

EXECUTIVE BOARD - 24 FEBRUARY 2015

Subject:	MEDIUM TERM FINANCIAL PLAN (MTFP) 2015/16 – 2017/18		
Corporate Director(s)/ Director(s):	Glen O’Connell, Acting Corporate Director for Resources		
Portfolio Holder(s):	Councillor Graham Chapman, Deputy Leader/Portfolio Holder for Resources and Neighbourhood Regeneration		
Report author and contact details:	Geoff Walker, Acting Director of Strategic Finance 0115 8763740 geoff.walker@nottinghamcity.gov.uk		
Key Decision	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Subject to call-in	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Reasons: <input checked="" type="checkbox"/> Expenditure <input type="checkbox"/> Income <input type="checkbox"/> Savings of £1,000,000 or more taking account of the overall impact of the decision			<input checked="" type="checkbox"/> Revenue <input checked="" type="checkbox"/> Capital
Significant impact on communities living or working in two or more wards in the City			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Total value of the decision: Nil			
Wards affected: All	Date of consultation with Portfolio Holder(s): Ongoing throughout the process		
Relevant Council Plan Strategic Priority:			
Cutting unemployment by a quarter			<input checked="" type="checkbox"/>
Cut crime and anti-social behaviour			<input checked="" type="checkbox"/>
Ensure more school leavers get a job, training or further education than any other City			<input checked="" type="checkbox"/>
Your neighbourhood as clean as the City Centre			<input checked="" type="checkbox"/>
Help keep your energy bills down			<input checked="" type="checkbox"/>
Good access to public transport			<input checked="" type="checkbox"/>
Nottingham has a good mix of housing			<input checked="" type="checkbox"/>
Nottingham is a good place to do business, invest and create jobs			<input checked="" type="checkbox"/>
Nottingham offers a wide range of leisure activities, parks and sporting events			<input checked="" type="checkbox"/>
Support early intervention activities			<input checked="" type="checkbox"/>
Deliver effective, value for money services to our citizens			<input checked="" type="checkbox"/>
Summary of issues (including benefits to citizens/service users):			
<p>This report presents the Council’s Medium Term Financial Plan (MTFP) for 2015/16 – 2017/18. The MTFP comprises four elements: 1. General Fund revenue budget; 2. General Fund capital programme, 3. Housing Revenue Account (HRA) revenue budget and 4. HRA capital programme. Prudential Indicators are reported separately on this agenda within the Treasury Management Report.</p> <p>The MTFP report contains a large amount of important information. In order to make this accessible, the report comprises 6 annexes as follows:</p> <ol style="list-style-type: none"> Annex 1 sets out the current 2014/15 forecast outturn for all 4 elements of the MTFP. Annex 2 sets out the proposed General Fund revenue MTFP for 2015/16–2017/18, reflecting funding for the delivery of the Council Plan and the various levels of service plan that support it. Annex 3 sets out the Capital Programme for 2014/15 (i.e. revised current year) –2019/20 Annex 4 sets out the HRA budget which forms part of the HRA Business Plan that seeks to ensure that this ring fenced account remains in balance. An increase in rents is proposed which will finance the management and maintenance of the stock together with the introduction of a tenant reward scheme. 			

- 5. Annex 5** sets out the Chief Finance Officer's assessment of the robustness of the estimates made for the purposes of the budget calculations and the adequacy of the reserves.
- 6. Annex 6** sets out the Council's budget consultation activity and the responses to that consultation

This information enables Executive Board to set the HRA rent levels and service charges for 2015/16 and continue the tenant reward scheme and make recommendations to City Council in respect of the MTFP for 2015/16 – 2017/18, in particular in relation to:

- The General Fund revenue budget and council tax levels for 2015/16.
- The Capital Programme 2014/15 to 2019/20.

As is usual, public consultation has been undertaken in relation to the draft budget. Feedback from the consultation process has been taken into account in making these final recommendations to City Council.

The decision is not subject to call-in as Councillor Brian Parbutt, Chair of the Overview and Scrutiny Committee, has agreed that the decision is reasonable in all the circumstances and should be treated as a matter of urgency as the Council's budget has to be approved at the Full Council meeting on 9 March 2014 (which is before the call-in period has ended).

Exempt information:

None

Recommendation(s):

1 2014/15 Budget (Annex 1)

- a. To note the current forecast outturn for the 2014/15 General Fund and HRA revenue budgets and capital programmes, as detailed within **Annex 1**.
- b. To endorse the allocations from Contingency as set out in **Table 1D** of **Annex 1**.
- c. To approve the budget virements and reserve movements set out in **Table 3** and **Appendices C and D**.

2 MTFP 2015/16–2017/18 Revenue Element (Annex 2)

- a. To note:
 - i. The General Fund revenue aspects of the MTFP as set out in **Annex 2**.
 - ii. That, at the time of despatch of this report, the Fire Authority had not formally approved their final council tax increases. The final precepts will be confirmed prior to the City Council meeting on 9 March 2015.
- b. To note, endorse and recommend to City Council:
 - i. The General Fund net budget requirement for 2015/16 of **£255.814m**, including the net movement in earmarked reserves as set out in **Appendix A**
 - ii. A basic amount of Council Tax level (Band D) of **£1,459.67** that will raise a total of **£89.108m** (an increase of **1.95%**)
 - iii. Delegated authority to the appropriate Director to implement all proposals after undertaking any necessary consultation

3 MTFP 2015/16–2017/18 Capital Programme Element (Annex 3)

Executive Board to note, endorse and recommend to City Council:

