

NOTTINGHAM CITY COUNCIL

EXECUTIVE BOARD

MINUTES of the meeting held at Ground Floor Committee Room - Loxley House, Station Street, Nottingham, NG2 3NG on 20 June 2017 from 2.07 pm - 2.19 pm

Membership

Present

Councillor Jon Collins (Chair)
Councillor Graham Chapman (Vice Chair)
Councillor Alan Clark
Councillor Sally Longford
Councillor David Mellen
Councillor Dave Trimble
Councillor Jane Urquhart
Councillor Sam Webster

Absent

Councillor Nick McDonald
Councillor Toby Neal

Colleagues, partners and others in attendance:

David Bishop	- Deputy Chief Executive/Corporate Director for Development and Growth
Ian Curryer	- Chief Executive
Sarah Fielding	- Director of Education
Jane Lumb	- Head of Energy and Sustainability Policy
Glen O'Connell	- Monitoring Officer
Keri Usherwood	- Marketing and Communications Manager
Andy Vaughan	- Corporate Director for Commercial and Operations
Geoff Walker	- Director of Strategic Finance
James Welbourn	- Governance Officer
Rebecca Wilson	- Executive Officer to the Leader

Call-in

Unless stated otherwise, all decisions are subject to call-in and cannot be implemented until **29 June 2017**.

16 APOLOGIES FOR ABSENCE

Councillor Nick McDonald	-	work commitments
Councillor Toby Neal	-	other Council business

17 DECLARATIONS OF INTERESTS

None.

18 MINUTES

The minutes of the meeting dated 1 June were agreed as a true record and signed by the Chair.

19 TREASURY MANAGEMENT 2016/17 ANNUAL REPORT

The Deputy Leader/Portfolio Holder for Neighbourhood Regeneration introduced the Treasury Management 2016/17 annual report.

The report sets out the 2016/17 performance in respect of the management of the Council's external debt and investments.

RESOLVED to note the performance information in relation to Treasury Management for 2016/17.

Reasons for decision

The Council adopted the Chartered Institute of Public Finance and Accountancy (CIPFA)'s revised Code of Practice on Treasury Management in Local Authorities (the Code) on 5 March 2012. Part of the Code requires that authorities report on the performance of the treasury management function at least twice a year (mid-year and at year end).

The Council's Treasury Management Strategy for 2016/17 was approved by full Council on 7 March 2016.

The Council has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. This report covered treasury activity and the associated monitoring and control of risk.

Other options considered

Options for management of the Council's debt and investment portfolio are continually reviewed. The overall aim is to minimise the net revenue costs of our debt whilst maintaining an even debt profile in future years, and to maximise investment returns within stated security and liquidity guidelines.

20 PRE-AUDIT CORPORATE FINANCIAL OUTTURN 2016/17

The Deputy Leader/Portfolio Holder for Neighbourhood Regeneration introduced the report on the Pre-Audit Corporate Financial Outturn 2016/17.

The report set out the pre-audit General Fund and Housing Revenue Account (HRA) revenue outturn and Capital Programme for 2016/17.

The final Statement of Accounts will be considered by the Audit Committee in September 2017 at the conclusion of the external audit.

RESOLVED to:

- (1) note:**

 - a. The pre-audit revenue outturn for 2016/17 including a revenue overspend of £2.522m after taking into account the carry-forwards of £0.964m and 50% Trading Retention of £0.374m, as set out in paragraph 2.2 and Appendix A of the report**
 - b. The management action undertaken to control the identified cost pressures across services, as set out in Appendix B of the report;**
 - c. The discretionary rate relief granted in 2016/17 detailed in paragraph 2.11 of the report;**
 - d. The position regarding cost reductions and pressures for 2016/17 detailed in paragraph 2.4 of the report;**
 - e. The capital outturn as detailed in Appendix F of the report and explanations of variances over £0.100m as detailed in Appendix G of the report;**
 - f. The additions to the Capital Programme detailed in Table 10 of the report; g. The refreshed Capital Programme, including schemes in development, and the unallocated resources of £3.465m, as set out in paragraph 2.18 of the report (Tables 12 to 14).**

