

# Annex 2

## Budget 2021/22 & Medium Term Financial Outlook (MTFO)

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# 1 Introduction

- 1.1 The plan has been produced against the backdrop of the ongoing Covid-19 pandemic and supports the Council in setting out new ways of working to take it forward. The ambition of the Council remains to produce a robust medium term plan to demonstrate financial sustainability but the ongoing uncertainties have meant that it is prudent to produce a one-year budget for 2021/22. This provides the opportunity to review the Council's response to the recovery phase of the pandemic and also to develop robust transformative plans to deliver the improvements identified in the PIR and NSR reports set out below.
- 1.2 The Council is committed to making the changes needed in response to the costs of Covid-19, demand on local services and the recent external review. The Council is also committed to maintain the stability of services needed to support residents in extremely difficult circumstances by the prudent management of the Council's finances and the strengthening of financial resilience through the controlled approach to borrowing, reducing the debt levels and the effective management of reserves.

# 2 Constructing the 2021/22 Budget

- 2.1 The 2021/22 budget is based on the need to find deliverable cost reductions in order to set a balanced budget in the context of the challenges posed by Covid-19 and following a year in which its reserves were severely depleted to meet overspends, unachieved savings and the costs of exiting Robin Hood Energy (RHE).
- 2.2 It does not change the authority's ambition to put in place a robust medium term financial plan to demonstrate how it intends to meet those challenges.
- 2.3 The revenue budget and the capital programme are intrinsically linked and the ongoing revenue impact, together with the requirement to reduce overall levels of debt, has been a key consideration when constructing the budget. The aim is to have a sustainable level of revenue and capital programme that is affordable, supports the delivery of the Council's priorities, meets the statutory requirements and demonstrates value for money.

# 3 Funding Overview

- 3.1 Significant uncertainty remains of the Council's resources, particularly beyond 2021/22. There are a number of Government policy announcements and decisions that are expected in the near future that create significant uncertainty over forecasting the level of resources over the medium term.

## 3.2 Settlement Funding

As part of the final Local Government Financial Settlement published on 4<sup>th</sup> February 2021 the Government confirmed 2021/22 grant funding. This announcement reflected a net increase of **£1.5m** in settlement funding above that previously assumed in the revised budget published as part of the Interim Budget reported to 22 September Executive Board.

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 2022/23.

In addition, the Government announced a further **£11.7m** un-ringfenced grant to meet the continued impact of Covid-19 into 2021/22, **£4.2m** grant to meet the additional cost of increased local council tax support and confirmed the extension of the sales, fees and charges income compensation scheme until June 2021.

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).

<b>Table 1: Final Settlement</b>	
<b>Elements of the Settlement</b>	<b>2021/22 £m</b>
Business Rates Baseline ( <i>MHCLG estimate</i> )	67.995
Business Rates Top-up	28.584
Revenue Support Grant	25.887
<b>Total</b>	<b>122.466</b>

- 3.3 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 **£1.5m** higher than the forecast of retained business rates income as reported to MHCLG in the NNDR1 return and included in the budget.

In the absence of a robust multi-year settlement from the Government the budget assumes the City Council's settlement funding will increase by currently projected CPI inflation for 2022/23+. No assumptions have been made for the likely impact of previously announced Government policy for 'Fair Funding' or 75% local retention of Business Rates due to a lack of clear exemplification of the options being currently considered.

### 3.4 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 **4.8%** or **£94** per dwelling in 2021/22 as set out in **Table 2**. However the estimates used for this calculation over projects for both business rates and council tax income. A more realistic increase based on the figures included in this report is closer to **2.1%** or **£41** per dwelling with **1.5%** being generated from increased council tax income.

<b>Table 2: Core Spending Power</b>		
<b>Elements of MHCLG Core Spending Power</b>	<b>MHCLG estimates</b>	
	<b>Revised 2020/21 £m</b>	<b>Final 2021/22 £m</b>
Settlement Funding Assessment	122.323	122.466
Compensation for lower BR multiplier ( <i>MHCLG estimate</i> )	3.871	5.032
Council Tax requirement ( <i>MHCLG estimate</i> )	121.808	130.529
Improved Better Care Fund	16.115	16.115
New Homes Bonus grant	4.432	4.013
Social Care Support Grant	9.793	12.840
Lower Tier Services Grant		0.683
<b>Total</b>	<b>278.342</b>	<b>291.677</b>
Increase		13.336
Increase by dwelling		£94
Annual % change		4.8%

### 3.5 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 2021/22. 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 **£357.4m** (NNDR1 January 2021). 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.

### 3.6 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. The City Council will receive **£28.6m** for 2021/22.

### 3.7 Revenue Support Grant (RSG)

Authorities currently continue to receive RSG from the Government in addition to their retained business rates. The City Council will receive £25.9m in 2021/22 representing an inflationary increase of **0.6%** or **£0.142m**.

### 3.8 Lower Tier Services Grant

This is a new grant included in the 2021/22 core spending power to ensure lower tier authorities have a minimum funding floor. It has allocated by using the 2013/14 settlement funding assessment (SFA) with the City Council receiving **£0.7m**.

### 3.9 2021/22 Covid-19 Funding

Alongside the final settlement the Government also confirmed the allocation of further Covid-19 related funding.

### 3.10 Covid-19 Grant

This un-ringfenced grant has been distributed using the Covid-19 Relative Needs Formula, as used during both the 3<sup>rd</sup> and 4<sup>th</sup> tranches of 2020/21 funding, reflecting underlying drivers of expenditure such as population, deprivation and the varying cost of delivering services across the country. The Government expects this funding to be focussed on a similar set of priority pressures as previously set out for 2020-21.

The City Council will receive **£11.7m** which will help cover the currently projected increased Covid-19 costs in 2021/22 as detailed in **Table 4** below.

### 3.11 Local Council Tax Support Grant

This new grant has been provided to local authorities in recognition of the anticipated extra cost of local council tax support as a result of the Covid-19 pandemic. This extra cost can materialise as either tax setting base reductions leading to less available council tax income in 2021/22 or a deficit on the collection fund at the end of 2021/22.

The City Council will receive **£4.2m** in 2021/22, of which, **£2.3m** will be used to support the budget for lost income resulting from the projected increase in required council tax support

reflected in the tax base calculations approved at January Executive Board. The remaining **£1.9m** will be transferred to the Collection Fund reserve so that it is available to address any deficit issues that might arise during the year if the level of council tax support varies from that currently assumed.

### 3.12 Sales, Fees & Charges Scheme

The Government will extend the Sales, Fees & Charges Scheme into the first three months of 2021/22. This scheme will operate on the same basis as the current 2020/21 scheme with local authorities continuing to absorb the first 5% of all relevant, irrecoverable income losses compared to budgets, on a pro rata basis, with the government compensating for 75 pence in every pound of loss thereafter.

Based on the City Council's projected Covid-19 pressures for lost income it is estimated that **circa £1.5m** compensation might be received in 2021/22 and has been provisionally reflected in the budget.

### 3.13 Specific Grants outside the Settlement

A number of other grants are received outside of the key settlement figures. The basis of distribution varies from grant to grant. This budget has again been constructed on the established basis that if specific grant funding reduces then the associated expenditure and activity will reduce accordingly.

