

Public Document Pack



**Nottingham
City Council**

You are hereby summoned to attend a meeting of NOTTINGHAM CITY COUNCIL at the Council House, Nottingham, on Monday 14 July 2014 at 2.00 pm to transact the following business:

- 1 Apologies for absence
- 2 Declarations of interests
- 3 To receive:

- (a) questions from citizens;
- (b) petitions from Councillors on behalf of citizens.

Please note that questions to Council are received after the agenda has been published. Questions will be uploaded to this agenda by 5pm on Friday 11 July 2014

- 4 To confirm the minutes of the last meeting of Council held on 9 June 2014 3 – 16
- 5 To receive official communications and announcements from the Leader of the Council and/or the Chief Executive
- 6 To receive:
 - (a) answers from the City Council's lead Councillor on the Nottinghamshire and City of Nottingham Fire and Rescue Authority to questions on the discharge of that authority's functions;
 - (b) answers from a Councillor from the Executive Board, the Chair of a Committee and the Chair of any other City Council body to questions on any matter within their remit.
- 7 To consider a report of the Chair of the Overview and Scrutiny Committee on the Overview and Scrutiny Annual Report 2013/14 17 – 28
- 8 To consider a report of the Leader on Committee Membership 29 – 30
- 9 To consider a report of the Leader on decisions taken under urgency procedures 31 – 36
- 10 To consider a report of the Deputy Leader on the Treasury Management 2013/14 Annual Report 37 – 46
- 11 To consider a report of the Chair of the Licensing Committee on the Late Night Levy 47 – 50

12 To consider a report of the Chair of Appointments and Conditions of Service Committee on the recruitment to and acting up arrangements for the post of Corporate Director, Resources and Chief Finance Officer To Follow

13 To consider a motion in the name of Councillor Alex Norris:

“On 16th August 2014, a group of mothers is setting off on a march from Jarrow to London to demand that the NHS remains in public hands and is run for the people – not for profit. On 29th August 2014, the People’s March for the NHS will be passing through Nottingham.

The marchers hope to highlight the privatisation of the NHS which has seen profitable parts of the NHS transferred into private hands whilst leaving the public purse to carry the cost of expensive and complex operations.

This Council:-

- (a) recognises the threat to our NHS from legislation including the Health and Social Care Act (2012) and the proposed Transatlantic Trade and Investment Partnership; both of which put profits before people;
- (b) values the principle of our NHS to provide free, universal healthcare for all;
- (c) supports the People’s March for the NHS along with its aims and intentions.”

IF YOU NEED ANY ADVICE ON DECLARING AN INTEREST IN ANY ITEM ABOVE, PLEASE CONTACT CONSTITUTIONAL SERVICES ON 0115 876 3759, IF POSSIBLE BEFORE THE DAY OF THE MEETING.



Dated 4 July 2014
Deputy Chief Executive, Corporate Director and Chief Finance Officer

To: All Councillors of Nottingham City Council

MEETING OF THE CITY COUNCIL

held at the Council Chamber – at the Council House

on 9 June 2014 from 14.00 to 16.30

ATTENDANCE

✓ Councillor Ian Malcolm (Lord Mayor)

Councillor Liaqat Ali	✓ Councillor Dave Liversidge
Councillor Cat Arnold	✓ Councillor Sally Longford
✓ Councillor Mohammed Aslam	✓ Councillor Carole McCulloch
Councillor Alex Ball	✓ Councillor Nick McDonald
✓ Councillor Steve Battlemuch	✓ Councillor Ian Malcolm
✓ Councillor Merlita Bryan	✓ Councillor David Mellen
✓ Councillor Eunice Campbell	✓ Councillor Thulani Molife
✓ Councillor Graham Chapman	✓ Councillor Eileen Morley
✓ Councillor Azad Choudhry	✓ Councillor Jackie Morris
Councillor Alan Clark	✓ Councillor Toby Neal
Councillor Jon Collins	✓ Councillor Bill Ottewell
✓ Councillor Georgina Culley	✓ Councillor Jeannie Packer
✓ Councillor Emma Dewinton	✓ Councillor Brian Parbutt
✓ Councillor Michael Edwards	✓ Councillor Ann Peach
✓ Councillor Pat Ferguson	✓ Councillor Sarah Piper
✓ Councillor Chris Gibson	✓ Councillor Mohammed Saghir
✓ Councillor Brian Grocock	✓ Councillor David Smith
✓ Councillor John Hartshorne	✓ Councillor Wendy Smith
✓ Councillor Rosemary Healy	Councillor Timothy Spencer
✓ Councillor Nicola Heaton	✓ Councillor Roger Steel
✓ Councillor Mohammed Ibrahim	✓ Councillor Dave Trimble
✓ Councillor Glyn Jenkins	Councillor Leon Unczur
Councillor Sue Johnson	✓ Councillor Jane Urquhart
✓ Councillor Carole Jones	Councillor Marcia Watson
✓ Councillor Alex Norris	✓ Councillor Sam Webster
✓ Councillor Gul Nawaz Khan	✓ Councillor Michael Wildgust
✓ Councillor Neghat Nawaz Khan	✓ Councillor Malcolm Wood
Councillor Ginny Klein	

16 APOLOGIES FOR ABSENCE

Councillor Liaqat Ali – non Council business
Councillor Cat Arnold – non Council business
Councillor Alex Ball – non Council business
Councillor Alan Clark – non Council business
Councillor Jon Collins – other Council business
Councillor Sue Johnson – non Council business
Councillor Mohammed Saghir – non Council business
Councillor Tim Spencer – non Council business

17 DECLARATIONS OF INTERESTS

None.

18 QUESTIONS AND PETITIONS FROMS CITIZENS

Questions from citizens

No questions from citizens were received.

Petitions from councillors on behalf of citizens

Councillor Neghat Khan submitted a petition on behalf of 56 signatories opposing a proposed parking area for 20 cars on Ashworth Close.

19 MINUTES

The minutes of the meeting held on 12 May 2014 were confirmed as a correct record and signed by the Lord Mayor.

20 OFFICIAL COMMUNICATIONS

Barry O'Dowd

On 7 May, Barry O'Dowd – a boxing coach from Bulwell – sadly passed away, aged 66 years. Barry founded Bulwell Hall Boxing Club out of a redundant community centre and went on to train hundreds of boxers over the years from the city.

Barry was selected as an Olympic City Ambassador in 2012 and handed over the torch to Torvill and Dean for the final leg of the relay into the city centre. A keen supporter of Sports, Culture and Parks throughout that year, Barry won the 2012 Coach of the Year at the City's Sports Awards for his work coaching boxing to young people in the community. His funeral took place on 27 May.

Sidney Hill

Sidney Hill passed away on 30 May 2014 aged 81 years. Sid was a former Chief Environmental Health Officer at Nottingham City Council. He started work at the Council on 5 September 1977 and retired on 31 August 1991.

Lady Mayoresses Gapper and Parker

The deaths of two former Lady Mayoresses are reported, Mrs Lillian Gapper, who served as Lady Mayoress in 1994/95 to her husband, Councillor Vernon Gapper and Kathleen Parker, who served as Lady Mayoress to Councillor Barrie Parker in 1995/96.

Councillor John Hartshorne spoke in tribute to Barry O'Dowd and Sidney Hill. Councillor Georgina Culley spoke in tribute to Lady Mayoress Lillian Gapper and Lady Mayoress Kathleen Parker.

The Council stood in silent tribute to their memory.

21 QUESTIONS

Tram lines to Beeston and Clifton

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

Nottingham City Council's ambitious transport project to bring 2 new tram lines to Beeston and Clifton will be an amazing opportunity for Nottingham when it is completed, but it has caused significant disruption for many residents living along the tram routes. Will the Portfolio Holder for Planning and Transportation join me in recognising the hard work and effort that has so far gone into resolving issues when they arise on the route? Will she also reiterate her call for the tram company to ensure those who have been most affected by tram construction work are given special and the most preferential opportunities to secure maximum benefit from the new tram services when they open to the public?

Councillor Jane Urquhart replied as follows:

Thank you Lord Mayor and thank you Councillor Ferguson, I know this issue is one which is close to your heart and an issue on which you have been campaigning for some time. Significant progress is of course being made to build our two new tram lines and it is expected that much of the main, and much of the disruptive work, will be completed by the end of the summer.

There are many examples of the construction company taking extra care and responding to the needs of the local people, I'm sure that everyone was pleased, for example, to hear of the way contractors assisted a resident of Lower Road / Fletcher Road in Beeston to get to her wedding with music and an archway formed by JCBs and decorations on the road. Of course, there are other things in various areas like attention to detail once the rail and the track has gone into the road, making sure that the streets are looking great when those rails have gone in. There are regular local meetings, sometimes with groups of local people but sometimes with individual local householders to address particular and specific issues about the way that the tram interacts with people's individual properties. There is, of course, the active support that the contractors have given to communities events and occasions in Beeston, Chilwell, Clifton and the Meadows.

I am also aware that the tram consortium will be sowing poppy seeds at appropriate places alongside the tram tracks as part of our wider World War I commemoration events across the centenary year. This huge level of construction has inevitably caused disruption for local people living and working along the route, but of course, it has already benefited Nottingham considerably through both job creation and contracts awarded to local firms. To date, around £42 million worth of contracts have been placed with businesses in Nottingham city, another £44 million with companies in Greater Nottingham and a further £44 million across the east midlands. A couple of examples here are Bulwell based Omega Red, a market leader in electrical earthing and lighting protection systems and McCann Limited based in Chilwell, a leading civil and electrical engineering company, who have both won orders of over £2 million providing lighting and signs for the system.

This positive benefit to our local economy has of course been widely recognised, recently by the Chamber of Commerce who said that, “the tram works in Nottingham provide a significant number of contracts to local and regional businesses and provided during a time of recession and continue to do so into recovery which is good for both the city and regional economy.”

Once the construction is over, this will then allow all the exhaustive testing, commissioning, safety test and driver training on the new routes to take place. City residents, particularly those adjacent to works, and who, it is fully acknowledged have experienced significant disruption, will then get a real sense of the tram network and I am sure will start to consider the benefits that it will bring to them. I fully agree that the Tram Concessionaire Tramlink should ensure that local residents are offered every opportunity to fully benefit from the tram system, through comfortable, fast and frequent tram services, including the highest quality, information and travel planning advice, including – and I suspect that this is the bit that everyone wanted to hear – the availability of favourable ticketing arrangements and I will continue as Councillor Ferguson has asked to press for that and to work actively with Tramlink to ensure that happens.

Queen’s speech post general election

Councillor Michael Edwards asked the following question of the Deputy Leader:

Could the Deputy Leader outline to Council what policies affecting Nottingham might be included in the first Queen’s speech after the next general election if Labour were to win?

