

Nottingham City Council

Executive Board

Minutes of the meeting held at The Council House, Old Market Square, Nottingham on 13 February 2024 from 2.30 pm - 4.05 pm

Membership

Present Absent

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 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 and Resources
Roz Howie	- Director of Commissioning and Partnerships
Colin Parr	- Corporate Director for Community, Environment and Residents Services
James Rhodes	- Head of Analysis and Insight
Sajeeda Rose	- Corporate Director for Growth and City Development
Malcolm Townroe	- Director of Legal and Governance
Phil Wye	- Governance Officer

Call-in

Unless stated otherwise, all decisions are subject to call-in. The last date for call-in is 23 February 2024. Decisions cannot be implemented until the working day after this date.

88 Apologies for Absence

Catherine Underwood

89 Declarations of Interests

None.

90 Minutes

The Board confirmed the minutes of the meeting held on 19 December 2023 as a correct record and they were signed by the Chair.

91 Urgent Item - 2024/25 Budget and Medium Term Financial Plan

The Chair of the Board agreed that this item, although not on the agenda, could be considered as a matter of urgency in accordance with Section 100B(4)(b) of the Local Government Act 1972, because the Council is legally required to set a balanced budget each year and this is the last Executive Board meeting before the March Council meeting, which is the latest opportunity to do so.

Councillor Audra Wynter, Portfolio Holder for Finance and HR, introduced the report on the 2024-25 General Fund budget, and Ross Brown, Corporate Director for Finance and Resources and Section 151 Officer presented it to the Board, highlighting the following:

- (a) the Council continues to face truly exceptional circumstances as best demonstrated by the resultant budget gap after applying full extent of the Duties and Powers saving proposals still being of significant enough magnitude to need in excess of c£41m of Exceptional Financial Support (EFS) to allow a balanced budget to be set;
- (b) the predominate drivers of these exceptional pressures are a combination of both significant demographic, complexity of provision and inflationary pressures across a wide range of areas. As such, the proposals developed by officers have been insufficient to meet the quantum of corresponding growth needed to provide adequate financial provision to meet service obligations;
- (c) the significance of the need to rely on substantial amounts of EFS should not be underestimated and although this allows the Council to set a balanced budget in year it sets a significantly higher hurdle to achieve in 2025-26. The report has been written on the presumption that EFS will be granted to the Council;
- (d) it is a legal requirement to set a balanced General Fund Budget for 2024-25 by 11 March 2024. In addition, it is a Best Value requirement to demonstrate the financial sustainability of the Council through setting a balanced 4-year MTFP. These requirements and principles sit alongside the instructions issued by the Improvement and Assurance Board in relation to financial sustainability and recently further strengthened by issuance of two new finance instructions;
- (e) the Section 151 Officer is required by law to report to Council members on his assessment of the robustness of budget estimates and the adequacy of financial reserves in presenting the MTFP for consideration and approval. The MTFP, Reserves policy and Section 25 statement on the Robustness of the budget and Adequacy of Reserves annexes detail the Section 151 Officer's strategy to replenish the Financial Resilience Reserve through creation of a one-off £10m contribution from the base budget. This strategy aligns with good financial practice and reflects a prudent approach to rebuild the Council's financial resilience over the period of the MTFP within a challenging environment. Combined with the total value of new savings and income plans of £36.409m over

the period of the MTFP, this does, however present a significant challenge to the organisation. Members and officers alike will need to be unwavering in exercising robust financial management discipline and committed to the timely delivery of approved savings in order for the MTFP to remain in financial balance and the Council to operate within its financial means;

- (f) the overall level of service growth being reinvested through the 2024-25 budget process is c£65m. Savings delivery continues to be critical to ensuring the Council can keep within approved budgets reducing the pressure in forthcoming year(s).

