

# Public Document Pack

## MINUTES OF THE MEETING OF THE CITY COUNCIL

held at the Council Chamber at the Council House

on 4 March 2019 from 2.00 pm - 6.15 pm

### ATTENDANCES:

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✓ Councillor Liaqat Ali (Lord Mayor)

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✓ Councillor Cat Arnold	✓ Councillor Sally Longford
✓ Councillor Jim Armstrong	✓ Councillor Carole McCulloch
✓ Councillor Leslie Ayoola	Councillor Nick McDonald
✓ Councillor Ilyas Aziz	✓ Councillor David Mellen
✓ Councillor Cheryl Barnard	✓ Councillor Jackie Morris
✓ Councillor Steve Battlemuch	✓ Councillor Toby Neal
Councillor Merlita Bryan	✓ Councillor Brian Parbutt
✓ Councillor Eunice Campbell-Clark	✓ Councillor Anne Peach
✓ Councillor Graham Chapman	✓ Councillor Sarah Piper
✓ Councillor Azad Choudhry	Councillor Georgia Power
✓ Councillor Jon Collins	✓ Councillor Nick Raine
✓ Councillor Josh Cook	✓ Councillor Andrew Rule
✓ Councillor Michael Edwards	✓ Councillor Mohammed Saghir
✓ Councillor Chris Gibson	✓ Councillor David Smith
✓ Councillor Brian Grocock	✓ Councillor Wendy Smith
✓ Councillor John Hartshorne	✓ Councillor Roger Steel
Councillor Rosemary Healy	✓ Councillor Chris Tansley
✓ Councillor Nicola Heaton	✓ Councillor Dave Trimble
✓ Councillor Patience Uloma Ifediora	✓ Councillor Jane Urquhart
✓ Councillor Corall Jenkins	✓ Councillor Marcia Watson
✓ Councillor Glyn Jenkins	✓ Councillor Sam Webster
✓ Councillor Sue Johnson	✓ Councillor Adele Williams
✓ Councillor Carole-Ann Jones	✓ Councillor Malcolm Wood
✓ Councillor Gul Nawaz Khan	✓ Councillor Linda Woodings
✓ Councillor Neghat Khan	Councillor Cate Woodward
✓ Councillor Ginny Klein	✓ Councillor Steve Young
✓ Councillor Dave Liversidge	

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✓ Indicates present at meeting

### 70 APOLOGIES FOR ABSENCE

Councillor Merlita Bryan – unwell  
Councillor Rosemary Healy – unwell  
Councillor Nick McDonald – work commitments  
Councillor Georgia Power – work commitments  
Councillor Cate Woodward – personal

## **71 DECLARATIONS OF INTERESTS**

Councillor Brian Parbutt declared an interest in Agenda Item 12 Pay Policy Statement 2019/20 because he is employed by a Trade Union which has local government members. He left the Chamber and took no part in discussion or voting on this item.

## **72 QUESTIONS FROM CITIZENS**

### Equality Impact Assessments

AD asked the following question of the Portfolio Holder for Community Protection:

Why hasn't the Council considered that, for a disabled person on a low income, the difference between not having to pay for their transport to work and having to pay for it every day could make it more economical for them to give up work and live on benefits? This has not been reflected in the Equality Impact Assessment compiled for this policy change.

Councillor Neal replied as follows:

Thank you Lord Major and thank you to the citizen for the question. Can I refer the citizen to the response I provided in the Chamber at the Full Council meeting in January in which I answered all of these points, and is included in the Minutes that are now circulated. Notwithstanding that, I am happy to meet with the citizen to discuss the matter further and look forward to doing so in the near future. Thank you.

## **73 PETITIONS FROM COUNCILLORS ON BEHALF OF CITIZENS**

Councillor Eunice Campbell-Clark submitted a petition regarding speeding. The petitioners requested speeding enforcement on St Albans Road, Bulwell and improvement of speed limit signage.

Councillor Jim Armstrong submitted a petition regarding large vehicle access on Arleston Drive. The petitioners requested replacement of the current square shaped speed bumps with smoother rounded speed bumps and the introduction of a limit on the size of vehicles able to use Arleston Drive to 7.5 tonnes.

Councillor Brian Grocock submitted a petition regarding parking on Hillington Rise. The petitioners requested the introduction of yellow lines on the school side of Hillington Rise road.

## **74 TO CONFIRM THE MINUTES OF THE LAST MEETING OF COUNCIL HELD ON 21 JANUARY 2019**

Councillor Jim Armstrong requested a recorded vote on confirmation of the Minutes but the Lord Mayor declined this request. Councillor Armstrong raised a point of order in reference to Standing Order 21 relating to conduct – "Councillors shall at all times during Council meetings behave with courtesy and respect towards others and do nothing which might bring the Council into disrepute or disrupt Council business" because he felt that the Minutes did not record all of the business conducted at the meeting. The Lord Mayor stated that the Minutes were recorded in accordance with

usual practice and suggested that if Councillor Armstrong wished to change this practice then this could be done by proposing a change to be considered at the Council's AGM in May. Councillor Toby Neal raised a point of order in reference to Standing Order 21 because he felt that Councillor Armstrong's continued raising of the same issues at successive Council meetings without taking what Councillor Neal considered to be the appropriate action to resolve his concerns brought the Council into disrepute.

The minutes of the meeting held on 21 January 2019 were agreed as an accurate record and signed by the Chair.

## **75 TO RECEIVE OFFICIAL COMMUNICATIONS AND ANNOUNCEMENTS FROM THE LEADER OF THE COUNCIL AND/OR THE CHIEF EXECUTIVE**

Candida Brudenell, Assistant Chief Executive, reported the following:

### Light Night

The City's annual Light Night was held on 8 February in partnership with 'It's in Nottingham' and was very successful. Over 75 events and activities took place throughout the City including the popular Museum of the Moon in the Royal Concert Hall which received over 7500 visits.

### Stewart Adams, Freeman of the City

I am sad to report the death of Dr Stewart Adams on 30 January. A world-renowned chemist he helped develop the painkiller ibuprofen while working at Boots in Nottingham. In recognition of his work he was awarded an OBE, and made an Honorary Freeman of the City in 2013.

### Alderman Betty Higgins

It is with sadness that I also report the death of Alderman Betty Higgins on 11 February. Betty was first elected to serve as a councillor in 1971. She was the first female leader of the City Council between 1983 and 1987 and became leader again in 1991-93 before standing down as a councillor in 2003. She was made an Honorary Alderman in 2004. In 2015 she received a Nottingham Award for her lifelong service to the City.

Councillors Liversidge, Parbutt, Rule and Ali spoke in tribute to Alderman Betty Higgins, and a minute's silence for Dr Stewart Adams and Alderman Betty Higgins was held.

The Lord Mayor proposed that the fourth official communication be taken at the end of the meeting to allow the Leader and the Chief Executive to return from an urgent meeting relating to HS2.

**RESOLVED to defer the fourth official communication to the end of the meeting.**

**76 QUESTIONS FROM COUNCILLORS - TO THE CITY COUNCIL'S LEAD COUNCILLOR ON THE NOTTINGHAMSHIRE AND CITY OF NOTTINGHAM FIRE AND RESCUE AUTHORITY**

None

**77 QUESTIONS FROM COUNCILLORS - TO A MEMBER OF EXECUTIVE BOARD, THE CHAIR OF A COMMITTEE AND THE CHAIR OF ANY OTHER CITY COUNCIL BODY**

Council Tax

Councillor Jim Armstrong asked the following question of the Portfolio Holder for Finance, Resources and Commercial Services:

Could the Portfolio Holder provide a breakdown of the Council tax bandings for the 2,500 new houses built by the Council over the past four years? Therefore, is there a revenue return to the Council for Council tax against the cost of services to these properties?