Councillor Graham Chapman replied as follows:

Thank you Councillor Edwards for your question. Being a member of the Labour party over the last four years has been frustrating, like waiting at the proverbial bus stop where you wait for four years for a policy to come along and then we get ten all at once. Now, I won’t go through all of them but you will get five at least, the ones that I think will have the most effect. Firstly, the freezing of gas and electricity prices until 2017, there is an enormous amount of poverty building up in the city, there is a lot of debt and this is one of the major issues, particularly at a time when the energy companies, and it is interesting that three years ago the energy companies were

making £8 per household, last year made £56 per household and recently they declared that they made over £100 per household. Now, nobody is telling me that you cannot have a freeze which is going to impact seriously on their ability to invest.

Secondly, building homes which we desperately need in the city, we need low cost homes and we actually need social homes. One of the reasons we need social homes is because the housing benefit bill in the city is going up and I have just found out that the housing benefit bill nationally has gone up £1.1 billion. Most of that is going into the housing market and into landlords' pockets. Now, there are some good landlords, and there are some bad landlords but at the moment excessive amounts are going to landlords' pockets at a time when we should be building social houses because the cost of rent of social houses is far less than the cost of rent in the private sector. It does not make economic sense and it does not make social sense, so we need to be building social houses for the city.

Making work pay with the minimum wage and also providing tax breaks to firms who pay the living wage. I also think that we need a public procurement policy which is basically saying we should get our goods and we should ply our services from those firms who are providing a living wage and it needs to be a national policy but we do need to be funded to be able to do it. The other point about it is that a low wage economy does not give you growth, this city is suffering from a low wage economy which we will hear about shortly, people do not have disposable incomes and they do not purchase. If they do not purchase people do not invest so it is essential that we move onto a living wage.

The next one is backing small businesses by cutting business rates and reforming the banks. I don't agree with cutting business rates but I agree with a rating revaluation. I don't know where we are going to get the money from to cut business rates but I do know where we would get the money from for a revaluation because a revaluation would benefit the north and the midlands compared with the south because there has been no revaluation since 1996 and firms here would benefit enormously. One of the firms down south, with a higher turnovers and higher profitability, would simply have to pay some of the bills but that is only fair because there hasn't been a revaluation since 1996.

In addition to reforming the banks, I would be looking for a regional development bank so that they can share some of the risks of investment within the city because at the moment the City Council is taking far too much of the risk and it needs to be shared with government. The most important issue is to do with jobs, particularly for young people but also for the over 40's who are struggling to get jobs and often get overlooked. There would be guaranteed jobs for the young and unemployed with more apprenticeships, I would like to see the restoration of the Future Jobs Fund which we have maintained in the city but are struggling to maintain as we do it year after year through an underspend in the budget and it is not a stable way of doing it.

I would also like to see the restoration of one of the other schemes which was very successful - the Education Maintenance Allowance which helped a lot of working class kids go to college to get the skills the city needs. One very simple thing we would like is the abolition of the 'bedroom tax'; that is guaranteed and that will happen. If it does not happen, there will be some very serious trouble in the Labour party, so that has to happen.

So, they are a few of the buses that came along all at once but low and behold, during the week appearing from the gods, John Cruddas appeared at a meeting with Graham Allen, Michael Heseltine and Vince Cable, and it was a very interesting meeting indeed. I have gone through 3 or 4 years of listening to Labour politicians saying nothing and listening to opposition politicians saying quite a lot and it was a wonderful experience to have the whole thing inverted. John Cruddas was quite inspirational and he said that we are going to get a single capital pot instead of all the messy bits of funding streams we are getting at the moment which is preventing us from investing in the long term. There will be a single capital pot regionally for us to invest in, in other words we will be going back to what the Regional Development Agencies (RDA) used to do before they were abolished. There will be the devolution of responsibilities for Further Education and skills locally, and to the Department for Work and Pensions (DWP) for job search powers, which I am looking forward to because if there is one priority for this city it is the devolution of those responsibilities. We can handle these responsibilities a hell of a lot better, they will not necessarily come to local authorities but they will certainly come to localities.

Long term pots for early intervention will be established because at the moment it is too fragmented and is in several pots, impossible to manage and it needs to be long term. You cannot move from palliative to preventative with the short term funding we are getting at the moment. The same will apply to the health service, where there will be a much better integration of long term funding of social care, mental health and acute budgets and that is exactly what the Local Government Association has been asking for today and if that happens there will be saving down the line as well as far better services.

Finally, something that was not mentioned is that we need fairer funding for local authorities. There has been a discriminatory approach by the current Government towards councils in the south and those away from the south. It has been an absolute disgrace and that needs to stop and there needs to be some reversal. There are councils down south who are doing all sorts of exciting things and why are they doing these things we cannot afford to do? It is because their funding is far higher, their rateable value is far higher, the numbers of houses that are being built are far higher and it is about time we got rid of the discrimination by this Government towards urban areas and, particularly Nottingham. The poorer you are under this Government the more you have lost, and that needs to stop.

My final point is that we have over the last four years had a Government that has divided society, and I know it is a cliché, but the rich have got richer and in many cases it is the very rich that caused the economic problem in the first place. The poor have got a lot poorer and there has been a division between the young and old. The young have suffered because the old vote and there has been a certain amount of protection of elderly persons, and that is not a bad thing, but it has been at the expense of young people. There has been a division between the public and the private, the public sector has been denigrated and been impoverished. The private sector in some areas has benefited but actually in other areas it has lost out because it depends highly on the public sector and that is what the Government hasn't understood. There is a great deal of disunity and a great deal of division sewn by the current Government and I am hoping that this will be part of the healing process, but I also say to you that part of that healing process is that the economy will benefit. A

divided society, an impoverished society does not create economic growth as it should do. A united society, a more equal society where the wealth is better distributed actually in the end gives you better growth. That is what I hope the Labour government will start to develop.

Advice Nottingham – children of Nottingham

Councillor Ginny Klein asked the following question of the Deputy Leader:

Could the Deputy Leader tell Council what are the findings of Advice Nottingham on the impact of changes to social security on the children of Nottingham?

Councillor Graham Chapman replied as follows:

One of the marks of a civilised society is how you treat your children and in Nottingham there is a problem as 42,000 Nottingham City children live in families where there are no adults who work or where the household income is low. I don't want to give the impression that there are 42,000 children in families where parents do not work, because we have got such low incomes in Nottingham, then it is quite easy to qualify this by saying working households and that is where most of the children live, it is not a good thing but I do not want to mislead people.

In May 2014, Advice Nottingham published a report entitled 'Children in an Age of Austerity' and it looked at the effects of welfare reform on children. The aim of the report was to evaluate how changes to benefits and welfare policies, introduced by the Government's Welfare Reform Act 2012, have affected children and families in Nottingham. Evidence used in the report was gathered from information received from Advice Nottingham clients, local schools, and key commentators in the area of social policy, children's rights and child poverty.

Its findings were: families subject to the 'bedroom tax' are experiencing financial hardship; disabled parents and parents of disabled children are facing financial hardship due to changes in the way disability benefit is being awarded; non-resident parents/carers face financial penalties for under-occupancy or losing the room their children use, potentially reducing parent-child contact; families reliant on benefits are struggling to meet their requirement to contribute to Council tax, often for the first time, resulting in financial hardship and debt, and we are seeing the number of people in debt rising; families in rent arrears face losing their homes due to possession orders. This is a problem that has not yet happened on large scale like it did in the 1980's but it is a problem in waiting and you just wait for the increase in interest rates which may or may not happen before the general election, then you will see some serious problems and far more possession orders. Parents subject to benefit sanctions are relying almost entirely on food banks to feed their children.

Other findings include: half of schools saw an increased uptake of free school meals which is a very solid indicator of what is happening; extracurricular Activities – half the schools reported an increase in parents seeking educational grants in order for their children to take part in extracurricular activities. The recommendations are that non-resident parents who have a room designated for their children should not be subject to under-occupancy rules. Families re-housed as a result of domestic violence should not be penalised if they have 'surplus' rooms. Benefit sanctions

should be applied less arbitrarily, at the moment people are being subject to all sorts of petty justification for the withdrawal of benefits, and our caseloads are full of them. Help should be offered to all parents whose benefits have been sanctioned. Department of Work and Pensions staff should aim to accommodate requests to expedite decisions for clients with dependent children. All families with children should be able to access hardship funds.

What has Nottingham City Council done to respond to the changes to benefits and welfare? We have an Evictions Prevention Protocol between Nottingham City Homes (NCH) and housing associations which has gone a long way to prevent large scale evictions and I congratulate Councillor Liversidge on the work he has done. We have a Sanctions Protocol that has been set up to investigate instances of sanctioning when presented by the Council's Employment and Skills team. I congratulate Councillor McDonald and Councillor Chapman on the work they have done on that front.

Discretionary Hardship Support Scheme - the Council has monitored demand and expenditure of the Scheme during the first year and as a result of quarterly reviews, amendments have been made to open up the eligibility criteria so far more people are accessing them, so we have changed that. In 2013/14 80% of successful discretionary housing payments were made to tenants who were under occupying, that is where most of the money has gone so we have prevented large scale evictions.

Advice Services - the Council has invested approximately £1 million in Advice services across the city and that is having a tremendous effect and we are doing enormous amounts of work keeping people out of poverty. Nottingham 'Right Size' – between Nottingham City Homes and the housing associations is a scheme which has reduced the impact of the 'bedroom tax'. Employment and welfare support programme – is the programme to get people off benefits and into work and support those who cannot work to enjoy the best quality of life they can and to make a contribution to the life of the City and to improve the level of financial capability within our communities and reduce dependency on crisis, irresponsible and/or expensive lenders.

All of this infrastructure is there to plug a gap in the free market system which leaves people on low pay and then blames them for it. It is also there to repair the damage done by ill-thought out government welfare policies, the results of which are only just beginning to emerge and it is costing millions of pounds, is socially divisive and is creating a great deal of stress, not just poverty – it is causing stress to families and to children, it is not just about having no food but mental health as a consequence of poverty and a consequence of the strains of just living day to day.

The irony of all of this is far from getting the state from out of people's lives, which is what I am told this Government is all about, and far from reducing dependency, there is more intervention into people's lives than ever before and there is an increasing dependency as people get more and more into debt and become more dependent upon the state in order to help them. This dependency will continue for the next couple of years unless there are some serious changes to policy.

School attendance rates in Nottingham

Councillor Carole Jones asked the following question of the Portfolio Holder for Children's Services:

Can the Portfolio Holder for Children's Services tell us what the City Council is doing to improve school attendance rates in Nottingham?

Councillor David Mellen replied as follows:

Thank you Lord Mayor and can I thank Councillor Jones for her question. School attendance is a key priority for our city and the majority of our schools have been judged 'good' or 'outstanding' by Ofsted, but if the children are not there to receive what the school has to offer then that grading is immaterial. Nottingham compares badly with all other authorities when comparing attendance and for the sake of the children and for the sake of prosperity of our city it is something we must all play our part in addressing.