Councillors made the following comments:

- (g) withdrawal of welfare rights support will put citizens into a vulnerable position as it will be harder for them to know the benefits for which they are eligible, potentially leading to homelessness and poverty. Withdrawal of grants to the voluntary sector and area based grants, and the closure of the customer hub, will also mean citizens will need to obtain the advice they require from other sources, particularly impacting older or more vulnerable citizens who are digitally excluded;
- (h) the reduction in Revenue Support Grant and the increase in demand for services, particularly social care and homelessness services, means that there is little choice but to increase Council Tax and the Social Care precept by the maximum permitted amount. Due to Nottingham's low Council Tax bands, this will not raise as much revenue as at less deprived authorities;
- (i) before publication of this report, additional funding was sought and obtained for public transport, meaning that the Linkbus buses will continue a full service, the Victoria Bus Station will remain open and realtime information will be kept at bus stops. Funding for the Medilink service will be removed from April 2025 but in the meantime, the council will work with the NHS Trust to develop an alternative operating model for the service. This demonstrates that there are still creative savings solutions to be found between now and the full Council meeting;
- (j) there is no national plan for adult social care funding, which has been affected by rising inflation, increases in the minimum wage and Brexit, along with an increase in demand and increase complexity of cases. Families are facing eviction or losing their homes in order to pay for their care. Proposed savings in this area such as the closure of two outstanding care homes will have a devastating impact on vulnerable citizens;
- (k) the cost of placements for Children in Care has been a significant driver in the budget pressures. Despite a reduction in the number of Children in Care, the costs have risen due to inflation and complexity of cases requiring more external care providers. Councils around the country are lobbying for more support from the government in this area but none is forthcoming at present;
- (l) the public consultation exercise garnered a wide response from the public and local community and voluntary organisations. Following this, Councillors hoped that changes could be made but in reality this has not been possible due to both limitations and the further instructions from the Improvement and Assurance

Board;

- (m) many of the savings proposed in the short term to balance the budget such as stopping funding for Marketing Nottingham, Advice Nottingham and Futures, will reduce investment into the city and so in the longer term will lose money for the city;
- (n) the Council has had to pay the costs of the Improvement and Assurance Board, and will have to pay the costs of appointment of commissioners which may be more. This is not a good use of public money;
- (o) EFS is a misnomer as this is not money that the Council will be given but permission to sell assets some of which currently provide an income through rental. This is not a sustainable way forward. Despite the pressures for the Council to work at pace, it is frustrating that the request for EFS has not had a response from the government which provides a challenge in developing the budget;
- (p) Councillors recognise the hard work of officers at the Council during these challenging times;
- (q) Councillors commented that, in their opinion, a significant driver of the current financial situation is a result of national government policy, including the unfair local government funding system and rising inflation which have impacted the country at a national level;
- (r) the homelessness situation is worsening, not just for rough sleeping but hidden homelessness of people staying in hotels and B&Bs or sleeping on couches. This increases costs as the Council has a duty to support these citizens. Every Council in the UK has overspent on homelessness and many have banded together for additional support but have had no response from the government. Reductions to the Housing Strategy and Regeneration teams have now been reversed as these help to bring additional funding for homes into the city, but the number of suitable Council homes in the City in this area is still inadequate due to the selling off through the Right to Buy Scheme for which the Council only receives 60% of the receipt.

Resolved

- (1) on the General Fund Revenue Medium Term Financial Plan 2024-25 to 2027-28:**
 - a) to note the Council's request for Exceptional Financial Support (capitalisation direction) from the Department of Levelling Up, Housing and Communities of up to £65m for 2023/24 and 2024/25 as set out in paragraph 3.7;**
 - b) to note that the Council has a budget gap of c£41m in 2024/25 and c£172m over the MTFP period;**
 - c) to authorise the Corporate Director and/or Director with responsibility for each proposal to:**
 - i) carry out all steps required in relation to each proposal, including**

carrying out any further targeted consultations.

ii) consider any consultation outcomes and other detailed implications.

iii) complete and consider the implications of any updated equalities impact assessment required.

iv) following completion of d(i), d(ii) and d(iii) above:

