

Nottingham City Council

Executive Board

Minutes of the meeting held at Loxley House, Nottingham on 21 November 2023 from 2.00 pm - 2.46 pm

Membership

Present

Councillor David Mellen (Chair)
Councillor Audra Wynter (Vice Chair)
Councillor Cheryl Barnard
Councillor Steve Battlemuch
Councillor Kevin Clarke
Councillor Jay Hayes
Councillor Corall Jenkins
Councillor Pavlos Kotsonis
Councillor Linda Woodings

Absent

Councillor Angela Kandola
Councillor Sajid Mohammed

Colleagues, partners and others in attendance:

Mel Barrett	- Chief Executive
Beth Brown	- Head of Legal Services
Ross Brown	- Corporate Director for Finance & Resources
Colin Parr	- Corporate Director for Community, Environment and Residents Services
Sajeeda Rose	- Corporate Director for Growth and City Development
Catherine Underwood	- Corporate Director for People
Phil Wye	- Governance Officer

Call-in

Unless stated otherwise, all decisions are subject to call-in. The last date for call-in is 29 November 2023. Decisions cannot be implemented until the working day after this date.

55 Apologies for Absence

Councillor Angela Kandola – other Council business
Councillor Sajid Mohammed – unwell
Malcolm Townroe

56 Declarations of Interests

None.

57 Minutes

The Board confirmed the minutes of the meeting held on 17 October 2023 as a correct record and they were signed by the Chair.

58 Appointments to Outside Bodies

Councillor David Mellen, Leader of the Council, presented the report requesting approval for the Register of Outside Bodies to which the Council makes appointments, and also approval of the appointments and/or nominations to those bodies.

Outside Bodies are separate legal entities that the Council appoints and nominates individuals to sit on for the benefit of the Council and the organisations involved, as a mechanism for community leadership, partnership working, information sharing and support for the Council's and the organisations' priorities.

In addition to the listed appointments in appendix 1 of the report, Councillor Linda Woodings was nominated and appointed as Director and Trustee for the Nottingham City of Literature.

Resolved to

- (1) transfer the following companies out of the Register of Outside Bodies to a separate register of companies in which the Council has a financial interest held by the Shareholder Unit, for decision regarding future governance approach, including appointment of company directors:**
 - a) 12 London Road Energy Supplies Ltd**
 - b) Blueprint**
 - c) City of Nottingham Historic Buildings Ltd**
 - d) Creative Quarter Nottingham Ltd**
 - e) D2N2**
 - f) Foresight Group LLP**
 - g) Futures Advice, Skills and Employment Ltd**
 - h) Greater Nottingham Rapid Transit Ltd**
 - i) Marketing Nottingham and Nottinghamshire**
 - j) Meadows Ozone Energy Services Ltd**
 - k) Nottingham City Transport Ltd**
 - l) Nottingham Ice Centre Ltd**
 - m) Nottingham City Homes Ltd**
 - n) Nottingham Revenues and Benefits Ltd**
 - o) Scape Group**

- (2) add the following bodies to the Register of Outside Bodies:**
 - a) Nottingham City of Literature**
 - b) East Midlands Strategic Migration Partnership**
 - c) FCC Eastcroft Electricity from Waste Community Liaison Group**

- (3) To remove the following bodies from the Register of Outside Bodies:**
 - a) Base 51**
 - b) First Enterprise**
 - c) Green's Windmill Trust**
 - d) Groundwork Greater Nottingham**

- e) High Sheriff's Community Safety Forum
- f) Local Government Association City Regions Board
- g) National Justice Museum Board
- h) Pupil Place Planning and Admissions Group
- i) Renewal Trust
- j) Nottingham College
- k) Joint Planning Advisory Board
- l) Nottingham's Children's Partnership Board
- m) Nottingham Community Safety Partnership
- n) One Nottingham
- o) Standing Advisory Council for Religious Education (SACRE)
- p) Queens Walk Community Association Management Committee
- q) Bakersfield Community Association Management Committee
- r) Bestwood Park Community Association
- s) Bridges Community Trust
- t) Bulwell Hall Healthy Living Centre
- u) Clifton Community Association Management Committee
- v) Crabtree Farm Community Association Management Committee
- w) Forest Fields Advice Centre
- x) Greenway Centre Management Committee
- y) Highbank Community Association Management Committee
- z) Indian Community Centre Management Committee
- aa) Leen Valley Community Association
- bb) Lenton Centre
- cc) Park Gate Community Centre
- dd) Shelia Russell Community Association Management Committee
- ee) Silverdale Community Association Management Committee
- ff) Snapewood Community Association Management Committee
- gg) Vale Community Association Management Committee
- hh) Nottingham and Nottinghamshire Integrated Care Board