Of course, school attendance is not the sole responsibility of the City Council, that has to be shared with schools who need to do what they can to support, encourage and even cajole pupils to coming to school, but it is the primary responsibility of parents who's legal duty it is to ensure that their children go to school. It is a basic part of caring for a child and a basic responsibility of being a parent. However, we do have a moral responsibility as the City Council to do whatever we can to support schools and parents to maximise school attendance, so what have we done?

Schools have been prioritising attendance together locally and are funding shared resources such as family support workers or school attendance officers to address the priorities of families and schools. The City Council has supported and equipped such arrangements, sharing data and initiatives with school staff and those employed between schools to work on promoting attendance. In partnership with schools, we have implemented a City Schools Common Attendance Protocol to ensure that common practice is being embedded by Nottingham schools. This means that school absence is treated similarly no matter where your child attends. We have implemented a new colleague 'check and challenge' practice guide to ensure consistent challenge to parents in all settings. So, if someone from Nottingham City Homes visits a property to carry out repairs and finds a school aged child at home who they think should be at school, this can be challenged appropriately. If a CPO comes across a child during a school day they have the appropriate information to ask the right questions.

Fourthly, we have also implemented the Priority Families programme in Nottingham. This programme involves families facing the greatest challenge in our city and we are currently working with over 500 families who face either worklessness, involved in anti-social behaviour or whose children have poor school attendance or sadly sometimes all three. This programme has resulted in significant improvements in the attendance of the children of many of these families. We have also introduced a new, shorter school holiday pattern which gives a longer break in the middle of the autumn term and a shorter summer break. The first indication of this pattern suggest that it has helped improve attendance in the autumn term last year.

Despite the cut-backs across the city, we retained 13 Education Welfare Officers across the city who work with schools, pupils and families to support regular school attendance focussing primarily on unauthorised absence and they help to sort out problems in school, at home or help prepare cases for prosecution if required. Now, these Council initiatives, together with work carried out in every school have resulted in improvements in attendance for the city, the latest data for the autumn term shows that we had a 16% improvement of overall absence in the last year and a 34% improvement in persistent absence since 2012. The improvement in overall absence equates to almost 2 days being attended by every pupil, the improvement in persistent absence means that we have a 1,000 fewer persistently absent pupils.

However, we need to acknowledge that Nottingham still has a significant attendance issue, Ofsted criticised attendance as being poor in 6 out of 7 of the secondary schools inspected at the end of last year and we remain at the foot of league tables measuring comparative school attendance. We still have a long way to go. This is why, along with a refresh of all attendance policies, we have launched a public campaign recently. There are four strands of the campaign run from June 2014 through to December 2014 mixing carrot and stick messages across primary and secondary schools. The first phase was 'Get in School' or 'I'm in school', which involved a zero tolerance approach, week of action across primary or secondary schools, flyers and letters home to every parent and unveiling banners and posters in schools.

As many of you will know, councillors and many senior officers visited every primary and secondary school in Nottingham to meet 100% attendees. I am grateful to members around the chamber and to officers for playing their part in this campaign last week when every school agreed to be visited had an officer or councillor attend the school. I know that 45 councillors and a similar number of senior officers took part last week, it was great to see pictures of council representatives congratulating those with full attendance, learning the barriers to full attendance and what each school is doing to break down these barriers. There will be three other parts to the campaign, one which will focus on employment, making sure that the way to get a job is to get the skills and to get the experience of school. To get inspired, to really reward by using this building and our civics to congratulate winners of the Lord Mayor's attendance award and in the autumn a carrot approach titled 'Get the Gig' which is centred on secondary pupils where classes of children will get rewarded for good attendance by being able to come to a concert with a well known chart pop act at a secret location in the city centre.

So, Councillor Jones, we are doing everything we can, our children's education is really important to allow us to let up on this challenge and I'm hoping that in time this work will lead to reports of further improvement coming to Council in the future.

Nottingham Castle's Heritage Lottery Fund award

Councillor Steel asked the following question of the Portfolio Holder for Leisure and Culture:

Would the Portfolio Holder agree with me that while the news about Nottingham Castle's awarding of Heritage Lottery Fund money is wonderful news, in order to make the most of this opportunity we must open up the view of Nottingham Castle

from across the city? Would he agree with me that in order to achieve this aim it is imperative that buildings such as the Central College building on Maid Marian Way and Collin Street NCP car park are demolished?

Councillor Dave Trimble replied as follows:

Thank you Lord Mayor and can I thank Councillor Steel for his question. It is indeed wonderful news that the Heritage Lottery awarded £12.95 million to Nottingham Castle and it would also be fantastic to open up the views to the Castle by removing some of the buildings that are in the way. It is however, still public money that is needed to do that and however much we would like it, and I would, we cannot promise an open cheque book, it is public money and we still need to be prudent.

Secondly, it needs to be noted that Property Services does not come under my portfolio. So, it wouldn't be me who would lead on this but perhaps I should ask Councillor Steel how much he would set on the cheque book in order to get rid of those buildings.

Home Office and National Union of Student's Alcohol Impact Scheme

Councillor Georgina Culley asked the following question of the Portfolio Holder for Adults, Commissioning and Health:

Would the Portfolio Holder join me in welcoming the Home Office and National Union of Student's Alcohol Impact Scheme and in congratulating the University of Nottingham for taking part in the pilot scheme? How will this potentially benefit residents in student areas and also residents in other parts of the city, such as his own ward, where there is a smaller student population?

Councillor Alex Norris replied as follows:

Thank you Lord Mayor and can I thank Councillor Culley for her question, I share her pleasure at this news and the good wishes to the University of Nottingham here. The Alcohol Impact Scheme is a National Union of Students pilot programme that seeks to create a social norm of responsible alcohol consumption by students. Funded by the Home Office, the University of Nottingham I am happy to say, is one of seven pilot universities.

The benefits for students are clear: better learning, better enjoyment of their first major period away from home and the best possible preparation for the world of work. This initiative as I understand is primarily a campus based one however, the benefits for the rest of us I think are very clear. A more balanced night time economy experience which is something we in this chamber have spoken quite a lot about and most importantly peaceful communities where people living very different lifestyles can happily coexist and we know where the major concentrations of students are, but as Councillor Culley correctly says, many of our wards have little pockets – I have a halls of residence for Nottingham Trent University in my ward

Tackling the impact of alcohol in our city is a priority for this Council. Members will know that I very much favour a 'Goldilocks ' approach to this – if we're too hot and let people do what they want, we know the impact that it has on the city centre and on

communities, but if we're too cold and say that it is time for everyone to go to bed at 11.30 pm we know that that takes away one of the best elements of the city which is its night time economy. So, we have to find ways of landing in the middle of that and we think we're getting there. We take it on at both ends: the health of the individual and the general impact on the community of those individuals' behaviours.

This pilot will slot nicely into the range of things we are doing to tackle the impact of alcohol. We have a Joint Health and Wellbeing Strategy action to raise awareness of the risk of excessive alcohol consumption among students through targeted health promotion work - this is shared with the University of Nottingham and Nottingham Trent University, with the Crime and Drugs Partnership and the Framework Last Orders service. The scheme will also augment the delivery of the city's alcohol strategy Safe, Responsible, Healthy: Nottingham's Approach to Alcohol as well as the work of partners such as Nottinghamshire Police as expressed in the Alcohol Strategy of the Police and Crime Commissioner. In short, very good news and we look forward to working with the university to make sure that it has the maximum impact.

22 REPORT OF THE LEADER ON DECISIONS TAKEN UNDER THE URGENCY PROCEDURES

The Deputy Leader submitted a report, as set out on pages 21 to 24 of the agenda.

RESOLVED to note the urgent decisions taken, as follows:

(1) Urgent decisions (exempt from call-in)

<u>ref</u>	<u>Date of decision</u>	<u>Subject</u>	<u>Value</u>	<u>Reasons for urgency</u>
1453	01/05/2014	Experience Nottinghamshire Funding	£366,000	The decision is required to ensure continuity of service from April 2014.
1461	08/05/2014	Approval for Detailed Design Development and enabling work – Downtown (Sneinton Market) and Creative Catalyst (Dakeyne Street)	£800,000	The delay caused by call-in would seriously disadvantage the Council's or the public's interest.
1466	15/05/2014	Approval of spend to support the implementation of Individual Electoral Registration (IER)	Up to £45,750	To allow the purchase and installation of the scanners prior to the introduction of IER on 10 June.

1480	21/05/2014	Oracle Reporting – E-business customisation	Exempt	Any delay would impact on the delivery of the re-implementation of the reporting project.
1486	03/02/2014	Approval of the costs of a placement for a Child in Care	Exempt	To allow for a timely implementation of the decision.
1487	27/05/2014	Approval of the costs of a placement for a Child in Care	Exempt	To allow for a timely implementation of the decision.
1488	27/05/2014	Approval of the costs of a placement for a Child in Care	Exempt	To allow for a timely implementation of the decision.
1489	27/05/2014	Approval of the costs of a placement for a Child in Care	Exempt	To allow for a timely implementation of the decision.
1490	27/05/2014	Approval of the costs of a placement for a Child in Care	Exempt	To allow for a timely implementation of the decision.
1491	27/05/2014	Approval of the costs of a placement for a Child in Care	Exempt	To allow for a timely implementation of the decision.
1492	27/05/2014	Approval of the costs of a placement for a Child in Care	Exempt	To allow for a timely implementation of the decision.
1493	27/05/2014	Approval of the costs of a placement for a Child in Care	Exempt	To allow for a timely implementation of the decision.
1494	27/05/2014	Approval of the costs of a placement for An Adults care package	Exempt	To allow for a timely implementation of the decision.

23 CRIME AND DRUGS PARTNERSHIP PLAN 2014/15

Councillor David Liversidge submitted a report as set out on pages 25 to 36 of the agenda.

RESOLVED to approve the Crime and Drugs Partnership Plan for 2014/15.

24 TO CONSIDER A MOTION IN THE NAME OF COUNCILLOR TRIMBLE:

Moved by Councillor Dave Trimble, seconded by Councillor Nick McDonald:

“This Council welcomes the Heritage Lottery Fund’s announcement to award a grant towards the £24 million development of Nottingham castle. Along with the redevelopment of the Broadmarsh centre, the opening of the station interchange, developments in the Creative Quarter and our ambitious house building programme, this announcement marks a significant opportunity for local businesses and job creation. This Council therefore resolves to work with the private sector to develop the skills necessary in order to maximise the number of jobs for local people.”

RESOLVED to carry the motion.