- determine whether to amend any proposal prior to implementation;**
- determine whether a further report needs to be considered by the Executive Board;**
- or the relevant officer or portfolio holder before a final decision is taken**
- on implementation; and**
- where a decision is taken not to proceed with any proposal then alternative proposal(s) will be brought forward for consideration.**

d) in relation to savings proposals that are significantly cross cutting across more than one service, to authorise the Corporate Director or Director with primary responsibility for the savings proposal to complete any required equalities analysis assessments and to consider the outcome, and any other crosscutting implications, following consultation with the Corporate Directors or Directors of the other services significantly impacted by the proposals, prior to taking any decisions to implement such proposals;

e) to note in relation to 1d) and 1(e) above, that where appropriate any key decisions will be brought back to the Executive Board;

f) to note the latest Medium-Term Financial Plan for 2024-25 to 2027-28;

g) to note the c£77.279m revenue growth of which c£17.392m relates to contractual inflation for 2024-25;

h) to note the following additional statutory instructions from the Improvement and Assurance Board flowing directly from the existing instructions, '2.1, Approval of wholly realistic plans and budgets' and '2.2, Establish and Maintain a sound and prudent reserves policy and practice':

- The Section 151 Officer, after consultation with the Chief Executive and fellow Corporate Directors, shall present his best professional view on a draft budget for 2024/25 in line with normally expected professional standards but which in particular maximises the level of savings options that Corporate Directors believe can be delivered and thus quantifies the minimum budget imbalance relying on the bid to Government for 'Exceptional Financial Support'**
- Subject only to any professionally required changes determined by the Section 151 Officer, the draft budget for 2024/25 as defined in 1 above, shall be presented and recommended to the Full budget setting Council meeting for its approval.**

i) to delegate authority to the Section 151 Officer to approve and make arrangement for processing of budget virements associated with allocation of expenditure and/or income included within the General Fund revenue budget for 2024/25

(2) on the Budget Consultation:

a) to note and consider the findings of the consultation;

b) to note that the insight and learning gained through the extensive consultation process will be used to inform the Equality Impact

Assessments, design phase and/or mitigate impact where possible in the implementation of proposals;

- c) to note that additional and targeted consultation will be required on some of the proposals based on more detailed proposed delivery models.**

(3) on the Financial Reserves Policy:

- a) to approve and formally adopt the Council's policy on Financial Reserves;**
- b) to delegate the authority to the Section 151 Officer in consultation with the Portfolio Holder for Finance & Resources to make any changes required to adhere to accounting policies and processes;**
- c) to note the forecasted balances on General Fund reserves for end of 31 March 2024 of:**
 - General Fund balance £14.643m**
 - Earmarked reserves £149.404m**

(4) on fees and charges:

- a) to approve and formally adopt the Council's policy on Fees & Charges;**
- b) to note the schedule of fees and charges arising from the application of the approved policy for 2024-25.**

(5) On the Transformation Programme:

- a) to note the planned expenditure of c£9m on transformation initiatives over the period 2024/25 and 2025/26 is to be funded via application of capital receipts under the Council's Flexible use of Capital Receipts Policy;**
- b) to note the associated delivery of transformation savings for all funding streams totalling c£43m over the period 2024-25 to 2026-27;**

(6) on Council Tax:

- a) to note the Council Taxbase for 2024-25 of 69,075;**
- b) to consider and recommend to City Council an increase of 2% for the Social Care Precept and an increase of 2.99% for Council Tax in 2024/25, endorsing proposals to set a Council Tax level (Band D) of £2,155.33;**
- c) to recommend to City Council the approval to Charge a long-term empty council tax premium to commence at 12 months 'empty' from 2024-25;**
- d) to recommend to City Council the approval to a second home premium is implemented from 2025-26 as the legislation requires it to be agreed 1 year in advance of implementation;**
- e) to note the Council Tax Support Scheme for 2024-25 and that a review of the scheme will be undertaken during 2024-25, with a view to implementing a new scheme in 2025-26.**

(7) on the Collection Fund:

- a) to note the estimated Council Tax Collection Fund surplus for 2023-24 of £3.763m, to be shared as below:**

- **Nottingham City Council £3.203m**
 - **Nottinghamshire Police & Crime Commissioner £0.420m**
 - **Nottinghamshire Fire Authority £0.140m**
- b) to note the estimated Business Rates Collection Fund deficit for 2023/24 of £4.075m, of which £1.997m is Nottingham City Council's share.