### 3.14 New Homes Bonus (NHB)

The NHB rewards local authorities for increasing the number of new, occupied and affordable homes. The latest grant award was confirmed alongside the final settlement and will be **£4.0m** for 2021/22.

The Government has announced this will be the final set of allocations under the current approach and a consultation on the future of NHB or alternative incentive scheme has been recently published. Consequently no NHB grant or legacy payments has been assumed for 2022/23+.

### 3.15 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. It has been confirmed that the 2021/22 allocation will remain the same as the 2020/21 allocation of **£16.1m**.

### 3.16 Better Care Fund

It has been assumed that this grant will remain at 2019/20 values of **£24.7m** of which a minimum of **£14.5m** is assumed for allocation into the budget.

### 3.17 Social Care Grant

This grant, which cover both children's and adult's social care, was initially awarded in 2020/21 to upper tier authorities with social care responsibilities. The allocation methodology 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 announced grant for 2021/22 of **£12.8m** reflects a **£3.0m** increase. Within the draft budget it has been allocated **£8.0m** to partially fund the significantly increased children in care pressures, with the remaining **£4.8m** allocated to adult social care to help fund national living wage and other cost pressures.

### 3.18 Disabled Facilities Grant

This grant allocation is still to be confirmed for 2021/22 however it has been assumed that the allocation for 2020/21 will continue at **£2.8m**. 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.

### 3.19 Former Independent Living Fund (ILF) Grant

The value of this grant in 2021/22 is **£0.7m**. The 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.

### 3.20 Social Care in Prisons Grant

This grant allocation is still to be confirmed for 2021/22 however in 2020/21 it was **£0.1m**, 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.

### 3.21 Local Reform & Community Voices Grant

This grant allocation is still to be confirmed for 2021/22 however the 2020/21 allocation of **£0.2m** has been assumed, 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).

### 3.22 Public Health

The 2020/21 grant for Nottingham was **£34.2m**, this has been assumed for 2021/22 as no confirmation of the grant value has yet been received. Since 2015/16 and based on the grant allocation in 2019/20, the grant has reduced by **£4.3m** (11.2%).

### 3.23 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. Until further confirmation it has been assumed at this level for 2021/22.

### 3.24 Dedicated School Grant (DSG)

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.

DSG funds educational establishments and specific services for Schools, Central Expenditure, Early Years and High Needs. The initial 2021/22 DSG budget allocation for Nottingham is **£310.745m** increasing by **£22.511m**. The material movements contributing to this increase are:

- An increase in school pupil numbers from 41,784 to 42,283 (499) **£17.316m**;

- Additional funding in High Needs of **£5.435m**

The Central Expenditure block which funds costs incurred by the Local Authority has been reduced by **£0.908m** in 2021/22; this in addition to the reduction of **£1.060m** in 2020/21.

## 4 Draft Budget 2021/22

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

The January Executive Board reported an outstanding 2020/21 budget funding gap of **£7.2m** which unless identified from further funding or savings, would need to be funded from diminishing reserves.

Since the January report, there has been a reduction in the proposed savings of **£1.3m** due to the timing of when some of the workforce related savings can be delivered and further savings of **£0.7m** not requiring public consultation have been identified. This has resulted in **£2.1m** now being required from reserves to balance the 2021/22 budget.

In total **£16.9m** of savings have been identified for 2021/22:

- **£1.7m** of previously approved voluntary redundancies
- **£10.5m** of portfolio savings included in public consultation and detailed in **Appendix A**
- **£4.7m** of savings not requiring public consultation

## 4.2 Budget Overview and Headlines

The draft budget has been constructed in accordance with all relevant corporate financial protocols. It is a balanced budget, policy-led, risk assessed and reflecting current Council Plan priorities and comprises:

- 2021/22 net General Fund revenue budget of **£243.7m**;
- council tax requirement of **£126.1m**, basic council tax increase of **1.99%** and an additional **3.00%** increase for the Adult Social Care precept
- total 2021/22 savings of **£16.9m**
- provision for pressures of **£32.3m** in 2021/22 – predominately driven by the longer term financial scarring from Covid-19 with **£27.0m** assumed increased expenditure or lost income, **£4.4m** due to reduced company returns and only **£0.9m** from business as usual pressures;
- general contingency of **£1.5m**
- Government's public sector 'pay freeze' will be reflected in local government with 2021/22 pay award assumed at £250 increase per FTE at grades with a salary less than £24,000 and zero pay award for all other grades

## 4.3 General Fund Revenue Budget

**Table 3** summarises the changes required to update the 2020/21 base budget to refresh the starting point for the 2021/22 budget.

Budget Item	2021/22 £m	2022/23 £m	2023/24 £m	Table(s)
Pressures	32.254	37.488	40.984	4 & 5
Pay / Inflation	3.983	9.038	14.093	6
Technical Adjustments / Specific Grants	(22.857)	0.355	1.412	7

Previously Agreed Savings	1.298	0.461	0.463	8 & 9
<b>Total</b>	<b>14.678</b>	<b>47.343</b>	<b>56.951</b>	

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

#### 4.4 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 were reported in the 2021/22 Budget Consultation report and detailed in **Tables 4** and **5** below.

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 on-going economic impact of Covid-19 on business models and the removal of dividends in the budget. 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.

Budget Item	2021/22 £m	2022/23 £m	2023/24 £m
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	4.374	5.891	5.485
<b>Total</b>	<b>32.254</b>	<b>37.488</b>	<b>40.984</b>

**Table 5** below shows the pressures by Portfolio, Corporate and the Companies pressures.

Budgeted Portfolio	2021/22 £m	2022/23 £m	2023/24 £m
Adult Care & Local Transport	(2.182)	1.961	7.922
Children & Young People	12.403	15.192	17.257
Communities, Highways & Strategic Transport	2.772	2.187	1.953
Employment & Community Protection	0.000	0.000	0.000
Energy, Environment & Democratic Services	1.464	0.801	0.801
Finance, Growth & the City Centre	1.543	1.019	(1.676)
Health, HR & Equalities	0.112	0.136	(0.764)
Housing, Planning & Heritage	0.937	0.691	0.395
Leisure, Culture & IT	4.390	2.518	2.518
Regeneration, Schools & Communications	6.442	7.093	7.093
<b>Portfolios</b>	<b>27.880</b>	<b>31.598</b>	<b>35.499</b>
Companies	4.374	5.891	5.485

<b>Total</b>	<b>32.254</b>	<b>37.488</b>	<b>40.984</b>
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#### 4.5 Companies

The Council has a range of companies in its ownership and some owned jointly with others that have developed over time. Many of these companies have experienced trading difficulties mainly arising from the ongoing economic impact of Covid-19 on business models. The budget includes a pressure of **£4.4m** in 2021/22 rising to **£5.9m** in 2022/23 in relation to group companies.

The Recovery and Improvement Plan includes a theme dedicated to the Council's companies. This theme seeks to reach a clear determination on the future and direction of each Council company within a coherent and effectively managed commercial strategy. It will do this by addressing the following key objectives:

- Provide greater visibility of company performance and risk profile of the wider City Council group.
- To reduce overall complexity and simplify the management and oversight of all core Council activities by reducing the number or alternative delivery vehicles.
- To strip out duplication of overhead and management costs by bringing core functions in house where there is no imperative to maintain externalised delivery vehicles.
- To identify opportunities to generate capital receipts to the Capital Programme through divestment of interests in profitable activities that are outside the City Council's core competence
- To establish robust shareholder controls and assurance mechanisms for those companies Nottingham City Council maintains.