CITY COUNCIL – 14 JULY 2014

REPORT OF THE CHAIR OF THE OVERVIEW AND SCRUTINY COMMITTEE

OVERVIEW AND SCRUTINY ANNUAL REPORT 2013-14

1. SUMMARY

- 1.1 In 2013-14 the statutory scrutiny function was delivered through an Overview and Scrutiny Committee, which agreed and co-ordinated the overall work programme and carried out scrutiny of key strategic issues. This Committee was supported by the Health Scrutiny Panel, the Joint Health Scrutiny Committee, the Call-in Panel and a number of Scrutiny Review Panels commissioned by the main Overview and Scrutiny Committee.
- 1.2 I would like to record the Council's thanks to the following individuals, organisations and groups who supported Overview and Scrutiny during the last Municipal Year:
- Our partners and Executive Councillors who have been involved in overview and scrutiny work, both in providing the evidence that underpins our reports and in responding to our recommendations;
 - The many community representatives, voluntary and community sector groups and individual citizens who have contributed to and supported Overview and Scrutiny; and
 - Colleagues in the Council who have also supported our work.
- 1.3 The Overview and Scrutiny Annual Report for 2013/14 is appended to this report for the consideration of Council.

2. RECOMMENDATIONS

IT IS RECOMMENDED that the Overview and Scrutiny Annual Report for 2013-14 is accepted.

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

None.

4. PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT

Reports, agenda and minutes of the Overview and Scrutiny Committee, Health Scrutiny Panel, Joint Health Scrutiny Committee, Call-in Panel and Scrutiny Review Panels during the municipal year 2013-14.

**COUNCILLOR BRIAN PARBUTT
CHAIR OF THE OVERVIEW AND SCRUTINY COMMITTEE**

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Nottingham
City Council

Overview & Scrutiny Annual Report

2013-14

Page 19



Nottingham City Council

Overview and Scrutiny Annual Report 2013-14

Introduction

Overview and scrutiny exists to help improve governance and public services. It ensures the Council's Executive is publicly held to account for its decisions and actions, and promotes open and transparent decision-making and democratic accountability. It also has a wide remit to explore how the Council and its partner organisations could improve services for the people of Nottingham by:

- reviewing existing policy and contributing to the development of new policy;
- acting as a 'critical friend' to those making decisions;
- holding decision-makers to account for their decisions and actions through call-in;
- challenging performance to ensure that services are meeting the needs of local communities.

The purpose of this annual report is to review how the Overview and Scrutiny function performed in 2013-14 and provide a snapshot of the contribution it made to improving public services.

The structure for Overview and Scrutiny in 2013-14 was:-

- an Overview and Scrutiny Committee to determine and co-ordinate a prioritised work programme and carry out scrutiny of key strategic issues;
- a series of single session reviews, carried out by review panels, with very focused scopes, mainly comprising operational and partnership working;

- a Health Scrutiny Panel to scrutinise health and adult social care issues within the city;
- a Joint Health Scrutiny Committee to scrutinise health issues across the Nottingham conurbation with members from both the City and County Councils;
- a Call-in Panel to review executive decisions when requested by non executive councillors. This Panel met once during the year.

The function is facilitated by two Overview and Scrutiny Review Co-ordinators, with support from colleagues in Constitutional Services.

Successful Overview and Scrutiny depends upon active participation, not only from non executive councillors, but also the input of many others including executive councillors; colleagues; representatives of external organisations and partners, including the voluntary sector; interest groups and individual citizens.

This year scrutiny has been supported by many organisations and individuals including: Environment Agency, Severn Trent, The Canals and Rivers Trust, Allotment holders, Nottingham Community and Voluntary Service (NCVS), Nottingham Crime and Drugs Partnership (CDP), Nottingham University Hospitals NHS Trust, Nottinghamshire Healthcare NHS Trust, Nottingham CityCare Partnership, East Midlands Ambulance Service, Circle, who run Nottingham NHS Treatment Centre, Nottingham City Clinical Commissioning Group and other Clinical Commissioning Groups in south Nottinghamshire, Nottinghamshire Hospice, Arriva who provide patient transport

services, Derbyshire Health United who provide NHS 111, Healthwatch Nottingham and Healthwatch Nottinghamshire, Nottingham Equality and Fairness Commission, and individual patients and users of health services.

The scrutiny review panels commissioned covered a variety of topics and were actively supported by colleagues and partners, who have given time and their expertise to report on topics, but who have also been open to the recommendations made by panels.

We offer our sincere thanks to all those who provided us with information, attended meetings and responded to our recommendations in 2013-14.

Contributing to improvement in public services

Adding Value and Making an impact – participation and service outcomes

We look to maximise the opportunities for Overview and Scrutiny to be of value to the Council, our partners and citizens of Nottingham. With this in mind, the Work Programme is developed to ensure that each review topic has a clear purpose and is focussed on achieving outcomes. This year the commissioning of review panels with a single responsibility and to be completed in a single session has resulted in an increased number of reviews being carried out.

The following are some examples of the impact and outcomes which have flowed from the findings and recommendations of scrutiny activity in 2013-14:

Overview and Scrutiny Committee activity

As part of its remit this Committee looks at strategic issues and partnerships affecting the Council and the City's residents. Major issues involving crime are reported on annually by the Crime and Drugs Partnership (CDP) who reported back on the progress of the targets in the Partnership Plan and the results of the Strategic Assessment 2012/13. With informative data and helpful insights provided by Peter Moyes, Director of the CDP, and his colleagues, the Committee is able to explore the progress and priorities each year.

To explore the Council's and its partners' activities to promote and build the economic climate in the future, the Committee received progress reports on the Nottingham Plan, which includes the strategic objectives of the Council, and on the Nottingham Growth Plan, focusing on its flagship project, the 'Creative Quarter'. The ambition and aims of the Nottingham Growth Plan include fostering enterprise by supporting small businesses, encouraging entrepreneurship, developing a skilled workforce and ensuring local jobs for local people. In response to the information provided, the Committee made the following recommendations to the Portfolio Holder for Jobs and Growth:

- to target marketing and communication relating to the financial and other support available for new business start up to minority ethnic groups;
- to remember the importance of district centres such as Bulwell and address issues for these areas as part of the package of regeneration of the City as a whole.

During the year, there was a lot of media attention on the sexual exploitation of children and young people in various

parts of the country, with high profile court cases about the grooming and exploitation of teenage girls. As the Council is a corporate parent and has safeguarding responsibilities, it was appropriate to explore these topical issues and the action being taken by the Council and its partners. Martin Hillier (Nottinghamshire Police), Pete Turgoose (Project Manager – Protect and Respect Project, NSPCC) and Anne Partington (Nottingham City Council Safeguarding) provided reassuring information on the actions being taken by the partnerships and also sought to dispel myths around this topic which have been proliferated in some of the media. It was confirmed that there was nothing to suggest that Nottingham had a particular problem with organised child sexual exploitation. National research suggests, contrary to many media reports, that child sexual exploitation is often more opportunistic and, if at all, only loosely organised. Responding to the information received it was suggested that the Child Sexual Exploitation Cross Authority Group should explore opportunities for raising awareness of child sexual exploitation issues in local communities as well as raising the profile of child safeguarding issues, including child sexual exploitation, amongst all councillors.

Partnerships and the voluntary sector were also examined with a focus on how the Voluntary and Community Sector (VCS) is being affected by the continuing reductions in budget. The results of the annual State of the Sector Survey were presented by Ferg Slade of Nottingham Community and Voluntary Services (CVS) and Karla Kerr, Market Development Officer for the Council, spoke on the streamlining of investment to the voluntary sector. The VCS is a key partner in delivering many services and a lot of work is taking place to ensure streamlining funding more effectively through Lead Organisations with Service Level agreements in place to ensure that commissioned services are effectively managed. Catherine Cook from Nottingham HLG (an organisation of voluntary

sector organisations working in the homeless, housing, health and social care sectors) reported that some voluntary and community sector groups which deal with health and wellbeing issues were experiencing challenges in understanding, and effectively engaging with the new health landscape. This was particularly so at a strategic level as there is no longer a clearly identified single contact person for voluntary sector issues within the Council. The Committee felt this would be a useful issue to be explored by the Health Scrutiny Panel.

A protocol was developed and agreed between the Overview and Scrutiny Committee and the Equality and Fairness Commission to formalise how issues could be referred between each body and the process for review of a topic. It was agreed that duplication should be avoided wherever possible and that where appropriate members from either group can be invited to contribute to reviews as there were many shared topics of interest. One topic proposed and accepted as a review topic for scrutiny in 2014/15 is how commissioning and procurement can promote equality.

Lisa Black Head of Revenues, Benefits and Welfare Advice (Nottingham City Council) and Trish Heaton, Chief Officer of Nottingham Citizens' Advice Bureau (CAB) jointly updated the Committee on how the range of issues citizens are seeking advice about has changed and what provision is in place to help these citizens. During 2013/14 over 3,000 advice sessions were offered, helping 12,549 citizens. The factors driving demand largely relate to welfare reform, for example the introduction of social size criteria and the tightening of benefit sanctions. Given that welfare reform is continuing, the Committee was keen to request that future briefings are provided on the increasing use of food banks, as well as the change from Disability Living Allowance to Personal Independent Payments, which will affect Nottingham's citizens.

Scrutiny Review Panels 2013-14

The natural environment and green spaces

This year scrutiny review topics were closely related, ie either supported by the same service or by theme. There was a great deal of interest in how the Council is managing its responsibilities in terms of the urban environment and green and open spaces to promote the wellbeing of citizens by developing more natural environments to live in as well as being custodians of the natural landscape. This resulted in reviews exploring the impact of Ash Die Back, Tree Management Services, Allotments and Managing Public Footpaths on Public Waterways (Rivers and canals).

Page 23 All the panels were very appreciative of the time and support given by the teams in Parks and Open Spaces to these reviews and the valuable insights provided on how these services are managed and run.

It is clear the Council has an important role in terms of managing the natural environment whilst at the same time ensuring services are being delivered to provide value for money within reducing budgets. The Tree Management Service is an example of where a service has had to review its own provision, cost effectiveness and priorities. This has resulted in outsourcing part of the work to an external provider to maintain the City's green canopy for future generations.

The Council has a statutory responsibility in relation to flood risk management and each year the Environment Agency and Severn Trent attend with council colleagues to discuss recent flooding events, how effectively the agencies work together and how they work with citizens. Ironically, the first meeting had to

be deferred as the representatives were called to an emergency meeting in London following the flood surge events in December 2013, which caused massive damage to coastal regions. Nottingham did not suffer the extensive flooding of areas such as the Somerset levels in the early part of this year but it has suffered localised severe flooding as a result of major storms. On 23 July 2013 there were 26mm of rain in 29 minutes which tracked across the City in a north east direction. Over 100 domestic properties and 30 commercial properties suffered internal flooding and the Highway Services Out of Hours service distributed sandbags and carried out emergency highway repairs and gully clearance. Door to door enquiries took place over a 3 week period of all properties that were known to have flooded to gather data. The Council is leading on the formal investigations, linking in with the local Surface Water Management Plan to investigate causes of flooding. This appears to be mainly the result of surface water interacting with the sewers, so Severn Trent are also supporting the investigation through CCTV and modelling work.

