

Nottingham City Council

Executive Board

Minutes of the meeting held at Ground Floor Committee Room - Loxley House, Station Street, Nottingham, NG2 3NG on 18 June 2024 from 2.00 pm - 2.37 pm

Membership

Present

Councillor Neghat Khan (Chair)
Councillor Ethan Radford (Vice Chair)
Councillor Cheryl Barnard
Councillor Jay Hayes
Councillor Corall Jenkins
Councillor Pavlos Kotsonis
Councillor Linda Woodings

Absent

Councillor Kevin Clarke
Councillor Sam Lux

Colleagues, partners and others in attendance:

Mel Barrett	- Chief Executive
Beth Brown	- Director of Legal and Governance
Ross Brown	- Corporate Director for Finance & Resources
Paul Clarke	- Assistant Chief Executive
Colin Parr	- Corporate Director for Community, Environment and Resident 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 26 June 2024. Decisions cannot be implemented until the working day after this date.

10 Apologies for Absence

Councillor Sam Lux – leave
Councillor Kevin Clarke – work commitments

11 Declarations of Interests

None.

12 Minutes

The minutes of the meeting held on 21 May 2024 were confirmed as a correct record and they were signed by the Chair.

13 Provisional Outturn 2023-24

Councillor Linda Woodings, Executive Member for Finance and Resources, presented the report providing an assessment of the Council's 2023-/24 provisional outturn position for the General Fund, Housing Revenue Account (HRA) and the Capital Programme based on activity to the end of the Period 12 (31 March 2024).

As seen across many other local authorities, the Council is experiencing significant overspends relating to social care and temporary accommodation. At the end of Quarter 4 (Period 12), the Council has a net General Fund overspend of c£17.568m to be funded from Exceptional Financial Support (EFS).

The overall overspend 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.

Resolved to

- (1) note the net outturn of £283.990m. on the General Fund Revenue budget of £261.832m as set out in section 3 Table 1 of the report which is a net overspend of £17.568m (6.71%);**
- (2) agree that the overspend of £17.568m will be funded from the Exceptional Financial Support through capital receipts;**
- (3) note progress on the Transformation Programme savings of £15.671m as set out in section 4, Table 3 of the report with £8.906m (56.8%) delivered and £6.765m (43.2%) non-delivery;**
- (4) note the outturn underspend of (£2.884m) (2.4%), on the HRA against a gross budget of £119.924m as set out in section 5 Table 4 of the report;**
- (5) note the 2023/24 Capital Outturn position of net capital slippage of (£50.812m) and net underspend of (£4.854m) and approve the following:**
 - General Fund and Accountable Body slippage of (£47.961m) to be carried forward and reprofiled across the medium term financial plan.**
 - HRA net slippage of (£2.851m) to be reprofiled across the medium term financial plan (paragraph 6.3).**
 - £5.150m overspent capital projects to be funded from a combination of grant and revenue contributions as detailed in Appendix 2**
 - (£10.004m) underspent across various capital projects which are now complete and for which budget will not be carried forward into the new year, as set out in Appendix 2.**
- (6) note the provisional General Fund balance of £24.203m and reserves of £186.732m, and HRA balance and reserves of £130.913m (section 7).**

Reasons for decisions:

- This report forms a key part of formal General Fund Revenue, Capital and HRA monitoring against the 2023/24 budget.
- Throughout the report budget overspends are shown as a positive number, whilst any underspends are shown as a negative number.
- The General Fund (section 3) revenue outturn at Period 12 is £279.401m against an approved budget of £261.832m, an overspend of £17.568m (6.71%). A summary of key variances is set out in section 3.
- The Period 12 revenue outturn for the HRA (section 6) is an underspend of (£2.884m) (2.4%) against a gross budget of £119.924m.

Other options considered:

- Not funding the overspend from the Exceptional Financial Support through capital receipts. Dismissed as 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.

14 2025-26 Budget Strategy

Councillor Linda Woodings, Executive Member for Finance and Resources, presented the report representing the first stage in the Council's annual budget planning process, seeking endorsement of the budget strategy and approach for the Medium Term Financial Plan (MTFP) period 2025-26 to 2028-29.

The Council continues to face exceptional circumstances as best demonstrated by the 2024-25 General Fund Budget balanced only by taking all available saving options tabled to the executive Board and City Council in February 2024 and March 2024 respectively and the use of material sums of Exceptional Financial Support. The MTFP set out the current budget shortfall of c£172m across the period against the forecasted available resources of the Council. The predominate drivers of these exceptional pressures are a combination of both significant demographic, complexity of provision and inflationary pressures across wide range of areas.

