

Nottingham City Council

Executive Board

Minutes of the meeting held at Loxley House, Station Street, Nottingham, NG2 3NG on 19 December 2023 from 2.00 pm - 3.22 pm

Membership

Present Absent

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

Colleagues, partners and others in attendance:

Mel Barrett	- Chief Executive
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
Malcolm Townroe	- Director of Legal and Governance
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 December 2023. Decisions cannot be implemented until the working day after this date.

71 Apologies for Absence

None.

72 Declarations of Interests

Councillor Sajid Mohammed declared a Disclosable Pecuniary Interest in agenda item 9 - The Disposal of Investment Property Assets from the Property Trading Account (minute reference 79) because he is a tenant of one of the properties discussed in the report. He left the meeting prior to discussion and voting on this item.

In relation to agenda item 4 - Budget Strategy and Medium Term Financial Plan (MTFP) 2024/25 to 2027/28 (minute reference 74), in the interests of transparency Councillors David Mellen, Cheryl Barnard and Linda Woodings stated that they were appointed members to the Boards of Bakersfield Community Centre, Nottingham Schools Trust and Nottingham City of Literature.

73 Minutes

The Board confirmed the minutes of the meeting held on 21 November 2023 as a correct record and they were signed by the Chair.

74 Budget Strategy and Medium Term Financial Plan (MTFP) 2024/25 to 2027/28

Councillor Audra Wynter, Portfolio Holder for Finance and HR, presented the report updating Members on the latest 2024-25 indicative budget gap and progress in delivering a credible medium term financial strategy able to ensure the Council is in a position to meet its statutory legal requirement to set a balanced 2024-25 General Fund Budget by 11 March 2024.

The Council approved a balanced 4-year Medium Term Financial Plan (MTFP) in March 2023 based on the best available information at the time. However, the environment within which the Council is operating is constantly evolving and continues to present significant financial challenges both in the current year of 2023-24 and through into 2024-25.

The Council faces significant budget pressures and uncertainty, including not just the increased demand for services, the long-term impact of COVID-19 and the current backdrop of economic uncertainty and inflation, but also from the current level of financial support from Central Government over the medium term.

As part of delivering this financial strategy this report seeks approval to enter into public and staff consultation on an initial range of new saving proposals. The MTFP forecast is predicated on a number of assumptions that are subject to change prior to final budget setting.

The provisional Local Government Finance Settlement was announced on 18 December, increasing the Council's core spending power by 6.3%, however this includes the raising of Council tax and the Adult Social Care Precept.

The following points were raised during discussion on this item:

- (a) the provisional settlement received from the government does not acknowledge all of the vital services that the Council provides, and the huge rise in demand for Adult Social Care, Children's Safeguarding and Homelessness Prevention which are impacting all Councils in the country. Reductions in these services will have a knock-on effect to health services and anti-social behaviour;
- (b) a number of the proposals put forward do not have political approval, but have been included in order to balance the budget as required by law, following a

reduction in funding of around £100m each year from the government over 10 years;

- (c) the Council has tried to keep its Adult Social Care services in-house as much as possible over this period and protect front-line posts, however there are now proposals to close some provision and commission these services from the external market. The costs of these services have increased due to inflation, heating costs and fuel costs;
- (d) the way that local government finance is organised makes budget setting very difficult for Councils, and the way that Councils receive a single year budget means that it is very difficult to plan ahead, particularly when they are under pressure as they currently are;
- (e) it is important that citizens, partners and voluntary sector organisations take part in the consultation, so that the Council knows which services are most valued so that they can be protected where possible;
- (f) the reduction of youth centres is not supported by Councillors as they are vital for delivery of services in the community and are in areas of high need. A reduction in welfare rights services could lead to more homelessness, and reduced youth services could lead to more anti-social behaviour. Luncheon clubs are an important resource for elderly residents to access services in one place;
- (g) a reduction in the Police and Community Support Officer budget will lead to disastrous outcomes and an increase in anti-social behaviour. The burden on the Council for tackling crime is ever increasing and the funding is unstable as it is provided in yearly cycles;
- (h) Nottingham has high deprivation and low levels of car ownership, so reductions in bus provision will have a major impact, particularly on the elderly and disabled who will be socially isolated;
- (i) cutting grants to the Voluntary Sector will mean that they are less able to support the Council in meeting its duties and leading to higher costs in the long term.