Councillor Graham Chapman replied as follows:

Thank you for the question. It's quite an interesting one. The current prediction is that by May 2019, the number of homes completed or on site to rent or buy will be 2251. In addition to the 2251 homes, there are a further 534 homes being actively progressed through planning and pre-site development on site, enabling the Council to charge council tax. A sample of the properties has been undertaken as requested in the question to establish the banding split. This has been used to provide an estimate percentage split of bandings: 85% Band A, 12% Band B and 3% Band C. Of these properties, there will be single occupiers and council tax support recipients, which affects, of course, the amount of council tax you can collect. In terms of income per dwelling it is estimated that we'll get an aggregate £2,340,000 as a consequence. That's the council tax element only from the additional properties based on the bandings above. This assumes an estimate: 40% for single persons' discounts at 25% apply. This income to the Council of £1,039 per dwelling, once you discount the discounts, provides £2,340,000 divided by 2251, that's how you get it. In 2018/19, the City Council's net budget is £246 million and the number of dwellings is 137,112. The cost per dwelling is therefore £1798. If you take what you get from these houses from the cost to the City Council of the average house, we are losing a net cost of £759; we actually lose money. This does not take into account the New Homes Bonus, which only last four years, but is worth £1671. So that makes it slightly more profitable, but in the long term, given that houses last for about fifty, sixty or more years, it becomes not a very important factor given your initial loss, nor does it take into account student dwellings. As we all know we used to get compensation but the current Government has reduced it down to virtually nothing, and that is costing us £12 million a year. I just remind people of the loss from having student dwellings: council tax we are not able to collect and which we used to get compensation for and which we no longer do.

So interesting question, we lose money on new builds, we gain a bit more as a consequence of the New Homes Bonus, but it doesn't last long, and we lose loads as a consequence of having lots of student housing. I am intrigued to know the purpose of the question. Is it to try and illustrate that we benefit from house building, or that we lose from house building? You don't have to answer because you are asking the questions. Or is it that you don't think we should be building social houses because they provide only provide Band A and we'll make a substantial loss on them? I'll just be very interested in the reasons, but again, you ask the questions, I give the answers.

### Staffing

Councillor Jim Armstrong asked the following question of the Portfolio Holder for Transport and HR:

Could the Portfolio Holder give a breakdown of how many of the Council's Senior Management Team live within the City boundary?

Councillor Liversidge replied as follows:

Thank you Lord Mayor. When we talk about the Senior Management Team, I presume you are talking about the SLMG cohort which includes the Chief Executive, Corporate Directors, Strategic Directors and Heads of Service. There are 79 of those and 15 reside within the City.

### L22/L23 Bus Service

Councillor Andrew Rule asked the following question of the Portfolio Holder for Transport and HR:

Given that the City Council's transport team are proposing to withdraw the L22/23 service, which is the principle bus route serving Silverdale – can the Portfolio Holder confirm what specific steps will be taken to mitigate the impact this will have on the predominantly elderly population of Silverdale?

Councillor Liversidge replied as follows:

Thank you for your question. Nottingham City Council supports one of the best public transport networks outside London, we have already been discussing this. We have won awards for performance and recent investments in the tram and electric bus fleet have improved our position even further. In this context, the decision to withdraw the City Council's support for the L22/23 service has been taken as part of the wider need for the budget savings we are having to make in the Council for 2019/20. None of these decisions have been taken lightly and we are focused on minimising any negative impact on City residents.

The decision to withdraw the L22/23 route has been taken as the majority of the route mileage is outside the City of Nottingham. With regards to Silverdale, this area will keep the L1 service that runs between Silverdale and the City. In order to keep the

link between Silverdale and Clifton shops, it is recommended that the L service will be extended there on some or all of the journeys to maintain the link even without the L22/23 service. Parts of the L22/23 service may survive the withdrawal of the City Council's support either as a commercial operation or with alternative support. Nottinghamshire County Council are aware of these proposals.

### Tram

Councillor Andrew Rule asked the following question of the Leader of the Council:

Given the recent financial performance of the tram operator could the Leader confirm, whether or not, there is a plan in place to ensure continuity of provision should the operator fail in the future?

Councillor Liversidge, in the absence of Councillor Collins, replied as follows:

Tramlink Nottingham, the company contracted to operate Nottingham's tram network has recently published its annual accounts for 2017/18 showing continued growth both in terms of passenger numbers and profitability. During this period, annual passenger numbers increased by 8.5% to 17.8 million. There was also an increase in underlying gross operating profitability of 15% to £15.2 million. The improving performance continued during the half year to 30 September 2018, which saw further patronage growth of 8.5% on the previous year along with an improving average service punctuality of 95%. These facts and figures highlight the growing popularity of Nottingham's tram network and the increasing role it plays in ensuring Nottingham benefits from world class integrated public transport which is a catalyst for economic prosperity and growth in the City.

The contractual arrangements established with Tramlink Nottingham include strong performance incentives and financial protection for the Council, including arrangements to ensure continuity of provision should Tramlink Nottingham fail to meet contractual obligations.

### Government Funding

Councillor Leslie Ayoola asked the following question of the Deputy Leader of the Council:

Could the Deputy Leader share what response he has had from the Communities Secretary to his letter expressing concern about the proposals to direct grant funding to rural areas at the expense of cities?

Councillor Chapman replied as follows:

Thank you Councillor, I could have written that question myself. The Government is changing the formula on which it allocates funding to councils. It is called the Fair Funding Formula. I have written to the Minister about it and I have received a reply. Now, the problems with the proposed changes are complex and I'm not going to comatose you all by going into great detail, but the gist is that some services will no longer have their own formula which includes deprivation. There will therefore be

more services deemed to have no deprivation weighting, and will be funded in a block on a population, instead of deprivation, basis. Many of those that do have a service weighting will have sparsity weighting, and sparsity means rural probably, despite the fact that studies show that density, and density means urban, is more costly than sparsity, and all this lot needs properly interpreting. One of the key words in the letter is simplification. Beware of the word 'simplification'. In Big Brother/Orwell-speak, the word simplification when used by the Government means giving more money according to the number of people in an area and taking less account of their needs. It means more weight to the number of children in an area and less to the needs of those children. It suits places where children are privately educated, with less child poverty and child abuse, and where parents can afford to pay for their children's leisure and travel costs. More money to places like Richmond. Less to places like Blackpool, because it is far easier to simplify, to count the number of children in an area than it is to assess their needs. That's what simplification means. Simplification also means not having to calculate the concessionary fare needs of an area but pay more according to the number of elderly so you don't have worry about use, what you have to worry about is the numbers, and they are easier to calculate. This will hit areas with low pensioner car ownership, and favour those with high ownership and you can guess what the impact on Nottingham is going to be. So that's going to be ok isn't it? We then go back to the meaning of sparsity and the Big Brother-speak. Sparsity will become more important. But for sparsity, as I said earlier, read 'rural', and for 'rural', read 'County Councils', and for 'County Councils', read 'Tory'. Density will be less important. So, conversely, for 'density', read 'urban', for 'urban', read 'cities', and for 'cities' read 'Labour'.

Then we get the word 'even handed' in the letter. For 'even handed', read 'spreading the money evenly irrespective of need'. For that, read the better off getting more and the worse off getting less.

Then we have the word 'transparent'. I am always suspicious of anybody using the word 'transparent' because they often mean the opposite, and it is also the case here. So for 'transparent', read 'opaque' because they will not discuss properly the reasons for the weighting and indeed ignore academic evidence-based research which says that density, i.e. urban costs, are substantially greater than rural costs, read 'sparsity'.

And then they throw a bone at us in the letter. We are told journey times will be a factor in the transport allocation and it will contain congestion as well as distance. Well forgive me if I am underwhelmed because although people complain about congestion in Nottingham, it is nothing compared with congestion in the Thames Valley. So I suspect that we have another attempt to allocate funds down south, at the expense of the Midlands and the North.