- (4) approve the appointments/ nominations to Outside Bodies as set out in Appendix A of the report;
- (5) approve the appointment of Councillor Linda Woodings to Nottingham City of Literature;
- (6) delegate the nomination of councillors to be appointed as members of the Standing Advisory Council on Religious Education (SACRE) to the Corporate Director of People, in accordance with the wishes of the majority group.

Reason for decision:

- To ensure that the bodies to which the Council makes appointments/ nominations remain relevant to its business, and that appointments/ nominations to those bodies are updated to reflect changes in Council membership and roles following local elections.

Other options considered:

- Not to make appointments/ nominations to Outside Bodies. This option was rejected as it would deny the City Council a voice on a number of key local, regional and national organisations.

59 Social Housing Decarbonisation Fund Wave 2.1 additional funding.

Councillor David Mellen, Leader of the Council, presented the report on additional funding for Social Housing Decarbonisation Fund (SHDF) schemes which aim to deliver warm, energy-efficient homes, reduce carbon emissions and fuel bills, tackle fuel poverty, and support green jobs. Funding through schemes such as this is essential for the Council to continue delivering its award-winning Greener Housing programme.

The additional allocation for Nottingham City Council comes from funds originally allocated to another Local Authority within the consortium of Local Authorities who were part of the original funding bid but were unable to utilise these funds. This does not represent a change to the overall Wave 1 or Wave 2.1 allocation awarded to the Midlands Net Zero Hub (MNZH) from the Department of Energy Security and Net Zero but a repurposing of funding.

Resolved to

- (1) accept and spend the additional grant allocation of £558,822 from the Department of Energy Security and Net Zero in line with the SHDF Wave 2.1 grant funding conditions to support the regional delivery of SHDF Wave 2.1 allocated through the Midlands Net Zero Hub;**
- (2) approve the use of £558,822 of match funding from approved budgets within the Housing Revenue Account Capital Programme (HRACP). To be covered if required across both 23-24 & 24-25 financial years to maximise the grant spend and support delivery;**
- (3) delegate authority to the Corporate Director of Communities, Environment and Resident Services to manage the additional grant allocation;**
- (4) delegate authority to the Director of Housing to procure, award and enter into contracts with third party providers, utilising the additional funding for the provision of goods and services associated with the delivery of the project.**

Reasons for decision:

- The SHDF has been launched over a 10-year period to improve the energy performance of social rented homes, on the pathway to Net Zero 2050. The scheme aims to support the social housing sector across England, improving the comfort and well-being of residents by installing energy efficiency and low carbon heating upgrades.
- The SHDF scheme aims to deliver warm, energy-efficient homes, reduce carbon emissions and fuel bills, tackle fuel poverty, and support green jobs. This directly supports our 2018-25 Fuel Poverty Strategy and will see fuel bills reduce at a time

when energy prices are at a record high.

- Additionally, the project will drive retrofit measures to improve building fabric, decarbonise heating systems and see more renewable energy in social housing across the city and region; supporting our contribution to the Carbon Neutral by 2028 target and national carbon reduction targets.
- The project is also intended to stimulate the supply chain and facilitate a green economic recovery from COVID-19. These funds will help bring forward a range of works that would not otherwise take place, enabling homes in fuel poverty to reduce energy costs and improve EPCs, addressing challenging stock and creating local jobs through transferring central government funding to the private sector.
- The additional funding will allow the Council to complete a range of works across our programme, allowing us to install energy-efficiency measures to 45 additional homes, dependant on fluctuating costs and the condition of the stock.

Other options considered:

- To not accept the funding. This funding offers the opportunity to address fuel poverty and domestic decarbonisation issues within social housing across Nottingham, helping to improve the lives of citizens and directly contributing towards Nottingham City Council's carbon neutral targets. Not accepting the funding would greatly limit our ability to deliver these outcomes.

60 Annual Investment Strategy 2023-24 revision

Councillor Audra Wynter, Portfolio Holder for Finance and HR presented the report on proposed revisions to the Annual Investment Strategy for 2023-24.