Resolved to

- (1) note the latest indicative budget gap for 2024/25 of £33.215m;**
- (2) note the officer developed savings proposals totalling £35.553m using the Duties and Powers framework that will be used to undertake the necessary consultation;**
- (3) note the details of all proposals contained within Appendices 1 and 2 of the report;**
- (4) authorise the Corporate Director or Director(s) with responsibility for each proposal to carry out all necessary steps required in relation to each proposal, including undertaking any further consultation in accordance with**

the Council's legal duties and responsibilities;

- (5) approve, where any staffing reductions result from the savings proposals set out in this report, the reductions be supported through a targeted voluntary redundancy approach and that redundancy compensation be in accordance with the Council's agreed Discretionary Compensation Regulations Policy provisions for voluntary redundancies;**
- (6) note that the Council is operating in a dynamic environment that could lead to further growth requirements in key demand led areas that may result in increasing the indicative budget gap;**
- (7) note that further work is continuing to identify ways in which a balanced budget for 2024-25 and a robust MTFP can be achieved, and that these will form part of future reports to Executive Board as appropriate.**

Reasons for decision:

- The report is part of the Council's continuing budget planning process and builds on existing MTFP decisions previously approved and considered by Full Council on 6 March 2023 and Executive Board on 18 July 2023 respectively.
- It primarily sets out the assumptions made for the General Fund revenue element of the draft budget and MTFP and sets out the saving proposals developed by officers for 2024-25 to 2027-28 using the Duties and Powers framework to undertake the budget consultation. The proposed budget consultation will run for a four-week period between 19 December 2023 to 16 January 2024. The responses to the proposed budget consultation and any proposed changes will be considered and agreed by the Executive Board and Full Council respectively in February 2024.
- The overarching objective of the Councils budget strategy is to try to deliver a balanced budget by deploying a framework which allows the Council to resize to a scale that matches its financial envelope and is financially sustainable on a continued basis. That framework is the Duties and Powers approach (equivalent to legal minimum), that has been deployed and utilised to articulate the minimum cost of service provision against the Council's legal obligations as set out in legislation and guidance. The Council will need to both transform the way in which it delivers its services and what it is able to deliver. Fundamental change to its operating base is required to ensure that the Council is on a firm financial footing and is able to live within the resources available to be deployed.
- It must be recognised that due to the ongoing volatility of the operating environment as articulated through the continued pressures seen in-year across council's demand-led services, there is high probability that the current indicative budget gap may increase, beyond that currently stated. Corporate Leadership Team (CLT) are currently undertaking detailed work for their respective demand led areas which will feed into the updated MTFP position alongside the impact of the Local Government Finance Settlement and collectively will be presented to the Executive in the new year.

- Overall, the officer developed saving proposals set out within the report contribute towards reducing the indicative budget gap for 2024-25 to 2027-28. In few cases such as those which set out policy direction, detailed implications will only begin to emerge as preparatory work commences following the budget consultation and subject to budget approval. Where this is the case, the final decision whether or not to implement the proposal will only be undertaken once full implications are known and mitigated, including whether or not a proposal should be amended prior to implementation. Where proposals, when considered in more detail result in a lower financial saving, it will be the responsibility of the relevant Corporate Directors to find alternative savings to the equivalent value to replace the reduced amount. Where required and in accordance with the Council's legal duties and responsibilities, respective departments may undertake additional targeted consultation in relation to specific proposals.
- Proposals that include workforce reductions will be subject to collective consultation with Trade Unions and affected colleagues in line with established policy and procedures. Details of proposals may be amended during the consultation and consequently alter the way in which the identified proposals will be delivered.

Other options considered:

- Throughout the budget process a range of different options have been considered including various levels of council tax, investment, expenditure reductions and income generation proposals. This is a complex process with many iterations and possibilities too numerous and detailed to present as discrete options here. This report presents the overall set of current draft proposals which together seek to balance levels of investment, income, cost reductions and an appropriate level of Council Tax

75 Establishment of a Waste Transformation Board

Councillor Corall Jenkins, Portfolio Holder for Environment, Waste Management, Open Spaces and Parks, presented the report seeking support from Executive Board to establish a Waste Transformation Board to oversee the development of critical statutory services and discretionary services comprising waste collection and disposal, district heating and the associated depot and fleet services implications.