Resolved to

- (1) note the lack of clarity regarding the timing of the Government's Spending Review and the lack of any indication as to the value of financial settlement to Local Authorities which makes budget planning, particularly in the current environment unnecessarily complex and challenging;**
- (2) note no change to the forecast budget gap for 2025-26 of c£69m with an indicative cumulative budget gap of c£172m over 3-year MTFP period (section 2 and 6) approved by City Council in March 2024;**
- (3) note an updated 4-year MTFP to be presented to the Executive Board in December 2024 for the period 2025-26 – 202728;**
- (4) endorse the Budget Strategy and Approach for 2025/26 (Section 4) and note the strategy and approach to be submitted to Department for Levelling Up, Housing and Communities (DLUHC), in order to comply with the condition**

of the Exceptional Financial Support (EFS);

- (5) delegate to the Section 151 Officer, in consultation with Commissioners and the Executive Lead for Finance and Resources, to engage with DLUHC on EFS and possible Council Tax options with the latter to be considered by Council for approval as part of the annual budget report.**

Reasons for decisions:

- This report is part of the Council's annual budget setting and business planning process and seeks to agree the budget strategy for 2025/26 so that officers can work up detailed proposals and present these for member consideration as part of the annual budget setting cycle of the Council.
- The overarching objective of our budget strategy is to ensure that the Council have set a priority-led budget over the medium term that is balanced and realistic supported by achievable saving plans. However, it must be recognised that the Council is currently facing the most significant budget challenge on record, which requires the Council to transform the way it delivers services and doing some things differently.
- The Council continues to face significant budget pressures in future years and uncertainty, including the continuing level of support from Central Government, over the medium term. Due to an increased demand for services, the long-term impact of the pandemic, alongside the backdrop of the cost-of-living crisis including most notably the rising inflation and energy prices, council services continue to operate in a challenging resource environment where demand change can lead to material budget variances. This is further exacerbated by the current global and national political and economic environment and the prospect of reducing local government funding and support from government.

Other options considered:

- With a significant financial challenge being faced by the Council in 2025-26 and beyond the Council needs to set a budget strategy providing a strategic financial framework and direction of travel for the Council to work within; even in the absence of having in place updated strategic council plan, council's improvement plan and commissioners exit strategy.
- The budget strategy will not only allow the Council to meet the condition of the EFS but also to allow for the organisation to start developing and formulating credible plans that will allow the Council to set a balanced budget.

15 Nottingham Economic Growth Plan

Councillor Ethan Radford, Executive Member for Skills, Growth and Economic Development, presented the report on The Nottingham Economic Growth Plan which will benefit citizens of Nottingham by creating a clear plan for achieving a more successful and inclusive economy by 2030.

The Economic Growth Plan will leverage the convening role of the Council to bring partners together to implement a shared plan to deliver a shared vision of sustainable and inclusive economic growth and a more prosperous city. It will support the prioritisation of investments, and partnership working. It will inform the city's

engagement with the East Midlands Mayoral County Combined Authority (EMMCCA) by providing a clear and strategic vision for Nottingham's economic growth alongside a comprehensive outline of the City's current economic status, its ambitions for the future, and the initiatives required to achieve these aims.

Resolved to

- (1) endorse and approve the final draft of the Nottingham Economic Growth Plan;**
- (2) delegate authority to the Corporate Director of Growth & City Development to approve any presentational refinements and launch the Nottingham Economic Growth Plan with our partners on the Growth Board.**

Reasons for decisions:

- Nottingham's Economic Plan for Growth sets out the City's plans for achieving inclusive and sustainable economic growth by 2030.
- The plan centres around a unifying vision to "Deliver a vibrant, sustainable, and investment-friendly Nottingham that promotes inclusion, secures resilience, and unlocks prosperity for both residents and businesses." This vision is grounded in the belief that a truly successful economy benefits all members of the community, not just a select few
- Given the increasing resource constraints on the Council, successful delivery of economic development activities requires increasing collaboration with partners and securing external funding, particularly through competitive bidding. This is a plan developed through significant consultation and engagement with partners, particularly the Nottingham Growth Board and an up to date analysis of the local economy undertaken by EY and summarised in the Plan. It uses this analysis and stakeholder feedback to describe the current economic conditions and identify the future opportunities for sustainable and inclusive growth in Nottingham to 2030. It will support the Council to have informed engagement with the EMMCA and other bodies about the investments required to drive sustainable and inclusive growth in Nottingham.
- Approving the Plan will enable the Council to launch the plan, celebrate economic success stories in Nottingham and pursue funding opportunities and collaborations, particularly with EMMCCA, to deliver the Plan.