(8) on the Capital Budget and Strategy:

- a) to approve the Treasury Management Strategy 2024/25 as detailed in Appendix 8, paying particular attention to:
- **The approach to borrowing**
 - **Voluntary Debt Reduction Policy**
 - **The Treasury Investment Strategy**
 - **Prudential Indicators**
- b) to approve the Prudential Indicators for the year 2024/25. In particular:
- **The authorised limit for borrowing of £940.2m which sets a statutory limit for borrowing that the council cannot exceed in 2024/25.**
 - **The operational boundary for debt of £910.2m, a lower limit than the authorised boundary, which acts as an early warning mechanism for council borrowing.**
- c) to note the council has repaid £58m of long-term loans early during the year 2023-24 which has been authorised under the Section 151 Officers delegated treasury authority. Further details will be published in the Treasury Outturn report 2023-24.
- d) to note the change to the scope of the voluntary debt reduction policy which has been broadened to allow for borrowing in exceptional financial circumstances for a short-term period.

(9) on the Schools Budget:

- a) to approve the in-year budget transfers and payments associated with the grant funding and the use of the reserve included in this report. This will not exceed the grant value;
- b) to delegate the authority to the Portfolio Holder for Finance & Resources and the Section 151 Officer to approve any final budget adjustments in conjunction with the Portfolio holder for Leisure, Culture & Schools, and the Corporate Director (People)

(10) on the Housing Revenue Account (HRA) budget 2024/25:

- a) to note the HRA revenue budget for 2024-25, as presented to the Executive Board at the same meeting.

(11) On the robustness of the Medium-Term Financial Plan and adequacy of reserves:

- a) to note the report of the Council's Section 151 Officer in respect of the robustness of the estimates within the budget and the adequacy of reserves as set out in Appendix 10 of the report;
- b) in accordance with recommended guidelines, to agree the Section 151 Officer's recommendation for a one-off contribution to be made into the

General Fund balance of £9.560m, so to transit the Council towards establishing a prudent balance commensurate to the revenue budget increase.

In respect of the following recommendations in the report on the General Fund Revenue Medium Term Financial Plan 2024-25 to 2027-28 all Board members abstained:

- 1a) To recommend for City Council to approve total General Fund savings of £36.409m over the MTFP period 2024/25 to 2027/28, submitted as part of the 2024/25 budget review process.
- 1d) To note and recommend for City Council to approve the officer recommended budget with the 2024/25 budget gap to be funded from EFS and with approval for officers to continue identifying savings through the year to reducing the in-year budget gap.
- 1e) To recommend to City Council the approval of the proposed General Fund revenue budget for 2024/25 with a net draft budget requirement of c£357m.

Reasons for decisions:

- The Council is legally required to set a balanced budget each year and the report seeks approval of the proposed 2024-25 to 2027-28 MTFP with a recommendation of approval of the proposed MTFP by the City Council on 4 March 2024.
- The MTFP covers a 4-year period and meets its objective of agreeing a longer-term financial planning framework within which value for money decisions relating to services can be taken.
- There is a cumulative budget gap of c£172m, of which c£41m is provisionally proposed to be funded from EFS in 2024/25, subject to approval from DLUHC.
- The Transformation and new Duties and Powers savings programmes will now be the Council's key strategy for achieving long term service reform and financial sustainability and is critical to delivering a balanced Medium Term Financial Plan. With the Transformation programme to be funded primarily from Council's Flexible use of Capital Receipts policy. It is essential that the Council's Strategic Plan is aligned to the available financial envelope over the MTFP period.
- Proposals that include workforce reductions will be subject to internal consultation with Trade Unions and affected colleagues. Details of such proposals may, therefore, be amended during the consultation period and may impact on the way in which 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.

92 Housing Revenue Account (HRA) Business Plan 2024-2053, Medium Term Financial Plan (MTFP) 2024-2028, Budget 2024-25 including rent setting, and Public Sector Housing Capital Programme 2024-29

The Chair of Corporate Scrutiny agreed that this decision is not subject to call-in.