Resolved to

- (1) support the establishment, membership and resourcing of a Waste Transformation Board providing officer and external oversight and governance to the development of waste operations, waste disposal, depot, fleet and district heating services for the Council;**
- (2) approve the key principles upon which the Waste Transformation Board will consider, direct and recommend actions to develop these services within the formal decision-making processes of the Council;**
- (3) consider the future recommendations of the Board and to allocate appropriate financial resources within the 2024-25 MTFP to enable the**

activities and actions set out in the report to progress, cognisant of the critical programme path.

Reasons for decision:

- The Council is a statutory Waste Collection Authority (WCA) and Waste Disposal Authority (WDA), requiring it to collect and dispose of municipal waste, including household waste, within its administrative boundary. Its statutory obligation as a WCA/WDA extends to complying with specific regulations and statutory guidance which set out acceptable minimum standards of performance, but the Council also retains a level of flexibility in determining how to ensure that it complies with such obligations. Historically, WCA obligations have been delivered as an in-house service, whilst through legislative requirement, WDA functions have been externally commissioned.
- Following extensive public consultation, in March 2023, the Council formally adopted a Municipal Resources and Waste Strategy setting out its key objectives in delivering its obligations as a WCA and WDA, including the delivery of high quality, customer focused waste management services that are accessible and inclusive. The Strategy also commits the Council to:
 - Manage wastes as resources, using the waste hierarchy as a guide: to prevent wastes arising in the first instance; then reuse; then recycle / compost; then recover energy, and finally, to dispose of waste as a last resort.
 - To reduce the amount of waste landfilled, working towards zero waste to landfill.
 - Continually seek to reduce carbon emissions to improve performance and contribute to the City and Council ambitions on carbon emissions.
 - ‘Lead from the front’ and improve the environmental performance of activities within Council buildings and via services it provides, including the management of waste and resources.
 - Work in partnerships with the community sector, private sector or other public sector bodies to expand the resource and expertise available to the municipal waste management service and engage with the residents and the customers of the service to promote environmental awareness and improve participation in waste reduction, re-use and recycling schemes.
 - Ensure that options facilitate / integrate the management of commercial, industrial and other wastes where it is environmentally, socially and economically feasible to do so.
 - Seek efficiencies and economies of scale through partnering and procurement to retain a cost-effective service.
 - Utilise and improve existing infrastructure where it can contribute to sustainable waste management and innovate in the development of new infrastructure where required.
 - Develop local solutions wherever practicable to minimise transport impacts of the service. The value of secondary raw materials / energy should be used locally where practicable.
- Alongside the ambitions within the Strategy there are national drivers which require the Council to review how it collects and disposes of waste, both domestic and commercial:

- The Environment Act 2021 presents new obligations on councils to deliver new minimum standards in delivery of their waste services.
- The Department for Environment, Food and Rural Affairs (DEFRA) has produced statutory guidance under its “Simpler Recycling” plans which obligate councils to introduce weekly food waste collections, extend the range of waste materials to be separately collected for recycling, and encourage adoption of a minimum frequency of collections of residual (non-recyclable) waste in return for New Burdens funding to support the delivery of the improvements set out.
- District Heating growth opportunities through DESNZ appraisal to be completed
- Local Drivers include:
 - Need to drive a Waste Policy that clarifies service standards and expectations of residents, on how waste is to be presented.
 - Review of where subsidy exists within the service, for example, exploring charging arrangements where there is not a duty to collect such as garden waste.
 - Disposal contract arrangements and expiry dates (incinerator contract expires 2030) including option reviews for service independencies such as district heating.
 - Requirement to understand procurement needs for future disposal options – green waste, recycling, Household Waste Recycling Centre (HWRC).
 - Workforce Transformation and Culture.
 - Behavioural Change to optimise waste collections (the right waste in the right waste stream).
 - Member visibility of waste services.
 - Future resourcing requirements, fleet, training, depot.
 - Financial position of the Council.
 - Market Testing delivery options across the range of waste and district heating services.
 - Infrastructure investment is necessary as the existing District Heating Network heat station approaches the end of its economic life and parts and maintenance skill approach obsolescence.
 - To mitigate potential financial risks associated with the long term delivery of the city’s District Heating Network and our obligations to the network’s existing commercial and domestic customer base.
- The financial position of the Council requires a fundamental review of the waste service provision to ensure that ambition and delivery deliver best value and are best use of public funds.
- A primary strategic driver for the programme will be mitigating the significant financial challenges that the execution of our statutory waste duties and obligations to customers to deliver District Heating will present to the Council in the next decade.
- The recommendations will require dedicated project teams, with the assistance of appropriate expert advisors, to develop improvements in the delivery of key Council waste services within a robust governance framework to ensure that the