- a. the Capital programme as detailed in **Appendix D of Annex 3**.
- b. the key principals for the governance and management of the capital programme as set out in **Section 9 of Annex 3**

4 MTFP 2014/15–2017/18 HRA Element (Annex 4)

- a. To approve with effect from 31 March 2014 (subject to consultation):
 - i. an average increase in rent levels for all Council owned dwellings within the HRA of **2.2%**
 - ii. an increase in service and heating charges of **2.2%**.
 - iii. an increase in the service charge for independent living of **2.2%**.
 - iv. an increase in weekly garage rents of **£0.18** per week (52 week basis).
- b. To approve the:
 - i. cost pressures - inflation totalling **£0.903m**, as detailed in **Annex 4**.
 - i. HRA working balance to be set at **£4.000m**.
 - ii. Public Sector Capital Programme as set out in **Appendix A of Annex 4**.
 - iii. maintenance of a capital allowance to avoid pooling of receipts generated from HRA land and building sales to be used to fund affordable housing and regeneration schemes as set out in **Annex 4**.
 - iv. Delegation of authority to Nottingham City Homes (NCH) to award capital contracts up to the value of the scheme/programme as set out in **Appendix A of Annex 4** of the report
- c. To note the continuation of the tenant reward scheme as implemented in 2014/15 as set out in **Annex 4**
- d. To note, endorse and recommend to City Council the 2015/16 HRA budget, as set out in **Annex 4**.

5 To note and endorse the recommendations of the Chief Finance Officer (CFO) in respect of the robustness of the estimates made for the purposes of all aspects of the budget calculations and the adequacy of reserves, as detailed in **Annex 5**.

6 To note the outcomes of the budget consultation and communication as detailed in **Annex 6**.

7 To delegate authority to the Acting Corporate Director for Resources, in consultation with the Deputy Leader, to finalise the MTFP for publication following approval of the relevant elements of the budget by City Council.

1. REASONS FOR RECOMMENDATIONS

1.1. This report presents and seeks endorsement for the draft MTFP for 2015/16–2017/18 to enable Executive Board to approve rent increases and make recommendations to City Council for consideration on 9 March 2015 when they meet to set the budget and council tax for 2015/16.

2. BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)

2.1. The MTFP translates the Medium Term Financial Strategy (MTFS) into a funded plan of action which enables the Council Plan and its subsidiaries to be delivered. It covers a rolling three-year period and comprises four elements:

1. General Fund revenue budget,
2. General Fund capital programme,
3. HRA revenue budget and
4. HRA capital programme.

2.2. Unavoidably, this document contains considerable detail about the composition of the budget and the wide variety of issues taken into account in constructing the MTFP. Therefore, in seeking to make all this detail more accessible, the budget report has been constructed using Annexes, each of which focuses on a particular aspect of the MTFP. Each Annex has appendices to provide relevant additional information. The Annexes are as follows:

- **Annex 1** sets out the current 2014/15 forecast outturn for all 4 elements of the MTFP.
- **Annex 2** sets out the proposed General Fund revenue MTFP for 2015/16–2017/18, reflecting funding for the delivery of the Council Plan and the various levels of service plan that support it.
- **Annex 3** sets out the Capital Programme for 2014/15–2019/20
- **Annex 4** sets out the HRA budget which forms part of the HRA Business Plan that seeks to ensure that this ring-fenced account remains in balance. An increase in rents is proposed, which will finance the management and maintenance of the stock and seeks to continue a tenant reward scheme.
- **Annex 5** sets out the Chief Finance Officer's (CFO's) assessment of the robustness of the estimates made for the purposes of the budget calculations and the adequacy of the reserves. This is required under The Local Government Act (Part II) 2003.
- **Annex 6** sets out details of budget consultation activity and the responses from various stakeholders

2.3. The budget process has once again been characterised by significant movements in resources across services. Net spending profiles:

- follow the Council Plan priorities;
- deal with the impact of the significant funding reduction from and changing policy direction set by national Government;
- address, as far as possible, demand, legislative and inflationary pressures;

- take account of local interpretation of relevant regional and national priorities and programmes;
- support the determination to continue to improve our performance, optimally design our services and improve our offer to citizens;
- recognise the ongoing imperative to demonstrate value for money, particularly given the prevailing economic conditions and significantly reduced levels of funding; resulting in significant cost reductions whilst targeting resources at the highest priorities;

2.4. The draft MTFP reflects the culmination of the extensive work of councillors, colleagues and other stakeholders to fulfil a legal obligation to enable the setting of a balanced budget for 2015/16 in the context of a 3-year MTFP to fund provision of a wide range of services; many of them statutory. Resources have been redirected by:

- Identifying cost reductions – both efficiencies and policy change;
- Reviewing priorities and services and restructuring accordingly;
- Optimising external funding;
- Reviewing income streams;
- Implementing new ways of working and providing services

2.5. The MTFP process is supported by extensive consultation and the Council is committed to maintaining and developing this participation

Pre-budget consultation was carried out in October to December 2014 with **1,982** residents expressing their views on priority Council services. Further consultation has been undertaken from December 2014 with citizens, colleagues, businesses and the voluntary sector to consider the budget proposals set out in the draft Medium Term Financial Plan. A total of **240** people responded to online and paper surveys and around **200** attended public meetings.

Full details of the consultation outcomes can be found in **Annex 6**

So far there have been no significant changes to the Phase 1 and Phase 2 consultation proposals as published in December and January respectively. However the consultation period will continue to run until the Council meeting in March 2015.