So I will go over Fair Funding newspeak. For 'fair', read 'unfair', for 'simple', read 'unjust', 'more sparsity', means 'more to Tory councils', 'less density' means 'less to Labour authorities', 'congestion' means 'more to the Thames Valley and taken from elsewhere'. Nothing means what it says in the letter. But in the end, what does it all mean in financial terms? The best analysis to date has been from SIGOMA, which is an organisation which represents urban authorities and this has applied some of the new criteria to Blackpool, and to Richmond, and to Manchester, and to North Yorkshire. In this scenario, Blackpool, probably the most needy authority in the

country, loses £4 million; Richmond, one of the least needy in the country, gains £3 million; Manchester loses £20 million; and North Yorkshire gains £10 million. So on the basis of this Fair Funding, again read 'Unfair Funding', in fact very, very unfair funding.

### Electric Vehicle Charging Points

Councillor Gul Khan asked the following question of the Portfolio Holder for Energy and Environment:

Does the Portfolio Holder for Energy and Environment welcome the £117,480 grant for electric vehicle charging points in the City and what impact do you think this will have on the City's ambitious target to make Nottingham carbon neutral by 2028?

Councillor Longford replied as follows:

Thank you Lord Mayor and thank you to Councillor Khan for your timely question. Thanks also to the staff of Nottingham University Hospitals NHS Trust who have got me back in something like working order less than four weeks after a knee replacement operation, so I can stand here and answer this question on a subject close to my heart.

I very much welcome this additional grant for electric vehicle charging points in the City. The successful funding bid demonstrates the effectiveness of our award-winning Go Ultra Low team, who are always trying to find ways of expanding the use of electric vehicles across the City. These charge points will expand our network and give confidence to electric vehicle drivers that there are a wide-range of charging options in the City. These particular charge points are being installed in car parks in residential neighbourhoods where we know many of our citizens do not have off-street parking such as a driveway or their own garage to charge an electric vehicle, and so this is a vital step in supporting them to make the switch to cleaner vehicles. It will also demonstrate to those people living in such areas that, even though they may not have off-street parking, they can still have places to charge a vehicle. It will allow them to take advantage of the environmental and fuel savings that electric vehicle ownership brings, whilst also benefitting the environment.

The £117,480 will be used to provide charging points at Denman Street Car Park in Radford and Park Ward, Winchester Street Car Park in Sherwood Ward, Randal Street Car Park in Arboretum Ward and Queens Walk Community Centre in Bridge Ward. These charge points are in addition to the network of 230 that is being installed across the D2N2 area. All of these charge points are powered by renewable energy so that electric vehicle owners will be truly zero emission – both from the tailpipe and the generation of the electricity used.

Whilst the ownership of electric vehicles is currently small, their numbers are predicted to grow significantly over the next 5 – 10 years and Nottingham will be at the forefront of providing access to charging infrastructure, and by so doing, helping to promote wider uptake of zero emission and zero carbon electric cars. The impact on air quality locally and on carbon emissions makes a valuable contribution to a healthier and more sustainable environment for everyone, and will definitely make a

contribution to our zero carbon goals. In this City, we know that when we talk about sustainable transport, we mainly think about mass transit on our tram and on our buses, however, we have to be realistic. There will be a place for private vehicles for the foreseeable future, and it's much better for everyone if those vehicles are ultra-low emissions, rather than the gas-guzzlers in general use today.

### Corporation Tax

Councillor Josh Cook asked the following question of the Deputy Leader of the Council/ Portfolio Holder for Finance, Resources and Commercial Services:

Does the Deputy Leader agree that the Government's proposed £8 billion handout to big multi-national business through a 2% cut in Corporation Tax would be better spent on local government?

Councillor Chapman replied as follows:

Thank you again for another interesting question. The principle behind cutting Corporation Tax is that somehow it will encourage investment in firms and that investment will translate into higher productivity, higher turnover, more research and development, and more taxes in the long run. It's a lovely idea. But it's a bit like the theory behind reducing taxes for the rich, and what's called the Laffer Curve, whereby the less tax you charge, the more you collect because the more willing they are to pay and the more they invest and more turnover they create. It is, like the Laffer Curve, a myth. Corporation Tax in Germany is just below 30%; in France it is over 30%; in the UK it is heading for, I believe, 17%. British productivity however is lower than in Germany and France; research and development investment, which underpins productivity is lower than in Germany and France; retained profits which are reinvested in the firm are lower. Conversely, payouts to shareholders in the UK are higher. So, what does this mean? It means that the more you reduce Corporation Tax, the less investment there is perversely back in the firm and the more money drains out of the firm to the shareholders, many of whom are not UK based. So reduced Corporation Tax can actually act as a conduit for funds leaving the UK and is an incentive to reduce investment, compared with higher taxes which may well incentivise retaining profit in order to avoid that tax. This was pointed out to me by the richest man in Nottinghamshire. He said there is no incentive for him to reinvest with low Corporation Tax. If he had a higher one, he would reinvest back in the firm, if it was 30 odd percent he wouldn't want to be paying that 30 odd percent, he would be reinvesting and what we desperately need in this country is reinvestment. And just to illustrate another aspect of the point, the Norwegian Sovereign Fund has just invested heavily in the UK, and you ask yourself; why are these generous Norwegians investing in the UK? Because they are nice people? They want to help our productivity? No it isn't. It's because we are paying higher dividends than elsewhere. This is not long-term investment of money; it is short-term investment in order to benefit from higher dividend payments. In other words, they will be using their fund as a conduit to take money out of our industry and commerce and to repatriate it in Norway, and if we had done the same thing with our oil revenues, I'd be very happy, because they knew how to use theirs. Margaret Thatcher squandered ours, but's that by the by. Corporation Tax is not the only siphon which firms use. There are lists and lists of these mechanisms: inter-firm transfers; internal recharges

for royalties; tax relief on interest payments. All ways of ensuring that some firms, and I do cite only some firms because there are some very, very good firms that don't do this, don't pay their fair share and that many of the benefits are leeched abroad into tax havens, and then leeched further abroad and never ever repatriated. So before we even compare the value of cuts in Corporation Tax versus spending on local government, we need to recognise that in itself, reduced Corporation Tax is counterproductive, irrespective of what you do with the proceeds. And then if you think about what it would achieve by it being reinvested, then the case is open and shut. Local Government has suffered more than any other facet of Government in the last seven to eight years. We have been hit harder than Defence, harder even than the Police, harder than the NHS and harder than Transportation. Therefore, there is a very good justification for giving us priority. The other justification is the LGA's calculation that in order for Local Government to close the funding gap that it's going to have to face over the next few years, it requires £8 billion; exactly the same amount. Applied to Nottingham on the basis of population alone, and not on places of deprivation, that would give us just under £40 million, which is roughly the amount of savings we are going to find over the next two years. So in short, to answer the question, it would do very nicely thank you.

### Conservative Party Publication

Councillor Mike Edwards asked the following question of the Leader of the Council:

Did the Leader see the Conservative Party's recent publication with their commitments to Nottingham City Centre residents and to what extent does he think that those commitments are relevant and agreeable for local people?

Councillor Chapman, in the absence of Councillor Collins, replied as follows:

I've almost got to apologise for hogging this meeting, it's been sort of the Chapman/Liversidge show at the moment, but I am substituting for Jon Collins who cannot be here and therefore I am going to have to answer this question as well. So you're going to have to put up with me for another two or three minutes.