The Recovery and Improvement Plan sets out a work programme with milestones as to how this will be achieved in 2020/21 and 2021/22.

The Chartered Institute of Public Finance and Accountancy (CIPFA) has been engaged by the Council to undertake data-based review and diagnostic work on council-owned companies and those in which we have a substantial interest. The recommendations identified by CIPFA will feed into the recovery and improvement plan activities and inform the city councils future decisions on company holdings.

#### 4.6 Inflation

**Table 6** shows the pay, pension and specific inflation currently assumed for 2021/22 and subsequent years.

<b>Table 6: Pay / Inflation</b>			
<b>Budget Item</b>	<b>2021/22 £m</b>	<b>2022/23 £m</b>	<b>2023/24 £m</b>
Employee Pay / Pension	3.983	9.038	14.093
General inflation	0.000	0.000	0.000
<b>Total</b>	<b>3.983</b>	<b>9.038</b>	<b>14.093</b>

The draft budget assumes a pay award for 2021/22 of £250 increase per FTE at grades with a salary less than £24,000 and zero pay award for all other grades.

At the time of writing the report the pay offer for 2021/22 has yet to be agreed, any variation to this assumption will need to be managed in year and may lead to more

savings being required. Future pay awards of **2.0% pa** have been assumed for 2022/23 and 2023/24.

For non-pay costs, the budget assumes no general inflation. Specific contractual inflation is reflected in the identified pressures as appropriate.

#### 4.7 Corporate/Technical Adjustments

**Table 7** summarises the corporate adjustments that include anticipated movements in the financing of the capital programme and debt portfolio, movements in reserves, net impact of changes in specific grants and various other changes.

- Provision has also previously been made in the base budget for the revenue implications of investment schemes within the capital programme.
- As detailed in the Forecast Outturn annex the 2020/21 budget currently balances by utilising **£17.4m** borrowed PFI, capital & treasury management reserves. These reserves will need to be paid back over 5 years, with the initial years of this profile reflected in the budget.
- A corporate decision has been made to temporarily reduce the contribution to the IT Investment Fund from **£2.7m** to **£1.2m** for the next two years.
- A review of the capital programme and lower interest rate environment has resulted in a significant reduction in projected financing costs of **£1.5m**.
- A provisional **£0.3m pa** budget for the costs of the Improvement Board has been included in the budget.

<b>Budget Item</b>	<b>2021/22 £m</b>	<b>2022/23 £m</b>	<b>2023/24 £m</b>
<b>Net movement in Reserves</b>	<b>(1.317)</b>	<b>1.451</b>	<b>2.034</b>
Section 31 for rates under-indexing/reliefs (see 4.19)	0.422	0.282	0.120
Lower Tier Services (see 3.8)	(0.683)	(0.683)	(0.683)
Social Care (see 3.17)	(3.048)	(3.048)	(3.048)
New Homes Bonus (see 3.14)	0.420	4.432	4.432
2021/22 Covid-19 funding (see 3.10)	(11.681)		
2021/22 Local Council Tax Support (see 3.11)	(4.182)		
Assumed 3 month Income Compensation (see 3.12)	(1.500)		
<b>Net movement in Specific Grants</b>	<b>(20.251)</b>	<b>0.983</b>	<b>0.822</b>
Treasury Management review/ PFI	(1.588)	(2.379)	(1.744)
Improvement Board	0.300	0.300	0.300
<b>Other</b>	<b>(1.289)</b>	<b>(2.079)</b>	<b>(1.444)</b>
<b>Total</b>	<b>(22.857)</b>	<b>0.355</b>	<b>1.412</b>

#### 4.8 General Reserves

The proposed level of general reserves for 2021/22 is **£12.6m**, this represents a **£1.0m** increase on the 2020/21 level and the draft budget assumes a further **£1.0m pa** increase in years 2 and 3 and is predicated on an on-budget outturn for 2020/21.

#### 4.9 Previously Agreed Savings

**Table 8** summarises the continuing impact on the 2021/22 budget of previously made saving decisions:

- original profiles of agreed savings from previous MTFPs – mostly notably one-off Adults savings in 2020/21 that are now falling out  
<https://committee.nottinghamcity.gov.uk/documents/s100482/MEDIUM%20TERM%20FINANCIAL%20PLAN%20MTFP.pdf>
- latest impact of previous savings which were assessed in the 2020/21 Interim Budget is longer achievable due to the impact of Covid-19 on the medium term – mostly notably in Children in Care, Parking Services, Waste Management, Sports & Leisure
- on-going profile of savings agreed as part of the 2020/21 Interim Budget  
[https://committee.nottinghamcity.gov.uk/documents/s108164/Interim%20Budget\\_FINANCIAL%20PLAN%20MTFP.pdf](https://committee.nottinghamcity.gov.uk/documents/s108164/Interim%20Budget_FINANCIAL%20PLAN%20MTFP.pdf)

<b>Table 8: Summary of Previously Agreed Savings</b>			
<b>Budget Item</b>	<b>2021/22 £m</b>	<b>2022/23 £m</b>	<b>2023/24 £m</b>
Net profile of previous MTFP Savings	2.257	2.285	2.729
Unachieved Savings due to COVID	3.797	3.039	2.446
Profile of Interim Budget Savings	(4.756)	(4.863)	(4.713)
<b>Total</b>	<b>1.298</b>	<b>0.461</b>	<b>0.463</b>

**Table 9** below shows the profile of these previously agreed savings across the budgeted portfolios.

<b>Table 9: Previously Agreed Savings by Portfolio</b>			
<b>Budgeted Portfolio</b>	<b>2021/22 £m</b>	<b>2022/23 £m</b>	<b>2023/24 £m</b>
Adult Care & Local Transport	1.602	1.566	1.646
Children & Young People	1.479	1.315	1.315
Communities, Highways & Strategic Transport	(0.142)	(0.202)	(0.624)
Employment & Community Protection	(0.800)	(0.925)	(0.925)
Energy, Environment & Democratic Services	(0.805)	(0.795)	(0.795)
Finance, Growth & the City Centre	(0.025)	(0.365)	(0.365)
Health, HR & Equalities	(0.102)	(0.102)	(0.102)
Housing, Planning & Heritage	(0.250)	(0.250)	(0.250)
Leisure, Culture & IT	(0.020)	(0.185)	(0.285)
Regeneration, Schools & Communications	(0.098)	(0.086)	(0.086)
<b>Portfolios</b>	<b>0.840</b>	<b>(0.028)</b>	<b>(0.470)</b>
Corporate	0.100	0.100	0.100
Companies	0.358	0.389	0.833
<b>Total</b>	<b>1.298</b>	<b>0.461</b>	<b>0.463</b>

#### 4.10 Portfolio Savings

During the budget process, colleagues and councillors work together to identify budget proposals 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 demand management, service transformation and efficiencies.

