



Council Meeting

**To be held on
Monday 4 March 2013**



You are hereby summoned to attend a meeting of NOTTINGHAM CITY COUNCIL at the Council House, Nottingham, on Monday 4 March 2013 at 2.00 pm to transact the following business:

- 1 Apologies for absence
- 2 Declarations of interests
- 3 To receive:
 - (a) questions from citizens;
 - (b) petitions from Councillors on behalf of citizens
- 4 To confirm the minutes of the last meeting held on 11 February 2013 339
- 5 To receive official communications and announcements from the Leader of the Council and/ or the Chief Executive
- 6 To receive without discussion:
 - (a) answers from the City Council's lead Councillor on the Nottinghamshire and City of Nottingham Fire and Rescue Authority to questions on the discharge of that authority's functions;
 - (b) answers from a Councillor from the Executive Board, the Chair of a Committee and the Chair of any other City Council body to questions on any matter within their remit.
- 7 To consider a report of the Leader on the Pay Policy Statement 2013/14 354
- 8 To consider a report of the Deputy Leader on the Treasury Management 2013/14 Strategy 359

9 To consider a report of the Deputy Leader on the Budget 2013/14

363

10 To agree to change the date of the Annual General Meeting from 13 May to 20 May 2013

11 To agree to cancel the 8 April 2013 meeting

12 To agree to amend the City Centre Forum Terms of Reference to:

- (a) include an additional Councillor representative from the Dales Ward;
- (b) have one less representative from the Retail/Leisure Business Improvement District (BID) and include an additional representative from the Invest In Nottingham (IIN) Retail Forum

Dated 22 February 2013

Deputy Chief Executive/Corporate Director for Resources



To: All Councillors of Nottingham City Council

MINUTES OF THE MEETING OF THE CITY COUNCIL

held at the Council House, Nottingham,

on Monday 11 February 2013 at 2.00 pm

ATTENDANCES

✓ Councillor Unczur	Lord Mayor
✓ Councillor Ali	✓ Councillor Longford
✓ Councillor Arnold	Councillor McDonald
✓ Councillor Aslam	✓ Councillor Malcolm
✓ Councillor Ball	✓ Councillor McCulloch
✓ Councillor Bryan	✓ Councillor Mellen
✓ Councillor Campbell	Councillor Molife
✓ Councillor Chapman	✓ Councillor Morley
Councillor Choudhry	✓ Councillor Morris
✓ Councillor Clark	✓ Councillor Neal
✓ Councillor Collins	✓ Councillor Norris
✓ Councillor Culley	✓ Councillor Ottewell
Councillor Dewinton	✓ Councillor Packer
✓ Councillor Edwards	✓ Councillor Parbutt
Councillor Fox	✓ Councillor Parton
✓ Councillor Gibson	✓ Councillor Piper
✓ Councillor Grocock	Councillor Saghir
✓ Councillor Hartshorne	✓ Councillor Smith
✓ Councillor Healy	✓ Councillor Spencer
✓ Councillor Heaton	✓ Councillor Steel
✓ Councillor Ibrahim	✓ Councillor Trimble
Councillor Jeffery	✓ Councillor Urquhart
✓ Councillor Jenkins	Councillor Watson
✓ Councillor Johnson	✓ Councillor Wildgust
✓ Councillor Jones	Councillor K Williams
✓ Councillor Khan	✓ Councillor S Williams
✓ Councillor Klein	✓ Councillor Wood
✓ Councillor Liversidge	

79 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Ball, Dewinton, Molife, Watson and K Williams.

80 DECLARATIONS OF INTERESTS

Councillors Aslam, Culley, Grocock, Ibrahim, Morley and Morris declared an interest in agenda item 7 – Council Tax Discounts for Empty Properties, as landlords within the City boundary, and left the Chamber prior to consideration of the item.

Councillor Morley also declared an interest in the urgent item – Introduction of Size Criteria in the Social Rented Sector – ‘The Bedroom Tax’, as a landlord with a tenant receiving Housing Benefit, and left the Chamber prior to consideration of the item.

81 QUESTIONS AND PETITIONS FROM CITIZENS

Questions from citizens

No questions from citizens were received.

Petitions from Councillors on behalf of citizens

No petitions from citizens were received.

82 MINUTES

RESOLVED that the minutes of the last meeting held on 28 January 2013, copies of which had been circulated, be confirmed and signed by the Lord Mayor.

83 OFFICIAL COMMUNICATIONS

The Chief Executive reported the following communication:

Local Government Chronicle (LGC) Energy Efficiency Award 2013

Nottingham is one of 6 local authorities short-listed for the LGC Energy Efficiency Award 2013, which is a new category, with the announcement

of the winner on 13 March 2013. Making Nottingham the UK's Energy City is the Council's objective. The Council is building upon strong foundations and a rich history of City-scale energy planning and management, such as district heating through to solar panels, with a firm programme in place to reduce the City's energy usage that includes reducing energy wastage in homes and properties and introducing the Nottingham Energy Tariff.

84 QUESTIONS

Bedroom Tax

Councillor Jones asked the following question of the Portfolio Holder for Adults, Housing and the Community Sector:

Wendy Morrison, here with us today, is about to be hit by the bedroom tax. Aged 51, living in a 3 bedroom council house with her daughter, she finds herself 'under-occupying'. She has lived in the same house for 13 years. Her eldest daughter having moved away, she has a spare room – a small box room hardly suitable to be classed as a bedroom. Since the age of 16, Wendy has always worked, with the exception of 3 years during which she was caring for her young children. Her house is well maintained and she takes great pride in it. She lives in a community she is very much a part of and her daughter goes to school nearby. Could the Portfolio Holder for Adults, Housing and the Community Sector tell us how the bedroom tax is going to affect people like Wendy in Nottingham?