2.6. HRA Tenant Consultation on 2015/16 Budget and Rents

Presentations were made Tenant and Leaseholder Congress in February 2015. Tenants were advised that the investment plan set out in the MTFP was predicated on a medium term plan for housing rent increases, and that given the constraints that could be imposed on future increases there is a need to increase rents in 2015/16 to protect the investment priorities of tenants. The increase for 2015/16 according to the plan was 2.2%, The tenant reward scheme will continue in 2015/16.

The key issues raised were as follows:

- Universal Credit was highlighted as a risk for funding the capital programme.
- General support for the planned investment programme
- Responsible Tenant Reward Scheme has been well received
- 2.2% rent increase was felt to be acceptable

3. OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

3.1. Throughout the budget process, a large number of individual cost reduction, income levels and investment options are considered. This in turn impacts on the level of reserves. This is a complex process with many iterations and possibilities too numerous to present as discrete options. This report presents the final overall package of detailed proposals which together seek to balance levels of investment, cost reduction and an appropriate level of income.

3.2. General Fund

The Government has made an offer of a Council Tax Freeze Grant (CTFG) for 2015/16. The Council could choose to accept this CTFG in 2015/16. Reducing the proposed City Council Band D council tax increase of 1.95% to 0% to receive the council tax freeze grant would add an on-going net pressure of **£0.594m**.

3.3. HRA

Options for increasing rents have been considered to mitigate the impact on tenants balanced against protecting investment in the stock to meet tenant priorities. Tenants have been consulted on the preferred option of a **2.2%** rent increase.

4. FINANCIAL IMPLICATIONS (INCLUDING VALUE FOR MONEY/VAT)

4.1. The City Council's MTFP forms the cornerstone of financial management and control and service delivery within the organisation. Details for 2014/15 are contained in **Annex 1. Annexes 2–6 inclusive** cover the MTFP for 2015/16–2017/18. The key headlines for each of the four elements of the MTFP are:

General Fund Revenue Budget

- A forecast outturn underspend in 2014/15 (before allocations and carry forwards) of **£1.011m**;
- A 2015/16 net revenue budget requirement of **£255.814m** and a Band D council tax (excluding precepts) of **£1,459.67**;
- At the time of despatch of this report, the fire precepting authority had not formally approved their final council tax increases. The final precept will be confirmed prior to the City Council meeting on 9 March 2015.
- Funding for new pressures of **£0.759m** in 2015/16;
- Portfolio saving proposals of **£23.533m** in 2015/16;
- Further corporate savings from the Productivity Initiative of **£1.500m** in 2015/16.

General Fund Capital Programme

- An overall programme of **£714.080m**, of which **£128.325m** relates to 2014/15.
- Of this, **£212.325m** is funded from specific grants and contributions, **£50.555m** from capital receipts and other internal contributions and **£424.962m** from prudential borrowing.

HRA Revenue Budget

- An HRA expenditure budget of **£108.506m** in 2015/16.
- An average increase in rent levels of **2.2%**, generating **£2.714m**.
- An increase in service charges of **2.2%**, totalling **£0.095m**.

- An increase in garage rents generating **£18k**.
- Cost pressures of **£0.903m**.
- A closing working balance in 2014/15 of **£4m**.

HRA Capital Programme

- An overall programme of **£324.606m** of which **£65.007m** relates to 2014/15.
- Of this, **£174.006m** is funded from the Major Repairs Allowance, **£24.964m** from specific grants and contributions, **£64.883m** from capital receipts and internal funds and **£28.826m** from prudential borrowing.

The Council has a robust approach to providing value for money (vfm) through the redesign of services and the identification of cost reductions whilst ensuring delivery of the Council Plan and the MTFs. An embedded approach to vfm lies within the Council's planning and service delivery framework and the Council has a Transformation Portfolio of programmes designed to bring about more fundamental change in the way both services are designed and delivered and the organisation operates.

The Audit Committee has responsibility for the scrutiny and challenge of the financial and performance framework and its implementation.

4.2 Council Tax Requirement

The Localism Act 2011 has made significant changes to the Local Government Finance Act 1992. As a result, the billing authority is required to calculate a Council Tax Requirement for the year rather than the previous Budget Requirement.

The proposals contained within this report will result in the City Council setting a Council Tax Requirement of **£89.108m** and a Band D City Council Tax of **£1,459.67**. The full statutory determinations will be set out in the report to Council on 9 March 2015. The final precepts for the Police Commissioner and Fire and Rescue Authority will be confirmed in the report to March Council.

5. RISK MANAGEMENT ISSUES (INCLUDING LEGAL IMPLICATIONS AND CRIME AND DISORDER ACT IMPLICATIONS)

- 5.1. The City Council is required to set a balanced budget for 2015/16 before 11 March 2015.
- 5.2. A detailed and comprehensive risk assessment has been undertaken in order to inform the CFO's assessment of the affordability of these budget plans and the consequent recommended levels of reserves and contingencies. This is summarised in **Annex 5**.

The Council has a duty under the Equality Act 2010 to have due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations between protected groups (such as disabled people or ethnic minority groups) when considering proposed new or changing policies, services or functions, including decisions on funding for services, and decisions on implementation of policies developed outside the Council.

6. SOCIAL VALUE CONSIDERATIONS

- 6.1. None

7. REGARD TO THE NHS CONSTITUTION

7.1. Not applicable

8. EQUALITY IMPACT ASSESSMENT (EIA)

Has the equality impact been assessed?

