.200)	(0.200)	(0.200)
6	CEX	Finance	Removal of the Northgate contract	Top slice of funding removed as a result of removing the contract. Contract ends 1 October 2021	(0.146)	(0.292)	(0.292)
7	CEX	Finance	Commercial Finance	Removal of posts providing transactional activities to budget managers based on managers fully operating self-serve in relation to monitoring actual financial activity.	(0.073)	(0.073)	(0.073)
8	CEX	Finance	Review of internal contracts for delivery of financial function	Review of internal contracts/Service Level Agreement alignment of delivery of service	(0.020)	(0.200)	(0.200)
9	CEX	Finance	Transactional Finance - realignment of functions & processes	Realignment of functions and processes within transactional finance, resulting in the deletion of 3.8 FTE posts of which 2 are vacant	(0.131)	(0.200)	(0.200)
10	CEX	Finance	Review of HRA capital support	Full recharge of costs in relation to the HRA capital programme	(0.054)	(0.054)	(0.054)
11	CEX	Finance	Treasury Management	Treasury Management - saving generated from treasury management activity from work undertaken to reduce cost of borrowing / generate financial returns from use of resources. Includes the renegotiation of contract with external advisors	(0.120)	(0.120)	(0.120)
<b>PORTFOLIO TOTAL</b>					<b>(1.264)</b>	<b>(1.409)</b>	<b>(1.409)</b>



	Department	Service Area	Title of Proposal	Narrative	2021/22 £m	2022/23 £m	2023/24 £m
1	People	Public Health	Remove Dental Health Budget	Removal of the recurrent allocation to provide dental public health	(0.015)	(0.015)	(0.015)
2	People	Public Health	Reduce staffing related costs	Travel and training needs are removed due to current ways of working	(0.023)	(0.023)	(0.023)
3	People	Public Health	Maximise the Public Health Grant across NCC	Maximise use of the Public Health grant to support wider council functions which contribute towards improved health and wellbeing outcomes	(0.144)	(0.144)	(0.144)
4	People	Public Health	Health Check software	Negotiated reduction in software contract	(0.007)	(0.007)	(0.007)
5	People	Public Health	Integrated approach to public health service delivery	Working with the ICP to reshape how we deliver mandatory services. Progress opportunities for integrated commissioning with Health	0.000	(0.020)	(0.020)
6	S&R	Analysis & Insight	Deletion of PH Insight Specialist L1 role	Reduction in Public Health Insight Specialist capacity	(0.044)	(0.044)	(0.044)
7	S&R	Human Resources	Further reduction to corporate Development & Change Team	Further reduction to corporate Development & Change Team	(0.033)	(0.044)	(0.044)
<b>PORTFOLIO TOTAL</b>					<b>(0.266)</b>	<b>(0.297)</b>	<b>(0.297)</b>

	Department	Service Area	Title of Proposal	Narrative	2021/22 £m	2022/23 £m	2023/24 £m
			<i>None</i>				
<b>PORTFOLIO TOTAL</b>					<b>0.000</b>	<b>0.000</b>	<b>0.000</b>

	Department	Service Area	Title of Proposal	Narrative	2021/22 £m	2022/23 £m	2023/24 £m
1	C&O	Facilities Management	Introduce a charge for use of city centre toilets	Introduce a user charge via contactless / cashless payment mechanism at the city centre Greyhound St toilets. Retain the single public toilet facility at Bulwell Bus Station as a free of charge facility	(0.045)	(0.045)	(0.045)
2	C&O	Culture & Libraries	Reduction in external grants to cultural partners	Reduction on cultural organisation grants	(0.107)	(0.107)	(0.107)
3	C&O	Culture & Libraries	Review of admission charges	Review of charges at heritage sites	(0.100)	(0.100)	(0.100)
4	C&O	Culture & Libraries	Museum service efficiencies	Redesign of museum operations	(0.101)	(0.135)	(0.135)
5	C&O	Culture & Libraries	Commence Libraries needs assessment	Complete libraries needs assessment to support future library service efficiencies	(0.070)	(0.200)	(0.233)
6	C&O	Sport & Leisure	Review of Sport & Leisure service	Review the future of John Carroll Leisure Centre, including options which could include the transfer or closure of the building	(0.444)	(0.644)	(0.644)
7	C&O	Sport & Leisure	Review of Sport & Leisure service	Review the operation of the sport and leisure centre service	0.000	(0.289)	(0.289)
8	C&O	Events	Redesign of event programme	Review programme of major events	(0.080)	(0.148)	(0.148)
9	C&O	Cemeteries & Crematoria	Business Plan Proposal	Including Fees and Charges - 3% on burials / cremations / misc. items	(0.060)	(0.060)	(0.060)
10	C&O	Parks & Open Spaces	Redesign of Parks & Open Spaces structures and budgets	Reorganisation of Parks & Open Spaces management duties to release posts; transfer of operational roles to Street Scene services. Associated reductions in supplies & services costs	(0.260)	(0.260)	(0.260)
<b>PORTFOLIO TOTAL</b>					<b>(1.267)</b>	<b>(1.987)</b>	<b>(2.020)</b>

	Department	Service Area	Title of Proposal	Narrative	2021/22 £m	2022/23 £m	2023/24 £m
1	People	Adults Children Passenger Transport	ASC/SEND/Children's: Passenger & mainstream transport	Seeking further efficiency in sourcing/delivery and policy decisions across People's Services	(0.015)	(0.015)	(0.015)
2	People	Education	Income generating services	Review of the existing income generating services and cease where they are not covering costs	(0.090)	(0.090)	(0.090)
3	People	Education	Removal of services from College Street Centre	Exit College Street and release the building for sale	0.040	0.040	0.040
4	People	Education	Increase income from traded services	Increase income from traded SEND services including Education Psychology, Learning Support, Autism and Sensory Services	(0.100)	(0.100)	(0.100)
5	D&G	Strategic Assets & Property	Operational Property rationalisation	Reduce NCC occupancy in Loxley House & rent out space. Savings to start in year 2 given lag in rental income. Assumes c£0.4m costs to provide equipment for hybrid workers	0.000	(0.350)	(0.350)
6	D&G	Major Projects	Alternative funding for cross-Council PMO	Removal of remaining Major Projects revenue budget to be paid for from creation of cross-Council PMO funded by capital	(0.038)	(0.038)	(0.038)
7	S&R	Communications & Marketing	Reduction of corporate campaign budget	Reduce the corporate campaign budget	(0.040)	(0.040)	(0.040)
8	S&R	Communications & Marketing	Reduction to Arrow Magazine Budget	2 digital and 1 printed and posted	(0.076)	(0.076)	(0.076)
9	S&R	Communications & Marketing	Reduction of corporate communications budget	Reduce the corporate communications budget	(0.057)	(0.025)	(0.025)
10	S&R	Communications & Marketing	Review council communications & marketing services.	Review council communications and marketing services	0.000	(0.170)	(0.170)
<b>PORTFOLIO TOTAL</b>					<b>(0.376)</b>	<b>(0.864)</b>	<b>(0.864)</b>