The progress of the implementation of the Gully Cleansing regime was welcomed as a key factor in helping to reduce localised flooding by ensuring gullies are routinely cleaned and inspected, as well as emergency support provided when there are major rain events in high risk areas.

The Panel agreed that next review should take place after these formal investigations have been completed and that the Council could also explore the promotion of the Environment Agency's alert system through the Nottingham Arrow etc. The Panel also wanted to promote education/communication work with community groups in high risk areas. The Panel also recommended that there be an exploration of potential for the service to promote the effective use of flood management products and the possibility of the Council selling them to its residents.

Anti-social behaviour from pet ownership and humans

These reviews included looking at anti-social behaviour of dogs and irresponsible dog ownership, wheelie bins left out on pavements which obstruct pedestrians and wheelchair users etc, and inconsiderate parking around educational establishments, eg blocking driveways and parking in restricted areas during drop off and collection times from schools.

These reviews explored the impact of irresponsible actions by citizens and the role of Council services which tackle these through education and enforcement action where appropriate. Community Protection and other council colleagues supported these reviews as well as external organisations, such as The Dogs Trust and Nottinghamshire Police, who provided insight to promote positive and responsible pet ownership through education and free micro-chipping at Council led events. Education and support are also key features of City Services (Waste Management) and they work in partnership with Community Protection to issue information leaflets as well as issuing Fixed Penalty Notices.

Community Protection and Enforcement play a major role in supporting neighbourhood drives and events as well as taking robust action to discourage people from parking inappropriately around schools and supporting Road Safety colleagues to provide talks to schools.

Scrutiny Review Panel conclusions

The overwhelming message from all the reviews is that all services provided by the Council and its partners are working hard to communicate and educate citizens on a range of environmental issues. This is a challenge given the high turnover of residents in the city in terms of its student

population, as well as new and emerging communities whose first language is not English. It is evident that many services are now carried out in partnership with the voluntary sector, other public organisations such as Severn Trent, the Environment Agency and the Canals and Rivers Trust. More work is needed to communicate with the hardest to reach groups who may not speak English, but also may have very different cultural histories in terms of recycling waste and citizenship for example.

Reflecting on our experiences of Scrutiny Review Panels and looking ahead

In 2013/14 we tested the new approach of carrying out short, sharp reviews in one sitting. While this has resulted in some good focused scrutiny work, we hope that allowing time for some more in depth reviews in the coming year will help to bring greater challenge to the process. Whilst the single session reviews have proved popular, they have not enabled members to explore issues in depth when this would add value to the process and on some occasions Panels would have liked to have had an opportunity to call in more contributors or carry out more research to identify further evidence. It is important to remain focused but to be sure that the appropriate level of challenge is brought to the scrutiny process.

Each year the Committee carries out a workshop exercise where it explores topical and impending issues as potential review topics. Supported by colleagues in the Council's Policy and Performance team, ideas are explored and scoped. The Committee is grateful for the support of these colleagues in providing data, research and information on future legislative changes.

Call-in Panel

The Call-in Panel met on 15 August 2013 to consider a call-in request from non executive councillors on executive decision 0918 - Pay by phone parking zone tariffs, which included setting costs for parking in the different zones of the City. The call-in was on the basis that there had been inadequate consultation prior to the decision being taken and the relevant information, for example the impact of displaced traffic on neighbourhood areas, had not been considered. However, the Panel did not uphold the call-in and agreed that the decision could be implemented immediately.

Health Scrutiny

The Council has a statutory responsibility to review and scrutinise the planning and delivery of health services in the local area and where necessary make reports and recommendations for improvement to organisations which commission and provide NHS funded services. During 2013/14 health scrutiny was carried out by the Health Scrutiny Panel and the Nottingham City and Nottinghamshire County Joint Health Scrutiny Committee.

Relationship building

In April 2013 there were major changes to the way in which health services are commissioned and overseen. Therefore over the last year health scrutiny has focused on continuing to build good working relationships with its partners in the new health and social care landscape. This has included local Clinical Commissioning Groups, Healthwatch, the Health and Wellbeing Board, public health colleagues within the Council, NHS England Derbyshire and Nottinghamshire Area Team, and the Care Quality Commission (CQC).

Scrutiny has proactively developed a working agreement with Healthwatch Nottingham and the Health and Wellbeing Board to identify opportunities to work together and complement each others' roles, making best use of resources, while avoiding duplication in activity. We are already seeing the benefits of sharing information with Healthwatch. Every year councillors have the opportunity to review the performance of providers against their stated priorities for the year and their intended priorities for the future; and then give a formal comment on this for inclusion in each published Quality Account document. This year councillors allocated more focused time to this activity and invited Healthwatch to join in this work. This helped to improve the robustness of comments and positive feedback has been received from providers on this approach.

Scrutinising substantial changes to local health services

Health scrutiny has a statutory role in considering proposals to substantially develop or vary health services affecting City residents. This year that has included changes to community paediatric clinics, closure of an inpatient ward for patients with dementia to refocus services towards a community model of provision and, currently, proposals to remodel Walk In Centre provision in the City to develop an Urgent Care Centre. Councillors are looking at the extent of consultation and engagement on the proposals and whether the proposed changes are in the best interests of local health services.

Reviewing issues of concern in health service provision

Health scrutiny councillors also review and scrutinise health and social care services where there might be issues or concerns about the service experienced by patients and service users. Examples of work that has been undertaken this year include:

- Derbyshire Health United (DHU) provides the NHS 111 service for Nottingham. Following a successful launch of the new service, performance started to decline partly due to insufficient staff to deal with calls and longer than anticipated call lengths. DHU recruited and trained additional staff and councillors were satisfied performance had improved and remedial plans had been put in place. Councillors visited the call handling centre to see the service in action. However, DHU advised that this level of staffing was not sustainable and workforce changes to improve efficiency needed to be implemented. Changes were due to take place by May 2014 and data shows that there has been some decline in performance over this period. Councillors will be following this up with DHU and service commissioners in July to ensure that performance is restored and maintained.
- Concerns were raised about waits for the pharmacy service at Nottingham University Hospitals (NUH). Councillors heard about the way in which the pharmacy service is provided and issues associated with its provision. They also heard about a project taking place to reduce medication waiting times for inpatients, helping to speed up hospital discharges. While NUH was already making improvements to the pharmacy outpatient environment the project had not specifically focused on delays in the pharmacy outpatient service. Councillors highlighted concerns about this to NUH which has undertaken to look at these. Councillors are still gathering more evidence on this issue and due to make recommendations for improvement in early 2014/15.
- There has been a long-standing concern about poor performance of the Patient Transport Service, provided by Arriva. Councillors have spoken to Arriva and service commissioners about issues when the contract commenced in July 2012 but despite reassurances about action plans for

improvement being in place performance has remained unsatisfactory and councillors have heard concerns about the impact of this on service users and organisations such as NUH. The Joint Health Scrutiny Committee expressed its concern and unhappiness directly to Arriva and to commissioners. It is understood that contract penalties have been enacted.

- The Council is now responsible for commissioning the NHS Health Check Programme. Councillors explored what is being done to maximise take-up rates, and because people are targeted via their GP, councillors identified a potential gap in provision for people who are not registered with a GP. Councillors asked public health colleagues to look at how this can be addressed and will be receiving information on this during 2014/15.
- Nationally there has been a high media profile on the quality of care in care homes and care at home services, and locally CQC inspections have identified examples of poor care. Councillors have reviewed the Council's role in commissioning these services and how risks to the authority in ensuring older citizens living in residential care homes receive safe, appropriate and good quality care are being managed. Later in 2014, several months into the new framework for commissioning care at home services, councillors intend to carry out a review of patient experience of care at home services.

Responding to the Francis Report

The Francis Report into failings at Stafford Hospital identified systemic failures in a range of national and local organisations to respond to public concerns, including health scrutiny. Consideration has been given to the implications for health scrutiny in Nottingham and the risks to the local authority. In response councillors attended a joint training session with

Nottinghamshire County Councillors exploring these risks and how to mitigate them.

Another key issue identified in the Francis Report was the way in which complaints are handled by providers. As a result health scrutiny has scrutinised the way in which complaints are handled by Nottinghamshire Healthcare Trust, Nottingham University Hospitals Trust, East Midlands Ambulance Service Trust and Nottingham CityCare Partnership, and how these organisations are responding to recommendations from the national review of NHS Complaints Handling. Overall, councillors were reassured by the complaints handling processes in place and that providers were aware of areas for improvement and had plans in place to address these. Several providers have identified complaints handling as a priority area for improvement during 2014/15 and councillors will be interested to see how this develops.

In response to issues highlighted in the Francis Report, the CQC has revised its approach to inspection of health and social care providers and over the last year has piloted new models of inspection. Nottingham University Hospitals NHS Trust (NUH) was one of the first acute hospitals to be inspected under this new approach. Health scrutiny submitted evidence for consideration by the inspection team and attended the Quality Summit held at the end of the inspection to hear the outcomes for improvement. Councillors have since spoken to the Trust's Medical Director about implementation of the recommendations.

Health scrutiny has also provided evidence to inform the recent inspection of the mental health services and community services provided by Nottinghamshire Healthcare NHS Trust. At the time of writing the outcome from this inspection is still awaited.

Contact information

For further information about this report, and anything else related to Overview and Scrutiny, please contact the Overview and Scrutiny Team:

Telephone: 0115 8764296 or 0115 8764315

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If you require this information in an alternative language, **large font**, Braille, audio tape or text only version, please contact the Overview and Scrutiny Team on 0115 8764296 or 0115 8764315.

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CITY COUNCIL – 14 JULY 2014

REPORT OF THE LEADER

COMMITTEE MEMBERSHIP

1 SUMMARY

- 1.1 To propose amendments to membership of committees as specified in the recommendations in paragraph 2, following the resignation of the Labour whip by Councillor Emma Dewinton.

2 RECOMMENDATIONS

It is recommended that Council agrees

- 2.1 the removal of Councillor Emma Dewinton from the following committees:

- Planning Committee
- Corporate Parenting Board;

- 2.2 the appointment of councillors to committees as follows:

- Planning Committee – Councillor Gul Khan
- Corporate Parenting Board – Councillor Sally Longford.

3 REASONS FOR RECOMMENDATIONS (INCLUDING OUTCOMES OF CONSULTATION)

- 3.1 The resignation of the Labour whip by Councillor Emma Dewinton has altered the political balance of the Council. Council must, therefore, review membership of its committees in accordance with the Local Government and Housing Act 1989 and the Local Government (Committees and Political Groups) Regulations 1990.

4 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

- 4.1 The allocation of seats on Council committees is governed by legislation and has to be recalculated if there is a change to the political balance. Not to review political balance is not an option.