Councillor Liversidge replied as follows:

Thank you, Lord Mayor, and I thank Councillor Jones for her question.

First of all, I welcome Wendy to this Council meeting this afternoon.

Now let me make it clear what this bedroom tax is. Well, the Government is changing the rules for Housing Benefit for working age tenants in Council and Housing Association housing. This means that for people aged between 16 and Pension Credit eligibility age, the amount of Housing Benefit they can receive to help pay their rent will be limited to the payment for a property judged to be appropriate to the size of their family.

They are saying that if you are deemed to have one more bedroom than your family needs, you will get a reduction of your benefit of 14% of your rent, if deemed to have two bedrooms too many your benefit will reduce by 25% of your rent.

So, Wendy, along with about 4,500 others, you have one bedroom too many and will lose about £11 per week in rent. For the 1,600 or so people under occupying by 2 bedrooms it will be about £22 per week, even if you are on partial benefit.

So how are you deemed to be under occupying? The Government's criterion allows one bedroom for each for the following:

- a couple;
- a person who is not a child (aged 16 and over);
- two children of the same sex under 16;
- two children who are under 10;
- any other child, other than a foster child or child whose main home is elsewhere;
- a carer (or group of carers) providing overnight care.

What are your options? The Government have stated that there are a number of options open to people who are affected by any benefit reduction because of the under occupancy rule. These options are:

- move to more appropriately sized accommodation;
- transfer to another property, ministers are saying this could be in the private sector, but the rents in the private sector are higher and so the Housing Benefit will be higher;
- mutual exchange;
- take in a boarder/lodger – back to the thirties where single men trudged the country looking for work;
- ask family members to contribute more to cover extra rent;
- increase income through employment or increasing hours worked. Lib Dem Minister Steve Webb holds this out as the way people should finance their rent;
- some people may be able to apply for a Discretionary Housing Payment, e.g. disabled people living in specially adapted homes or foster carers. This payment has been increased by the government from £275,000 this current year to just under £700,000 next year, with no indication this will be continued. This payment has to be

applied for every year and does not necessarily continue year on year, even if there are funds available.

In trying to defend this change the Tory/Lib Dem Government uses two arguments, one financial and the other social. Firstly it says it needs to reduce the deficit and one way is to reduce the benefit burden, as it calls it. It says that there are 660,000 under occupying in the Social rented sector across the country. At an average of £14 per week, their figures, this will reduce the benefit bill by approaching half a billion pounds. This, of course, assumes that people don't move to the private sector where it will cost more in benefit, but this is only half of the amount of money they are giving away to the rich by reducing the top income tax rate from 50% to 45%, and this is their figures, some estimates area that 3 times that will be given away. The social reason it gives is the more efficient use of the Social Rented Sector, encouraging families to move into smaller properties to free up larger properties for larger families.

This brings me back to Wendy. You say you have lived there for 13 years and, as such, you will be emotionally attached to that house. It is where you have brought up your children, where you live in a settled neighbourhood, have decorated the house to your liking and want to continue living there. It is your home. As such, you are in the same situation as most of the 6,000 people affected in Nottingham, the 660,000 in the country. You have an emotional attachment to your home just like owner occupiers and other tenants across the City and country.

This change is not only going to reduce 6,000 people's income in this City, income that naturally is spent in this City, it is going to cause heartbreak and uncertainty to all those families and even their neighbours, not knowing what is going to happen from one month to the next.

If this second reason is genuine, the government could look at where the real problem lies. There are many older people who are not affected by this benefit cut who have lived in their homes for longer than Wendy and who are finding it more and more difficult to keep their home going. The government could find help and incentives for older, through their own choice, to move to a new home that meets their needs. This would free up these larger family homes. But I don't believe this spurious second strand that the Government are trying to push. It is financial and it is aimed at cutting down the poor to help the rich. It is an attack on the welfare state.

I am bringing an emergency motion later to allow us to lobby government to change this ill thought out bedroom tax and I will be asking the citizens of Nottingham to help in petitioning for a removal of this tax.

High Speed Rail

Councillor Ibrahim asked the following question of the Portfolio Holder for Planning and Transportation:

Could the Portfolio Holder for Planning and Transportation tell us how the recently announced HS2 stop at Toton Sidings will benefit Nottingham?

Councillor Urquhart replied as follows:

Thank you, Lord Mayor, and can I thank Councillor Ibrahim for his question.

High Speed 2 (HS2) will provide an enormous boost to the East Midlands and Nottingham in the future as it will be a key factor in rebalancing the economic prosperity of the UK away from the South East. It will also add significant extra capacity to the rail system, which is in danger of being overcrowded in the medium term if present trends continue.

HS2 will provide a boost to the economy in Nottingham through the creation of thousands of new jobs in the East Midlands, and greatly improved connections from the City to the rest of the country.

More directly, for Nottingham we will see an integrated HS2 and classic rail station at Toton, about 6 miles from the City Centre, creating an East Midlands hub.

Nottingham will be connected to the new station by a frequent rail shuttle serving Nottingham Station. Other rail services will be modified to provide connections from Leicester and other destinations.