Council secures Best Value in the future delivery of those services.

- The establishment of a Waste Transformation Board will ensure that there is appropriate assurance that the options available for future service delivery have been robustly developed and reviewed in the context of the financial, construction and technical risks of each option in the short, medium and longer term.
- The strategic drivers for improving waste services resonate directly with the “One-Council” philosophy, requiring significant cultural change in the way that services are delivered and the way that service users access these essential services. Financial impact has traditionally driven decision making in the provision of waste services, such that whilst waste service costs are bottom quartile across English unitary authorities, service quality and recycling performance is also bottom quartile (least expensive per head of population). Consultation shows that 67% of customers are either very satisfied or fairly satisfied with all forms of household waste collections, whilst 71% are either very or fairly satisfied with the services received at the Household Waste and Recycling Centre.
- The requirement to transform waste services to achieve Best Value will have direct implications for fleet and depot management, particularly the waste collection and street cleansing services currently operating out the Eastcroft Depot. Changes to the delivery model for waste collection, and the contracting arrangements for its disposal, require consideration of collection vehicle types and numbers, their associated fleet maintenance requirements and identification of other essential depot infrastructure required to ensure services are transformed to meet the objectives and principles set out in the report.

Other options considered:

- The option to not form a Waste Transformation Board was rejected on the basis that significant decisions would not be developed with appropriate corporate oversight and governance. The scale and significance of the decisions required for the services in scope are critical for the short, medium and long-term development of the Council’s statutory waste service functions and for decisions to be taken regarding the longer-term future of district heating in Nottingham.
- Not allocating the appropriate resources to develop business cases for Waste Transformation options will not enable the Council to make informed decisions regarding the future of these services, potentially exposing the Council to unknown and unsustainable future costs without the security of appropriate arrangements in place to deliver Best Value.

76 Homelessness Grants

Councillor Jay Hayes, Portfolio for Housing, presented the report concerning the acceptance of a number of grants to support the delivery of the Council’s Homelessness Prevention and Rough Sleeping Strategy and seeking agreement to accept the grant income and spend it in accordance with the defined programmes, developed in adherence with strict grant conditions that the spend is for homelessness prevention activity and/or directly supporting a reduction in rough sleeping. The report also seeks permission for Nottingham City Council budgetary

spend on an interim arrangement to maintain the compliant procurement of emergency temporary accommodation pending the establishment of an ongoing arrangement.

Resolved to

- (1) accept all 2023-24 and 2024-25 Homelessness Prevention Grant allocations and agree the programme of spend for 2023/24, outlined at Appendix A of the report;**
- (2) accept all 2022-2025 Rough Sleeping Initiative grants for spend upon the programme agreed by the Department for Levelling Up, Housing and Communities, as outlined at Appendices B, C and D of the report;**
- (3) accept all 2022-25 Accommodation for Ex Offenders (AfeO) grants for spend against the programme agreed by the Department for Levelling Up, Housing and Communities, outlined at Appendix E of the report;**
- (4) to note that Call off of an interim order from the YPO Travel Management Solutions 2 framework at the value of £1,284,489 will be made to ensure the continuation of arrangements to secure emergency temporary accommodation for homeless households as detailed at point 2.8, and to note that this expenditure has been approved by the Section 151 Officer;**
- (5) delegate authority to the Corporate Director for Growth and City Development to adjust the programmes of spend for these grants, within their financial envelopes and to accept future grants ringfenced for Homelessness and approve the programmes of spend in agreement with the Department for Levelling Up, Housing and Communities as required.**