Other options considered:

- As a key strategic organisation in the city and integral member of the Nottingham Growth Board, the Council will convene and collaborate with partners to facilitate activity that contributes to positive economic outcomes for our citizens. Not approving the plan would leave Nottingham without an up to date Plan for Economic Growth, the development of which was an instruction of the Improvement and Assurance Board.

16 Regulation of Investigatory Powers (RIPA)

Councillor Linda Woodings, Executive Member for Finance and Resources, presented the report on the Council's use of its RIPA powers which the Council is required annually to review and to approve.

Resolved to

- (1) approve the Regulation of Investigatory Powers Policy and Guidance which incorporates the Online Research and Investigation Policy, as attached at Appendix 1, and Social Media Guidance as attached at Appendix 2;**
- (2) note that the annual report in relation to the use of RIPA powers will be reported to the City Council's Audit Committee on an annual basis as part of the Information Assurance Update;**
- (3) note that the RIPA Policy will be submitted to Executive Board for review and approval on an annual basis in line with the Home Office Code of Covert Surveillance Property Interference 2018 and the Code of Practice for CHIS 2022;**
- (4) note the Council's Senior Responsible Officer (SRO) and Authorising Officers in relation to RIPA procedures.**

Reason for decision:

- To ensure compliance with the Regulation of Investigatory Powers Act 2000.

Other options considered:

- None, the Council are required by law to maintain an up to date policy and ensure that surveillance is being carried out in accordance with RIPA and associated guidance.

17 Acceptance and expenditure of Green's Windmill MEND fund grant for the Nottingham City Museum Service

Councillor Neghat Khan, Executive Member for Strategic Regeneration, Transport and Communications, presented the report on a programme of urgent repairs at Green's Windmill over the next three years. Green's Mill is a Grade 2 listed building. The programme of urgent repairs to make the building wind and watertight is essential to protect the building, collections, staff and visitors and fulfils a statutory duty of compliance.

Resolved to

- (1) accept Grant funding of £685,104 from the Arts Council England (ACE) for the programme of repairs at Green's Mill and to approve expenditure totalling £761,227 (£685,104 grant and £76,123 match funding) on the programme of repairs (subject to s151 approval being obtained prior to spend);**

- (2) delegate authority to the Corporate Director/ Director of Sports & Culture/ Director of Legal Services to enter into a Funding Agreement with Arts Council England [ACE] including a Deed of Covenant restricting the title of Green's Mill for a period of 15 years, without prior consent of ACE;**
- (3) delegate authority to the Director of Sports & Culture to procure, award and enter into contracts with suppliers required to deliver the programme, and enter into appropriate agreements with the Green's Mill Trust (subject to prior consent of ACE where applicable);**
- (4) approve the replenishment of the Council's match funding requirements [earmarked reserves] from donations and additional fundraising;**
- (5) note the funding is subject to a commitment to ensure that Green's Mill remains a non-National accredited museum on completion of the repairs for the period for the Funding Agreement;**
- (6) incept the Green's Mill project in the General Fund Capital Programme with the capital budget increased as detailed in the report.**

Reasons for decisions:

- The backlog of repairs to Green's Windmill (because most working parts of the Mill are at least 35 years old and exposed to the elements) has meant this working site has deteriorated and is very much at risk.
- Deterioration of the mechanics and fabric of the fan-tail and sail frame became such a risk to staff and visitors that they have been removed and as a result milling is limited.
- Repairs to machinery, roofs, rainwater goods and windows are a key priority as outlined in the site's condition report completed in March 2023 in order to make the building wind and watertight.
- Repairs to Green's Windmill will ensure it can remain open to the public.
- Funding has already been secured to deliver the programme of repairs.

Other options considered:

- The principal alternative option would be to do nothing. This will mean the mill building and machinery will continue to deteriorate due to ingress putting staff, visitors, the building and collections at severe risk.

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

Councillor Ethan Radford, Executive Member for Skills, Growth, Economic Development and Property, presented the report regarding assets proposed for disposal which have been reviewed in accordance with the "Asset Rationalisation Programme" and endorsed as being suitable for disposal.