In addition the budget strategy for 2021/22 included an additional target of a further **5%** pay bill reduction for 2021/22 rising to **10%** by year 3. The Council has initially identified **£4.1m** aligned to this strategic aim and it will continue to work towards this target.

The January Consultation Report included a total savings of **£17.5m** for 2021/22 (including the already approved Voluntary Redundancy proposals). A number of these proposals have been reduced by a total **£1.3m** to reflect the partial year impact of proposals. Since the January report was published, further savings to the value of **£0.7m** have also been identified.

A summary of all portfolio savings proposed for 2021/22 are included in **Table 10** below.

<b>Budget Item</b>	<b>2021/22 £m</b>	<b>2022/23 £m</b>	<b>2023/24 £m</b>
Voluntary Redundancy	(1.730)	(2.109)	(2.084)
Consultation Proposals	(10.501)	(13.983)	(14.015)
Workforce & Other Savings	(3.997)	(3.631)	(3.561)
<b>Amended Savings from January report</b>	<b>(16.227)</b>	<b>(19.722)</b>	<b>(19.660)</b>
Workforce & Other Savings	(0.662)	(0.716)	(0.716)
<b>Additional Savings</b>	<b>(0.662)</b>	<b>(0.716)</b>	<b>(0.716)</b>
<b>Total</b>	<b>(16.889)</b>	<b>(20.438)</b>	<b>(20.376)</b>

#### 4.11 Voluntary Redundancies

**Table 11** summarises the 'Phase 2' Voluntary Redundancy savings already approved in the 20 October Executive Board report across the budgeted portfolios.

<https://committee.nottinghamcity.gov.uk/documents/s108958/Voluntary%20Redundancy%20Programme%20and%20Budget%20Proposals.pdf>

<b>Budgeted Portfolio</b>	<b>2021/22 £m</b>	<b>2022/23 £m</b>	<b>2023/24 £m</b>
Adult Care & Local Transport	(0.321)	(0.428)	(0.428)
Children & Young People	(0.148)	(0.186)	(0.186)
Communities, Highways & Strategic Transport	(0.372)	(0.388)	(0.388)
Employment & Community Protection	0.000	0.000	0.000
Energy, Environment & Democratic Services	(0.061)	(0.081)	(0.081)
Finance, Growth & the City Centre	(0.235)	(0.235)	(0.235)
Health, HR & Equalities	(0.025)	(0.034)	(0.034)
Housing, Planning & Heritage	(0.008)	(0.011)	(0.011)
Leisure, Culture & IT	(0.300)	(0.400)	(0.400)
Regeneration, Schools & Communications	(0.259)	(0.346)	(0.321)
<b>Total</b>	<b>(1.730)</b>	<b>(2.109)</b>	<b>(2.084)</b>

#### 4.12 Consultation Proposals

**Table 12** summarises the latest position for proposals approved for public consultation in the 19 January Executive Board report across the budgeted portfolios

Details of proposals can be found within **Appendix 1**

<b>Budgeted Portfolio</b>	<b>2021/22 £m</b>	<b>2022/23 £m</b>	<b>2023/24 £m</b>
Adult Care & Local Transport	(3.990)	(4.049)	(4.049)
Children & Young People	(1.144)	(1.848)	(1.848)
Communities, Highways & Strategic Transport	(0.495)	(1.106)	(1.106)
Employment & Community Protection	(1.129)	(1.354)	(1.354)
Energy, Environment & Democratic Services	(0.693)	(1.018)	(1.018)
Finance, Growth & the City Centre	(1.061)	(1.284)	(1.284)
Health, HR & Equalities	(0.221)	(0.252)	(0.252)
Housing, Planning & Heritage	0.000	0.000	0.000
Leisure, Culture & IT	(1.247)	(2.037)	(2.070)
Regeneration, Schools & Communications	(0.402)	(0.914)	(0.914)
<b>Portfolios</b>	<b>(10.381)</b>	<b>(13.863)</b>	<b>(13.895)</b>
Corporate	(0.120)	(0.120)	(0.120)
<b>Total</b>	<b>(10.501)</b>	<b>(13.983)</b>	<b>(14.015)</b>

#### 4.13 Workforce & Other Proposals

**Table 13** summarises the latest position for workforce and other proposals, both new and those approved in the 19 January Executive Board report across the budgeted portfolios.

These proposals do not require public consultation as they have minimal or no service impact but they will be subject to trade union and other internal colleague consultation processes.

<b>Budgeted Portfolio</b>	<b>2021/22 £m</b>	<b>2022/23 £m</b>	<b>2023/24 £m</b>
Adult Care & Local Transport	(0.707)	(0.245)	(0.225)
Children & Young People	(0.722)	(0.771)	(0.791)
Communities, Highways & Strategic Transport	(0.591)	(0.647)	(0.577)
Employment & Community Protection	(0.062)	(0.062)	(0.062)
Energy, Environment & Democratic Services	(0.979)	(0.844)	(0.844)
Finance, Growth & the City Centre	(0.547)	(0.559)	(0.559)
Health, HR & Equalities	(0.204)	(0.231)	(0.231)
Housing, Planning & Heritage	(0.196)	(0.137)	(0.137)
Leisure, Culture & IT	(0.462)	(0.664)	(0.664)
Regeneration, Schools & Communications	(0.190)	(0.186)	(0.186)
<b>Total</b>	<b>(4.659)</b>	<b>(4.346)</b>	<b>(4.276)</b>

#### 4.14 Corporate proposals to balance the budget

The Council currently proposes to balance the 2021/22 budget with the use of **£2.1m** of reserves as detailed in **Table 14**.

<b>Table 14: Balancing the Budget</b>			
<b>Budget Item</b>	<b>2021/22 £m</b>	<b>2022/23 £m</b>	<b>2023/24 £m</b>
Use of Resilience reserve	(2.104)		
Outstanding Workforce Target (initial 5% pay bill)		(5.546)	(5.636)
Transformation and Further Workforce Target		(16.932)	(19.351)
<b>Total</b>	<b>(2.104)</b>	<b>(22.478)</b>	<b>(24.987)</b>

#### 4.15 Reserves

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. This will severely impact on the ability to fund transformation activity and workforce reduction costs. The Council will need to make some further use of reserves in 2021/22 to fund redundancy costs, of c£7.2m, inherent in the savings plan and to pump prime the transformation programme to begin to make the necessary progress in delivering the Recovery and Improvement Programme. 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.

#### 4.16 External Support

The Non-Statutory Review (NSR) identified the likelihood of the need for 'external financial support' in order to balance the 2021/22 budget. This was not expected to be in the form of additional 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 not yet known.

Further details in relation to the adequacy of reserves are set out in **Annex 5**

#### 4.17 Transformation

There remains significant gaps for 2022/23 of **£22.5m** rising to **£25.0m** in 2023/24. These gaps are to be met from a combination of further workforce reduction and transformation activity.

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.

#### 4.18 Budget Requirement

**Table 15** shows the proposed draft net budget requirement for 2021/22 and the current budget projections for 2022/23 and 2023/24.