The Nottingham Tram system could be further extended to the new station, providing easy access to locations such as Nottingham University, the Boots campus (Enterprise Zone), Queen's Medical Centre and other important businesses. With lines 2 and 3 of the tram being built now, and due to be completed at the end of 2014, a further small extension could be ready well ahead of HS2. And, of course, a number of existing bus services could also connect into the site.

Passengers will be able to travel from Toton to London in just 51 minutes and Birmingham in 19 minutes. The journey times between Nottingham City Centre and London would reduce by over half an hour, from 1 hour 44 minutes to just 1 hour 8 minutes, with the time to Birmingham halved from 1 hour 13 minutes to 36 minutes, including allowing for 7 minutes transfer time and 10 minute connection to Nottingham Station via the shuttle.

Travel time from Nottingham to Leeds will also be slashed by an hour to just 46 minutes with up to five trains per hour and, similarly, new travel opportunities to the North East and Scotland will become available.

HS2 anticipate that 1,500 jobs will be created at Toton specifically. This is in addition to opportunities from the 10,000 construction jobs being created across HS2. Overall, the Government estimates that the HS2 network will support over 100,000 jobs across Britain.

High Speed Rail will also open up our City, making it more accessible for visitors. Shorter travel times making Nottingham an even more attractive place to visit for short breaks or even for conferences and combined with the current programme of upgrading and electrifying the Midland Mainline, this improved connectivity will unlock the enormous potential and opportunities that cities like ours have to offer, making them more attractive places to locate and do business, consistent with our Economic Growth Plan.

And, of course, in Nottingham, we know well the benefits that investment in infrastructure can bring, we have hundreds of jobs currently having been created building lines 2 and 3 of the tram, many more at the station transformation, and more yet to come through the ring road project. We have used these projects, through our work with the employer hub, to make sure that these investments lead to jobs for local people, and we would do the same with the opportunities from HS2. Because of the huge economic impact and job opportunities, my only regret is that the whole thing is going to take so long, I will therefore take every opportunity to make the case for the HS2 timetable to be moved forward, so that we can realise the benefits more quickly, and so that any uncertainty for those affected by the route is reduced, and I will also be keeping up pressure to improve our present rail connections, so that in the interim time, travel via the Midland Mainline becomes quicker and easier too.

See It, Report It Campaign

Councillor Morris asked the following question of the Portfolio Holder for Area Working, Cleansing and Community Safety:

Can the Portfolio Holder for Area Working, Cleansing and Community Safety report back on the See It, Report It campaign?

Councillor Norris replied as follows:

Thank you, Lord Mayor, and I thank Councillor Morris for her question.

See It, Report It is a Community Protection campaign that's aimed at tackling that very small minority of irresponsible dog owners who think it's ok to let their dog foul and to leave it for someone else to clean up.

Members in this Chamber will be aware, because we've spoken about it before, that cleaning up dog mess costs the City a quarter of a million pounds a year. At the best of times this would be too much, but given the challenging financial circumstances that we find ourselves in, clearly this is unacceptable.

We try to tackle the problem at various different stages, from education in schools, investing in equipment and staff to clear up the mess and, in this case, to enforce against those who offend. This campaign has taken various forms and there's been neighbourhood roadshows that I was at, and Jackie was at as well, radio adverts, social media, which is always a favourite of mine, information being handed out by neighbourhood staff, Nottingham City Homes, the NHS, Park Wardens, so everyone is playing their role where we see people to let them know that if they're seeing this sort of stuff to report it. What we've been asking people to do is when they've seen someone do this, if they've seen someone foul and then walk off, to call it in to us with a description of the individual and this helps us build up a profile of where this is happening and who is doing it so that we can then do either overt or covert operations to try and find out who's doing it, to catch and then, obviously, hand out the requisite fines or what not.

The campaign's in its infancy, we launched it last month, but I am happy to say, at this stage, it has been a great success. We had a bold target to start off with; we wanted, through this campaign, we were going to double the level of reporting, and I'm happy to say that in January we not

only doubled it, but we added another extra 25% on top as well, so that's a great first stage, so I'd like to take this opportunity to thank people who have rung up and encourage them to keep doing so, and also, it's a good prompt for myself and others to have that material on us too when we see people in our Tenants and Residents and other meetings to hand out the info. This is an issue I know we all take seriously, we all will be very aware that it consistently is at the top of residents' concerns, so we're putting lots of effort into tackling it and will continue to do so.

Cost of the Council Tax reforms

Councillor Healy asked the following question of the Deputy Leader:

Could the Deputy Leader tell us what the financial cost of the Council Tax reforms will be for Nottingham?

Councillor Chapman replied as follows:

Can I thank you for the question.

The cost of implementing cuts in Council Tax support over 2 years, which will take £12.2 million from the poorest people in Nottingham, is £5.25 million. All £5.25 million are overheads and consist of £2.5 million in admin and IT costs, £2.2 million in debt collection, legal costs and write-offs. I've got very accurate figures. It is all non-productive spending, most of it going into bureaucracy, into bailiffs, into legal profession's pockets. Not one penny of this is going into the growth and wealth creation within this City. It is all wasted money.

These costs do not include the social costs which will result from the compounding of a number of other cuts the government has instigated for the same vulnerable groups, and these costs will be increasing personal debt, increasing health problems from anxiety, which the Health Service will have to pick up, possible homelessness, which, again, we will have to pick up and family break-up, which, again, we will have to pick up, and possibly even the police. Do not think these things are a figment of our imaginations, they are real situations and they are rising from real problems which have already started.