Yes, I am aware of the leaflet because Councillor Edwards has drawn it to my attention, and as I read it, particularly the section when the unsuspecting public was asked to list their preferred Tory policies from a tick box list, I was struck by the utter lack of self-awareness there must be in the Conservative Party who have compiled the list in the first place. The first priority we are supposed to consider is, and I quote, "making a success of Brexit". Can you believe it? Is this a priority? It makes you think that it was written in 2016, and then just pasted in in 2019. It is so absurd, and this was in a week of further delays in votes over Brexit, a continued lack of clarity about what the Brexit proposals were, and when the Conservative Ministers managed to insult four potential post-Brexit trade partners in the space of ten days. They upset China with gunboats; they upset Japan; they upset Bangladesh; and Jeremy Hunt topped it off with some thoughtless remarks in Slovenia about the Iron Curtain. If that is success, what is failure? Don't answer 'Chris Grayling', it's too obvious.

Priority Two: cutting the deficit. I think this bit must have been cut and pasted from the 2011 manifesto because the deficit in the meantime under the Tories has gone

up by substantial amounts. Massive, massive amounts. I've got a figure here which I don't believe, so what I'll do is not cite it. But I do know that it has gone up to a far greater level from what it used to be.

The journey through fantasia continues in Priority Three, which is increased house building. We have just come through a decade of the lowest house building numbers, 130,000, for any decade since the war. With the part consequence of rising homelessness we are having to deal with daily. Isn't it interesting that one of the phenomenon you get with the Conservative Government is homelessness? You get people on the streets. The last time I remember homelessness was when Sir George Young made the wonderful remark; "the homeless are the people you step over on the way to the opera" and now we are back to where they were, and what is the one factor, what's the common factor? It's a Tory Government.

Priority Four: a fair benefits system to get people into work. This in a week where I have been approached on the street and in separate cases online by working people with children unable to access council housing and unable to afford private rents because of housing benefit limits. I will not mention the disasters of Universal Credit, but they talk about fair benefits system.

Priority Five: increased spending on the NHS. This is one of the few which has a modicum of reality about it. Spending has gone up, but at only 1.1% over the decade, compared with the historic average of 4%.

Priority Six: reducing immigration. Now you would have thought, given all the rhetoric about that, they would have done something about it. Whether you think it's right or wrong, I don't think it's right but nevertheless, you wouldn't have thought under Teresa May, Home Office, buses with slogans saying "go home", immigration was actually higher in 2018 than it was in 2010.

Protecting spending in schools. Nationally, but specifically locally, there has been a real terms cut in per pupil spend. Nor is there any sign of recovery. In Nottingham, there is hardly a school which is not facing further cuts and to imply otherwise would be disingenuous.

Finally, even in investing in Defence, which is another one of the priorities, 2018 spend is marginally above 2010 spend, but when you adjust for inflation, it is less, it is another cut. It is misleading information.

So to follow up on my previous theme about newspeak, to any unsuspecting recipient of this piece of literature and as a guide when reading it, 'fair' in this literature means 'unfair' and when they use the word 'increase', it means 'decrease'. When they use 'decrease', it means 'increase' as with personal taxation, and when they say 'protect', it means 'cut', and when they use 'success', as with Brexit, it means 'failure'. So what I am going to recommend to Labour candidates for Castle Ward, is you issue a glossary of terms, and I will provide you with that glossary. Everything will mean the opposite of what they say. Thank you very much.

## 78 DECISIONS TAKEN UNDER URGENCY PROCEDURES

The Leader of the Council submitted a report detailing decisions taken under procedures which include exemption from Overview and Scrutiny Call In Procedure Rules and Special Urgency Access to Information Rules.

**RESOLVED to note**

**(1) the urgent decisions (exempt from call in):**

<b>Decision Reference Number</b>	<b>Date of Decision</b>	<b>Subject</b>	<b>Value of Decision</b>	<b>Reasons for Urgency</b>
<b>3379</b>	<b>18 January 2019</b>	<b>Parent Company Guarantee</b>	<b>Exempt</b>	<b>To enable the arrangements to be in place by the required date.</b>
<b>3386</b>	<b>24 January 2019</b>	<b>Engagement of Professional Services</b>	<b>Exempt</b>	<b>Delay would have meant that the planned action could not proceed.</b>
<b>3395</b>	<b>1 February 2019</b>	<b>Nottingham Science Park No.2 Building – Additional Works</b>	<b>Exempt</b>	<b>The Council had started works on the site under a pre-construction contract. These works will take 6 weeks. The main construction contract needed to be signed on 4 February to allow works to continue, any break would have added additional cost to the project as the contractor would need to have left the site and then return.</b>
<b>Minute Number 82</b>	<b>19 February 2019</b>	<b>Medium Term Financial Plan</b>	<b>£122,609million</b>	<b>The Council's budget has to be approved at the Full Council meeting on 4 March 2019 and the report despatch date for the Council</b>

				agenda is before the call in period would have ended.
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**(2) the Key Decisions taken under special urgency procedures:**

<b>Decision Reference Number</b>	<b>Date of Decision</b>	<b>Subject</b>	<b>Value of Decision</b>	<b>Reason for Special Urgency</b>
<b>Minute Number 75</b>	<b>22 January 2019</b>	<b>Highways Services – Key Decision</b>	<b>Exempt</b>	<b>The need to complete the project within agreed timescales.</b>
<b>3405</b>	<b>15 February 2019</b>	<b>Investment Acquisition – Project Green</b>	<b>Exempt</b>	<b>Heads of Terms had been agreed with the vendor and a condition of the sale was a simultaneous exchange and completion within 20 working days of receiving the full legal pack.</b>
<b>Minute Number 82</b>	<b>19 February 2019</b>	<b>Medium Term Financial Plan – Key Decision</b>	<b>£122,609million</b>	<b>The Council’s budget has to be approved at Full Council in March 2019, which takes place before the March 2019 Executive Board meeting.</b>
<b>Minute Number 83</b>	<b>19 February 2019</b>	<b>Treasury Management Strategy 2019/20 and Capital and Investment Strategy 2019/20</b>	<b>Nil</b>	<b>Approval of a Treasury Management Strategy is a legal requirement.</b>

Councillors Armstrong, Rule and Steel requested that their vote against the above decision was recorded.

**79 TREASURY MANAGEMENT STRATEGY 2019/20 AND CAPITAL INVESTMENT STRATEGY 2019/20**

The Deputy Leader and Portfolio Holder for Finance, Resources and Commercial Services presented a report seeking approval for a series of strategies relating to treasury management and capital investment in 2019/20.

**RESOLVED to:**

- (1) approve the 2019/20 Treasury Management Strategy document, including the strategy for debt repayment and the investment strategy, as detailed in Appendix 1 to the report;**
- (2) approve the Prudential Indicators and limits from 2019/20 to 2021/22, as detailed in Appendix 1 to the report;**
- (3) adopt the current Treasury Management Policy Statement, as detailed in Appendix 1 to the report; and**
- (4) approve the 2019/20 Capital and Investment Strategy document, as detailed in Appendix 2 to the report.**

Councillors Armstrong, Rule and Steel requested that their decision to abstain from voting on the above decision was recorded.

**80 BUDGET 2019/20**

The Deputy Leader and Portfolio Holder for Finance, Resources and Commercial Services presented a report setting out proposals for the 2019/20 budget.