- (a) not needed
- (b) No
- (c) Yes

Equality issues associated with the budget proposals are set out on the attached EIA (**Appendix A**) which has been developed based on extensive consultation with a wide range of groups.

Individual EIAs have been carried out for specific proposals identified as relevant to equality, incorporating discussion with portfolio holders, where appropriate.

9. LIST OF BACKGROUND PAPERS RELIED UPON IN WRITING THIS REPORT (NOT INCLUDING PUBLISHED DOCUMENTS OR CONFIDENTIAL OR EXEMPT INFORMATION)

9.1. Budget working papers

10. PUBLISHED DOCUMENTS REFERRED TO IN THIS REPORT

10.1. Previously published documents are available on the Budget Consultation Web page

11. OTHER COLLEAGUES WHO HAVE PROVIDED INPUT

Theresa Channell –Corporate and Strategic Finance

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Equality Impact Assessment Form

Title of EIA/ DDM: Budget 2015-16 Community Impact Assessment

Department: Acting Corporate Director for Resources

Service Area: Strategic Finance / Policy & Insight

Author (assigned to Covalent):

Name of Author: Laura Catchpole

Director: Glen O'Connell

Strategic Budget EIA Y/N (please underline)

Brief description of proposal / policy / service being assessed:

2015/16 Budget Proposals

This document provides an overview of equality issues associated with the revenue element of the Council's draft budget proposals for 2015/16. It summarises the potential equality impacts identified in relation to the budget proposals, and the steps taken to minimise impact on protected groups during the development of the proposals.

This assessment should be read in conjunction with the Executive Board report that sets out the proposals and background in detail. Individual equality impact assessments (EIAs) have been carried out for specific proposals identified as relevant to equality. When they become available, EIAs are published online on the [Nottingham Insight](#) website.

During development of the proposals, implications for equality groups were considered. However, the size of the reductions and the speed with which the Council has had to react, due to the draft settlement figures being published on the 18 December 2014, means the Council has had limited time to share the proposals and seek feedback from communities. At the time of publishing this summary the consultation is still on-going until the 27 February 2015, therefore any further issues relating to equality implications of the proposals that are raised will be reported to Full Council.

At the very minimum, each item set out in Table 1 have been the subject of an initial screening assessment that seeks to prevent the Council from making decisions in principle when agreeing the draft budget without being aware of the potential equality impacts. Where the full details of schemes have not yet been developed a stage two impact assessment will be undertaken prior to implementation of the decision to clarify the potential impacts and to identify any possible mitigation. The Equality Duty 2010 is a continuing duty, therefore it will be necessary to monitor the effects of the decision after implementation.

Context

This year's budget proposals are the fourth time the Council has had to consider where it can make savings in view of significantly reduced settlement from the Government. Settlement funding from the Government has decreased by £102 million since 2010/11, requiring the Council to carry out £123 million of budget savings over the past four years. In 2015/16, additional savings of £25 million have been proposed.

While the Council has strived to take a careful and measured approach to the budget and has done much to cushion frontline services and vulnerable citizens from the impact of the Government's austerity measures, the indication is that this will be impossible to sustain given the scale of future funding reductions over the longer term.

The Council continues to work with council networks such as the Local Government Association to campaign for a fairer funding settlement from central government for cities like Nottingham. As one of the ten Core Cities in the UK, the Council is campaigning for control over funding, programmes and policy to be devolved to cities to give us more freedom to grow our economy and reform our public services to get better outcomes for citizens.

The reduction in Government funding does come at a time when there are encouraging signs in the overall performance of Nottingham's local economy. The recovery at last seems to be gaining some traction given overall trends in output and employment, especially within the private sector. However while there is continued improvements in key labour market indicators, notably unemployment and out of work benefit claimants, rates within the City and wider Core City area remain above the national average. Earnings growth has also been quite subdued, however a rise in real household disposable income levels is expected in 2015 due to lower inflation. The City Council and partners remain focused on improving education and skill levels, investing in modern infrastructure and encouraging and supporting business development and inward investment.

Council priorities:

Currently in its fifth year, the [Nottingham Plan to 2020](#) sets the overall strategic direction and long-term vision for the economic, social and environmental wellbeing of the city. The over-riding ambition of the Council and its partners is to stimulate economic growth and break the cycle of poverty. The Nottingham [Growth Plan](#) is driving economic growth, creating jobs and helping to develop a high tech, innovative and creative economy.

Council Tax:

Council Tax is proposed to increase by 1.95%. The level of proposed Council tax has been set with a view to providing the resources the Council needs to manage and meet increasing needs and demand for vulnerable adults and children's services, in a context of decreasing external funding.

Rent and housing:

The level of rent has been set, based on guidance set out by the Government. Due to the way in which eligibility for Council housing is assessed, Council tenants are more likely to have lower incomes and be financially excluded or in financial difficulty. Tenant profile data indicates that Black or Minority Ethnic, female, and age groups 25-44 and 45-74 are statistically more likely to be affected by Council rent increases, although this financial impact is mitigated by compensating increases in Housing Benefit. The Housing Revenue Account Capital programme which forms part of the report includes a number of schemes which will benefit protected groups.

Responding to Welfare Reform:

The current government has made significant changes to the benefits and tax credits system. Many of the changes to the benefits system since 2010 have had a significant impact on Nottingham citizens for example, the introduction of housing benefit under-occupancy rules, changes to council tax benefit, the benefits cap and a range of changes to sickness and disability benefits. These changes have affected some of the most financially vulnerable working-age Nottingham citizens, including lower income working households. Low income pensioners have been protected from some of the changes. The Council have been working with advice services to support citizens affected and has shaped policy responses as far as possible to reduce the impacts. For example, working closely with Nottingham City Homes and other social housing landlords to reduce the impact of housing benefit changes, ensuring that discretionary housing payments were fully utilised and targeted as effectively as possible. The Discretionary Hardship Support Scheme was amended to enable it to respond more flexibly to emerging hardship and the Scheme has been

extended for another two years, to enable the Council to continue to support Nottingham's most financially vulnerable citizens.