Then we have the economic impact. You are taking millions of pounds of spending power from this City and transferring it to recipients – bailiffs, lawyers, who do not necessarily live in the City. You are taking money

away from shops and trade people who, at the moment, desperately need that demand. But, worst of all, by this process, in order to save a spurious £12.2 million, and actually it's £11.6 million if you take away the government's support for the admin that we're going to have to confront, then the total cost to Nottingham will be £5.2 million. But, I will repeat, Council Tax payers in this City are being forced to pay £5.25 million to give back £11.6 million to the government. That is 45% in order to give the government money back and, in so doing, to inflict misery on fellow citizens, most of whom are working and/or disabled and also, in so doing, they are taking demand out of the economy. You couldn't make it up, you could not make it up, unless, of course, you remember the instigators of this particular piece of genius are the same people who came up with the Poll Tax.

'Government cuts to council funding' budget consultation posters

Councillor Culley asked the following question of the Leader:

Considering that they clearly serve a party political purpose, does the Leader of the Council not think it would have been more appropriate to use Nottingham Labour funds to produce the Council's 'Government cuts to council funding' budget consultation posters rather than spending £2,727 of public money?

Councillor Collins replied as follows:

Thank you, Lord Mayor.

There is nothing party political about the posters Councillor Culley is referring to, and if she wasn't so determined, yet again, to put the interests of her party before the interests of the City, she'd understand that.

Councillor Morley left the Chamber.

85 URGENT ITEM – INTRODUCTION OF SIZE CRITERIA IN THE SOCIAL RENTED SECTOR – 'THE BEDROOM TAX'

The Lord Mayor was of the opinion that this item, although not included on the agenda, should be considered as a matter of urgency in accordance with Section 100B(4)(b) of the Local Government Act 1972, to allow for timely consideration of the issue.

The report of the Portfolio Holder for Adults, Housing and the Community Sector, as circulated around the Chamber, was submitted.

Councillor Culley expressed concern at the late submission of the report as she felt it did not allow for proper consideration of the issue.

RESOLVED that, on the motion of Councillor Liversidge, seconded by Councillor Chapman, the Council support the amendment of the Welfare Reform Act 2012 in order to repeal changes to Housing Benefit, commonly known as the 'bedroom tax', and lobby the Government to rethink its plans to cut Housing Benefits for thousands of citizens.

Councillors Culley, Parton, Spencer and Steel requested that their vote against the resolution be recorded.

Councillors Aslam, Culley, Grocock, Ibrahim and Morris left the Chamber.

86 COUNCIL TAX DISCOUNTS FOR EMPTY PROPERTIES AND THE PREMIUM ON LONG TERM EMPTY PROPERTIES

The report of the Deputy Leader, as set out on pages 321 to 330 of the agenda, was submitted.

RESOLVED that, on the motion of Councillor Chapman, seconded by Councillor Healy, pursuant to sections 11A and 11B of the Local Government Finance Act 1992, with effect from 1 April 2013:

- (1) for classes A, B, C and D dwellings, as defined by The Council Tax (Prescribed Classes of Dwellings) (England) Regulations 2003 as amended by the Council Tax (Prescribed Classes of Dwellings) (England)(Amendment) Regulations 2012, the discount under section 11(2)(a) shall not apply;**
- (2) the discount under section 11(2)(a) shall not apply and an additional premium of 50% (making a total 150% charge) shall apply to long term empty dwellings as defined in section 11B of the Act, subject to the provisions of The Council Tax (Prescribed Classes of Dwellings) (England) Regulations 2003**

as amended by the Council Tax (Prescribed Classes of Dwellings) (England) (Amendment) Regulations 2012.

Councillors Aslam, Culley, Grocock, Ibrahim, Morley and Morris rejoined the meeting.

87 NOTTINGHAM CITY ALIGNED CORE STRATEGY, SUBMISSION TO THE SECRETARY OF STATE

The report of the Portfolio Holder for Planning and Transportation, as set out on pages 331 to 338 of the agenda, and appendices which had been circulated separately, were submitted.

RESOLVED that, on the motion of Councillor Urquhart, seconded by Councillor Clark:

- (1) the submission of the draft Broxtowe Borough, Gedling Borough and Nottingham City Aligned Core Strategies, along with the Schedule of Changes, and accompanying submission documents, as set out in paragraph 5.6 of the report, to the Secretary of State for independent examination be approved;**
- (2) the Inspector be requested to recommend any modifications which were necessary to make the draft Core Strategy sound, under section 20(7C) of the Planning and Compulsory Purchase Act 2004 (as amended);**
- (3) delegated authority be granted to the Corporate Director for Development to approve any necessary amendments to the submission draft Core Strategy of the types outlined in paragraph 5.5 of the report.**

88 MOTION IN THE NAME OF COUNCILLOR COLLINS

Moved by Councillor Collins, seconded by Councillor Edwards:

“This Council believes that corporate tax avoidance by large companies making huge profits is unfair, unjust and morally wrong.