Councillor Andrew Rule proposed an amendment to the budget as follows:

In recommendation 2.1(1) add after “the revenue budget for 2019/20”

“subject to the following:-

Section 1	Net 2019/20 £
Proceeds from the sale of shares in wholly owned companies	-3,000,000
Ring-fence resources for the following areas:	+1,500,000
• Children’s Services – Early Years Intervention	
○ Expansion to Team Around School Pilot in South of City	
○ Expansion to Edge of Care Hub	
○ Expansion to Multi Systemic Therapy Programme	
○ Expansion to PAUSE programme	

<ul style="list-style-type: none"> <li>• Adults Services – Early Intervention</li> <li>○ Enhanced provision of the following areas: <ul style="list-style-type: none"> <li>▪ Increasing support for Community Care in the Voluntary Sector via Community Grants</li> <li>▪ Increasing Social Care Prevention Provision</li> <li>▪ Promoting Independent Living Through Connections in the Community</li> </ul> </li> <li>○ Additional provision <ul style="list-style-type: none"> <li>▪ Creation of Mental Health Reablement Pathway</li> </ul> </li> </ul>	+1,500,000
Income from Solar Panel Investment Scheme	-37,500
Reinvested in Energy Improvement Initiatives	+37,500
Fleet Sponsorship of Council Vehicles	-70,000
Lamp post commercial advertising	-81,000
Increased charges for Pest Control	-92,600
Reduction in the number of Special Responsibility Positions	-86,190
Voluntary Garden Waste – offer citizens a two month extension service to the current garden waste collection scheme for £8.50	-202,610
Reduction in payments to Trade Unions	-66,280
Abandon Arrow communication and cancellation of Neighbourhood Newsletters	-162,000
Bulky Waste – citizens offered two free collections per annum, charges of £15 apply for further collections to fund council tax reductions for all citizens	-172,330
Release uncommitted Area Capital reserves (one off)	-182,270
<b>Total Net Financial Impact</b>	<b>-1,115,280</b>

## Section 2

It is recommended that reviews of the following areas be undertaken:

- Review of impact on the City Council in the event the Tram Operator fails
- Review of parking and traffic enforcement exemptions – NHS City Care Staff, Council employed carers, first responders and on duty emergency personnel
- Assessment of inefficiencies arising from Internal Charging within City Council
- Urgent review of parking charges on economy of City Centre
- Review of corporate governance in Council owned companies
- Area Capital allocation formula
- Develop a strategy for increasing the mix of affordable homes as a means of increasing the City Council’s Council Tax Base
- Identify and pursue commercialisation opportunities with other local authorities”

In recommendation 2.1 (2) add after “the capital programme to 2023/24”

“subject to the following:-

That a new scheme is added for Solar Panel Investment Scheme (£1.500m in 2019/20 to be funded from borrowing)”

It is recommended that a review of the existing capital programme be undertaken to:

- Reprioritise resources to create additional funds to improve pavements. Councillors who use Area Capital Fund to improve pavements on main thoroughfares could seek match funding from this fund.
- Reprioritise to fund repairs to roads across the City”

And amend the following recommendations as indicated:

- In recommendation 2.1 (3) substitute £114,986,071 for £116,101,351;
- In recommendation 2.1 (3) (a) substitute £954,424,103 for £954,675,713;
- In recommendation 2.1 (3) (b) substitute £839,483,032 for £838,574,362;
- In recommendation 2.1 (3) (c) substitute £114,986,071 for £116,101,351;
- In recommendation 2.1 (4) substitute £1,722.22 for £1,738.93

And amend the following sections as indicated:

- In section 5.2 substitute £114,986,071 for £116,101,351 and £1,722.22 for £1,738.93
- In section 5.3 and 5.6 substitute the following basic amounts of council tax for the ones shown in the report:

Band	Basic amount of council tax
A	£1,148.15
B	£1,339.50
C	£1,530.86
D	£1,722.22
E	£2,104.94
F	£2,487.65
G	£2,870.37
H	£3,444.44

- In section 5.6 substitute the following aggregate council taxes for those shown in the report:

Band	Aggregate
A	£1,347.57
B	£1,572.16
C	£1,796.75
D	£2,021.35
E	£2,470.54
F	£2,919.73
G	£3,368.92
H	£4,042.70

The meeting was adjourned at 4:15pm to allow time for councillors to consider the proposed amendment. The meeting resumed at 4:30pm.

Councillors voted on the proposed amendment.

**RESOLVED to reject the proposed amendment.**

Councillors voted on the recommendations in the budget report as follows:

	For	Against	Abstained
Councillor Liaqat Ali	✓		
Councillor Jim Armstrong		✓	
Councillor Cat Arnold	✓		
Councillor Leslie Ayoola			
Councillor Ilyaz Aziz	✓		
Councillor Cheryl Barnard	✓		
Councillor Steve Battlement	✓		
Councillor Merlita Bryan			
Councillor Eunice Campbell-Clark	✓		
Councillor Graham Chapman	✓		
Councillor Azad Choudhry	✓		
Councillor Jon Collins	✓		
Councillor Josh Cook	✓		
Councillor Mike Edwards	✓		
Councillor Chris Gibson	✓		
Councillor Brian Grocock	✓		
Councillor John Hartshorne	✓		
Councillor Rosemary Healy			
Councillor Nicola Heaton	✓		
Councillor Patience Ifediora	✓		
Councillor Corall Jenkins			
Councillor Glyn Jenkins	✓		
Councillor Sue Johnson			
Councillor Carole Jones	✓		
Councillor Gul Khan	✓		
Councillor Neghat Khan	✓		
Councillor Ginny Klein	✓		
Councillor Dave Liversidge	✓		
Councillor Sally Longford			
Councillor Carole McCulloch	✓		
Councillor Nick McDonald			
Councillor David Mellen	✓		
Councillor Jackie Morris	✓		
Councillor Toby Neal	✓		
Councillor Brian Parbutt	✓		
Councillor Anne Peach	✓		
Councillor Sarah Piper	✓		

Councillor Georgia Power			
Councillor Nick Raine	✓		
Councillor Andrew Rule		✓	
Councillor Mohammed Saghir			
Councillor Dave Smith	✓		
Councillor Wendy Smith	✓		
Councillor Roger Steel		✓	
Councillor Chris Tansley			
Councillor David Trimble	✓		
Councillor Jane Urquhart	✓		
Councillor Marcia Watson	✓		
Councillor Sam Webster	✓		
Councillor Adele Williams	✓		
Councillor Malcolm Wood	✓		
Councillor Linda Woodings	✓		
Councillor Cate Woodward			
Councillor Steve Young	✓		

**RESOLVED to:**

**(1) approve the revenue budget for 2019/20 including:**

- i) the recommendations of the Strategic Director of Finance/ Chief Finance Officer in respect of the robustness of the estimates made for the purpose of the budget calculations and the adequacy of reserves;**
- ii) the delegation of authority to the Strategic Director of Finance/ Chief Finance Officer in consultation with the Deputy Leader to finalise the Medium Term Finance Plan for publication;**
- iii) the delegation of authority to the appropriate Directors to implement savings after undertaking the appropriate consultation;**
- iv) the retention of the Council Tax Support Scheme, currently in operation, for the financial year 2019/20;**

**(2) approve the capital programme to 2023/24;**

**(3) approve a council tax requirement of £116,101,351 including the calculations required by Sections 30 to 36 of the Local Government Finance Act 1992 (“the Act”), as set out below:**

- i) £954,675,713 being the aggregate of the expenditure, allowances, reserves and amounts which the Council estimates for the items set out in Section 31A(2) (a) to (f) of the Act;**
- ii) £838,574,362 being the aggregate of the income and amounts which the Council estimates for the items set out in Section 31A (a) to (d) of the Act;**

iii) £116,101,351 being the amount by which the aggregate at (3)i exceeds the aggregate at (3)ii, calculated by the Council, in accordance with Section 31A(4) of the Act, as its council tax requirement for the year;

- (4) approve a City Council Band D basic amount of council tax for 2019/20 of £1,738.93 being the amount at (3)iii divided by the amount at (9), calculated by the Council, in accordance with Section 31B(1) of the Act, as the basic amount of its council tax for the year (as set out in section 5 of the report);
- (5) approve the setting of the amounts of council tax for 2019/20 at the levels described in section 5.6 of the report;
- (6) approve the making of the Members' Allowances Schemes for 2019/20 in the terms of the previously adopted and amended Scheme, save for adjustments to mirror nationally determined rates for pay awards and travel and subsistence (as applicable to officers) and for carers allowances;
- (7) note a Nottinghamshire and City of Nottingham Fire and Rescue Authority precept at Band D for 2019/20 of £79.80;
- (8) note a Nottinghamshire Police and Crime Commissioner precept at Band D for 2019/20 of £219.33;
- (9) note in January 2019, the City Council calculated the amount of 66,766 as its council tax base for the year 2019/20 in accordance with the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012.