Health and Social Care integration:

The £3.8 billion Better Care Fund (formerly the Integration Transformation Fund) is a single pooled budget to support health and social care services to work more closely together in local areas, based on a plan agreed between the NHS and local authorities. It aims to drive the integration of health and social care services in order to deliver the right care in the right place at the right time. The Nottingham City BCF allocation is £23 million, however only £1.3 million of this is new money to further support the transition to integrated working. Several of the budget proposals relate to the drive to integrate health and social care.

Information used to analyse the effects on equality:

This assessment is based on a process of consultation and equality impact assessment built into the Council's overall budget development process. This has included:

- screening of all proposals to identify potential equality impact;
- equality impact assessments for specific budget proposals where a potential equality impact has been identified;
- ongoing discussions between Officers and Executive Councillors;
- regular budget development meetings for Councillors to approve, amend, or reject budget proposals, taking into account their potential equality impact;
- additional consideration of cumulative equality and wider community impact of the proposals;
- meetings with Voluntary and Community Sector (VCS) and business representatives;
- consultation on the Council's budget priorities;
- consideration of the impact of welfare reform and previous efficiency measures.

The Government has continued to implement an extensive programme of policy change, accompanied by significantly reduced funding for the public sector. In response, our budget proposals:

- seek to address demographic and service pressures through service redesign;
- reflect the significant reductions in external funding (especially general and specific Government grants) by reducing expenditure on those activities;
- applying successfully for competitive funding such as from lottery bodies;
- progressing long-term policy decisions to increase income and investment, such as developing the tram network and developing the district heating system;
- reflect our determination to be efficient, improve performance and modernise our organisation;
- have aimed to protect some universal services that have been vulnerable in other parts of the country, such as leisure and cultural services and street cleanliness;
- improving joint working with partners, particularly focusing on integration, joined up operations, shared services and pooled resources;
- recognise the very challenging financial landscape and future outlook for the public sector generally.

Budgets have been redirected to enable resources to be targeted on the Council's current focus of protecting key services and supporting the

most vulnerable, keeping Nottingham clean and safe, protecting jobs and stimulating job growth, and bolstering the economy.

Resources are proposed to be redirected by:

- focussing on areas of biggest spend with a strategic approach. These areas of transformation will require whole council and partner input to transform the way we work and deliver significant savings.
- reducing demand through continued focus on prevention and early intervention
- identifying efficiencies and other types of cost reduction
- increase income or generate savings through a programme of commercialism, using strong in-house services to underpin competitive bids for other public sector contracts
- reviewing priorities and implementing new methods of service provision
- continuing to modernise our ways of working

Of the 181 proposals, 25% are within Resources and Neighbourhood Regeneration and focus on service redesign and efficiencies. A further 18% of proposals are focussed on Planning and Transportation where the main emphasis is on income generation. As a whole, 42% of the budget proposals continue to focus on service redesign and efficiencies, 38% on income generation, 12% propose to 'stop doing' some activity and 8% relate to responding to changing demands and re-commissioning of services.

Statistical information and research such as demographic and workforce data, and independent reports have been referenced where appropriate. Other information has informed equality impact assessments for specific proposals where appropriate.

Demographic change¹:

The population of the city has increased over the last 10 years from 275,500² in 2003 to 310,800 in 2013 and Nottingham's population is set to continue growing. The greatest numerical increase in Nottingham expected over the next 25 years is projected to be in the 70-74 age group, although the 20-24 age band is also projected to see one of the largest numerical increases to 2037, and is projected to remain the largest group – primarily due to the large student population in the City. The over 90s age band is projected to an increase of more than double the 2012 estimate, reflecting increased life expectancy.

The proportion of under 15's is not projected to change - from 17% 2012 to 18% in 2022, and 17% in 2037. Nottingham's young age profile has become more pronounced due to the rising birth rate and the expansion of the City's two universities. The birth rate has increased from an historic low of around 3,200 per year in 2001 to an historic high of 4,500 in 2011. This has led to an increase in the 0-4 year olds of 30% over the last 10 years. Around 15% of the City's population are now full time students aged 18 or over, leading to a 38% increase in the 16-24 population of the city.

Nottingham is also becoming more diverse in terms of ethnicity. Over a third (35%) of the population is non-White British, with increases in most ethnic groups but particularly large increases in Pakistani, White Other and African groups. Nottingham has the highest proportion of people of Mixed or multiple ethnic groups outside London. The young population of the city is even more ethnically diverse with 45% of city under 18's being non-White British.