<b>Budget Item</b>	<b>2021/22 £m</b>	<b>2022/23 £m</b>	<b>2023/24 £m</b>	<b>Table</b>
2020/21 Budget Requirement	248.059	248.059	248.059	15
Budget Refresh	14.678	47.343	56.951	3
<b>Sub-total</b>	<b>262.737</b>	<b>295.402</b>	<b>305.010</b>	
21/22 Proposals	(16.889)	(20.438)	(20.376)	10
Balancing the Budget	(2.104)	(22.478)	(24.987)	14
<b>Net Budget</b>	<b>243.744</b>	<b>252.486</b>	<b>259.648</b>	

#### 4.19 Funding

Retained Business Rate income carries significant risks for the Council. The assumed share of the business rate income is **£66.5m** in 2021/22, which is **£1.5m** 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 2021 estimated the net rates as **£141.2m** after all reliefs, with **£3.0m** assumed for bad debts (2.1%) and **£4.0m** for appeals (2.8%) leaving total collectible rates for 2021/22 as **£134.1m**.

The Council in 2021/22 expects to receive **£8.8m** section 31 grant, this grant compensates 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 16** below.

<b>Budget Item</b>	<b>2021/22 £m</b>
Multiplier cap	(3.439)
Small business rates relief	(3.848)
Supporting Small Business Relief	(0.030)
Local newspaper	(0.001)
<b>NNDR1 return</b>	<b>(7.318)</b>
Under-indexing of Top-up Grant	(1.489)

<b>Total</b>	<b>(8.808)</b>
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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 2021/22.

**Table 17** sets out the overall funding assumed within the budget.

<b>Budget Item</b>	<b>2021/22 £m</b>	<b>2022/23 £m</b>	<b>2023/24 £m</b>
Retained Business Rates	(66.476)	(67.539)	(68.755)
Top Up Grant	(28.584)	(29.041)	(29.564)
Revenue Support Grant	(25.887)	(26.301)	(26.775)
<b>Net Position</b>	<b>(120.946)</b>	<b>(122.882)</b>	<b>(125.093)</b>

The draft budget assumes that retained business rates, top-up grant and RSG grant will all increase by currently projected future CPI inflation.

#### 4.20 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.

Covid-19 has had a significant detrimental impact on the collection of Council Tax and Business Rates in 2020/21.

The Government has announced a local tax income guarantee for 2020/21 which will cover 75% of any irrecoverable losses. However payments under this scheme are not being provided directly to meet estimated collection fund deficits but will be calculated at the end of the financial year based on final outturn figures and accounted for in the 2020/21 accounts. Based on current income projections the City Council may receive circa **£1.8m** which will be prudently allocated to the Collection Fund reserve previously created to protect against any future volatility in Council Tax or Business Rates income.

It is currently estimated that there will be a deficit on the council tax collection fund of **£3.0m** with the City Council share of this being **£2.5m**.

It is also estimated that there will be a deficit on the business rates collection fund of **£67.8m** with the City Council share of this being **£33.2m**. Much of this deficit has been caused by the Government's introduction of expanded retail reliefs to businesses in response to Covid-19. The City Council will receive section 31 grant funding to fully compensate for this element of the deficit leaving a net impact of **£3.3m**.

To help spread the impact of these deficits the Government has announced legislation to enable any in-year elements to be repaid over three financial years rather than the usual one year. This enables the combined declared deficit of **£5.8m** to be spread over the 3 years with a profile as shown in **Table 18** below.

<b>Budget Item</b>	<b>2021/22 £m</b>	<b>2022/23 £m</b>	<b>2023/24 £m</b>
In-year spread over 3 years	0.779	0.779	0.779
Prior year	0.185		

<b>Council Tax Deficit</b>	<b>0.964</b>	<b>0.779</b>	<b>0.779</b>
In-year spread over 3 years	31.398	0.483	0.483
S31 grant for reliefs	(30.915)		
Prior year	1.811		
<b>Business Rates Deficit</b>	<b>2.294</b>	<b>0.483</b>	<b>0.483</b>
<b>Net Position</b>	<b>3.259</b>	<b>1.262</b>	<b>1.262</b>

#### 4.21 Council Tax Requirement

**Table 19** 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 2021/22 will be **£126.1m**, equating to a Band D of **£1,898.55** and a Band A of **£1,265.70**. This represents a basic increase of **1.99%** and an adult social care precept of **3.00%**.

The draft statutory Band D Council Tax calculation that will form the basis of the March City Council budget report is detailed at **Appendix 2**. Precepts and detailed statutory calculations are still to be finalised.

<b>Budget Item</b>	<b>2021/22 £m</b>
Net Budget Requirement	243.744
Funding	(120.946)
Collection Fund Deficit	3.259
<b>Council Tax Requirement</b>	<b>126.056</b>

## 5 Budget summary & MTFO assumptions

5.1 In examining proposals for the 2021/22 budget, the Council considers both the immediate situation and the longer term outlook and assesses the impact of decisions accordingly.

Current budgets for 2021/22 through to 2023/24 assumes:

- Council tax increases of **4.99%** in 2021/22 (**1.99%** basic increase and **3.00%** adult Social care precept), **1.99%** Council Tax increase for 2022/23 and 2023/24
- 2021/22 council tax base as per January report with assumed future underlying growth of 600 pa Band D equivalents.
- Council Tax Support Scheme adjustment to tax base of **1,237** Band D equivalents for 2021/22 as per January report, reflecting an projected increase of **8.8%**, with assumed 3 year recovery to pre-COVID levels
- Confirmed settlement funding for 2021/22 only with a working assumption that future funding will increase by current CPI inflation projections.
- Settlement assumptions will further updated once more details and authority exemplifications are known for future Spending Reviews, Fair Funding Review and 75% Rates Retention.
- Future increases in Retained Business Rates and associated section 31 grants reflect only CPI inflation projections with working assumption of nil underlying growth.
- Pay award for 2021/22 assumes a £250 increase per FTE at grades with a salary less than £24,000 and zero pay award for all other grades. Pay award of **2.00%** per

annum for future of the plan. At the time of writing the report the pay offer for 2021/22 has yet to be agreed, any variation to this assumption will need to be managed in-year.

- Assumed no NHB grant or legacy payments for 2022/23+ to support budget
- Assumed that all other specific grants, except for 2021/22 Covid-19 funding, will continue at their current level for all future years.

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

5.2 **Table 20** includes the impact of the 2021/22 budget savings contained elsewhere in this report. In order to achieve this balanced position for future years **£12.0m** additional pay bill savings and **£10.4m** of Transformation Savings, with **£15.1m** and **£9.9m** respectively in 2023/24 would need to be achieved.

<b>Table 20: Budget Summary &amp; Medium Term Financial Outlook</b>			
<b>Budget Item</b>	<b>2021/22 £m</b>	<b>2022/23 £m</b>	<b>2023/24 £m</b>
2020/21 Net Budget Requirement	248.059	248.059	248.059
Updated Budget Assumptions	14.678	47.343	56.951
<b>Sub-Total</b>	<b>262.737</b>	<b>295.402</b>	<b>305.010</b>
21/22 Proposals	(16.889)	(20.438)	(20.376)
Balancing the Budget	(2.104)	(22.478)	(24.987)
<b>Assumed Net Budget</b>	<b>243.744</b>	<b>252.486</b>	<b>259.648</b>
Retained Business Rates, Top-up & RSG	(120.946)	(122.882)	(125.093)
Council Tax	(126.056)	(130.867)	(135.817)
Collection Fund Deficit	3.259	1.262	1.262
<b>Assumed Funding</b>	<b>(243.744)</b>	<b>(252.486)</b>	<b>(259.648)</b>

## 6 Financial Stability & the Management of Risk

- 6.1 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 best practice and professional experience.
- 6.2 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.
- 6.3 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 opening balance for 2021/22 is **£12.6m** 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 his capacity as S151 officer.