Resolved to recommend to City Council the approval of revisions to the Annual Investment Strategy for 2023/24 attached as Appendix 1, and, in particular:

- a) the increase to counterparty limits;**
- b) other technical changes.**

Reasons for decision:

- The approval of a Treasury Management Strategy by Full Council is a legal requirement. The Annual Investment Strategy is incorporated into the Treasury Management Strategy and therefore also requires Full Council approval. This report sets out the proposed revisions to the Annual Investment Strategy for 2023/24, for endorsement to City Council by Executive Board.
- The Annual Investment Strategy includes details on how the Council will invest its cash balances across different counterparties and financial instruments.
- Approval of an Annual Investment Strategy is a legal requirement, to comply with:
 - a) Financial Regulations and the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management by submitting

- a policy and strategy statement for the ensuing financial year incorporating an Annual Investment Strategy.
- b) guidance issued by the Secretary of State under section 15(1) (a) of the Local Government Act 2003 in approving, at Council, an Annual Investment Strategy before 1 April and any subsequent revisions to it.
- The Treasury Management Code of Practice and Prudential Code (2021 editions) are both adopted by the Council. There is a requirement for authorities to nominate a body within the organisation to be responsible for scrutiny of treasury management activity, policies and practices. It is considered that the City Council's Audit Committee is the most appropriate body for this function. The Audit Committee considered revisions to the Annual Investment Strategy 2023/24 at its July 2023 meeting and these are now being brought to Executive Board for recommendation to City Council.
 - The Annual Investment Strategy was based on the TMS projections for investment balances of between £100m to £200m in 2023/24. At 31 March 2023 investment balances were £308m and they are expected to be in the range £300m to £400m in 2023/24. Therefore, in order for the Council to continue to invest with high quality counterparties paying the most competitive investment rates, the following changes are recommended:

CounterParty Limits	Current £m	Revised £m
Banks and other institutions	20	30
Money Market Funds	30	40
Country	40	60

- The AIS also clarifies that for UK banks split into ring-fenced and non-ring fenced banks then each entity will be treated separately for determining counterparty limits. This recognises that each entity is separately capitalised without recourse to each other unlike previously.
- There is also a change to the interest earned by the HRA on its share of cash balances which will now be the average interest rate earned for the year on the Council's investments instead of the 3 month Treasury bill rate. This has the effect of HRA and General Fund balances benefitting from the actual investment returns achieved by the Council.
- The Treasury Panel reviewed these changes on 14 June 2023 and they have also been reviewed by the Council's treasury adviser Link Group.

61 Treasury Management 2022-23 Annual Report

Councillor Audra Wynter, Portfolio Holder for Finance and HR presented the report.

Resolved to note the Treasury Management performance for 2022-23

Reasons for decision:

- The Treasury Management function is governed by provisions set out under Part 1 of the Local Government Act 2003, whereby the City Council must have regard to the CIPFA Prudential Code and the CIPFA Code of Practice. Under the latter Code, an annual report is required to be submitted to and considered by councillors.
- The Council's Treasury Management Strategy for 2022-23 was approved by full Council on 7 March 2022.
- The Council borrows and invests substantial sums of money as part of its business as usual activity. In common with all local authorities, it is therefore exposed to financial risks including the loss of invested funds and the revenue account impact of changing interest rates. This report covers performance in relation to treasury management activity and the associated monitoring and control of risk.

62 Holiday Activity Fund 2024-25

Councillor Cheryl Barnard, Portfolio Holder for Children, Young People and Education presented the report on the Holiday Activity Fund (HAF) programme which will contribute towards Nottingham City Council's Cost of Living strategy by offering children and families food and activities during the school holidays.

In 2023, Nottingham City Council was awarded £1,836,270 by the Department for Education (DfE) to deliver the HAF programme. The HAF programme aims to support children in receipt of free school meals during the school holidays, by funding free holiday clubs and helping to combat holiday hunger. The Council, governed by the funding framework from the Department for Education, can choose how to allocate this funding to Community Providers, Schools and Area Based Grant Teams.