¹ [Sub-national population projections, May 2014](#)

² [Mid 2002-2010 population estimates](#)

In the 2011 Census 18.1% of Nottingham’s population reported health problems or disabilities which limit their day to day activities. This is slightly higher than the national average of 17.6%. However amongst people of working age, 14.2% of people have health problems or disabilities which limit their day to day activities compared to 12.7% nationally. This larger gap shows that the overall figures are higher than might be expected given the relatively young age structure of the City. 40.2% of people who reported long term health problems or disabilities which affected their day to day activities were aged 65 or over, although this age group makes up just 11.6% of the population.³

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

How different groups could be affected (Summary of impacts)	Details of actions to reduce negative or increase positive impact (or why action isn't possible)
<p>Budget proposals have been required to meet a funding shortfall of £30 million in 2015-16 and there will inevitably be an impact on some citizens.</p> <p>Measures are being taken to manage the changes in a planned way, and seek to minimise adverse impacts. Some of the proposals could bring benefits to citizens to protected groups.</p> <p><u>Adults</u> Due to the demographic increase in number of people, the demand for the Council’s support has also increased.</p> <p>For these reasons the Council has to consider doing things differently and over half of proposals are concerned with service redesign and efficiencies. The Council has had to look close at existing provision and ensure it is delivering the absolute best quality and value it can, however the Council has to make difficult decisions about</p>	<p>Steps have been taken as part of the budget process to minimise the impact on vulnerable and protected groups as far as possible. These have included, the revision and rejection of savings proposals on the basis of potential adverse impact on vulnerable groups and the identification of actions to reduce the any negative impact of specific saving proposals.</p> <p>The Commercialism Programme also aims to increase revenue and reduce costs, thereby protecting and improving services to citizens</p> <p><u>Adults</u> The Council will negotiate and work with individual service providers to ascertain the most appropriate way to minimise the impact of a reduction in service funding on citizens.</p> <p>Changes to adult social care services and policies will be subject to specific consultation and therefore proposals</p>

³ [Census 2011 key datasets](#)

balancing provision across a range of needs of vulnerable people and some of these may have adverse impacts.

However, with a continued emphasis on preventative provision and self-directed support and a drive for efficiency and integration, some of the proposals may have beneficial outcomes for vulnerable adults.

Some of the proposals in relation to adult social care, fees and charges may result in some people being asked to pay more for the service, however only citizens who can afford to pay will do so.

Children and young people

78% of proposals in Children's services are about service redesign and efficiency, with several proposals removing vacant posts and reducing management costs. Where possible the aim has been to avoid proposals that affect frontline services, however there could be some adverse affects for young people.

Workforce

As well as considering the impact on citizens and service users, consideration has been given to the impact of the budget proposals on the Council's workforce. Wherever possible for required workforce reductions, steps have been taken to achieve this through natural turnover and the deletion of vacant posts.

may change. In addition, all proposals will adhere to the Fairer Charging Policy and duties under the Care Act 2014. The benefits of closer integration with health services will help to minimise the impact on our more vulnerable citizens.

In cases where proposals involve service redesign, efficiency and 'stop doing', alternative provision has been investigated to ensure citizens can access support in other ways.

Children and young people

The proposals are designed to improve access to services to help children avoid crisis by focussing on early intervention for the whole family.

Workforce

The Council will attempt to mitigate the amount of redundancies wherever possible by making referrals to Project People, where those at risk of redundancy have a three month period to secure an alternative post with the council. Alternative posts are offered based on the individuals transferable skills and potential to undertake the new duties.

All possible steps will be taken to ensure support needs around language, disability, maternity, paternity or pregnancy will be identified at an early stage. Mitigating action such as additional support and reasonable adjustments will be offer to individuals as appropriate.

			<p>Analysis of 2015/16 budget proposals indicates that there is no direct adverse impact in relation to disability, ethnicity and age. The gender ratio of those affected is also in line with the workforce as a whole, therefore there is no significant impact.</p> <p>Overall impacts for the protected groups relating to savings proposals are summarised in Table 1.</p>	<p>Whilst wherever possible, steps are taken to achieve any required workforce reductions through natural turnover and the deletion of vacant posts, the cumulative effect of reduced budgets and required efficiency programmes over recent years means it is not always possible to achieve this. As a consequence, service reviews and restructures may result in individuals being made involuntarily redundant. The Council will attempt to mitigate the amount of redundancies wherever possible by making referrals to Project People, where those at risk of redundancy have a three month period to secure an alternative post with the council.</p> <p>Steps taken to minimise adverse impact and promote equality for different groups relating to the budget proposals are summarised in Table 1.</p>
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Outcome(s) of equality impact assessment:

- No major change needed
- Adjust the policy/proposal
- Adverse impact but continue
- Stop and remove the policy/proposal

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

- As consultation for some proposals has yet to take place, this impact assessment will be amended as appropriate should those consultations require significant changes to the proposals.
- Arrangements for future monitoring of impacts are set out in EIAs for specific proposals where appropriate.
- Council officers will meet regularly with the Equality and Fairness Commission to discuss equality issues for specific service areas where relevant.
- Equality impact assessments (paying due regard to equality) are an explicit part of Council reporting and decision making processes and will be carried out for any further decisions arising from the Medium Term Financial Plan with potential equality impact.

- Service reviews to assess the impact of decisions.
- Appropriate diversity monitoring.

Approved by (manager signature):

The assessment must be approved by the manager responsible for the service/proposal. Include a contact tel & email to allow citizen/stakeholder feedback on proposals.

Glen O'Connell
Acting Corporate Director for Resources

Date sent to equality team for publishing:

Send document or link to:
equalityanddiversityteam@nottinghamcity.gov.uk

Table 1 – Outline of potential impacts and measures taken to minimise impact for different protected groups

The following is a summary based on findings of equality impact assessments carried out for specific proposals. It provides background information about the profile of the City and notes other factors likely to affect specific sections of the community. It then summarises overall impact for each group, highlights where individual proposals are of particular relevance to a group, and notes steps taken to minimise impact.

Specific details of how individual proposals have been adjusted to minimise impact and promote equality are set out in equality impact assessments for individual proposals.