#### **81 PAY POLICY STATEMENT 2019-20**

The Portfolio Holder for Transport and HR presented a report seeking approval for the Council's Pay Policy Statement for 2019/20.

#### **RESOLVED to:**

- (1) approve and endorse the Council's Pay Policy Statement for 2019/20;  
and
- (2) note that the Statement may need to be amended in-year for any necessary changes the Council may wish to adopt. Any such changes will be presented to Full Council for approval.

#### **82 RE-DESIGNATION OF DIRECTOR OF ADULT SOCIAL SERVICES RESPONSIBILITIES FROM THE CORPORATE DIRECTOR OF CHILDREN AND ADULTS TO THE DIRECTOR OF ADULT SOCIAL CARE**

The Portfolio Holder for Transport and HR presented a report proposing that the statutory Director of Adult Social Services responsibilities, currently held by the Corporate Director of Children and Adults, are re-designated to the post of Director of Adult Social Care and that relevant changes are made to the Council's Constitution to reflect this change.

**RESOLVED to:**

- (1) approve the re-designation of the Director of Adult Social Services (DASS) responsibilities to the post of Director of Adult Social Care; and**
- (2) amend the City Council's Constitution to reflect the changes as a result of the re-designation of the Director of Adult Social Services (DASS) responsibilities, including change to the reporting lines of the post of Director of Adult Social Care, to recognise the change in status from Deputy Chief Officer to Chief Officer, as determined under the City Council's Officer Employment Procedure Rules (Standing Orders on Employment Matters), as a result of holding the DASS duties.**

**83    MEMBERSHIP CHANGES**

**RESOLVED to note that:**

- (1) Councillor Linda Woodings has stood down from Planning Committee;**
- (2) Councillor Corall Jenkins has stood down from Greater Nottingham Light Rapid Transit Advisory Committee;**
- (3) Councillor Carole McCulloch has stood down from Licensing Committee, Regulatory and Appeals Committee and Health and Wellbeing Board; and**
- (4) Councillor Linda Woodings has been appointed to replace Councillor Jane Urquhart on Joint Committee on Strategic Planning and Transport.**

**84    DATES OF FUTURE MEETINGS**

**RESOLVED to:**

- (1) agree to hold the Annual General Meeting on Monday 20 May 2019 at 2pm at the Council House; and**
- (2) note the proposal to meet at 2pm on the following Mondays:**
  - a. 8 July 2019**
  - b. 9 September 2019**
  - c. 11 November 2019**
  - d. 13 January 2020**
  - e. 9 March 2020**

**85    TO RECEIVE OFFICIAL COMMUNICATIONS AND ANNOUNCEMENT FROM THE LEADER OF THE COUNCIL AND/OR THE CHIEF EXECUTIVE**

Ian Curryer, Chief Executive, reported the following:

Retiring councillors

As this is the last meeting before the City Council elections, I would like to thank all councillors and recognise the hard work and commitment that you have put in over

the last four years. Particularly we have a number of councillors who are standing down, the largest number of councillors standing down at one time in the 20 years that I have been in the Council and they will not be standing for re-election, so I think it is particularly important that we recognise their contribution.

Councillors Collins, Rule and Armstrong spoke in tribute to the retiring councillors.

The Meeting concluded at 6.15 pm

WQ1

**WRITTEN QUESTION TO BE ASKED BY COUNCILLOR ANDREW RULE OF THE PORTFOLIO HOLDER FOR LEISURE AND LOCALITIES AT THE MEETING OF THE CITY COUNCIL TO BE HELD ON 4 MARCH 2019**

Last July the Parks and Open Spaces Team entered into an agreement valued at £800,000 over four years to insource a new tree management team into the Council – could the Portfolio Holder give an indication of how much this has increased capacity since coming into effect and how this compares with the capacity of work completed by the department for each year since 2015?

---

Thank you for your questions regarding the Tree Service. Please see my response below.

In July 2018 the Parks and Open Spaces Team requested authority to insource the previous external Tree contract and establish a larger in-house Tree Team. In addition to the new team, the report also provided authority for the team to create a new framework contract. This contract has only recently finished its procurement process and is now in the final stages of signing contracts with the chosen framework contractors.

The purpose of the framework contract is not to replace the internal team but to enable the service to retain maximum flexibility and resilience at times when the Council needs to commission additional works during storm events, or when we need extra capacity, specialist works or when large specialist machinery is needed for some larger tree work orders.

The framework contract has no fixed financial commitments but it does provide the authority for the team to commission works up to a value of £200,000 per year if the funding is available.

In parallel with the establishment of the framework contract, the Tree Team has now started the process of rebuilding the internal tree teams. The plan is to have two teams of four tree surgeons working 4 days on 4 days off over a 7-day period. It is anticipated that this new working arrangement will help provide more operational capacity and resilience including evening and weekend cover. The recruitment of the new team is now in progress and it is anticipated that it will be operational later in the summer. When the new team is operational, it is hoped that this will significantly improve the way that the team can control flexibility, help increase operational capacity and improve the productivity of the team.

However, the Tree Service will still need to prioritise service requests in order to balance the health and safety of the tree stock over often desirable and non-essential tree work requests. With this in mind and in order to help find local solutions to ongoing requests and complaints the service would like to engage more proactively with councillors in order to help agree a way to identify local tree priorities and to find the best way to fund extra works.

That said it is important to recognise that the trees within the City are an incredibly important natural resource. They help improve our air quality, they help reduce the temperature in the City and they help to slow the flow of water, which in turn helps reduce the risks of localised flooding. In addition, our trees also provide important urban habitats, improve biodiversity, and simply in most cases help make our City look great. It is therefore important that tree removals are only considered when all other solutions have first been fully explored.

**WQ2**

**WRITTEN QUESTION TO BE ASKED BY COUNCILLOR ANDREW RULE OF THE PORTFOLIO HOLDER FOR FINANCE, RESOURCES AND COMMERCIAL SERVICES AT THE MEETING OF THE CITY COUNCIL TO BE HELD ON 4 MARCH 2019**

Could the Portfolio Holder confirm how much uncollected council tax the Council wrote off in the last year?

---

Between January 2017 and December 2018 £2.145m of write offs were processed in respect of Council Tax arrears - going back to 1999. Recovery of this debt will have been pursued where applicable as far as possible prior to write off. This is in the context of an annual precept of £133m and an average collection rate of 97.5%.

The Local Taxation Write-Off Policy and Practice is attached.



## Local Taxation Write-Off Policy and Practice – 2016/17

### 1. Introduction

The Council is committed to maximising the collection of all income due, including that relating to Council Tax and National Non Domestic Rates (Business Rates). This is important in exercising our duty to taxpayers and citizens to exercise good stewardship of public funds and effectively manage our finances. Inevitably, however, there will be some debts that are not collectable for many reasons and a sound process is needed to deal with those cases and to ensure that all write offs are appropriate. This is good practice and demonstrates good governance.

This paper sets out the policy and practise to be followed for writing off these debts.