Resolved to

- (1) accept the estimated maximum £2,000,000 grant from the Government for HAF and enter into any associated grant agreement with the Government;**
- (2) delegate authority to the Director of Education to allocate the grant, in accordance with to the Council's Contract Procedure Rules and in accordance with the grant conditions from government;**
- (3) note the forecasted budget expenditure in appendix 1 of the report.**

Reasons for decision:

- The HAF programme was first awarded to Nottingham City Council in 2021 and aims to support children at risk of holiday hunger. The Department for Education devolves this funding to Local Authorities as they are best placed to understand the needs of citizens and distribute funds to organisations that support communities.
- The funding amount for 2024 will not be confirmed until December 2023, so this paper estimates a maximum figure. This is to allow the HAF Project Manager and team to conduct a full bidding process for a Lead Partner, Open and SEND

Specific delivery groups in time for delivery in 2024. If the figure awarded to Nottingham City Council is in excess of £2 million a further decision will be written to accept that funding.

- It is proposed to delegate approvals relating to this grant to the Director of Education. This is due to the frequency of sign off's on payments to providers/suppliers.

Other options considered:

- To not accept the funding. Nottingham City Council does not have to accept this funding, but this is not an option that would be considered because this support is needed by Nottingham residents.

63 London Road - Emergency Planning function - update

Councillor Steve Battlemuch, Portfolio Holder for Skills, Growth and Economic Development presented the report providing an update on the current position regarding the proposals to relocate the Council's Emergency Planning function to Loxley House and assign the Council's existing lease at the London Road Fire Station to the Police and Crime Commissioner.

The original approach from the Police in relation to this project was to enable them to establish whether it was feasible to move their Response and Neighbourhoods unit out of Riverside, as part of a plan to remove all police personnel from their Riverside base. Terms for the assignment of the council's lease and relocation of the Emergency Planning function were subsequently agreed and approved by Executive Board on the 22nd November 2022. Increasing inflation in relation to the cost of relocation of the Emergency Planning function caused some delay and a need to renegotiate some elements. Because of the uncertainty that caused, and the Police's now advised intention to remain in Riverside until 2027, they have advised that they are no longer able to proceed.

The Police have reaffirmed their commitment to continue to have a dedicated Meadows Neighbourhood Policing Team and who will remain visible and committed to working in and with the local community.

Resolved to note the current position in that the assignment of the Council's lease and transfer of the Emergency Planning function to Loxley House is no longer proceeding.

Reason for decision:

- This information is presented for noting in the spirit of openness and transparency to inform that the proposed transaction/transfer is no longer proceeding.

Other options considered:

- There are no other options available at the present time

64 Safer Roads Fund: Road Safety Improvements on the A609 and A6130

Sajeeda Rose, Corporate Director for Growth and City Development presented the report on a £1.425m grant from the Department of Transport, Safer Roads Fund, Round 3-Phase 1, that the Council has received to deliver two schemes. The schemes were selected by the Department for Transport based on data that identified these routes as having major road safety concerns. The Safer Roads Fund is part of a national programme aimed at improving road safety for users and improving reliability of the road network in doing so.

Resolved to

- (1) approve acceptance and receipt of funding secured from the Department for Transport, Safer Roads Fund, Round 3-Phase 1 grant to implement road safety improvements on the A609 and the A6130;**
- (2) approve the road safety improvement schemes for the A609 and the A6130 project to be progressed to the design and development stage and to be implemented;**
- (3) delegate final project approval, initiation of procurement activities and appointment of the contractor/s to deliver the project to the Corporate Director for Growth and City Development in consultation with the Corporate Director for Finance and Resources;**
- (4) approve an application to be submitted for the Safer Roads Fund, Round 3-Phase 2 and to accept the grant, if successfully awarded by the Department for Transport. Executive Board approval will be sought for the project once the proposals are confirmed and have been through the early design stage.**

Reasons for decision:

- The Department for Transport selected Nottingham City Council to receive £1.425m of grant funding in Round 3-Phase 1 of the Safer Roads Fund; £0.475m for the A609 and £0.950m for the A6130. The City Council were then invited to submit proposals for each scheme, which has been led by the Road Safety and Traffic Management team within the Council. Acceptance of the Grant would allow the proposals to reduce the number and severity of road traffic collisions and resultant casualties on two of the most high-risk A-roads in Nottingham for drivers, passengers and cyclists, to be progressed.
- There was a short lead time to submit the application for the Safer Roads Fund grant. Road Safety and Traffic Management submitted proposals for the A609 and the A6130 schemes based on road safety data in line with the guidance and requirements of the funding. These proposals are subject to feasibility and deliverability advice from Highway Services and early design works including surveys. The project proposals are subject to all necessary Traffic Regulations Orders and other statutory consultations ahead of implementation.
- Delegating final project approval, initiation of procurement activities and appointment of the contractor/s to deliver the project to the Corporate Director for Growth and City Development, in consultation with the Corporate Director for

Finance and Resources will ensure timely approvals to keep the project on track and to programme while maintaining governance.