Equality group	Local context and related factors	Relevant budget savings proposals and steps taken to minimise impact
Different ethnic groups	<p>Nottingham has a higher proportion (34.7%) of Black or Minority Ethnic (BME) citizens than the England rate of 20.2%.⁴</p> <p>The City also has a high proportion of migrants from EU Accession countries compared to other Core Cities (NINO registrations).⁵</p>	<p>Proposals relating to race have also been assessed as relevant to children and young people given the younger profile of Nottingham’s BME community.</p> <p>Budget proposals have considered actions to minimise the impact on BME citizens by:</p> <ul style="list-style-type: none"> • Ensuring that alternative provision and services are available in the community • There may also be opportunities to advance equality through commissioning and procurement opportunities. • Ensuring the development of accessible information where appropriate • For changes in the delivery of welfare advice, there will be through targeted communications, the development of joint-working arrangements between advice services and the commissioning of external services.
Men, Women, Transgender	<p>Nottingham’s population is 50% male and 50% female.⁶</p>	<p>Potential gender impact has also been assessed in relation to adult social care proposals, as a higher proportion of those receiving social care support are women.</p> <p>Budget proposals have considered actions to minimise the impact on women, men and transgender citizens by:</p> <ul style="list-style-type: none"> • Any changes to the fairer charging policy, mean that only citizens who can afford to pay will do so. This is also subject to consultation. • Steps to integrate health and social care will bring benefits of a joined-up service, resulting in a clearer customer journey and also aim to reduce waiting times and help citizens maintain independence.

⁴ [Census 2011 key datasets](#)

⁵ [EU Accession note \(May 2014\)](#)

⁶ [Census 2011 key datasets](#)

Equality group	Local context and related factors	Relevant budget savings proposals and steps taken to minimise impact
Disabled people and carers	Nottingham has a higher proportion of people with a disability or long term limiting illness (18.2%) than the England average (17.6%). ⁷	<p>Proposals may have potential adverse impacts on this group, as well as some potential benefits, they have been considered in conjunction with the impact on older people.</p> <p>Budget proposals have considered actions to minimise the impact on people with disabilities by: Any changes to the fairer charging policy, mean that only citizens who can afford to pay will do so. This is also subject to consultation.</p> <p>Steps to integrate health and social care will bring benefits of a joined-up service, resulting in a clearer customer journey and also aim to reduce waiting times and help citizens maintain independence.</p> <ul style="list-style-type: none"> • Continuing the move towards early intervention, preventative provision and maintaining independence. Reductions will be as flexible as possible to minimise the impact on citizens and will be monitored to make sure the duties of wellbeing are met. <p>Directing impact to provision that is non-statutory or discretionary and where this is the case, investigating alternative methods of funding/service delivery with partners.</p> <ul style="list-style-type: none"> • Retain a high level of discretionary public transport measures to key disadvantaged groups, including disabled and older citizens. • For changes in the delivery of welfare advice, there will be through targeted communications, the development of joint-working arrangements between advice services and the commissioning of external services to ensure choice, consent and data protection. <p>Strategic developments include:</p> <ul style="list-style-type: none"> • The Vulnerable Adults Plan 2012-2015⁸ will be refreshed in 2015. It is a preventative strategy: aiming to “invest in services that reduce needs and dependency and lowers future costs; develop innovative and new ways in which to mobilise and make use of all the resources of the community; and enable vulnerable citizens to remain independent for longer and make choice based personalised services a reality.” • Mental health is a priority for the Council and the Health and Wellbeing Board, published a Mental Health and Wellbeing Strategy called 'Wellness in Mind'⁹, in August 2014 by. The Council has also signed up to the Local Authority Mental Health Challenge and support the Time to Change Campaign.
Maternity and Pregnancy		There is no indication that these proposals will impact adversely or disproportionately on this group.

⁷ [Census 2011 key datasets](#)

⁸ [Vulnerable Adults Plan 2012-2015](#)

⁹ [Wellness in Mind](#)

Equality group	Local context and related factors	Relevant budget savings proposals and steps taken to minimise impact
People of different faiths/beliefs and those with none	Nottingham has higher proportions of Muslim, Sikh, Buddhist and citizens with no religion than the England average. ¹⁰	<p>There is no indication that these proposals will impact adversely or disproportionately on this group.</p> <p>The Council has been working more closely with faith groups and similar organisations, for example on helping to manage impacts of welfare reform and build resilience within communities.</p>
Lesbian, gay or bisexual people	The ONS 2012 Integrated Household Survey found 1.5% to be lesbian, gay, or bisexual. ¹¹ , and Stonewall estimates of between 5-7% of the general population. ¹²	<p>There is no evidence to suggest that these proposals will impact adversely or disproportionately on the lesbian, gay, bisexual and transgender community. However the Council acknowledges there is a need to work more effectively with citizens and colleagues to improve diversity monitoring to provide a more accurate picture.</p> <p>Strategic priorities include:</p> <ul style="list-style-type: none"> • The Council will aim to promote opportunities to advance equality through our commissioning and procurements arrangements. • The aim to reduce ‘victim based’ crime and anti-social behaviour including tackling hate crime aiming to ensure people are safe in their neighbourhood and homes (an issue of particular importance to LGBT people) remains a priority. • The Community of Identity review continues to prioritise services which support people around issues in relation to gender and sexual orientation, funding was allocated from April 2014 for 2 years.
Older	The number of people in the City aged 85 or over is projected to increase by over 2,000 by 2031, an increase of over 40%	<p>Proposals may have potential adverse impact on this group, as well as some potential benefits, they have been considered in conjunction with the impact on older people with disabilities and women.</p> <p>Budget proposals have considered actions to minimise the impact on older people by: Any changes to the fairer charging policy, mean that only citizens who can afford to pay will do so. This is also subject to consultation.</p> <p>Steps to integrate health and social care will bring benefits of a joined-up service, resulting in a clearer customer journey and also aim to reduce waiting times and help citizens maintain independence.</p> <ul style="list-style-type: none"> • Continuing the move towards early intervention, preventative provision and maintaining independence. Reductions will be as flexible as possible to minimise the impact on citizens and will be monitored to make sure the duties of wellbeing are met. • Directing impact to provision that is non-statutory or discretionary and where this is the case, investigating alternative methods of funding/service delivery with partners.