As public services face huge cuts and ordinary households are facing an ever tightening squeeze, this Council notes:

- That companies and organisation who purposely avoid paying their taxes are failing to meet their social obligations
- That these same bodies do not make a fair contribution to the communities from which they draw their profits
- That tax avoidance by major corporations is a direct result of Central Government's failure to regulate properly

This Council resolves:

- To do all that is reasonable to fight tax avoidance
- Wherever possible, to prevent tax avoiding organisations from securing contracts with Nottingham City Council
- To lobby the government to legislate to prevent corporations using tax havens and to increase the transparency of corporate accounts
- To engage with local tax justice campaigners and promote their cause"

Moved by Councillor Culley by way of an amendment and seconded by Councillor Parton that:

In paragraph 2, bullet point 3:

Delete "Central Government's failure to regulate properly" and insert "successive Governments' inadequate regulatory regimes"

In paragraph 3, bullet point 2:

Delete "tax avoiding" and after "organisations" insert "who breach the General Anti-Abuse Rule"

In paragraph 3, bullet point 3:

Delete "lobby" and insert "support" and after "Government" insert "in its efforts"

Delete bullet point 4

Amended motion to read:

"This Council believes that corporate tax avoidance by large companies making huge profits is unfair, unjust and morally wrong.

As public services face huge cuts and ordinary households are facing an ever tightening squeeze, this Council notes:

- That companies and organisations who purposely avoid paying their taxes are failing to meet their social obligations
- That these same bodies do not make a fair contribution to the communities from which they draw their profits
- That tax avoidance by major corporation is a direct result of successive Governments' inadequate regulatory regimes

This Council resolves:

- To do all that is reasonable to fight tax avoidance
- Wherever possible, to prevent organisations who breach the General Anti-Abuse Rule from securing contracts with Nottingham City Council
- To support the Government in its efforts to legislate to prevent corporations using tax havens and to increase the transparency of corporate accounts"

After discussion, the amendment was put to the vote and was not carried

RESOLVED that the substantive motion be carried:

This Council believes that corporate tax avoidance by large companies making huge profits is unfair, unjust and morally wrong.

As public services face huge cuts and ordinary households are facing an ever tightening squeeze, this Council notes:

- **That companies and organisation who purposely avoid paying their taxes are failing to meet their social obligations**
- **That these same bodies do not make a fair contribution to the communities from which they draw their profits**
- **That tax avoidance by major corporations is a direct result of Central Government's failure to regulate properly**

This Council resolves:

- **To do all that is reasonable to fight tax avoidance**

- **Wherever possible, to prevent tax avoiding organisations from securing contracts with Nottingham City Council**
- **To lobby the government to legislate to prevent corporations using tax havens and to increase the transparency of corporate accounts**
- **To engage with local tax justice campaigners and promote their cause**

Councillors Morley, Parton and Steel requested that their abstention from the vote be recorded.

The meeting concluded at 5.05 pm

CITY COUNCIL – 4 MARCH 2013

REPORT OF THE LEADER OF THE COUNCIL

PAY POLICY STATEMENT 2013-2014

1 SUMMARY

- 1.1 This report introduces the Council's pay policy statement for 2013-14 as required by the Localism Act. The policy sets out information on pay and conditions for chief officers in comparison to the bulk of the workforce employed on 'Local Government Scheme' (LGS) terms and conditions.

2 RECOMMENDATIONS

It is recommended that Council:

- 2.1 Approve and endorse the Council's pay policy statement for 2013-14.
- 2.2 Note that the statement may need to be amended in-year for any necessary changes the Council may wish to adopt. Any such changes will be presented to Full Council for approval.

3 REASONS FOR RECOMMENDATIONS (INCLUDING OUTCOMES OF CONSULTATION)

- 3.1 The pay policy statement is being presented to Full Council in order to demonstrate that decisions on pay and reward packages for chief executives and chief officers are made in an open and accountable way.

4 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

- 4.1 As the production of a pay policy statement is a requirement under the Localism Act, no other options were considered.

5 SUMMARY OF KEY POINTS

- 5.1 The Council employs approximately 6807 people, of which 28 colleagues are chief officers (as at February 2013) representing

less than 0.5% of the overall workforce.

- 5.2 The pay multiple of the average chief officer's pay (£117,153) to that of the non chief officer¹ average earner (£24,548) including guaranteed payments² is 1:4. The relationship between the Chief Executive's pay (£160,000) to that of the Council's non chief officer average earner excluding allowances (£21,426) is a pay multiple of 1:7.
- 5.3 The total sum of expenses claimed by the Council's 28 chief officers from 1 April 2012 to 18 January 2013 was £36,173. These related to claims for expenses and allowances, ranging from travel to relocation.
- 5.4 As at February 2013, there were no chief officers in receipt of bonus payments; increments; pay awards; performance related pay; and other pay enhancement allowances (overtime, weekend, evening, night working, etc).
- 5.5 There was no fee paid to the Returning Officer (Chief Executive) during 2011 for running the local election which is normally funded through the Council. There have been two other elections during 2012 which were funded through Central Government.
- 5.6 The Council is closing the pay gap between the Chief Executive and lowest paid employee. The Chief Executive was appointed in December 2012 below the lowest point of the Chief Executive pay scale. On the other hand, the Council is proposing to pay, as a separate element, a supplement to all colleagues on Grade A (£12,145 - £12,787) the difference between Grade A and bottom of Grade B (£13,189) effective from 1 April 2013. This proposal is intended to apply to all employees, schools' employees and casual workers.

6 BACKGROUND

- 6.1 The Localism Act requires local authorities to prepare and publish pay policy statements, covering other aspects of pay policy as well

¹ The definition of 'non chief officer' includes colleagues on Greater London Provincial Council (GLPC) Senior Leadership Management Group (SLMG) and Local Government Service (LGS) pay and pay scales. It excludes the Chief Executive (CEX), Corporate Directors' (CDIR) pay scales and chief officers on SLMG1 pay in calculating the ratio. The ratio has been calculated using basic FTE pay, not actual pay.