Reasons for decision:

- There has been a significant increase in homelessness and rough sleeping nationally and locally. This has been driven by a range of factors including the undersupply of housing, increased private sector rents, the failure of local housing allowance rates to keep up with rent rises, increased cost of living pressures and an increase in mortgage costs. These problems have been further exacerbated locally by low average wages and high levels of deprivation. Nottingham City Council has been proactive in responding to these pressures, making best use of available funding and has prioritised efforts to prevent homelessness.
- Homelessness pressures are significant in Nottingham. There are an average of 126 new applications to Nottingham City Council Housing Solutions per week from homeless households and the city has over 2,540 open homelessness cases which is on average over 165 cases per statutory officer. There are around 470 families in temporary accommodation and 156 in hotels or nightly paid provision. Nottingham City Council commissions over 490 units of supported accommodation for single homeless people, 50 units of accommodation for rough sleepers and over 60 Housing Led properties, all of which are full with a further 29 single people in hotels as temporary accommodation and 26 in the Nottingham

Winter Shelter.

- Nottingham City Council invests £1.186m in the statutory operational and strategic service (and from this financial year has agreed further investment of £0.904m) as well as £4.2m in housing related support community sector services (including community based support and accommodation based services to prevent and respond to homelessness and rough sleeping). In 2023-24 the council has committed £4.36m to provide temporary accommodation, through a range of measures including commissioned services and via a booking system for short term placements. Despite this, due to the reliance on hotels to meet statutory duties to provide temporary accommodation, there is a projected budget overspend in 2023-24.
- Nottingham City Council has developed a plan to address the overspend and a Best Value review of homelessness is underway. However, Nottingham City Council must seek to maximise any government grant opportunity in order to invest in homelessness staffing and services to help meet local need and to achieve the Nottingham City Council plan aim to reduce rough sleeping in the city and deliver the Nottingham Homelessness Prevention and Rough Sleeping Strategy.
- Grant funding is also critical in supporting the council to fulfil statutory duties and responsibilities. The Housing Act 1996, Part VII as amended by the Homelessness Act 2002 and the Homeless Reduction Act 2017, sets out the council's statutory duties to prevent and relieve homelessness and provide temporary and settled accommodation. Furthermore, the cross government strategy Ending Rough Sleeping For Good places a requirement on local authorities to work with the Department for Levelling Up, Housing and Communities to reduce street homelessness and minimise the risk of rough sleeping.

Other options considered:

- Not accepting the grant funding. This was rejected as whilst the grant allocation and award does not currently sufficiently cover the cost of meeting local need, not accepting the grant award allocated and awarded would mean it is not possible to effectively deliver the interventions focussed on preventing homelessness and rough sleeping which would extend the pressure on council budgets.
- Not spending the grant funding according to the prescribed programme of spend. This was rejected because it is not an option to accept the grant and use it for an alternative purpose within the council as the allocation is ringfenced for use on meeting statutory homelessness duties and a condition of the grant award is to use it according to the programme agreed by DLUHC.

77 Sutton House - Decommissioning of Independent Living Accommodation & conversion to Temporary Accommodation for homeless families.

Councillor Jay Hayes, Portfolio Holder for Housing, introduced the report seeking approval to decommission Sutton House from its current use as Independent Living

(IL) accommodation and for it to be refurbished for use as Temporary Accommodation (TA) for homeless families.

Nottingham City Council (NCC) has a statutory duty to provide temporary accommodation to people in priority need who are facing homelessness and whilst they have their application for permanent housing assessed. Whilst the long-term strategy for the Council is to focus on prevention, there is in the meantime a requirement for temporary accommodation to ensure it is able to meet its duties, the alternative is to continue to rely on Bed and Breakfast (B&B) and Nightly Paid Temporary Accommodation (NPTA), which is costly and unsuitable for families over an extended period.

Sutton House is currently an IL scheme owned by NCC as a Housing Revenue Account (HRA) asset managed by NCC Housing Services. The scheme, which is situated in Radford, has over the last few years suffered from a steady decrease in demand.