5 BACKGROUND

- 5.1 Under the Local Government and Housing Act 1989 s15 (the 'Act') and Regulations made under s15(1) (e) of that Act, the Council is required to review and determine the representation of political groups on committees and sub committees and allocate places to political groups accordingly.
- 5.2 Political balance has been recalculated and applied to all relevant 'ordinary committees' as specified in the regulations following Councillor Emma Dewinton's resignation of the Labour whip.
- 5.3 The result of the recalculation is that across the 57 seats for the 'ordinary committees'

to which political balance applies, 51 can be allocated to Labour; 4 to Conservatives and 2 to 'others' (ie the independent councillors). Councillor Jeannie Packer has already declined the offer of a seat on one of these committees.

The majority group agreed that seats would, therefore, be distributed as follows: 46 Labour; 10 Conservative; 1 'other'. To achieve this it was proposed to remove Councillor Emma Dewinton from Planning Committee and to appoint her to Trusts and Charities Committee. However Councillor Emma Dewinton has declined the offer of a seat on Trusts and Charities Committee.

- 5.4 The Corporate Parenting Board is not a body that is subject to the statutory political balance calculations. However, to maintain the political balance on the Board as agreed by Council at its annual meeting on 12 May 2014, it is proposed to remove Councillor Emma Dewinton from Corporate Parenting Board and to appoint Councillor Sally Longford instead.

6 FINANCIAL IMPLICATIONS (INCLUDING VALUE FOR MONEY)

- 6.1 There are no direct financial or value for money implications arising from this report.

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

- 7.1 The Council would be in breach of its statutory duty if it did not appoint committee membership in line with legislation.

8 EQUALITY IMPACT ASSESSMENT (EIA)

- 8.1 An equality impact assessment of this proposal is not required as it does not involve new or changing policies, services or functions, or financial decisions which will have an effect on services.

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

- 9.1 None

10 PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT

- 10.1 Appointments and First Meetings of Boards, Committees and Joint Bodies etc 2014-2015, Report of the Leader to Council, 12 May 2014
- 10.2 Local Government and Housing Act 1989 and the Local Government (Committees and Political Groups) Regulations 1990.

**COUNCILLOR JON COLLINS
LEADER OF THE COUNCIL**

CITY COUNCIL – 14 JULY 2014

REPORT OF THE LEADER

DECISIONS TAKEN UNDER URGENCY PROCEDURES

1 SUMMARY

- 1.1 As required by the Council's Constitution, this report informs Council of urgent decisions taken under provisions within both the Overview and Scrutiny Procedure Rules and Access to Information Procedure Rules.

2 RECOMMENDATIONS

- 2.1 It is recommended that Council notes the urgent decisions taken, as detailed in the appendices.

3 REASONS FOR RECOMMENDATIONS (INCLUDING OUTCOMES OF CONSULTATION)

- 3.1 To ensure compliance with the procedures detailed in the Council's Constitution.

4 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

- 4.1 None.

5 BACKGROUND

5.1 Call-in and Urgency (Overview and Scrutiny) Procedure Rules

- 5.1 Council will be aware that the call-in procedure does not apply where the decision taken is urgent. A decision is urgent if any delay likely to be caused by the call-in process would seriously prejudice the Council's or the public's interests. Part 4, paragraph 15, of the Constitution requires that where a decision is taken under the urgency procedure, that decision needs to be reported to the next available meeting of Council, together with the reasons for urgency. The urgency procedure requires that the Chair of the Overview and Scrutiny Committee must agree both that the decision proposed is reasonable in all the circumstances and that it should be treated as a matter of urgency. In the absence of the Chair, the Vice-Chair's consent is required. In the absence of both, the Chief Executive or his nominee's consent is required. Details of the decisions made where the call-in procedure has not applied due to urgency are set out in Appendix 1.

5.2 Special Urgency – Access to Information Procedure Rules

- 5.3 The Local Authorities Executive Arrangements (Access to Information) (England) Regulations 2012 introduced a requirement for 28 clear days public notice to be given of all proposed key decisions. Where it is not possible to give the full 28 days notice, but there is time to give at least 5 clear days notice, then the General Exception procedure (as set out in Part 4 of the Constitution, paragraph 13 of the Access to Information Procedure Rules) applies. Where 5 clear days notice is also not possible, the above regulations provide for a Special Urgency Procedure (Part 4 of the Constitution, paragraph 14)

- 5.4 An urgent key decision may only be taken under the Special Urgency procedure where the decision taker has obtained agreement that the decision is urgent and cannot reasonably be deferred from:
- (i) the Chair of the Overview and Scrutiny Committee or
 - (ii) if there is no such person, or if the Chair of the Overview and Scrutiny Committee is unable to act, the Lord Mayor (as Chair of the Council) or
 - (iii) where there is no Chair of either the Overview and Scrutiny Committee or Lord Mayor, the Sheriff (as Vice Chair of Council).

Once agreement has been sought and as soon as reasonably practicable, the decision maker must publish a notice at the Council's offices and on the Council's website that the decision is urgent and cannot reasonably be deferred.

In addition the procedure requires that the Leader submits quarterly reports to Council containing details of each executive decision taken during the period since the last report where the making of the decision was agreed as a case of special urgency (paragraph 16.2, Part 4 of the Constitution).

- 5.5 Details of key decisions taken under the special urgency procedures are set out in appendix 2.

6 FINANCIAL IMPLICATIONS (INCLUDING VALUE FOR MONEY)

- 6.1 None.

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

- 7.1 None.

8. EQUALITY IMPACT ASSESSMENT (EIA)

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

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

- 9.1 None

10 PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT

- 10.1 The Council's Constitution
- 10.2 The delegated decisions and committee reports detailed in the appendix to this report.

**COUNCILLOR JON COLLINS
LEADER OF THE COUNCIL**

URGENT DECISIONS (EXEMPT FROM CALL-IN)

<u>Decision reference number</u>	<u>Date of decision</u>	<u>Subject</u>	<u>Value of decision</u>	<u>Decision Taker</u>	<u>Consultee on urgency</u>	<u>Reasons for urgency</u>
1498	27/05/2014	Approval of the costs of a placement for a child in care	Exempt	Portfolio Holder for Children's Services	Chair of Overview and Scrutiny Committee	To allow for a timely implementation of the decision.
1500	29/05/2014	Approval of the costs of an adults care package	Exempt	Corporate Director for Children and Adults	Chair of Overview and Scrutiny Committee	To allow for a timely implementation of the decision.
1501	04/06/2014	Electoral Services Staffing	£92,956	Deputy Leader	Chair of Overview and Scrutiny Committee	Staffing arrangements need to be in place as soon as possible.
1503	04/06/2014	Tender to the Peabody Housing Trust	Exempt	Leader	Vice-Chair of Overview and Scrutiny Committee	The decision could not be delayed because the tender has to be returned by 5 June 2014.
1507	06/06/2014	Approval for the allocation of funding and approval to enter into contracts in relation to the design of Heathfield Primary School	£350,000	Leader	Vice-Chair of Overview and Scrutiny Committee	The target date of opening the expansion is 1 September 2015 and the contract with Wates needs to be signed in the next few days.
1525	18/06/2014	Southglade Food Park Phase 2 ERDF project - approval to proceed to construction and sign contract	£645,752	Deputy Leader	Chair of Overview and Scrutiny Committee	The project has already been delayed and the contractors have made it clear that further delays would mean the currently agreed contract price rising.
1532	02/07/2014	Approval of the costs of an Adults Care Package	Exempt	Corporate Director for Children and	Chair of Overview and Scrutiny Committee	To allow for a timely implementation of the decision.

Page 33

<u>Decision reference number</u>	<u>Date of decision</u>	<u>Subject</u>	<u>Value of decision</u>	<u>Decision Taker</u>	<u>Consultee on urgency</u>	<u>Reasons for urgency</u>
				Adults		
1539	30/06/2014	Growing Places Fund - Capital Local to DSF Refractories and Minerals Ltd	£2,150,000 (delegated by Board)	Corporate Director for Development and Growth	Chair of Overview and Scrutiny Committee	To allow for a timely implementation of the decision.

KEY DECISIONS – SPECIAL URGENCY PROCEDURE

<u>Date of decision</u>	<u>Subject</u>	<u>Value of decision</u>	<u>Decision Taker</u>	<u>Reasons for special urgency</u>
04/06/2014	Tender to the Peabody Housing Trust	Exempt	Leader	The decision cannot be delayed because the tender has to be returned by 5 June 2014.

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CITY COUNCIL – 14 JULY 2014

REPORT OF THE DEPUTY LEADER

TREASURY MANAGEMENT 2013-14 ANNUAL REPORT

1 SUMMARY

1.1 This report sets out the 2013/14 performance in respect of the management of the Council's external debt and investments (i.e. treasury management). The key issues are:

- the average rate of interest payable on external debt increased from 3.788% at 1 April 2013 to 3.795% at 31 March 2014 (see section 5.2 – Loan Debt);
- the average rate of interest earned on short-term investments in 2013/14 was 0.651%. This is benchmarked against the 7 day London Inter-bank (LIBID) rate provided by the Bank of England, which averaged 0.413% for the same period (see section 5.2 – Investment Performance);
- the 2013/14 out-turn showed General Fund Treasury Management expenditure of £59.694m (see section 6.1);
- updating the approved investment counterparty list.

2 RECOMMENDATIONS

2.1 To note the performance information in relation to Treasury Management for 2013/14.

2.2 To consider and approve the amendment of the 2014/15 Treasury Management Strategy to add Close Brothers Limited to the approved counterparty list.

3 REASONS FOR RECOMMENDATIONS

3.1 Council adopted the Chartered Institute of Public Finance and Accountancy (CIPFA)'s revised Code of Practice on Treasury Management in Local Authorities (the Code) on 05 March 2012. Part of the Code requires a formal annual report on the performance of the Treasury Management function.

3.2 Amendments to the Council's annual treasury management strategy are required to be approved at a meeting of Full Council in accordance with the adopted CIPFA Code of Practice for Treasury Management

4 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

4.1 Options for management of the Council's debt and investment portfolio are continually reviewed. The overall aim is to minimise the net revenue costs of our debt whilst maintaining an even debt profile in future years, and to maximise investment returns within stated security and liquidity guidelines.

4.2 The approval of amendments to the Treasury Management Strategy is a requirement of the adopted Code, so no other options are available for consideration

5 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)

5.1 Treasury Management entails the management of the Council's cash flows, its

borrowings and investments, the management of the associated risks and the pursuit of the optimum performance or return consistent with those risks. To assist in this process the Council retains external financial advisors

5.2 TREASURY MANAGEMENT ACTIVITY IN 2013/14

External advisors

External advisors (Arlingclose) are retained to provide additional input on treasury management matters. The service comprises economic and interest rate forecasting, advice on strategy, portfolio structure, debt restructuring, investment policy and credit ratings and technical assistance on other matters, as required.

Prudential Indicators

Following the Local Government Act 2003, the Council is required to approve a series of treasury management prudential indicators. These were approved on 4 March 2013 by Council as part of the 2013/14 Treasury Management Strategy.