² Includes basic FTE salary, pension – employer contribution, allowances and enhancements paid between 01/04/2012 to 31/01/2013

as senior management pay.

- 6.2 The Act requires that the pay policy statement must be approved formally by the Council meeting itself (it cannot be delegated to a sub-committee); must be approved by the end of March each year, starting with 2012; can be amended in-year; must be published on the Council's website (and in any other way the Council chooses); and must be complied with when the Council sets the terms and conditions for a chief officer. "Chief Officer" is widely defined through adopting the definitions in the Local Government and Housing Act 1989.
- 6.3 In more detail, the matters that must be included in the statutory pay policy statement are as follows:
- the Council's policy on the level and elements of remuneration for chief officers;
 - the Council's policy on the remuneration of its lowest-paid employees (together with its definition of "lowest-paid employees" and its reasons for adopting that definition);
 - the Council's policy on the relationship between the remuneration of its chief officers and other officers;
 - the Council's policy on other specific aspects of chief officers' remuneration, such as remuneration on recruitment, increases and additions to remuneration, use of performance-related pay and bonuses, termination payments, and transparency.
- 6.4 The Act defines remuneration widely, to include not just pay, but also charges, fees, allowances, benefits in kind, increases in enhancements of pension entitlements, and termination payments.
- 6.5 In addition, the Local Government Association and Association of Local Authority Chief Executives (ALACE) guidance recommends that authorities specify any additional arrangements that may not amount to formal terms and conditions, but which relate to a chief officer's employment and which are a charge on the public purse, such as the fee payable to the Chief Executive for running elections.
- 6.6 In the interests of clarity, the ALACE guidance recommends that authorities make explicit whether the conditions of service for chief executives and chief officers are incorporated in those officers' employment contracts.

6.7 The pay policy statement provides information on Nottingham City Council's pay and conditions for chief officers in comparison to the bulk of the workforce employed on Local Government Scheme (LGS) terms and conditions.

7 FINANCIAL IMPLICATIONS (INCLUDING VALUE FOR MONEY)

7.1 The pay policy statement will also assist chief officers in the discharge of their responsibilities relating to staffing numbers and payments to employees as set out in the Council's Financial Regulations and Corporate Financial Procedures.

8 RISK MANAGEMENT ISSUES (INCLUDING LEGAL IMPLICATIONS, CRIME AND DISORDER ACT IMPLICATIONS AND EQUALITY AND DIVERSITY IMPLICATIONS)

8.1 Sections 38 to 43 of the Localism Act 2011 require the City Council to prepare, approve and publish a pay policy statement in the terms described in this report. The statement proposed for approval by Council complies with legal requirements.

9 EQUALITY IMPACT ASSESSMENT (EIA)

9.1 An EIA is not required as the pay policy statement does not include proposals for new or changing policies, services or functions.

10 LIST OF BACKGROUND PAPERS OTHER THAN PUBLISHED WORKS OR THOSE DISCLOSING CONFIDENTIAL OR EXEMPT INFORMATION

10.1 Communities and Local Government, Openness and accountability in local pay: Guidance under section 40 of the Localism Act.

10.2 Local Government Association and Association of Local Authority Chief Executives (ALACE), Localism Act: Pay Policy Statement Guidance for Local Authority Chief Executives.

11 PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT

11.1 Hutton, W., 2011. Hutton Review of Fair Pay. London

11.2 One Society, 2012. *Leading the Way on Fair Pay: An Assessment*

of Principal Local Authorities in England & Wales. London

**COUNCILLOR JON COLLINS
LEADER OF THE COUNCIL**

CITY COUNCIL – 4 MARCH 2013

REPORT OF THE DEPUTY LEADER

TREASURY MANAGEMENT 2013/14 STRATEGY

1 SUMMARY

- 1.1 This report seeks approval for a series of strategies relating to treasury management in 2013/14. The strategies were considered as part of a number of reports on the 2013/14 budget process. They were submitted for endorsement to Executive Board on 19 February 2013 and were also considered by Audit Committee, as part of its scrutiny role, on 15 February 2013.

A copy of the Executive Board report is detailed in Appendix 1 which has been circulated separately. Full details of the strategies and other material referred to below are shown within that document. The specific strategies included are:

- the overall treasury management strategy for 2013/14 (Annex 1, pages 1-13);
- the strategy for debt repayment in 2013/14 (section 5 of Annex 1, page 6);
- the Housing Revenue Account Treasury Management Strategy for 2013/14 (section 6 of Annex 1, pages 6 - 7);
- The investment strategy for 2013/14 (section 7 of Annex 1, pages 7 - 12).

Approval is also required for the Prudential Indicators and limits from 2012/13 to 2015/16 (Appendix A within Annex 1, page 14).

2 RECOMMENDATIONS

- 2.1 It is recommended that:

- 1) the 2013/14 treasury management strategy document, including the strategy for debt repayment and the investment strategy, detailed in Appendix 1 (Annex 1, pages 1-13) is approved;
- 2) the Prudential Indicators and limits from 2012/13 to 2015/16, detailed in Appendix 1 (Annex 1, page 14) are approved;

3 REASONS FOR RECOMMENDATIONS (INCLUDING OUTCOMES OF CONSULTATION)

- 3.1 To ensure compliance with the Code of Practice on Treasury Management in Public Services (the Code).

4 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

- 4.1 The approval of a treasury management strategy, including Prudential Indicators, is a requirement of the adopted Code, so no other options are available for consideration.