### 2. Policy

Within our overall aim to maximise our debt collection, it is recognised that some debts may be uneconomic to collect. A balance needs to be struck between maximising collection, using resources effectively to target collectable debt and ensuring that arrears levels are accurate by removing this debt on a regular basis. Adequate controls must be in place to ensure that:

- each write off can be justified;
- each write off is adequately recorded;
- an effective checking process is in place;
- in the case of absconders, the main cause of write offs, adequate tracing is attempted;
- a division of duties exists between inputting a write off and authorisation;
- authorisation is obtained at the appropriate level;
- practice complies with Financial Regulations and in particular CFPRS20.

### 3. Practice

**Appendix 1** details the criteria, process and authorisation levels for Council Tax write offs and **Appendix 2** deals with Business Rates.

Write Offs broadly come under one of 2 headings:

#### Ad Hoc

These are debts where collection is no longer possible e.g. companies in liquidation, deceased taxpayers with no estate and bankruptcies. This also includes Business Rates absconders. These require case by case paperwork and separate authorisation.

Debts where all options to recover have been exhausted may also be written off on an ad hoc basis. These are covered in detail later in this policy.

#### Regular

These are regular and automatic batches of write-offs as follows:

#### Council Tax Absconders

Dependent upon the level of debt, up to 3 attempts are made to trace absconded debtors. If this is unsuccessful, debts are flagged for write off and progress through an automated monthly process as outlined in **Appendix 1**.

#### Council Tax Exhausted Debt

Where all reasonable efforts have been made to recover unpaid Council Tax, we may concede that collection will not be achieved and any further attempts to collect will not be cost effective. The criteria and process to write off these debts is outlined in **Appendix 1**.

#### Council Tax Deduction from Benefits

High level of debts can accrue against taxpayers where the only viable option is to recover those debts by way of deduction from their benefits. By law the level of these deductions are limited to the extent that the tax cannot be collected in year, resulting in every increasing arrears for these taxpayers.

These are described fuller in **appendix 1** along with the process for writing off these debts

#### Council Tax Support Overpayments

On occasions the level of Council Tax Support (CTS) granted to a citizen will be reduced and that reduction backdated a number of months or even years. This gives rise to an overpayment of the CTS. The taxpayer is expected to pay this even where the overpayment arose due to administration error and it is not reasonable to expect the taxpayer to have realised that they were being overpaid.

This can leave the taxpayer in financial difficulty and been treated unfairly. This is discussed further in **appendix 1** along with the process for writing off these debts

#### Business Rates

Due to the lower volumes of absconders for Business Rates such write offs are processed under the Ad Hoc procedure.

#### Closed non active debt

For both Council Tax and Business Rates this applies to closed debts which are 4 years old with a value of less than £10,000 and where there hasn't been any account activity within the past 6 months. These write offs will be undertaken at the end of each quarter.

Examples of closed debts are accounts with a closure date at least 4 years old or a debt at least 4 years old on a current account with no Council Tax liability in the past 4 years i.e. been in receipt of full relief or full exemption.

## Financial Regulations

Write Offs will be carried out in accordance with Councils Financial Regulations and in particular CFPR20 states –

- 2.2.2 Subject to 2.2.3 below consider the write-off of non-viable income due to the City Council after a period of 2 years from the due date. All recovery actions, including referral to tracing or trace and collection agencies or other recovery agencies post Bailiff or Legal Service involvement, shall be included within the recovery process prior to the consideration of write-off.*
- 2.2.3 In relation to uncollectible Council Tax and Business Rates the debt may be written off within a period of less than 2 years where it is apparent that collection is extremely unlikely and any delay will not increase the likelihood of recovering the debt.*

## Authorisation

**Appendices 1 and 2** detail the level of authorisation for write offs. The tables overleaf summarise each debt type.

Every quarter, data is provided by Operational Support to Accountancy to enable them to report to the Chief Finance Officer (CFO) on the volumes and value of write offs.

On an annual basis Operational Support prepare a report summarising the total write off activity in the preceding year and present it to the CFO for approval.

Both Council Tax and NNDR must follow the procedure laid out in the ***CTax and NNDR 2015-16 Final Audit Report***

Any subsequent Internal Audit recommendations will be considered and if agreed will be built into this Write-Off Policy. For Council Tax purposes this is to ensure that Council officers have the final say in whether to write off debt or not.

This Policy will be kept under constant review to understand the financial, procedural and customer impact and to ensure that sufficient controls are in place to achieve "significant assurance" rating from Internal Audit

**COUNCIL TAX**

<b>Debt Type</b>	<b>Write off Type</b>	<b>Process</b>	<b>Frequency</b>	<b>Input on system by</b>	<b>System Input checked and confirmed by</b>	<b>Section Authorisation</b>	<b>Final Authorisation</b>
Absconded – debt subject to recovery	Regular	Automated	Monthly	Staff via Recovery Stage	Operational Support / Sample check	N/A	Finance Director
Abscond – no recovery debt / Bankruptcy / Committed / Deceased no estate / Gone abroad / Company Liquidated or struck off	Ad Hoc	Form Completed	As needed	Staff	Team Leader or Supervisor	Business Mgr or Head of Service up to £20,000. Finance Director or ≥ £20,000	Finance Director (via global year-end report)
Closed debt no activity	Regular	Automated	Quarterly	N/A selected by debt age & recent activity	Operational Support / Sample check	N/A	Finance Director
Exhausted	Ad hoc	Form Completed	As needed	Staff	Team Leader or Supervisor	Team leader or Business Mgr	Finance Director
	Batch	Automated	As needed	Selected by age and size of debt	Operational Support / Sample check	N/A	Finance Director
Exhausted	Ad hoc	Form Completed	As needed	Staff	Team Leader or Supervisor	Team leader or Business Mgr	Finance Director
	Batch	Automated	As needed	Selected where fulfils policy criteria	Operational Support / Sample check	N/A	Finance Director
Deductions from Benefits	Ad hoc	Form Completed	As needed	Staff	Team Leader or Supervisor	Team leader or Business Mgr	Finance Director
	Batch	Automated	As needed	Selected by age and size of debt	Operational Support / Sample check	N/A	Finance Director
Council Tax Support Overpayments	Ad hoc	Form Completed	As needed	Staff	Team Leader or Supervisor	Team leader or Business Mgr	Finance Director

**BUSINESS RATES**

<b>Debt Type</b>	<b>Write off Type</b>	<b>Process</b>	<b>Frequency</b>	<b>Input on system by</b>	<b>System Input checked and confirmed by</b>	<b>Section Authorisation</b>	<b>Final Authorisation</b>
Abscond / Bankruptcy / Committed / Deceased no estate / Gone abroad / Company Liquated or struck off	Ad Hoc	Form Completed	As needed	Staff	Team Leader or Supervisor	Business Mgr or Head of Service up to £20,000. Finance Director ≥ £20,000	Finance Director
Closed debt no activity	Regular	Automated	Quarterly	N/A selected by debt age & recent activity	Operational Support / Sample check	N/A	Finance Director

## **Appendix 1: Council Tax Write Off Practice**

### **Council Tax Write off Criteria:**

Write-offs can occur at 3 levels:

1. **Ad Hoc** - these fall into one of the headings below and are completed manually as required
2. **Regular (quarterly)** - high volume for - completed automatically.
3. **Regular (6 monthly)** - low volume to ensure that the database is kept clean and accurate - completed automatically.
4. **Regular (as required)** – to ensure arrears figures are not overstated and remove debt with no prospect of collection. To include Exhausted Debt, Deduction from Benefit cases and Overpaid Council Tax Support

#### Ad Hoc reasons

The liable party has:

1. Died and not left an estate;
2. Been made bankrupt;
3. Moved overseas and there are no powers to collect;
4. Had a debt relief order granted;
5. Been committed for non-payment;
6. The liable party is a company and has been struck off the Register of Companies or has been liquidated;
7. The Council Tax Payer has absconded and none of the debt is subject to recovery action so would not be covered by the "Gone away" process;
8. The debt is judged to be exhausted and requires separate (see below);
9. A Council Tax Support irrecoverable overpayment has occurred that can be written off under this policy.