In compliance with the requirements of the CIPFA Code of Practice this report provides a summary of the treasury management activity during 2013/14. None of the Prudential Indicators have been breached and a prudent approach has been taken in relation to investment activity with priority being given to security and liquidity over yield. Appendix 1 shows actual performance against these indicators for 2013/14 together with comparative figures for 2012/13.

The prudence indicators reflect the management of the capital programme and associated debt, within existing resource limitations. The affordability and treasury management indicators, indicate whether the 2013/14 actual figures were within the set limits.

The 'PFI and leasing debt' figures within the indicators reflect the notional debt element of those schemes financed through Private Finance Initiative (PFI) funding or finance leases.

The Council also confirms that during 2013/14 it complied with its Treasury Management Policy Statement and Treasury Management Practices.

Loan debt portfolio

Total outstanding debt during 2013/14 decreased by £66.3m to £710.3m at 31 March 2014. The average rate of interest on that debt increased slightly, from 3.788% at 1 April 2013 to 3.795% at 31 March 2014. The majority of long-term borrowing is raised from the Government's Public Works Loan Board (PWLB). Table 1 analyses the debt portfolio:

TABLE 1: DEBT PORTFOLIO				
	1 APR 2013		31 MAR 2014	
DEBT	£m	%	£m	%
PWLB borrowing	684.8	3.950	648.8	3.814
Market loans	51.3	4.287	49.9	4.324
Local bonds	0.6	2.200	0.4	1.962
Temporary borrowing	39.9	0.393	11.2	0.393
TOTAL DEBT	776.6	3.788	710.3	3.795

Good treasury management practice requires a spread of maturing debt over future years, avoiding large amounts of debt falling to be repaid in any one year. Prudential indicators include a requirement for fixed debt maturity to be within set parameters. Table 2 shows that the actual debt percentages at 31 March 2014 fall within those parameters:

TABLE 2: DEBT MATURITY ANALYSIS		
Period of loan	Parameters	31/03/14
	%	%
Under 12 months	0 – 25	3.56
1 to 2 years	0 – 25	2.13
2 to 5 years	0 – 25	12.46
5 to 10 years	0 – 50	19.23
10 to 25 years	0 – 50	33.10
25 to 40 years	0 – 25	20.50
> 40 years	0 – 75	9.02

The debt maturity profile is reviewed as part of the overall review of treasury management strategy.

Economic background

At the beginning of the 2013-14 financial year markets were concerned about lacklustre growth in the Eurozone, the UK and Japan. Lack of growth in the UK economy, the threat of a ‘triple-dip’ alongside falling real wages (i.e. after inflation) and the paucity of business investment were a concern for the Bank of England’s Monetary Policy Committee.

With new Governor Mark Carney at the helm, the Bank of England unveiled forward guidance in August pledging to not consider raising interest rates until the unemployment rate fell below the 7% threshold. In the Bank’s initial forecast, this level was only expected to be reached in 2016. Although the Bank stressed that this level was a threshold for consideration of rate increase rather an automatic trigger, markets began pricing in a much earlier rise than was warranted and, as a result, gilt yields rose aggressively.

The UK economy registered overall growth of 1.7% in Gross Domestic Product (GDP) for the calendar year 2013. Much of the improvement was down to the dominant service sector, and an increase in household consumption buoyed by the pick-up in housing transactions which were driven by higher consumer confidence, greater availability of credit and strengthening house prices which were partly boosted by government initiatives such as Help-to-Buy. However, business investment had yet to recover convincingly and the recovery was not accompanied by meaningful productivity growth. Worries of a housing bubble were tempered by evidence that net mortgage lending was up by around 1% annually.

The UK Bank Rate was maintained at 0.5% through the year and the Government’s Funding for Lending scheme introduced in 2012, continued to provide cheap funding for banks. These factors led to the short-term money market rates remaining at very low levels which continued to have a significant impact on investment income. The average 3-month LIBID rate during 2013/14 was 0.45%, the 6-month LIBID rate averaged 0.53% and the 1-year LIBID rate averaged 0.78%.

The low rates of return on the Authority's short-dated money market investments reflect these prevailing market conditions and the Authority's objective of optimising returns commensurate with the principles of security and liquidity.

Strategy during year

The overall Treasury Management strategy for 2013/14 was approved at a meeting of the Council on 4 March 2013 and included:

- *new borrowing*

A borrowing requirement of £72.4m was estimated for 2013/14, to replace maturing debt and finance capital expenditure. The type, period, and timing of new borrowing would be dependant on the expected movement in interest rates and the existing debt maturity profile, as well as approved prudential indicators and limits. The continued use of existing surplus cash to fund the borrowing requirement ('internal borrowing') would remain an option, given projected interest rates.

- *rescheduling*

Rescheduling of debt (the early repayment of existing loans and the replacement of that debt with new borrowing for different periods) is undertaken to improve the maturity profile of outstanding debt and reduce the interest charge on the revenue account. It was intended to take advantage of such opportunities if and when they arose during the year.

- *investments*

Cash surpluses during the year would be invested with security and liquidity being the primary driver. Within those stated guidelines, the interest earned would be maximised. Investment activity would follow the specific approach included within the Treasury Management strategy report. The use of such surpluses to fund the borrowing requirement, on a temporary basis, would continue where appropriate.

Performance

Performance on the various elements within the adopted treasury management strategy during 2013/14 is set out below:

- *Overall borrowing strategy*

In 2013/14, surplus cash continued to be used to suppress the need for new borrowing due to the margins between long-term borrowing costs and short-term investment returns. Despite foregone investment income this strategy continues to generate significant revenue savings and reduced overall treasury risk. Whilst such a strategy is most likely to be beneficial over the next 2-3 years as official interest rates remain low, it is unlikely to be sustained in the medium-term.

- *New borrowing*

There was no new long-term borrowing raised in 2013/14.

- *Other repayments / rescheduling*

Opportunities to reschedule existing debt remained very limited during the year, as a result of continuing low rates of interest across all periods.

- *Investments*

Investments of surplus cash were made with approved counterparties throughout the year, in line with the strategy approved by Council in March 2013.

Investments are cash generated from a combination of core cash, the cash being carried from the NET loan taken in advance of need, short-term surpluses and various reserves and provisions.

The counterparty list is based on the approved financial institution achieving a minimum specified credit rating, with the lowest rating from the three rating agencies being applied. Other factors, such as share prices, Credit Default Swap rates, sovereign credit ratings and support mechanisms and market sentiment are also considered. Monitoring of all these elements is carried out by the Council and by its advisors each day.

- *Investment performance*

The average sum formally invested during the year was £223m, earning total interest of £1.436m at an average rate of 0.651%. The investment portfolio was inflated by the £100m advance borrowing raised for NET Phase 2 project taking advantage of the very low long-term interest rates available at the time (November/December 2012). The effect of this additional investment sum, and the lower short-term interest rates following the Government's Funding for Lending scheme, meant that the average return for 2013/14 fell below the original estimate of 0.82%.

The Council benchmarks its average return against the 7-day London Inter-bank (LIBID) rate provided by the Bank of England. For 2013/14, the average 7-day LIBID rate was 0.413%.

- *Icelandic bank deposits*

In October 2008, the Icelandic banking system failed, resulting in the collapse of its four major banks. At that time, the Council had a total of £41.6m deposited with three of those banks - Glitnir, Landsbanki and Heritable. The administration process to enable repayments to be made to the banks' various creditors has continued throughout 2013/14, with further instalments being received at regular intervals.

In January 2014 the council sold the remaining Landsbanki bank (LBI) claims by auction. The final recovery of the LBI claims is 91%.

The overall repayment position at 31 March 2014, and the final expected recovery levels, based on the latest reports from the various bank administrators are shown in Table 3:

TABLE 3: ICELANDIC BANK DEPOSITS			
Bank	Deposit	Recovery To 31/3/14	Final Est. Recovery
	£m	%	%
Glitnir	11.0	79	97
Landsbanki	15.0	91	91
Heritable	15.6	94	94
TOTAL	41.6	89	94

In cash terms, the Council has recovered a total of £37.0m of its original deposits, plus a further £1.5m in interest at 31 March 2014. Based on the final estimated percentage returns in Table 3 above, the total final principal sum recovered will be

£39.0m plus £1.6m interest, although the timing of final repayment is uncertain due to the currency controls in place in Iceland. Full provision for the financial loss (impairment) associated with these deposits was made in 2010/11 and was met from the Treasury Management Reserve. As at 31 March 2014 the financial accounts reflect the final estimated position shown above.

Accounting regulations require notional accrued interest in respect of the outstanding principal sums to be credited to the revenue account each year, together with any changes in the impairment calculation, until the recovery process is complete. These sums are then transferred to the Treasury Management Reserve to offset the original gross impairment provision (see Table 4 below).

- *Daily cash management*

To avoid bank overdraft charges and maximise interest earned, the Council seeks to maintain an overnight cash balance between - £300k and + £150k. The target for 2013/14 was 99%, with an actual rate of 99.24% being achieved.

- *Authorities Banker*

The Co-operative Bank was the Authority's banker throughout 2013/14. In November 2013 the bank advised the Council that it would not be bidding for the upcoming banking contract. The Council has since awarded the banking services contract to Lloyds Bank.

In 2013 the Co-op's long-term credit ratings were downgraded by Moody's and Fitch to Caa1 and B respectively, both sub-investment grade ratings. During this time Co-op bank was used for operational and liquidity purposes only. The Council makes every effort to keep the net overnight balance as close to zero as possible.

Update to Treasury Management Strategy for 2014/15

The Council approved the Treasury Management Strategy on 3 March 2014. Included in the investment strategy was 'Table of Eligible Counterparties for Investment in 2014/15' on page 11 of Appendix A. It is proposed to add one further UK bank to the list – Close Brothers Limited. This bank meets all of the Council's specified criteria and would have the same investment limits as the other UK banks in that table.

6 FINANCIAL IMPLICATIONS (INCLUDING VALUE FOR MONEY)

6.1 General Fund Revenue Implications

Revenue costs associated with borrowing and lending can be volatile, being affected by a number of factors including movements in interest rates, the timing of capital spending, the extent of reserves held and actual cash flows during the year.

Total treasury management-related costs in 2013/14, comprising interest charges less receipts, plus provisions for repayment of debt, were £67.761m. A proportion of the Council's debt relates to capital expenditure on council housing and £11.511m of these costs was charged to the Housing Revenue Account (HRA). The remaining costs, £56.250m were included within the treasury management section of the General Fund corporate budget.

Accrued notional interest and changes in the impairment charge in respect of Icelandic deposits produced a credit to the revenue account of £1.586m in 2013/14.

The transfer of this sum to the Treasury Management Reserve, along with a further transfer to reserves of £3.443m in respect of revenue savings in the year leaves a net General Fund charge in 2013/14 of £59.694m.