5 BACKGROUND

- 5.1 Treasury management is the management of the Council's cash flows, including borrowings and investments. It is regulated by CIPFA's Treasury Management Code of Practice.
- 5.2 Treasury Management is the subject of robust governance arrangements including legislation, government guidance, codes of practice and financial regulations. The approval of a strategy relating to treasury management, including a strategy for debt repayment and investment, is good practice and ensures that the City Council complies with the governance framework.
- 5.3 Prudential Indicators for the forthcoming and following two financial years must be set before the beginning of that year. They may be revised at any time, following due process, with any changes to the current indicators being approved at a meeting of Full Council.
- 5.4 On 19 February 2013, Executive Board considered a report seeking endorsement of the proposed treasury management strategy for 2013/14. Scrutiny of the strategy was addressed by a meeting of the Audit Committee on 15 February 2013.

6 FINANCIAL IMPLICATIONS (INCLUDING VALUE FOR MONEY)

- 6.1 Total treasury management payments comprise interest charges and receipts and provision for repayment of debt. A proportion of the City Council's debt relates to capital expenditure on council housing and this is charged to the Housing Revenue Account (HRA). The remaining costs are included within the treasury management section of the General Fund budget. Table 1 overleaf sets out the

budget for 2013/14:

TABLE 1: REVENUE BUDGET POSITION			
DESCRIPTION	BUDGET 2012/13 £m	FORECAST OUTTURN 2012/13 £m	BUDGET 2013/14 £m
External interest	30.277	29.152	30.929
Less: HRA interest	(12.781)	(12.384)	(11.605)
Debt repayment provision	31.426	25.923	32.583
General Fund expenditure	48.922	42.691	51.907
Investment interest	(1.501)	(1.209)	(1.182)
Prudential borrowing recharge	(0.562)	(0.566)	(0.516)
Transfer to / (from) Reserve	-	-	-
NET GEN. FUND POSITION	46.859	40.916	50.209

The above figures are included in the City Council's 2013/14 budget, which has been submitted for approval elsewhere on this agenda.

7 RISK MANAGEMENT ISSUES (INCLUDING LEGAL IMPLICATIONS, CRIME AND DISORDER ACT IMPLICATIONS AND EQUALITY AND DIVERSITY IMPLICATIONS)

- 7.1 Risk management plays a fundamental role in treasury activities, due to the value and nature of transactions involved. The management of specific treasury management risks is set out in the Manual of Treasury Management Practices and Procedures and a risk register is prepared for the treasury function.

The key Strategic Risk relating to treasury management is SR17 'Failure to protect the Council's investments'. The current rating for this risk is 4.57 (Likelihood is rated unlikely, Impact is rated moderate), which represents a reduction from the previous rating. Details of the current Risk Management Action Plan are provided in the Executive Board report (Annex 1, Appendix B).

8 EQUALITY IMPACT ASSESSMENT (EIA)

An EIA is not required as the report does not relate to new or changing services or policies.

9 LIST OF BACKGROUND PAPERS OTHER THAN PUBLISHED WORKS OR THOSE DISCLOSING CONFIDENTIAL OR EXEMPT INFORMATION

9.1 Treasury management working papers.

10 PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT

10.1 Executive Board report - 19 February 2013

10.2 Audit Committee report – 15 February 2013

**COUNCILLOR GRAHAM CHAPMAN
DEPUTY LEADER**

CITY COUNCIL – 4 MARCH 2013

REPORT OF THE DEPUTY LEADER

BUDGET 2013/14

1. Summary

- 1.1 This budget report sets out the proposals for 2013/14 in a layout governed by statute.
- 1.2 The Medium Term Financial Plan (MTFP) 2013/14 - 2015/16 was considered by Executive Board on 19 February 2013.
- 1.3 This report should be read in conjunction with the contents of the associated financial plans and budget reports. Specific attention is drawn to the report to the Executive Board on 19 February 2013 entitled 'Medium Term Financial Plan 2013/14 – 2015/16'.

2. Recommendations

It is recommended that:

2.1 the following be approved:

- (1) the revenue budget for 2013/14, including;
 - (a) the recommendations of the Chief Finance Officer (CFO) in respect of the robustness of the estimates made for the purpose of the budget calculations and the adequacy of reserves;
 - (b) the delegation of authority to the Deputy Chief Executive/Corporate Director for Resources in consultation with the Deputy Leader to finalise the MTFP for publication;
 - (c) the delegation of authority to the appropriate Directors to implement Strategic Choices proposals after undertaking the appropriate consultation;
- (2) the capital programme for 2012/13 – 2015/16;

- (3) a council tax requirement of **£79,751,125**, including the calculations required by Sections 30 to 36 of the amended Local Government Finance Act 1992 (“the Act”), as set out below:
- (a) **£964,698,230** 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) **£884,947,105** 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) **£79,751,125** 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 2013/14 of **£1,404.42** 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 (as set out in **section 5** of this report);
- (5) the setting of the amounts of council tax for 2013/14 at the levels described in **section 5.6** of this report;
- (6) the making of the Members’ Allowances Scheme for 2013/14 in the terms of the previously adopted Scheme, save for adjustments to mirror nationally determined rates for travel and subsistence (as applicable to officers) and for carers allowances
- (7) The Business Rates Discretionary Relief Policy as set out in **Appendix 1**

2.2 the following be noted:

- (1) a Nottinghamshire and City of Nottingham Fire and Rescue

Authority precept at Band D for 2013/14 of **£69.69**.