Resolved to

(1) agree that Sutton House be decommissioned from use as Independent Living accommodation;

(2) agree that the outcome of consultation with tenants regarding decommissioning be considered;

(3) agree that Sutton House be repurposed for use to provide temporary accommodation for homeless families;

(4) note that the conversion works and decommissioning costs totalling £1,143,781 will be funded by the HRA Capital Programme and revenue respectively, and that this expenditure has been approved by the Section 151 Officer;

(5) agree a Registered Provider (RP) be procured to lease the building from the Council for less than 21 years to manage the temporary accommodation (lease terms to be agreed by the Director of Economic Development & Property).

Reasons for decision:

- The Council has a statutory duty to provide TA to people in priority need who are facing homelessness and while they have their application for permanent housing assessed. Currently the Council utilises over 441 units of temporary accommodation (not including Bed & Breakfast). All this accommodation is full and there are currently an additional 185 households in B&B or Nightly Paid Temporary Accommodation (NPTA).
- The demand for IL accommodation at Sutton House has been declining over recent years and therefore has been identified as needing an alternative use or declared surplus. Its current use means that it lends itself easily for conversion for

use as temporary accommodation, which will keep costs to a minimum and can be provided relatively quickly.

Other options considered:

- Deliver a new build scheme instead of a refurbishment – this option has been discounted as this would be too costly and would take too long to deliver - B&B costs will be expended in the meantime. The existing building is in good condition so to demolish and rebuild would not only be expensive but would also have a significant carbon impact.
- Sale of Sutton House on the open market for capital receipt – Although this option would benefit the Council with a capital receipt, the costs for providing TA through the use of B&B accommodation will still need to be found and the costs to decommission Sutton House will still need to be paid. There is also a risk that due to current market uncertainty the property may take time to sell, incurring holding costs.
- Sale of the site to a developer with the requirement to deliver TA. This would likely result in an impairment issue due to the value of the site being less as TA reducing the amount of capital receipt compared to the value site for alternative development.
- Do nothing – This option would result in a) the property continuing to operate even though demand is declining b) severe financial implications for the Council to continue paying B&B and NPTA costs c) the detrimental impact on families by placing them in unsuitable TA.

78 Letting of premises at 3, 5, 7, 9 & 11 Carrington Street, Nottingham, NG1 7EQ

Councillor Steve Battlemuch, Portfolio Holder for Skills, Growth, Economic Development and Property, presented the report regarding the letting of Units 3, 5, 7, 9 & 11 Carrington Street on market facing terms to a prime UK covenant. The unit has been openly marketed by a retail property specialist which has recommended the Council accept the terms of the letting. The letting will provide income and remove void costs.

Resolved to

- (1) approve the lease terms agreed with the prospective tenant in respect of the subject property as set out in the exempt appendix to the report;**
- (2) note that associated fees will be paid, and to note that this expenditure has been approved by the Section 151 Officer;**
- (3) delegate the approval of final terms to the Director of Economic Development & Property**

Reason for decision:

- The property has been vacant since completion of construction, with the opportunity marketed by an external agent on behalf of the Council. Acceptable lease terms have been negotiated with the prospective tenant.

Other options considered:

- Not to proceed with the letting to the prospective tenant – this is not recommended as the premises have marketed and terms have been agreed with a single occupier on market facing terms. The Council is responsible for meeting all associated void costs.

79 The Disposal of Investment Property Assets from the Property Trading Account

Councillor Sajid Mohammed declared a Disclosable Pecuniary Interest in this item because he is a tenant of one of the properties discussed in the report. He left the meeting prior to discussion and voting on this item.

Councillor Steve Battlemuch, Portfolio Holder for Skills, Growth, Economic Development and Property presented the report regarding assets proposed for disposal that have been reviewed in accordance with the Council's Asset Rationalisation Programme and endorsed as being suitable for disposal. The proposed disposals support the Council's Together for Nottingham Recovery and Improvement Plan refresh 2022 and would provide a capital receipt.