#### **6.4 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.

### **7 CIPFA Financial Management Code**

- 7.1 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. **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.

### **8 Accountability**

- 8.1 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 2021/22 form the basis by which performance management can take place.
- 8.2 A critical element to achieve long term financial sustainability is to ensure savings proposals included within the budget are delivered. To support this objective the S151 Officer has introduced Implementation Plans and these are required for all savings and require sign-off from the relevant Corporate Director and Portfolio Holder. These will then be reviewed as part of the in-year budget monitoring process with Budget Review meetings where Corporate Directors and Portfolio Holders will report progress.
- 8.3 In addition to the Budget Review process, regular monitoring of budgets will continue to take place at various management levels within the Council, including at monthly reports to CLT, Leadership and Executive Panel and 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.
- 8.4 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.
- 8.5 The Council is implementing a new Enterprise Resource Planning (ERP) system with a go live date for Finance of April 2021. The original go live date of April 2020 was delayed due to the impact of the pandemic. The new Oracle ERP Finance system has been designed on the continued principle of Budget Managers being accountable and responsible for completing monthly financial forecasts. Payroll is due to go live later in Qtr2 of 2021/22 and consequently there will be a mix of reporting at the start of the year from old and new systems. The implementation of the new system and staggered go live will impact on the financial reporting in the first quarter of 2021/22, it is expected that full reporting from the new system will be available from quarter two and that a mix of on and off system reporting will be required initially. It's important to note that during this transitional period all senior managers within the Council remain accountable to deliver within their budgets and to be responsible for meeting all corporate financial reporting requirements and adherence to financial regulations.



## 9. Portfolio Pages

### Leader / Regeneration, Schools & 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 and Operational Property**
- **Metro Strategy**
- **Schools**
  - Education Improvement Board
  - Educational provision 3 – 16 including Academies and Free Schools
  - School re-organisation and governance
  - Attendance
  - Special Educational Needs – Special Education Schools
  - Pupil Referral Units
  - Virtual School for Children in Care
  - Services to schools
  - Schools catering
- **Communications and Marketing**

Revenue Budget 2021/22: Regeneration, Schools & Communications				
	Base Budget £m	Adjustments, Inflation & Previous Decisions £m	Portfolio Proposals £m	Net Budget £m
<b>Total</b>	<b>(14.115)</b>	<b>6.395</b>	<b>(0.850)</b>	<b>(8.571)</b>

## 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 2021/22: Energy, Environment and Democratic Services				
	Base Budget £m	Adjustments, Inflation & Previous Decisions £m	Portfolio & Corporate Proposals £m	Net Budget £m
Portfolio	23.644	0.874	(1.733)	22.785
Corporate item	0.090	0.000	0.000	0.090
<b>Total</b>	<b>23.734</b>	<b>0.874</b>	<b>(1.733)</b>	<b>22.875</b>

## 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
  - Public Transport
  - Corporate Transport Fleet
  - Cycling
- **Local Transport Strategy**

Revenue Budget 2021/22: Adult Care & Local Transport				
	Base Budget £m	Adjustments, Inflation & Previous Decisions £m	Portfolio Proposals £m	Net Budget £m
<b>Total</b>	<b>102.112</b>	<b>(0.626)</b>	<b>(5.018)</b>	<b>96.469</b>

## 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
- Early Years

<b>Revenue Budget 2021/22: Children &amp; Young People</b>				
	<b>Base Budget £m</b>	<b>Adjustments, Inflation &amp; Previous Decisions £m</b>	<b>Portfolio Proposals £m</b>	<b>Net Budget £m</b>
<b>Total</b>	<b>55.269</b>	<b>11.416</b>	<b>(2.014)</b>	<b>64.672</b>

## Communities, Highways & Strategic Transport – Councillor Rebecca Langton



### Broad Responsibilities:

- **Neighbourhood Regeneration**
  - Neighbourhood Retail Management
  - Cleansing and 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 and Volunteering
  - Community Centres
  - Community Cohesion
  - Equalities in the community
  - One Nottingham
  - Armed Forces Champion
- **Strategic Transport and Highways**
  - HS2
  - Road repairs and resurfacing
  - Traffic Management and Parking
  - Highways Design and Maintenance
  - Parking Enforcement
  - Street Lighting

Revenue Budget 2021/22: Communities, Highways & Strategic Transport				
	Base Budget £m	Adjustments, Inflation & Previous Decisions £m	Portfolio Proposals £m	Net Budget £m
<b>Total</b>	<b>8.437</b>	<b>2.544</b>	<b>(1.458)</b>	<b>9.523</b>

## Employment & Community Protection – Councillor Neghat Kahn



### Broad Responsibilities:

- **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
  - Employability in Schools
- **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

Revenue Budget 2021/22: Employment & Community Protection				
	Base Budget £m	Adjustments, Inflation & Previous Decisions £m	Portfolio Proposals £m	Net Budget £m
<b>Total</b>	<b>8.715</b>	<b>(0.850)</b>	<b>(1.190)</b>	<b>6.675</b>

## 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 2021/22: Finance, Growth & the City Centre				
	Base Budget £m	Adjustments, Inflation & Previous Decisions £m	Portfolio & Corporate Proposals £m	Net Budget £m
Portfolio	9.301	2.705	(1.843)	10.163
Corporate items	45.718	(13.920)	(2.224)	29.575
<b>Total</b>	<b>55.019</b>	<b>(11.215)</b>	<b>(4.067)</b>	<b>39.737</b>

## 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
- **HR and Transformation**
  - Equalities within the Council
- **Health and Social Care Integration (shared)**

<b>Revenue Budget 2021/22: Health, HR &amp; Equalities</b>				
	<b>Base Budget £m</b>	<b>Adjustments, Inflation &amp; Previous Decisions £m</b>	<b>Portfolio Proposals £m</b>	<b>Net Budget £m</b>
<b>Total</b>	<b>(6.828)</b>	<b>0.052</b>	<b>(0.449)</b>	<b>(7.225)</b>

## 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**
  - Policy and Operational

<b>Revenue Budget 2021/22: Housing, Planning &amp; Heritage</b>				
	<b>Base Budget £m</b>	<b>Adjustments, Inflation &amp; Previous Decisions £m</b>	<b>Portfolio &amp; Corporate Proposals £m</b>	<b>Net Budget £m</b>
Portfolio	6.577	0.807	(0.205)	7.179
Corporate item	(2.950)	0.786	0.000	(2.164)
<b>Total</b>	<b>3.627</b>	<b>1.593</b>	<b>(0.205)</b>	<b>5.015</b>

## 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 2021/22: Leisure, Culture & IT				
	Base Budget £m	Adjustments, Inflation & Previous Decisions £m	Portfolio Proposals £m	Net Budget £m
<b>Total</b>	<b>12.088</b>	<b>4.495</b>	<b>(2.009)</b>	<b>14.574</b>

## **10 Tax Strategy and Policy – year ended 31 March 2022**

### **10.1 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 2022. 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

### **10.2 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.

### **10.3 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.

10.4 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.