- The intention is for the Council to submit a full application for Round 3-Phase 2 of the Safer Roads Fund. The Grant funding would allow for further investment in Nottingham and assist to improve road safety on the highest risk roads identified by the Department of Transport.

Other options considered:

- The option to vary the location of schemes was rejected as this would not comply with the award of the Safer Roads Fund grant and would invalidate the work completed by the Department of Transport to identify the most high-risk A-roads in Nottingham for drivers, passengers and cyclists and the requirement to reduce the risk on these roads and improve road safety.
- The option to do nothing and reject the funding was rejected as this would not improve road safety on two busy, high risk A-roads in Nottingham.

65 Period 6 2023/24 Budget Monitoring

Councillor Audra Wynter, Portfolio Holder for Finance and HR presented the report providing an assessment of the Council's 2023/24 forecast outturn position for the General Fund revenue account, Capital Programme and the Housing Revenue Account (HRA) based on activity to the end of the Period 6 (30 September 2023).

As seen across many other local authorities, the Council is also experiencing significant pressures relating to social care and temporary accommodation. At the end of Quarter 2 (Period 6), the Council is forecasting a gross General Fund pressure of c£57m which is partly being mitigated from one-off in-year management and corrective actions (including use of previously approved reserves) reducing the net forecasted pressure for the year to c£23m. Over 80% of forecasted net pressure at the end of Quarter 2 is across People's service.

Since July 2023, the Council has implemented a Financial Intervention Strategy which encompassed a range of measures intended to mitigate the Council's in-year pressure. The strategy encompassed a range of measures such as vacancy management, directorate led targeted non-essential spend control including agency and interim spend and technical reviews alongside department led management action plans reflecting other actions being undertaken. Despite the extensive efforts of the Council between July to manage its position, the operating environment and wider economic context continues to be volatile with small changes in cost and demand disproportionately materialising in large financial pressures, especially in children's social care. To date, no additional support to meet these pressures is being made available from government for the current financial year.

the overall pressure is mainly dealing with the impact of rising costs due to continued high level of inflation, increase in demand and complexity of need and costs of social care, SEND transport and temporary accommodation and the impact of cost of living crisis which also affects important income streams of the Council.

Councils are required to deliver a balanced budget each year ensuring that the projected expenditure and commitments can be matched by the available resources in year. As set out above the Council continues to face significant budget pressures and uncertainty, including increased demand for services, alongside the current backdrop of slow growing economy, continued high inflation and the precedent number of Councils who are declaring in-year financial crisis leading Council S151 Officers continuously assessing ability of their respective Councils in setting a balanced budget.

The current projected overspend requires the Section 151 Officer to make a formal assessment of Councils ability to deliver a balance budget in year as required under part 8 of the Local Government Act 1988. The 2023-24 net General Fund budget approved by Council was £261.832m. At the end Period 6, the General Fund is forecasting an overspend of £23.351m (9%) (which is a favourable movement of £2.543m from period 2 £25.894m).

The Council is committed to delivering its services within the approved budget and officers are pursuing mitigating actions to control expenditure within the approved budget. The net overspend is largely driven by inflationary and cost of living pressures, most notably resulting from the national public sector pay settlement which is above the original budgetary provision due to inflationary drivers. In response to the projected overspend the S151 Officer has introduced a series of spending controls for the remainder of 2023-24.

The following points were raised during discussion on this item:

- (a) Nottingham is not alone in its significant financial pressures, with other Local Authorities in the East Midlands reporting similar problems in delivering a balanced budget;
- (b) the social care system is broken and needs reform from the government, along with adequate funding for delivery;
- (c) homelessness is a hugely increasing burden for all councils, with some spending huge amounts on hotel accommodation due to large increases of homeless people. Nottingham City Council is building council houses and transforming its Housing Solutions department in order to mitigate these issues, but a long-term strategy is required from the government;
- (d) the social care precept on council tax is not a fair way of funding social care, but the Council has had no choice but to increase this due to the increasing pressures of the sector and steeply rising inflation over the past year;
- (e) there is a possibility of additional funding in the autumn budget statement, but this would not be settled until mid-December at the earliest, meaning that it does not help in planning a balanced budget for next year.