¹⁰ [Census 2011 key datasets](#)

¹¹ [Integrated household survey statistics - sexual identity](#)

¹² http://www.stonewall.org.uk/at_home/sexual_orientation_faqs/2694.asp

Equality group	Local context and related factors	Relevant budget savings proposals and steps taken to minimise impact
		<ul style="list-style-type: none"> Retain a high level of discretionary public transport measures to key disadvantaged groups, including disabled and older citizens. <p>Strategic developments include:</p> <ul style="list-style-type: none"> The City Council is developing, in partnership with Nottingham Clinical Commissioning Group (CCG) and Nottingham Community and Voluntary Service, an initiative to build stronger communities where looking after each other is the norm rather than the exception. The Vulnerable Adults Plan 2012-2015¹³ will be refreshed in 2015. It is a preventative strategy: aiming to “invest in services that reduce needs and dependency and lowers future costs; develop innovative and new ways in which to mobilise and make use of all the resources of the community; and enable vulnerable citizens to remain independent for longer and make choice based personalised services a reality.”
Younger	<p>Nottingham has a higher proportion of young people than national average - 41% under 25 compared to 31% in England (mid 2013 estimates)¹⁴</p> <p>Nationally, youth unemployment is still high at 16.6% of the economically active population (those working or unemployed but looking for work) (Aug - Oct 14), but has fallen by 4.1 percentage points since Aug - Oct 2013¹⁵. Equivalent figures for Nottingham are available from the Annual Population Survey covering the period July</p>	<p>Proposals relating to children and young people have been assessed as also relevant to race equality given the younger profile of Nottingham’s BME community.</p> <p>Budget proposals have considered actions to minimise the impact on older people by: As with adults, services for children continue to have an early intervention and preventative emphasis, aiming to reduce the need for high cost specialist interventions. The Priority Families programme seeks to focus on the whole family and unite the skills and expertise of all our frontline partners, rather than support one family member in isolation and tackle one problem at a time. Frontline staff are sharing expertise and being trained to focus on the whole family rather than the individual</p> <p>Expanding opportunities for schools to use children centre buildings, while maintaining Children's Centre services to the community.</p> <p>Strategic developments include:</p> <ul style="list-style-type: none"> Nottingham has been successful in a Big Lottery Fund ‘Small Steps, Big Changes’ bid bringing £45 million into the city to work on the Early Years agenda over the next 10 years. The money will be used for a wide range of programmes, from peer breast feeding support classes, to nutrition initiatives, supported book-gifting, parent-child relationship programmes, infant massage classes and learning-through-play schemes in the home. The Council will take responsibility for commissioning 0-5 public health services from October 2015. The Children and Young People’s Plan is currently being revisited for 2015/16 to ensure

¹³ [Vulnerable Adults Plan 2012-2015](#)

¹⁴ [ONS 2013 mid-year population estimates](#)

¹⁵ [ONS - Young people in the labour market \(December 2013\)](#) and [ONS - Young people in the labour market \(December 2012\)](#)

Equality group	Local context and related factors	Relevant budget savings proposals and steps taken to minimise impact
	<p>2013 to June 2014 and show a rate of 27.6% for Nottingham City compared to 18.4% for England. <i>(Although please note Nottingham figures should be treated with caution.)</i></p>	<p>that it is focussed on the key outcomes for children and their families in the coming year.</p> <ul style="list-style-type: none"> • In conjunction with health partners, an Emotional Health and Wellbeing Pathway is being developed to support children and young people (ages 0-24 years) with emotional, mental health and wellbeing needs, and their parents/carers. • The Council will continue to drive improvements in our education settings to ensure that all young people are in a good or better school. This includes work on achievement and attainment, behaviour, recruitment, quality of teaching and leadership and governance. • All entry-level Council jobs have been ring-fenced as apprenticeships for City residents, and are targeted towards young people. • Youth Contract: The council's programme to reduce youth unemployment focuses on the 18-24 age group who are between 13-39 weeks unemployed with a view to preparing them for the labour market and preventing them from becoming long term unemployed. The primary objective is the reduction in unemployment for this group and the increase in the take up of the Youth Contract wage incentive. • The Council are working with the sexual health services in the City to develop an integrated service model which aims to improve sexual health.
<p>Other (e.g. marriage/civil partnership, looked after children, cohesion/good relations, vulnerable children/adults)</p>	<p>32% of the population are married and 0.25 in a civil partnership.¹⁶</p> <p>The number of children in care has increased by 8.9%, since 2012.</p>	<p>There is no indication that these proposals will impact disproportionately or adversely on marriage and civil partnership, look after children, cohesion/good relations, vulnerable children/adults.</p>

¹⁶ [Census 2011 key datasets](#)