Resolved to

- (1) make the assets detailed in the exempt appendix to the report surplus to the requirements of the Property Trading Account;**
- (2) approve the disposal of the surplus assets detailed in the exempt appendix on terms to be agreed;**
- (3) delegate the approval of the asset management and/or method of sale to the Director of Economic Development & Property;**
- (4) delegate approval of the final terms of sale to either the Director of Economic Development and Property or the Corporate Director for Growth and City Development in line with constitutional value bands;**
- (5) note spend of £130,000 on associated disposal fees has been approved by the Section 151 Officer;**
- (6) appoint sales agent(s) or any other required consultant via a procurement compliant process (tender/framework/quotation) to facilitate the disposals process;**
- (7) delegate the approval of any licences/agreements or required legal agreements to facilitate a sale to the Director of Economic Development & Property.**

Reason for decision:

- The disposals will generate significant capital receipts which can be used by the Council as considered appropriate. It will also mitigate potential future financial risks arising from capital and revenue expenditure required to meet the council's repairing and statutory obligations and remove resource-intensive assets from the Council's ownership, and remove any costs associated with voids/re-letting and refurbishment.

Other options considered:

- Not to sell the assets. This option has been rejected as retention of the assets could present a financial risk to the Council. It would also forego a potentially significant capital receipt which could be used by the Council. Significant Capex is required on the vast majority assets proposed for disposal, to ensure compliance with the Council's contractual and statutory obligations. This expenditure is necessary to preserve existing income streams and protect the value of an asset. Required expenditure includes repairs to buildings for which the Council is liable, and compliance with statutory requirements, most notably works to satisfy minimum energy efficiency standards (MEES) and obtain valid Energy Performance Certification (EPC). In the absence of a valid EPC certificate, the council is prevented from letting assets which fail to meet required legislation. EPC requirements are becoming increasingly stringent, with the next major uplift in standards being implemented on 1st April 2027. Failure to expend monies will result in fines, loss of income, reputational damage and incur void costs and impairment in capital value. It is also anticipated market sentiment will turn negative on non-EPC compliant assets in advance of the 1st April 2027 deadline. Currently no provision to implement EPC compliance works exists within the Capital Programme and urgent Budgetary provision is required to comply with impending legal requirements. It is considered unlikely that Capex on EPC and repair works will generate increased rental income, as compliance with contractual lease obligations and legislation is expected.

80 Increase to Eastglade development budget

Councillor Jay Hayes, Portfolio Holder for Housing, introduced the report regarding the completion of Eastglade, a 106 council home development in Bestwood that started on site in 2021. In 2022, the principal contractor went into liquidation when the scheme was around three-quarters completed, meaning the development was paused and a replacement principal contractor required. The increased costs associated with procuring a second contractor two years after the approved budget was set and those incurred in securing the site whilst inactive, has meant an increased budget is required to complete the development.

Resolved to

(1) note that spend of £2.11m to increase the budget for the Eastglade development has been approved by the Section 151 Officer;

(2) note that spend of £1.26m HRA revenue to capital contribution and £0.84m RTB replacement receipts to fund the £2.11m budget increase has been

approved by the Section 151 Officer;

(3) appoint Lovell Partnership to undertake the completion of Phase B of the scheme.

Reasons for decision:

- The Eastglade development is three quarters complete and critical to Nottingham's new supply of council housing, with homes having already been allocated to households from the waiting list. Completion of the scheme is the only viable option.
- The proposed approach of appointing the existing principal contractor for the remaining phase B reduces a further round of pause, re-tender and associated transition costs.
- The existing contractor has been retained to quote because they demonstrate good value via the procurement approved Fusion 21 framework.
- The proposed funding of the budget increase does not require any HRA borrowing and allows the use of RTB replacement receipts to meet 40% of increased cost.

Other options considered:

- As above completion of the scheme for the best value possible is the only viable option, no others were considered.

81 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.

82 Establishment of a Waste Transformation Board - Exempt Appendix

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

83 Homelessness Grants - Exempt Appendices

Councillor Jay Hayes, Portfolio Holder for Housing, presented the exempt appendices, which the Board noted.

84 Sutton House - Decommissioning of Independent Living Accommodation & conversion to Temporary Accommodation for homeless families - Exempt Appendix

Executive Board - 19.12.23

Councillor Jay Hayes, Portfolio Holder for Housing, presented the exempt appendix, which the Board noted.

85 Letting of premises at 3, 5, 7, 9 & 11 Carrington Street, Nottingham, NG1 7EQ - Exempt Appendix

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

86 The Disposal of Investment Property Assets from the Property Trading Account - Exempt Appendices

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87 Increase to Eastglade development budget - Exempt Appendix

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