Resolved to

- (1) make the assets detailed in the exempt appendix surplus to the requirements of the Property Trading Account and available for disposal;**
- (2) delegate the approval of the asset management and/or method of sale to the Director of Economic Development & Property;**
- (3) delegate approval of the final terms of sale to the Corporate Director for Growth and City Development;**
- (4) appoint sales agent(s) or any other required consultant via a procurement compliant process (tender/framework/quotation) to facilitate the disposals process. Any expenditure will be subject to the Spend Control Board process;**
- (5) delegate the approval of any licences/agreements or required legal agreements to facilitate a sale to the Director of Economic Development & Property.**

Reasons for decisions:

- 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 obligations and remove resource-intensive assets from the Council's ownership, and remove any costs associated with voids/re-letting and refurbishment.
- The Council has a requirement to repay Exceptional Financial Support in year as well as a range of other items such as the repayment of borrowing, transformation, and approved projects. The disposal of income and non-income producing assets will deliver a programme of capital receipts to repay these items.
- To ensure any required actions to facilitate a sale are undertaken quickly and efficiently. Such asset management actions would include rent reviews/lease renewals/assignments etc. The most appropriate method of sale will be determined depending on the asset type, value and the market at the prevailing time.
- To ensure disposals can be progressed at pace without having to refer decisions back to the Executive Board.
- To ensure disposals can be progressed at pace without having to refer decision back to the Executive Board. All decisions will be in line with the Council's Spend Control Board process, and this has been endorsed by the S151 Officer.
- To ensure disposals can be progressed at pace without having to refer decision back to the Executive Board.

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 in terms of capital expenditure for repairs, maintenance and compliance works or due to a potential fall in revenue income. Retaining the asset would also forego potentially significant capital receipts. The option to dispose will remain under review and if market conditions or due diligence reveals that the asset should be retained, reviewed, or sold at a

later date this decision will be recommended to the Corporate Director for Growth & City Development.

19 Disposal of the former Central Library, Angel Row, Nottingham

Councillor Ethan Radford, Executive Member for Skills, Growth, Economic Development and Property, presented the report seeking approval to the agreed sale terms contained in the Exempt Appendix.

Resolved to

- (1) approve the sale of the Former Central Library, Angel Row on the draft terms outlined in the Exempt Appendix;**
- (2) delegate approval of the final Heads of Terms and any future amendments to the Corporate Director for Growth and City Development;**
- (3) delegate the approval of any licences/agreements or required legal agreements to facilitate a sale to the Director of Economic Development & Property.**

Reasons for decisions:

- Disposal will generate a significant capital receipt which will be used in line with the Council's agreed Capital Strategy. The sale will also remove current and future holding costs and risks arising from holding this significant city centre asset void. Any future resource, capital, and revenue expenditure required to keep the asset safe and insured will be removed. The sale will also result in a significant development in the city centre which will ultimately generate Business Rates income, bring footfall to a high street location and provide much needed high quality accommodation.
- As due diligence is undertaken by the purchaser and as the legal contract work commences there may be the requirement to agree new terms or amend existing sale terms. To ensure the disposal progresses at pace delegated approval is sought for the Corporate Director of Growth & City Development to agree the terms in consultation with the Council's Section 151 Officer where appropriate. Any significant changes to price will require a new Executive Board decision.
- In order to ensure the disposals progresses at pace; approvals for any required licences or other agreements are to be delegated to the Director for Economic Development & Property (if outside the current Scheme of Delegation). This will ensure the sale is not compromised for a minor agreement.

Other options considered:

- Not to sell the asset - This option has been rejected as the Council has no strategic requirement to hold the asset and retention will be a financial burden to the Council in terms of increased void holding costs (estimated £0.319m pa) and resource to manage a significant void. Retaining the asset would also forego a potentially significant capital receipt which could be used by the Council.
- To let the asset – this option has been rejected as reletting would require significant capital outlay to ensure the building was in a lettable condition. Also,

there is very little demand for an asset of this specification or layout which would make letting difficult and protracted.

20 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.

21 Exempt Minutes

The exempt minutes of the meeting held on 19 March 2024 were confirmed as a correct record, and they were signed by the Chair.

22 The Disposal of Investment Property Assets from the Property Trading Account - Exempt Appendix

Councillor Ethan Radford, Executive Member for Skills Growth, Economic Development and Property, presented the exempt appendix, which was noted by the Board.

23 Disposal of the former Central Library, Angel Row, Nottingham - Exempt Appendix

Councillor Ethan Radford, Executive Member for Skills Growth, Economic Development and Property, presented the exempt appendix, which was noted by the Board.