Councillor Jay Hayes, Portfolio Holder for Housing, presented the report providing the Board with an update on key economic indicators and forecasts, an overview of key developments in national and local housing policy, the draft HRA Budget 2024-25 including rent setting proposals, the draft 4-year HRA Medium Term Financial Strategy (MTFS), the current 30-year HRA Business Plan 2024-2053, and the proposed Public Sector Housing capital programme 2024-25 – 2027-28.

Resolved to

- (1) approve the gross HRA Budget 2024-25 of £128m and note the Medium-Term Financial Plan (MTFP) as set out in Table 1 of the report;**
- (2) approve an average rent increase with effect from 1 April 2024 of:
a) 7.7% in relation to dwellings in line with the Government's current rent policy; b) 7% in relation to garage rents;**
- (3) approve an average 6.7% increase in other fees levied on other HRA dwellings as set out in Appendix 4 of the report;**
- (4) approve an average 6.7% increase in other fees levied on other HRA dwellings as set out in Appendix 4 of the report;**
- (5) approve revenue growth proposals of £6.217m as set out in section 7 and Appendix 2 of the report;**
- (6) note the following:**
 - a) setting of a minimum working balance of £10m informed by the latest financial risk assessment;**
 - b) the level of reserves as set out in Table 2 and Appendix 1 of the report, subject to further review by the Section 151 Officer (Corporate Director of Finance and Resources);**
- (7) approve the following:**
 - a) Capital planned schemes of £32.764m as set out in section 8 (Table 6) and funded by £8.770m Restricted RTB receipts and £23.994m direct revenue financing over 4 years subject to further investment appraisal and further approval of the schemes;**

b) Housing Capital Programme of £69.631m for 2024/25 and noting the £218.018m in the MTFP 2025/26 to 2027/28 and proposed sources of finance (Table 7).

(8) delegate responsibility to the S151 Officer (Corporate Director of Finance and Resources) in consultation with the Corporate Director of Growth and City Development to review the utilisation of restricted RTB receipts and where necessary, to return the receipts to DLUHC to avoid excessive interest charges;

(9) delegate to the Section 151 Officer (Corporate Director of Finance and Resources) to review and amend the Prudential Indicators as outlined in the Treasury Management Strategy which will be approved by full Council on the 27 February 2024.

Reasons for decisions:

- The HRA covers all income and expenditure relating to the portfolio of housing stock owned by the Council. It is required by the 1989 Act to be ring-fenced from the Council's General Fund.
- The legislation specifies that only expenditure relating to the Council's landlord role can be charged to the HRA and by extension, funded by the rents and service charges charged to tenants and leaseholders.
- The Council has a legal duty to ensure that the account remains solvent and to prepare a long-term business plan annually that keeps this under regular review.
- The rent and service charge increases are necessary to ensure the long-term sustainability of the HRA budget and the investment needed to maintain properties to required regulatory standards. The current level of disrepair claims are a reflection of underinvestment in the past and will require a substantial amount of investment in the future. The sustained underinvestment has also resulted in a number of growth bids been submitted this year. Primarily, these bids address the need to get accurate baseline information on the stock and the service to ensure all statutory duties are fully discharged and to meet government guidelines on sound asset knowledge to guide future investment.

Other options considered:

- To not set an HRA budget. Local housing authorities are required by Section 74 of the Local Government & Housing Act 1989 (the 1989 Act) to keep an HRA. The HRA reflects the statutory obligations to account separately for local authority housing provision.
- To not increase rent and service charges. The rent and service charge increases are necessary to ensure the long-term sustainability of the HRA budget and the investment needed to maintain properties to required

regulatory standards. The current level of disrepair claims are a reflection of underinvestment in the past and will require a substantial amount of investment in the future.

93 Concessionary Fares Scheme reimbursement arrangements 2024-25

Councillor Angela Kandola, Portfolio Holder for Highways, Transport and Planning presented the report seeking approval for the Nottingham Concessionary Travel Scheme for 2023-24, and to publish the Scheme, which the Council is required to do by 3rd March 2024, 28 days prior to the Scheme commencing from 1 April 2024.