- 10.5 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.
- 10.6 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.

### **10.7 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.

### **10.8 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.

### **10.9 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.

#### **10.10 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
- Thomas Bow Ltd

## Adult Care & Local Transport

## Appendix 1a

	Department	Service Area	Title of Proposal	Narrative	2021/22 £m	2022/23 £m	2023/24 £m
1	People (Adults)	Health Integration	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)	Directorate	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)	Health Integration	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	Transport & Fleet	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	Transport & Fleet	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	(0.050)	(0.089)	(0.089)
6	C&O	Transport & Fleet	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	D&G	Concessionary Fares	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>(3.990)</b>	<b>(4.049)</b>	<b>(4.049)</b>

## Children & Young People

## Appendix 1b

	Department	Service Area	Title of Proposal	Narrative	2021/22 £m	2022/23 £m	2023/24 £m
1	People (Children's)	Vulnerable Children & Families Directorate	Extend block contract for residential placements	Increase the block contract through a Procurement process	(0.126)	(0.380)	(0.380)
2	People (Children's)	Vulnerable Children & Families Directorate	Block contract for independent fostering	Commission bespoke small block independent fostering provider	(0.050)	(0.050)	(0.050)
3	People (Children's)	Vulnerable Children & Families Directorate	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)	Children's Social Care Directorate	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)	Vulnerable Children & Families Directorate	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)	Vulnerable Children & Families Directorate	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	(0.234)	(0.418)	(0.418)
7	People (Children's)	Vulnerable Children & Families Directorate	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>(1.144)</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 Centres	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 Centres	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 Centres	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	Neighbourhoods & Community Engagement	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	Neighbourhoods & Community Engagement	Review unspent ward budgets	Review in-year unspent ward revenue budget	(0.050)	0.000	0.000
6	C&O	Neighbourhoods & Community Engagement	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	(0.113)	(0.154)	(0.154)
7	C&O	Neighbourhoods & Community Engagement	Removal of Student Action Officer	Realignment of Student support activity enables efficiencies in how the Council support residents that are also students	(0.030)	(0.042)	(0.042)
8	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)
9	C&O	Parking Services	New cashless parking scheme: Lenton Industrial estate	Introduce new on street cashless parking scheme by Nov 21	(0.020)	(0.050)	(0.050)
10	C&O	Parking Services	New cashless parking scheme: Queens drive industrial estate	Introduce new on street cashless parking scheme by Nov 21	(0.016)	(0.040)	(0.040)
11	C&O	Parking Services	New cashless parking scheme: Blenheim industrial estate	Introduce new on street cashless parking scheme by Nov 21	(0.012)	(0.030)	(0.030)
12	C&O	Parking Services	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)

	<b>Department</b>	<b>Service Area</b>	<b>Title of Proposal</b>	<b>Narrative</b>	<b>2021/22 £m</b>	<b>2022/23 £m</b>	<b>2023/24 £m</b>
13	C&O	Parking Services	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)
14	CEX	Commercial Finance	Welfare Rights	Amalgamation of 2 teams supporting the city	(0.036)	(0.050)	(0.050)
15	CEX	Commercial 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)
<b>PORTFOLIO TOTAL</b>					<b>(0.495)</b>	<b>(1.106)</b>	<b>(1.106)</b>

**Employment & Community Protection**

**Appendix 1d**

	<b>Department</b>	<b>Service Area</b>	<b>Title of Proposal</b>	<b>Narrative</b>	<b>2021/22 £m</b>	<b>2022/23 £m</b>	<b>2023/24 £m</b>
1	C&O	Security & Logistics	Removal of 24/7 monitoring of Public Space CCTV Monitoring	Redesign of how Public Space CCTV is actively monitored across the City	(0.148)	(0.202)	(0.202)
2	C&O	Security & Logistics	Reduction of the Security offer for Loxley House	Loxley House Security reduced to Public opening hours plus 15mins each side	(0.050)	(0.050)	(0.050)
3	C&O	ASB	Reduction of ASB Enforcement Officers	Removal of ASB Enforcement Officer posts	(0.100)	(0.110)	(0.110)
4	C&O	Uniformed Services	Reduction of Community Protection Officers	Transformation to a response model of service delivery with a tighter focus on the statutory responsibilities of the service	(0.633)	(0.709)	(0.709)
5	C&O	Community Protection Directorate	Redesign of Tasking, Intelligence & Support function	Deletion of non-frontline business support post	(0.023)	(0.032)	(0.032)
6	S&R	Human Resources	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>(1.129)</b>	<b>(1.354)</b>	<b>(1.354)</b>

**Energy, Environment & Democratic Services**

**Appendix 1e**

	<b>Department</b>	<b>Service Area</b>	<b>Title of Proposal</b>	<b>Narrative</b>	<b>2021/22 £m</b>	<b>2022/23 £m</b>	<b>2023/24 £m</b>
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	Waste Management	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	Waste Management	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	Facilities & Building Services	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	Waste Management	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	S&R (as lead)	Customer Services	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	Environmental Health & Licensing	Environmental Health, Trading Standards, Licensing.	Review of statutory functions, creating a new three stage operating model	(0.126)	(0.172)	(0.172)
2	C&O	Nottingham 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	(0.035)	(0.048)	(0.048)
3	D&G	Economic Development Business Growth	Grant income repurpose	Use new grant income to replace business growth components of economic development programme	(0.250)	0.000	0.000
4	S&R	Analysis & Insight	Deletion of PH Insight Specialist L1 role	Reduction in Public Health Insight Specialist capacity	(0.032)	(0.044)	(0.044)
5	CEX	Commercial Finance	Contract efficiencies	Review of non-pay budgets and external contracts	(0.200)	(0.200)	(0.200)
6	CEX	Commercial 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	Commercial 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	(0.067)	(0.073)	(0.073)
8	CEX	EMSS	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	Corporate & Strategic 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	Corporate & Strategic Finance	Review of HRA capital support	Full recharge of costs in relation to the HRA capital programme	(0.054)	(0.054)	(0.054)
<b>PORTFOLIO TOTAL</b>					<b>(1.061)</b>	<b>(1.284)</b>	<b>(1.284)</b>

	Department	Service Area	Title of Proposal	Narrative	2021/22 £m	2022/23 £m	2023/24 £m
1	People (Public Health)	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)	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)	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)	Public Health	Health Check software	Negotiated reduction in software contract	(0.007)	(0.007)	(0.007)
5	People (Public Health)	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	Human Resources	Further reduction to corporate Development & Change Team	Further reduction to corporate Development & Change Team	(0.032)	(0.044)	(0.044)
<b>PORTFOLIO TOTAL</b>					<b>(0.221)</b>	<b>(0.252)</b>	<b>(0.252)</b>