Resolved to

- (1) note the net forecast outturn of £285.183m on the General Fund Revenue budget of £261.832m as set out in Section 3 Table 1 of the report, which is a**

forecasted net overspend of £23.351m (9%);

- (2) note progress on the Transformation Programme savings of £15.671m as set out in Section 4 Table 4 of the report, with £6.155m (39.2%) delivered or on track and £9.516m (60.8%) at risk or non-delivery;**
- (3) note the forecast outturn underspend of £4.839m (4.1%) on the HRA against a gross budget of £117.882m as set out in Section 5 Table 6 of the report;**
- (4) approve the net reduction of (£60.261m) to the 4-year Capital Programme resulting in a revised Capital Programme of £713.196m as set out in Section 6 Table 7 of the report;**
- (5) note the forecast outturn of £255.404m on the Capital Budget 2023-24 of £323.298m resulting in a variation of £67.894m (21%) (slippage £69.211m and an underspend of £1.317m) as set out in Section 6 Table 8 of the report.**

Reasons for decision:

- This report forms a key part of formal General Fund Revenue, Capital and HRA monitoring against the 2023/24 budget. Throughout the report budget pressures are shown as a positive number, whilst any underspends are shown as a negative number.
- The General Fund (section 3) revenue outturn forecast at Period 6 is £285.183m against an approved budget of £261.832m, an overspend of £23.351m (9%). A summary of key variances is set out in section 3 Table 1 of the report.
- The Period 6 revenue forecast for the HRA (section 6) is an underspend of (£4.839m) (4%) against a gross budget of £117.882m. Should the (£4.8m) underspend be realised at year-end, this will be added to the HRA General Reserve balance.

Other options considered:

- Not applicable.

66 Enviroenergy Tariff Increases for 2024

Councillor Corall Jenkins, The Portfolio Holder for Environment, Waste Management, Open Spaces and Parks presented the report on heat and power supply charges applicable from 1st January 2024 for Nottingham City Council's District Heating Scheme and Private Wire Network operated through the Enviroenergy cost-centre, mindful of the regulatory framework of the Energy Prices Act 2022 applicable to consumers of gas and electricity, including district heating schemes. These protections ensure discounts are applied to customers, irrespective of wholesale energy trading prices where regulation prescribes.

Resolved to

- (1) set domestic heat tariffs at a daily standing charge of £0.3123 per day (Inc VAT) and retain a Unit Charge of £0.0824 per kilowatt hour (Inc VAT), applicable from 1st January 2024, inclusive of an EBRS discount of £0.03 per day;**
- (2) set domestic electricity tariffs at a daily standing charge of £0.5254 per day (Inc VAT) and retain a Unit Charge of £0.2858 per kilowatt hour (Inc VAT), applicable from 1st January 2024;**
- (3) set commercial heat tariffs to rates detailed in the Exempt Appendix of the report, applicable from 1st January 2024, unless otherwise determined by the supply contract in place;**
- (4) set commercial electricity tariffs to rates detailed in the Exempt Appendix of the report, applicable from 1st January 2024, unless otherwise determined by the supply contract in place;**
- (5) delegate authority to the Corporate Director for Communities, Environment and Residents Services, in consultation with the Portfolio Holder for Environment, Waste Management, Open Spaces and Parks, the Director of Legal and Governance and the Corporate Director for Finance & Resources to vary heat and power supply contracts and tariff charges from time to time as necessary to protect the commercial risk exposure of the Council.**

Reasons for decisions:

- Energy Prices for both commercial and domestic customers of the Council's District Heating and Private Wire Networks are determined and applied annually from 1st January each year. Prices are determined through a combination of contractual indexation mechanisms, benchmarking the cost of energy against counterfactual wholesale energy markets and the expenditure required to operate and maintain the Combined Heat and Power plant and distribution networks providing energy to customers.
- The recommended tariff changes for 2024 also take account of the latest Energy Price Guarantees and payments received under the Energy Bill Relief Scheme.