- (2) a Nottinghamshire Police and Crime Commissioner precept at Band D for 2013/14 of **£169.65**.
- (3) in January 2013, the City Council calculated the amount of **56,786** as its council tax base for the year 2013/14 in accordance with regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992.

3. Reasons for Recommendations (including outcomes of consultation)

3.1 General Approach

Consultation on the budget was conducted in two phases. Before the budget settlement for 2013 was announced in December, pre-budget consultation was carried out between October and December 2012. A survey accompanied the Arrow magazine in October 2012 and was also available online. There was also a programme of pre-budget consultation events with the public and with the voluntary and community sector which were led by Executive Board Councillors. Consultation with Nottingham City Council colleagues was also undertaken.

The draft budget was approved for consultation by Executive Board on 18 December 2012. Phase two consisted of consultation on the draft budget proposals. A budget consultation form was made available online and in hard copy to enable everyone to have their say on the proposals. Events were arranged across the City, which were publicised locally by neighbourhood management teams. Consultation with businesses, One Nottingham partners, young people and the voluntary and community sector was also undertaken.

Appropriate action has been taken in relation to any representations made and feedback from the consultation has been taken into account in finalising the proposals within this report.

3.2 HRA Tenant Consultation on 2013/14 Budget and Rents

Presentations were made Tenant and Leaseholder Congress in January 2013. Tenants were advised that the investment plan set out in the MTFP was predicated on a medium term plan for housing

rent increases. The increase for 2013/14 according to the plan was 5.54%, slightly below the level if rent convergence would have been applied. The discussion also covered an outline of the sources of income and expenditure available to the HRA and a request to have presentations in the coming year about the detail of the HRA expenditure, similar to that undertaken last year. The tenants were keen to see the benefits of the investment in the stock realised.

It was recognised that setting rents was ultimately the responsibility of the City Council and that, in reaching a decision, the views of tenant representatives would be taken into account.

3.3 Members' Allowances Scheme 2013/14

This report recommends the adoption of the Scheme for 2013/14 without changes, save for adjustments to mirror nationally determined rates for travel and subsistence (as applicable to officers) and for carers' allowances. A copy of the current Scheme can be viewed within the Council's Constitution at Part 7 or by using the following hyperlink to the document published online at:

<http://www.nottinghamcity.gov.uk/index.aspx?articleid=3744>

4. Other options considered in making recommendations

4.1 None

5. Background

5.1 The legislation governing the setting of council tax is contained in the Local Government Finance Act 1992 (the "Act") as amended by the Localism Act 2011. 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**

5.2 **R** is the amount calculated by the City Council as its council tax requirement for 2013/14, calculated in accordance with section 31A(4) of the Act. The Executive Board at its meeting on 19 February 2013 determined the council tax requirement to be **£79,751,125**.

T is the amount calculated by the City Council as its council tax base for 2013/14. In January 2013 the City Council calculated the amount

of **56,786** as its council tax base for the year 2013/14 in accordance with regulation 3 of the Local Authorities (Calculation of Council Tax base) Regulations 1992.

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

$$\frac{\mathbf{£79,751,125}}{\mathbf{56,786}} = \mathbf{£1,404.42}$$

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

- 5.3 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	£936.28
B	7/9	£1,092.33
C	8/9	£1,248.37
D	9/9	£1,404.42
E	11/9	£1,716.51
F	13/9	£2,028.61
G	15/9	£2,340.70
H	18/9	£2,808.84

- 5.4 It should be noted that, for the financial year 2013/14, 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
£113.10	£131.95	£150.80	£169.65	£207.35	£245.05	£282.75	£339.30

- 5.5 It should also be noted that, for the financial year 2013/14, the Nottinghamshire and City of Nottingham Fire and Rescue Authority has issued the following amounts in precepts in accordance with Section 40 of the Local Government Finance Act 1992 (which has been amended by the Local Government Act 2003 to include Combined Fire Authorities), for each of the categories of the

dwellings shown below:-

A	B	C	D	E	F	G	H
£46.46	£54.20	£61.95	£69.69	£85.18	£100.66	£116.15	£139.38

- 5.6 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	£936.28	£113.10	£46.46	£1,095.84
B	£1,092.33	£131.95	£54.20	£1,278.48
C	£1,248.37	£150.80	£61.95	£1,461.12
D	£1,404.42	£169.65	£69.69	£1,643.76
E	£1,716.51	£207.35	£85.18	£2,009.04
F	£2,028.61	£245.05	£100.66	£2,374.32
G	£2,340.70	£282.75	£116.15	£2,739.60
H	£2,808.84	£339.30	£139.38	£3,287.52

6. Financial Implications (including value for money)

- 6.1 These have been considered in the Medium Term Financial Plan 2013/14 - 2015/16 report to Executive Board.

7. Risk Management Issues

- 7.1 These have been considered in the Medium Term Financial Plan 2013/14 - 2015/16 report to Executive Board.

- 7.2 The recommendations within this report fall within the City Council functions under the Local Government Finance Act 1992, the Local Government Act 1972 and other enabling legislation

8. Equality Impact Assessment (EIA)

8.1 An EIA has been carried out and is detailed in **Appendix 2** which has been circulated separately.

9. List of Background Papers

9.1 Budget Working Papers

10. Published Reports referred to in compiling this report

10.1 Previously published documents are available on the dedicated internet page.

**COUNCILLOR CHAPMAN
DEPUTY LEADER**