**Housing, Planning & Heritage**

**Appendix 1h**

	<b>Department</b>	<b>Service Area</b>	<b>Title of Proposal</b>	<b>Narrative</b>	<b>2021/22 £m</b>	<b>2022/23 £m</b>	<b>2023/24 £m</b>
			<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 & Building Services	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	Museums	Reduction in external grants to cultural partners	Reduction on cultural organisation grants	(0.107)	(0.107)	(0.107)
3	C&O	Museums	Review of admission charges	Review of charges at heritage sites	(0.100)	(0.100)	(0.100)
4	C&O	Museums	Museum service efficiencies	Redesign of museum operations	(0.101)	(0.135)	(0.135)
5	C&O	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 & Goose Fair	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	(0.190)	(0.260)	(0.260)
11	D&G	Tourism	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)
<b>PORTFOLIO TOTAL</b>					<b>(1.247)</b>	<b>(2.037)</b>	<b>(2.070)</b>

## Regeneration, Schools & Communications

## Appendix 1j

	Department	Service Area	Title of Proposal	Narrative	2021/22 £m	2022/23 £m	2023/24 £m
1	People (Education)	Education Partnerships	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)	Education Partnerships	Income generating services	Review of the existing income generating services and cease where they are not covering costs	(0.066)	(0.090)	(0.090)
3	People (Education)	Education Partnerships	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)	Education Partnerships	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	Main Operational Buildings	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	D&G	Economic Development Partner & Policy	Reduction of grant to Futures	Reduce NEET grant to statutory minimum	(0.050)	(0.050)	(0.050)
8	S&R	Marketing & Communications	Reduction of corporate campaign budget	Reduce the corporate campaign budget	(0.040)	(0.040)	(0.040)
9	S&R	Marketing & Communications	Reduction to Arrow Magazine Budget	2 digital and 1 printed and posted	(0.076)	(0.076)	(0.076)
10	S&R	Marketing & Communications	Reduction of corporate communications budget	Reduce the corporate communications budget	(0.057)	(0.025)	(0.025)
11	S&R	Marketing & Communications	Review council communications & marketing services.	Review council communications and marketing services	0.000	(0.170)	(0.170)
<b>PORTFOLIO TOTAL</b>					<b>(0.402)</b>	<b>(0.914)</b>	<b>(0.914)</b>

**Corporate Item**

**Appendix 1k**

	<b>Department</b>	<b>Service Area</b>	<b>Title of Proposal</b>	<b>Narrative</b>	<b>2021/22 £m</b>	<b>2022/23 £m</b>	<b>2023/24 £m</b>
1	Corporate	Financing & Investment	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>CORPORATE TOTAL</b>					<b>(0.120)</b>	<b>(0.120)</b>	<b>(0.120)</b>

## Appendix 2 - draft statutory calculations of 2021/22 Band D Council Tax

### Extract from draft City Council Recommendations

2.1 (3) a council tax requirement of **£126,056,126** including the calculations required by Sections 30 to 36 of the Local Government Finance Act 1992 (“the Act”), as set out below:

- (a) **£986,375,201** being the aggregate of the expenditure, allowances, reserves and amounts which the Council estimates for the items set out in Section 31A(2) (a) to (f) of the Act;
- (b) **£860,319,075** being the aggregate of the income and amounts which the Council estimates for the items set out in Section 31A (3) (a) to (d) of the Act;
- (c) **£126,056,126** being the amount by which the aggregate at **2.1(3)(a)** above exceeds the aggregate at **2.1(3)(b)** above, calculated by the Council, in accordance with Section 31A(4) of the Act, as its council tax requirement for the year;

(4) a City Council Band D basic amount of council tax for 2021/22 of **£1,898.55** being the amount at **2.1(3)(c)** divided by the amount at **2.2(3)** below, calculated by the Council, in accordance with Section 31B(1) of the Act, as the basic amount of its council tax for the year

2.2 the following be noted:

- (1) a Nottinghamshire and City of Nottingham Fire and Rescue Authority precept at Band D for 2021/22 of **£82.95**.
- (2) a Nottinghamshire Police and Crime Commissioner precept at Band D for 2021/22 of **£244.26**.
- (3) in January 2021, the City Council calculated the amount of **66,396** as its council tax base for the year 2021/22 in accordance with the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012.

### Background

The legislation governing the setting of council tax is contained in the Act. Section 31B(1) requires a billing authority to calculate the basic amount of its council tax, which in the City Council’s case is that applicable to Band D dwellings in its area.

The calculation is made in accordance with a formula **R/T**

**R** is the amount calculated by the City Council as its council tax requirement for 2021/22, calculated in accordance with section 31A(4) of the Act. The Executive Board as its meeting on 23 February 2021 determined the council tax requirement to be **£126,056,126**.

**T** is the amount calculated by the City Council as its council tax base for 2021/22. In January 2020 the City Council calculated the amount of **66,396** as its council tax base for the year 2021/22 in accordance with Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012.

This tax base assumed the retention of the current Council Tax Support Scheme for financial year 2021/22, having regard to the Public Sector Equality Duty and noting that local circumstances have not changed sufficiently to warrant changes.

Application of the formula R/T thus gives a basic amount of council tax of:

$$\frac{\mathbf{£126,056,126}}{\mathbf{66,396}} = \mathbf{£1,898.55}$$

for a Band D property in accordance with Section 31B(1) of the Act.

Application of the formula specified in section 36 of the Act gives the following basic amount of council tax for each valuation band:

Band	Factor	Basic amount of council tax
A	6/9	£1,265.70
B	7/9	£1,476.65
C	8/9	£1,687.60
D	9/9	<b>£1,898.55</b>
E	11/9	£2,320.45
F	13/9	£2,742.35
G	15/9	£3,164.25
H	18/9	£3,797.10

It should be noted that, for the financial year 2021/22, the Nottinghamshire Police and Crime Commissioner has issued the following amounts in precepts in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of the dwellings shown below:

A	B	C	D	E	F	G	H
£162.84	£189.98	£217.12	£244.26	£298.54	£352.82	£407.10	£488.52

It should also be noted that, for the financial year 2021/22, the Nottinghamshire and City of Nottingham Fire and Rescue Authority has issued the following amounts in precepts in accordance with Section 40 of the Act for each of the categories of the dwellings shown below:

A	B	C	D	E	F	G	H
£55.30	£64.52	£73.73	£82.95	£101.38	£119.82	£138.25	£165.90

The City Council, as billing authority, is required under section 30 of the Act to set council taxes for its area. In the City Council's case these will represent the aggregate of the City Council's basic amount of council taxes and the precepts of the Nottinghamshire Police and Crime Commissioner and the Nottinghamshire and City of Nottingham Fire and Rescue Authority as shown above

The impact of the proposals in the council tax is provided below:

Band	City Council £	Police & Crime Commissioner £	Fire & Rescue Authority £	Aggregate Council Tax £
A	£1,265.70	£162.84	£55.30	£1,483.84
B	£1,476.65	£189.98	£64.52	£1,731.15
C	£1,687.60	£217.12	£73.73	£1,978.45
D	<b>£1,898.55</b>	<b>£244.26</b>	<b>£82.95</b>	<b>£2,225.76</b>
E	£2,320.45	£298.54	£101.38	£2,720.37
F	£2,742.35	£352.82	£119.82	£3,214.99
G	£3,164.25	£407.10	£138.25	£3,709.60
H	£3,797.10	£488.52	£165.90	£4,451.52