Other options considered:

- Options for domestic heat tariffs:

Option	Description
1	In anticipation of an increase in the January 2024 Energy Price Guarantee, keep domestic Unit Charges the same as current 2023 charges, whilst increasing the Standing Charge in line with the October Energy Price Guarantee
2	Apply the October Energy Price Guarantees' unit charge, but increase the daily standing charge in line with RPI (All items)
3	Apply both the October Energy Price Guarantees'

	unit charges and standing charges
4	Apply the October Energy Price Guarantees' unit charges with a percentage increase for the efficiency of heat, and apply the October Energy Price Guarantee Standing charges

Options 2, 3 & 4 are rejected on the basis that they are not equitable with the latest energy price cap market intelligence and it is fair and equitable to use this information to set charges.

- Options for increasing Domestic Electricity Tariffs:

Option	Description
1	Keep current Enviroenergy tariff
2	Apply October OFGEM price cap for Standing Charge and retain existing Unit Charge
3	Apply OFGEM price cap discounted by 15%

The recommended option is **Option 2**. This applies the latest OFGEM price cap guarantee for Standing Charges for electricity suppliers whilst retaining the current Unit Charge. The Standing Charge therefore increases by 14p per day whilst the Unit Rate remains unchanged.

Options for commercial tariffs:

- Options regarding commercial tariff increases are provided in the exempt appendix to the report.

67 Land and buildings situated at Pavilion Road and Trentside, West Bridgford, Nottingham

Councillor Steve Battlemuch, Portfolio Holder for Skills, Growth, Economic Development and Property presented the report seeking authority to enter into without prejudice (subject to contract and formal approval) discussions with the tenant to explore all options in relation to the site to inform the most appropriate position for the council to meet its best consideration obligations. The options to be considered will include:

1. Retain the current arrangement and lease and continue as is;
2. Renegotiate and re-grant the lease
3. Disposal of the freehold

The risks and benefits of all options relating to maintaining the current position, considering a possible surrender and regrant (lease re-gear) of the leasehold interest, or disposal of the Council's freehold interest have been considered in the exempt appendix of the report and will be reviewed once the options have been explored to determine which is the most appropriate outcome for the council. Any formal decision based on the outcome of the negotiations will still be subject to formal consideration and approval.

Resolved to

- (1) approve to enter into without prejudice (subject to contract and formal approval) negotiations with the tenant to explore all options in relation to the arrangements for the site. This will include consideration of a possible surrender and regrant (lease re-gear) of the leasehold interest, continue as is or disposal of the Council's freehold interest in respect of land and buildings situated at Pavilion Road and Trentside, West Bridgford, Nottingham and with a further report being brought back to Executive Board on the outcome of those negotiations in due course;**
- (2) approve to appoint an external specialist commercial property consultant to advise the Council and subject to satisfactory terms being agreed between the parties to provide a formal valuation report that satisfies the Best Consideration requirements under S.123 of the Local Government Act 1972.**

Reasons for decisions:

- The Council owns the freehold interest in the property which is subject to a lease held by the tenant. The parties wish to enter into without prejudice discussions, which will be subject to a further approval to consider all options in relation to the arrangements with the property and establish a mutually agreed position between both parties and in doing so meets the Council's best consideration obligations.
- External advice is required from a specialist commercial property consultant given the nature of the asset and to provide independent valuation advice in relation to the council's best consideration obligations.

Other options considered:

- Not to proceed with entering into negotiations with the tenant and continue with the existing lease – this is not recommended as the tenant has asked the Council to enter into negotiations regarding their occupation of the property and it would be beneficial for the Council to consider all options. To agree final terms negotiations need to be conducted between the parties to establish whether mutually acceptable terms can be agreed in the context of the councils best consideration responsibility.
- Other options considered are as set out in the exempt appendix of the report.

68 Exclusion of the Public

Resolved to exclude the public from the meeting during consideration of the remaining items in accordance with Section 100A of the Local Government Act 1972, under Schedule 12A, Part 1, Paragraphs 3 and 5, on the basis that, having regard to all the circumstances, the public interest in maintaining an exemption outweighs the public interest in disclosing the information.

69 Enviroenergy Tariff Increases for 2024 - Exempt Appendix

Executive Board - 21.11.23

Councillor Corall Jenkins, Portfolio Holder for Environment, Waste Management, Open Spaces and Parks, presented the Exempt appendix, which the Board noted.

70 Land and buildings situated at Pavilion Road and Trentside, West Bridgford, Nottingham - Exempt Appendix

Councillor Steve Battlemuch, Portfolio Holder for Skills, Growth, Economic Development and Property, presented the Exempt appendix, which the Board noted.