The final General Fund position for 2013/14 is summarised in Table 4:

TABLE 4: GENERAL FUND TREASURY MANAGEMENT COSTS 2013/14			
DESCRIPTION	ORIGINAL BUDGET 2013/14 £m	REVISED BUDGET 2013/14 £m	OUTTURN 2013/14 £m
External interest	30.929	30.848	28.847
Debt repayment provision	32.853	43.143	40.752
Prudential borrowing recharge	(0.516)	(0.516)	(0.522)
Investment interest	(1.050)	(1.050)	(0.786)
Other interest	(0.132)	(0.132)	(0.530)
Gross Treasury Management costs	61.814	72.293	67.761
Less: HRA interest element	(11.605)	(11.605)	(11.511)
Net Treasury Management costs	50.209	60.688	56.250
Icelandic bank impairment – change in year	-	-	(1.587)
General Fund expenditure	50.209	60.688	54.663
Treasury Management Reserve transfer – Icelandic banks impairment change in year	-	-	1.587
Reserve transfers – Treasury Management revenue savings	-	-	3.443
NET GENERAL FUND POSITION	50.209	60.688	59.694

Treasury Management Reserve

The Treasury Management Reserve is maintained to smooth the impact of any volatility in treasury management revenue charges in any one year. The balance on the Reserve at 31 March 2014 is £11.236m.

Value for Money

Management of borrowing and investments is undertaken in conjunction with our appointed advisors, with the aim of minimising net revenue costs, maintaining an even debt maturity profile and ensuring the security and liquidity of investments.

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

- 7.1 Risk management plays a fundamental role in treasury activities, due to the value and nature of transactions involved. The management of specific treasury management risks is set out in the Manual of Treasury Management Practices and Procedures and a risk register is maintained for the treasury function.
- 7.2 The key Strategic Risk relating to treasury management is SR17 'Failure to protect the Council's investments'. The rating for this risk at 31 March 2014 was Likelihood = unlikely, Impact = moderate which represents the same risk assessment as at 1 April 2013.

8 EQUALITY IMPACT ASSESSMENT (EIA)

8.1 Not needed (report does not contain proposals or financial decisions)

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

9.1 None.

10 PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT

10.1 Full Council report – 3 March 2013

10.2 Executive Board report - 17 June 2014

10.3 Audit Committee report – 27 June 2014

**COUNCILLOR GRAHAM CHAPMAN
DEPUTY LEADER**

PRUDENTIAL INDICATORS

Appendix 1

INDICATORS	2012/13 Actual	2013/14 Estimate	2013/14 Actual	Within Limits?
1) Prudence indicators				
i) Capital Expenditure				
General Fund	£ 78.9m	£ 114.9m	£69.8m	YES
HRA	£ 44.2m	£ 68.3m	£52.4m	YES
	£123.1m	£ 183.1m	£122.2	
ii) CFR at 31 March				
General Fund	£ 553.0m	£ 599.3m	£542.9m	YES
HRA	£ 283.3m	£ 282.3m	£282.3m	YES
PFI notional 'debt'	£ 65.8m	£ 93.0m	£91.8m	N/A
	£ 902.1m	£ 974.6m	£917.0m	
iii) External Debt at 31 March				
Borrowing	£ 776.7m	£ 801.8m	£710.2m	YES
PFI & leasing notional 'debt'	£ 65.8m	£ 93.1m	£91.8m	N/A
Gross debt	£ 842.5m	£ 894.9m	£802.0m	
Less investments	£ (217.0)m	£ (220.0)m	£ (227.2)m	N/A
Net Debt	£ 625.5m	£ 674.9m	£ 574.8m	
2) Affordability indicators				
i) Financing costs ratio				
General Fund	14.61%	13.68%	16.15%	YES
HRA	13.35%	14.63%	12.23%	YES
Council Tax Band D (per annum)	+ £1.10	-	-	YES
HRA rent (per week)	+ £0.56	-	-	YES
	Max in year		Max in year	
iii) Authorised limit for external debt	£882.0m	£954.9m	£842.7m	YES
iv) Operational limit for ext. debt	£882.0m	£914.9m	£842.7m	YES
3) Treasury Management indicators	@ 31/3/13	%	@ 31/3/13	
ii) Limit on variable interest rates	6.99%	0-50%	7.64%	YES
iii) Limit on fixed interest rates	93.01%	50-100%	92.36%	YES
iv) Fixed Debt maturity structure				
- Under 12 months	9.82%	0-25%	3.56%	YES
- 12 months to 2 years	1.80%	0-25%	2.13%	YES
- 2 to 5 years	5.99%	0-25%	12.46%	YES
- 5 to 10 years	19.67%	0-25%	19.23%	YES
- 10 to 25 years	35.54%	0-50%	33.10%	YES
- 25 to 40 years	16.41%	0-25%	20.50%	YES
- 40 years and above	10.77%	0-75%	9.02%	YES
	Max in year		Max in year	
v) Max sum invested for >364 days	£17.0m	£60.0m	£15.0m	YES

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CITY COUNCIL – 14 JULY 2014

REPORT OF THE CHAIR OF THE LICENSING COMMITTEE

LATE NIGHT LEVY

1 SUMMARY

- 1.1 This report seeks approval to implement a Late Night Levy Scheme (the Levy) for the City
- 1.2 The introduction of a Levy allows the Licensing Authority to charge a prescribed fee to any late night alcohol supply venue to help offset the cost of policing the night-time economy.

2 RECOMMENDATIONS

- 2.1 That the Council approves the introduction of a Late Night Levy Scheme in the following terms:-

- The Levy to apply from 1 November 2014,
- to be charged to premises that are authorised to sell alcohol at any time between 00:01 – 06:00.
- There will be an exemption for premises falling within the following categories as defined in Regulation 4 of the late Night Levy (Expenses, Exemptions and Reductions) Regulations 2012:
 - (i) Premises with overnight accommodation
 - (ii) Theatres and cinemas
 - (iii) Bingo halls
 - (iv) Community Amateur Sports Clubs
 - (v) Community premises
 - (vi) Premises which are a member of a BID established for relevant purposes
 - (vii) Premises which only become liable for the LNL by virtue of their being permitted to supply alcohol for consumption on the premises on 1st January in every year.
- The funds raised, net of the administration costs incurred by the Licensing Authority, be split 30/70 between the Licensing Authority and the Police respectively.
- The Licensing Authority's portion of the funding to be used throughout the City to support the prevention of crime and disorder caused by the night time economy during the hours of the levy. This will be achieved through the establishment of two night time Community Protection Officer posts.

3 REASONS FOR RECOMMENDATIONS

- 3.1 The introduction of a Levy would generate funding to support the Licensing Authority and the Police in dealing with the late night economy.
- 3.2 The justification for the introduction of the Levy in the terms sought is set out in the report to the Licensing Committee dated 23 June 2014 ("the June 2014 report") at paragraphs 2.1 – 2.8. A copy of the June 2014 report and its Appendices 1-8 at Annex A is available via Nottingham City Council's website,

<http://committee.nottinghamcity.gov.uk> and has been deposited in both Group rooms. Alternatively, a copy of all the appendices can be viewed via Constitutional Services on 0115 8763759.

4 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

- 4.1 To introduce the Levy without providing an exemption for BID members.
- 4.2 Not to introduce the Levy

5 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)

- 5.1 The Police Reform and Social Responsibility Act 2011 empowers Licensing Authorities to charge a late night levy to persons licensed to sell alcohol late at night as means of raising a contribution to fund services to tackle late night alcohol-related crime and disorder and services connected to the management of the night-time economy.
- 5.2 On 16th December 2013 the Licensing Committee resolved to consult on a levy scheme. Paragraph 1.3 of the June 2014 report sets out the scope of the scheme which was then proposed and paragraphs 1.4 to 1.5 of the same report detail the consultation process and responses.
- 5.3 On 23 June 2014 the Licensing Committee considered an amended levy scheme. The changes from the original scheme were an exemption from the Levy of BID members whereas previously a 30% reduction had been proposed, and that the implementation date would move from 1 October 2014 to 1 November 2014. The reason for the changes is set out in the June 2014 report at paragraphs 2.4.1 - 2.4.3 and 2.6 respectively. The effect of the income reduction arising from the BID exemption is that the City Council's portion of the funding would be used to establish two rather than three night time Community Protection Officer posts.
- 5.4 The Licensing Committee on 23 June 2014 considered the June 2014 report. An analysis of the consultation responses, the exemption and reduction categories and the viability of the proposed scheme as amended are contained in that report. The Licensing Committee resolved that the proposal to introduce a late night levy scheme in the terms detailed in the Recommendation to this report be referred to Council for approval.

6 FINANCIAL IMPLICATIONS (INCLUDING VALUE FOR MONEY)

- 6.1 From the information given in the report the following is a summary of the likely financial position;

	<u>2014/15</u>	<u>£</u>	<u>2015/16</u>
Licence fees	(221,097)		(221,097)
Consultation costs etc	20,775		
Running costs	9,220		22,120
	<hr/>		<hr/>
	191,102		198,977
Split between			
Notts Police	133,771		139,284
City Council	57,331		59,693
	<hr/>		<hr/>
	191,102		198,977

- 6.2 The intention is that the City Council will use its share to fund two Community

Protection Officers. The cost of these is £19,691 in 2014/15 and £47,258 in a full year.

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

7.1 Legal Implications:

The decision as to whether to introduce a LNL is a matter for Council (as Licensing Authority) under the Council's constitution. Preparatory steps prior to this stage are delegated to the Licensing Committee. The history of the Levy proposals including details of the consultation and its responses are set out in this report and the June 2014 report. The legal implications of such a decision are detailed at paragraphs 5.1.1 – 5.1.4 of the June 2014 report.

7.2 Equality and Diversity Implications:

The Levy if introduced would be applied to all venues within the specific times stated unless they came within an exemption.

7.3 Crime and Disorder Act Implications:

The Levy could reduce the ability of the premises involved to work towards reducing crime and disorder by them arguing that they are contributing to the Levy and it is therefore not their responsibility anymore.

If premises choose to close earlier to avoid being liable for the Levy when it is implemented, this could mean far more customers leaving premises at the same time and less staggered closing times

8 EQUALITY IMPACT ASSESSMENT (EIA)

8.1 Has the equality impact been assessed?

Yes – EIA attached

Due regard should be given to the equality implications identified in the EIA.

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

9.1 None.

10 PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT

10.1 Late Night Levy Committee Report December 2013

10.2 The Police Reform and Social Responsibility Act 2011.

10.3 The Late Night Levy (Application and Administration) Regulations 2012.

10.4 The Late Night Levy (Expenses, Exemptions and Reductions) Regulations 2012.

10.5 Amended Guidance on the Late Night Levy.

**COUNCILLOR BRIAN GROCOCK
CHAIR OF LICENSING COMMITTEE**

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