- (2) approve:**

 - a. The movements of resources set out in paragraph 2.5 and Appendix D of the report;**
 - b. The net movement to earmarked reserves, as set out in paragraph 2.7 and Appendix E of the report;**
 - c. The delegation of authority to approve net General Fund carry forwards of £0.964m as set out in paragraph 2.6 and Appendix A(ii) of the report and 50% Trading Retention of £0.374m by the Deputy Leader;**
 - d. The HRA outturn for 2016/17 as set out in paragraph 2.8 of the report;**
 - e. Write-offs in excess of £10,000, totalling £0.846m where all options for recovery have been exhausted, as set out in paragraph 2.10 of the report;**
 - f. The extension of the rolling capital scheme as set out in paragraph 2.17 of the report (Table 11).**

- (3) note and endorse the allocations from the corporate contingency as set out in paragraph 2.3 of the report.**

Reasons for decisions

The report enabled formal monitoring of progress against the 2016/17 budget and the impact of actual and planned management action.

The approval of virements of budgets is required by corporate financial procedures.

Other options considered

The report detailed the 2016/17 outturn and how the overspend will be managed. No other options were considered as management action is in place to manage the impact of the overspend.

21 ERDF BID – DEEP INNOVATIVE RETROFITS - KEY DECISION

The Portfolio Holder for Planning, Housing and Heritage/Portfolio Holder for Energy and Sustainability introduced the report on the European Regional Development Fund (ERDF) bid for deep innovative retrofits.

The money is to enable retrofitting in up to 250 Nottingham City Council homes in Nottingham to achieve 'net zero' energy, and to achieve 2050 standards. It will also enable the model to be tested on one public building in Nottingham.

This would have to be matched with £5.4 million of Capital Programme currently allocated to be spent on energy projects on council housing over the next 5 years, and £0.3 million from the Energy Development Fund and SALIX loans for the public building.

The figures in the report are likely to be revised down, as the scheme was initially across four authorities; control has now changed in two of those authorities but they are unlikely to sign up to the scheme by the time of the bid submission.

The aspiration is to insource work after the bid where appropriate and possible.

RESOLVED to:

- (1) authorise the Director for Energy, Waste and Highways to submit a bid for £6.022m (£4.975m for Nottingham City Council schemes and £1.047m for other councils/Arm's Length Management Organisations (ALMOS) to the European Development Fund (ERDF);**
- (2) amend the HRA Capital Programme to reflect the match funding requirements and earmarked £5.286m from the external wall insulation schemes already approved, to this scheme;**
- (3) note that approximately £310k is earmarked from the Energy Development Fund and SALIX loans to complete this cocktail of funding;**
- (4) authorise the Director of Energy, Waste and Highways to enter into the necessary contracts as described in this report, if the ERDF bid is successful.**

Reasons for decisions

This project enables up to 250 homes and 1 public building in the city to be radically improved, bring their net energy consumption down to zero, and significantly improve the look and feel of all the buildings and their areas. The level of ambition for this project could not be achieved without 50% of the cost being covered by grant funding, but it is testing a model which could bring down the cost for future projects, bring many more people in future out of fuel poverty, and create low carbon jobs in the city.

Other options considered

Not bidding for ERDF funding. This was discounted because the project would bring much greater benefit to Nottingham City Homes (NCH) tenants in particular than could otherwise be afforded, and have a knock on economic impacts to the region.

Bidding for less ERDF funding to reduce the match funding commitment. This was discounted because, as a development phase of an innovative approach, several hundred buildings are needed to prove it works, and to reduce the costs per home through economies of scale. It is also hoped the scale could bring offsite manufacturing to the city.

Not including a public building. It was felt this was an opportunity to make a bigger energy reduction to a building that could otherwise be afforded, for the same return as under our usual investment rules.

22 EXCLUSION OF THE PUBLIC

RESOLVED to exclude the public from the meeting during consideration of the remaining item(s) in accordance with Section 100A(4) of the Local Government Act 1972 on the basis that, having regard to all the circumstances, the public interest in maintaining the exemption outweighs in the public interest in disclosing the information.

23 ERDF BID – DEEP INNOVATIVE RETROFITS - EXEMPT APPENDIX

The Board considered the exempt appendix to the Portfolio Holder for Planning, Housing and Heritage/Portfolio Holder for Energy and Sustainability's report.

RESOLVED to note the information contained within the exempt appendix.

Reasons for decisions

As detailed in minute 21.

Other options considered

As detailed in minute 21.