Resolved to

- (1) approve the Nottingham Concessionary Travel Scheme (NCTS) for 2024-2025, and the publication of the final scheme statutory notice on 3 March 2024;**
- (2) approve the following additional discretionary elements of the scheme from April 2024:**
 - a) free travel on the tram by city residents that possess a valid City Council issued concessionary travel pass and;**
 - b) the companion facility attached to passes issued for certain disabilities;**
- (3) grant delegated authority to the Corporate Director for Growth and City Development, in consultation with the Portfolio Holder for Highways, Transport and Planning to:**
 - a) agree reimbursement arrangements and associated financial commitments for statutory and discretionary concessionary fare payments for 2024-25 and;**
 - b) review discretionary elements of the scheme throughout 2024-25 as part of the transitioning process to a new East Midlands Combined County Authority.**

Reasons for decisions:

- To ensure that the Council meets its statutory duty in relation to concessionary fares.
- The free tram travel concession is particularly well suited for travel by people with mobility difficulties as it is designed to offer fully accessible trams and stops. Removal would also mean that a large number of residents would not have a public transport service within walking distance on which they could use their concessionary card. These restrictions would not align with Nottingham's strategic aims in its commitment to provide access for people with disabilities.

- Companion travel ensures that residents who cannot travel alone are able to use public transport, and removal of this benefit would create barriers to travel and potentially result in vulnerable people being isolated.

Other options considered:

- No other options are available for the national scheme as the provision of concessionary travel for elderly and disabled people is a statutory duty.
- Consideration was given to removing the free tram travel benefit for city resident concessionary pass holders and the companion facility attached to passes issued to city residents with certain disabilities. If the tram was excluded from the concessionary travel scheme there would be a large migration from tram to bus as Nottingham residents would most likely have a local bus service available as an alternative option to the tram, meaning there would still be a considerable cost to the Council. There would also be a loss of accessibility for the elderly and for people with mobility difficulties. NET is particularly well suited for travel by people with mobility difficulties as it is designed to offer fully accessible trams and stops. Trams are 100% low floor throughout with level boarding at stops. Removal would also mean that a large number of residents would not have a public transport service within walking distance on which they could use their concessionary card. These restrictions would not align with Nottingham's strategic aims. The companion card ensures that residents who cannot travel alone are able to use public transport, and removal would create barriers to travel and potentially result in vulnerable people being isolated.

94 Increase and reprofile of budget for Oakdene development, St Ann's

Jay Hayes, Portfolio Holder for Housing, introduced the report on a 24 council home development on Woodborough Road in St Ann's, which requires an increased budget to award the contract and complete the project, having tendered the scheme for a second time.

Resolved to

- (1) award Morro Partnership (previously Jessup Partnership) the contract to complete the scheme using Modern Methods of Construction;**
- (2) replace the s.106 element of the budget with a 60/40 mix of HRA revenue to capital transfer and RTB replacement receipts;**
- (3) increase the budget for the Oakdene housing scheme by £865,000 using HRA revenue to capital transfer, RTB replacement receipts and re-allocation of underspend from an approved project budget, as per the recommendation of the Capital Budget report, and to note that this expenditure has been approved by the Section 151 Officer.**

Reasons for decisions:

- The increased budget is required to award the contract to the selected contractor and to complete the scheme of 24 new council homes that will meet need from

the waiting list and in turn, assist in the reduction of pressure on homelessness's general fund expenditure.

- S.106 commuted sums can no longer be matched with RTB replacement receipts, whereas HRA capital can. It is therefore better value to use HRA capital that can be matched 40% with RTB replacement receipts, a) to the project, and b) to the council as we have a large pool of these receipts which if not spent need to be returned to government with interest.
- Using a combination of HRA Revenue Contribution to Capital, RTB replacement receipts and underspend on an existing approval enables funding without additional HRA prudential borrowing.
- Sufficient underspend on an existing project/approved budget has been identified for vire to Oakdene, without jeopardising the closing stages of that project.
- Development of new council homes enables a rental income stream which supports HRA repair and maintenance reserves.

Other options considered:

- A review of the specification of the development, in terms of enhanced build standards, was undertaken but reducing the specification did not make a significant difference to the costs.
- Completing a portion of the development and leaving the remainder such that it could be completed in the future. The most reasonable way to split the scheme, was to leave the block of flats to a later date, however the height and position in the development was key to the scheme's relationship to the main road (Woodborough Road), so would not have been straightforward.

95 Property Acquisitions Programme 2024-2026

Councillor Jay Hayes, Portfolio Holder for Housing, introduced the report regarding the purchase of 60 houses and flats, a majority former council homes, for the Housing Revenue Account (HRA) at affordable rent to assist in reducing the waiting list and in turn alleviate pressures on homelessness' general fund budgets as a result of temporary accommodation and bed and breakfast outlay.

Resolved to

- (1) purchase and bring into requisite condition 60 properties for HRA stock in the period April 2024 to March 2026, and to note that this expenditure has been approved by the Section 151 Officer;**
- (2) use RTB replacement fund receipts to fund 40% of cost of the programme and 60% HRA Revenue contribution to capital for the remainder;**
- (3) appoint key staff resources to undertake the programme.**

Reasons for decisions:

- Property acquisitions represents the quickest way to replenish much needed social housing stock and to utilise Right to Buy replacement funds (RTB RF) in a timely way. It also provides the best opportunity for additional social housing stock at a time when the pipeline for new build development is limited.
- NCC's waiting list for housing is c.10,000 households, and there are over 600 RTB applications in process. In addition, homelessness is at very high level, putting substantial and sustained pressure on general fund budgets through the cost of temporary and emergency accommodation.
- Replenishing the HRA stock is also critical to the HRA 30 year business plan and the onward ability to have sufficient revenue stream and asset base to undertake planned activity.
- RTB RF can be used to fund up to 40% of the cost of delivery of new housing; new build and purchases but has to be spent within 5 years. Where monies are not spent, they are returned to government with a compound annual interest of base rate plus 4%. This interest is paid from the HRA and therefore impacts on its viability to provide services to tenants.
- Under amended DLUHC rules on spend of RTB RF, their use for acquisitions is restricted to 20 purchases, plus an incrementally decreased percentage of the council's new build completions in the previous year. 2024-5 provides the most optimal, remaining, combination of these factors, with the highest percentage allowance (30%) and new build completion numbers available (63).

Other options considered:

- No programme: Acquisitions form the majority of the draft capital programme for new housing delivery and are key to overall new housing delivery numbers number and utilisation of RTB RF receipts.
- Smaller or larger programme: A larger programme using RTB RF would not be permitted without DLUHC approval; a smaller programme would fail to maximise use of and value for money from financial resources.

96 Guildhall complex, revised terms for disposal

Councillor Steve Battlemuch, the Portfolio Holder for Skills, Growth, Economic Development and Property, introduced the report relating to the disposal of the freehold interest in a council owned asset which will result in the generation of a substantial capital receipt. The disposal will relieve the council from the financial and other burdens of holding a void property. The disposal will see the property brought back into beneficial use.

Resolved to

- (1) approve the terms of disposal of the council's freehold interest in the subject property as set out in the attached exempt appendix;**

(2) delegate the approval of the final terms of disposal to the Corporate Director for Growth and City Development subject to verification of the independent valuation report.

Reasons for decisions:

- The Council has been in a contract for sale of the asset with Miller Birch since 2016 and the sale was moving towards a completion but in January 2023 the asset was listed, and the sale did not proceed. The asset has been vacant for a considerable period.
- Revised terms have now been agreed with the Purchaser which are recommended for approval.
- The disposal will relieve the Council of the financial and other burdens of holding a void property and see it bought back into beneficial occupation.

Other options considered:

- Do nothing-this would have resulted in a potential disposal not progressing. No capital receipt would have been generated and the council would have continued to meet void management costs.
- Remarket the asset-it is not considered to be in the best interests of the council to do so. This would have resulted in any disposal being, relatively speaking, much delayed and would leave the council with the burdens of void management for a much longer period.

97 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.

98 Increase and reprofile of budget for Oakdene development, St Ann's - Exempt Appendix

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

99 Property Acquisitions Programme 2024-2026 - Exempt Appendix

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

100 Guildhall complex, revised terms for disposal - Exempt Appendix

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