#### Regular reasons (Quarterly):

1. Summoned debt where we have been unable to trace the tax payer using our "Gone away" process – where we, or a tracing agent acting on our behalf, attempt to trace the liable party up to 3 times over a year dependent on the level of debt. If unsuccessful the debt is written off.
  - a. Less than or equal to a sum equivalent to 3 months tax for a band A property with a Single Persons Discount, rounded to the nearest £10 - One trace attempt
  - b. Less than or equal to £a sum equivalent to the full year's tax for a band A property with a Single Persons Discount, rounded to the nearest £10 - Two trace attempts
  - c. More than a sum equivalent to the full year's tax for a band A property with a Single Persons Discount, rounded to the nearest £10 - Three trace attempts.
2. Summoned debt we have been unable to collect using our "Small Balance" process - applied to debts up to £70 which haven't had a recent payment:
  - a. Closed accounts, no payment in 100 days following chase letter.
  - b. Open accounts, no payment in 2 years following chase letter and all subsequent and current debt is paid up to date.

**Regular reasons (6 monthly):**

1. Closed debts over 4 years old (from account closure date) and a debt value under £10,000 where there hasn't been any movement in the past 6 months specifically:
  - a. No cash payment.
  - b. No debt change.
  - c. No bill or reminder sent.
2. Closed accounts with an un-summonsed debt of less than £70 (the current level that we take a case to court).

**Regular reasons (as required)**

**Exhausted Debt**

Where all reasonable efforts have been made to recover unpaid Council Tax, we may concede that collection will not be achieved and any further attempts to collect will not be cost effective. This often involves debts on closed accounts where we hold a forwarding address and all efforts to recover the debt have been unsuccessful. These can be done in one of three ways: by batch ad hoc and in response, as follows:

**By batch**

A debt is judged as exhausted and ready for write off if ALL these conditions are met:

1. The debt is at least 3 years old;
2. Bailiffs have attempted to recover the debt but been unsuccessful
3. A notice warning of possible committal has been issued;
4. The debt is of a value less than £2000;
5. We have no record to show that the debtor is in receipt of state benefits from which we can take reductions or such deductions are already in place for another debt and it will take more than 2 years to recover that debt;
6. We do not possess employment information allowing us to make an attachment against the debtors earnings;

These multiple debts classified as exhausted are written off in bulk by batch

**Ad hoc**

Write offs for debts over £2000 that fulfil the above criteria can be processed but need to be evidenced by individual write off reports providing a summary of the account and steps taken to recover the debt and authorised by an officer of the appropriate seniority..

**In Response**

This applies where we are contacted by the debtor or someone acting on their behalf (such as advice agencies) and advised that it is highly unlikely that the debt can be collected and it would be inappropriate to continue with recovery action or even start such action. To be considered for write-off ALL the following conditions must be met:

1. The debt could not reasonably have been offset by benefit or reduction;
2. A full financial statement, together with any required supporting documentation has been provided;

3. The Council is satisfied that the citizen has taken reasonable steps to resolve their situation;
4. The citizen does not have access to other assets that could be used to pay their Council Tax;
5. The citizen eligibility to Council Tax reduction and all other statutory reductions has been assessed;
6. They are not eligible for any other financial assistance offered by the Council to help with the Council Tax debt (e.g. via a hardship fund);
7. The citizen can show that their current circumstances are unlikely to improve in the following twelve months, making the payment of Council Tax impossible

This could include writing off part of the debt allowing the debtor to manage the rest and keep up to date with future liabilities. Such write-offs must be approved by the relevant Head of Service.

### **Deduction from Benefit cases**

When a liability order is issued against a debtor and they are in receipt of certain state benefits, that debt can be collected via direct deduction from state benefits. This requires a notice to be issued to the Department for Works and Pensions (DWP) to request the deduction. Such deductions are currently limited to £3.70 per week and can only be in place for one liability order at a time. By law no other recovery action can take place in respect of any other liability orders against the debtor.

With the advent of Council Tax Reduction and the requirement for working age claimants to pay at least 20% of the tax, coupled with the time required to obtain a liability order and for the DWP to set up deductions, means that any particular years debt is rarely paid within that year.

For the individual taxpayers it means that, unless the financial circumstances change for the household, the debt will continue to increase and the repayment timescale increased. Typically for taxpayers with large arrears from years prior to being on benefits, the situation can be more extreme with debts that will take decades to clear.

A write off can be carried out if the following criteria is met -

1. The debtor has been in receipt of Council Tax Reduction for the past 2 years and is currently in receipt of Income Support (IS) and/or Employment & Support Allowance (ESA). Any breaks in entitlement that total less than 12 weeks in the 2 year period shall be disregarded;
2. In the case of closed accounts the debtor was in receipt of Council Tax Reduction or Council Tax Benefit for 2 years or for the period of the account;
3. There is no indication that the debtors circumstances are likely to improve in the near future;
4. The debt remaining against a debtor after any write off shall not be less than the value of the weekly deductions we can secure over a 2 year period.

### **Overpaid Council Tax Support**

The Council Tax Support Scheme for Nottingham does not include any provisions to allow any overpayments to be classified as irrecoverable. As such any adjustments reducing support have to be applied regardless of how far back such an adjustment may go and the impact on the taxpayer.

In contrast, if the taxpayer is or was receiving Housing Benefit and that was overpaid due to the same circumstance, that overpayment would not be recoverable and the taxpayer would not be required to pay it back. Similar provisions existed for Council Tax Benefit that was replaced by Council Tax Support in 2013.

This results in additional unexpected debt becoming due from taxpayers, most of which will have limited means and results in debt that that is very difficult to recover.

Therefore, a write off can be carried out where the following criteria is met –

- a) There has been a backdated reduction in a citizens Council Tax Support;
- b) The reduction is backdated more than one month;
- c) Had such a reduction occurred under the equivalent Council Tax Benefit scheme it would have been deemed as irrecoverable i.e.
  - i. The overpayment arose due to official error; and
  - ii. The citizen, or someone acting on their behalf, could not reasonably have expected to realise it was an overpayment
- d) In considering point (c) above reference shall be made to practises, precedence and case law relevant to Council Tax Benefit and Housing Benefit overpayments

The determination that an overpayment would have deemed as irrecoverable under the Council Tax Benefit scheme, shall be made by a Benefit officer of the appropriate seniority and experience.

If the taxpayer is or was in receipt of Housing Benefit and an overpayment had occurred that was determined as irrecoverable, then any Council Tax Support overpayment for the same period of overpayment shall be treated as irrecoverable

If the value of the overpayment is less than the annual tax due for a class A property<sup>1</sup> the Benefit Officer will notify Council Tax stating the amount to write off along with a brief

description of why the overpayment is considered as irrecoverable. Council Tax will then apply the write off.

If the value of the overpayment is equal or more than the annual tax due for a class A property, a report shall be prepared by an appropriate Benefits Officer and considered by the Head of Service

## **Council Tax Write off Authorisation**

### **Ad Hoc reasons:**

1. Council Tax Officer completes and signs a write-off form detailing the reason for write-off and endorses it on the system.
2. This form is countersigned by a supervisor or team leader who authorises it on the system. N.B. there must be 2 separate signatures.
3. Operational Support collect all the write-off forms, reconciles them each month against system write-off data and checks that the required signatures are in place.

### **Regular reasons (Quarterly):**

1. A system report (run by Operational Support) details all the liability orders that are in the write-off stage (previous stage gone away);
2. A system report (run by Operational Support) extracts all the liability orders that meet the small balance criteria;
3. The Business Manager reviews the full list of write-off liability orders and ensures that a random sample are checked to ensure they have been processed properly, keeping a record of this check. Appropriate investigation and action will be taken if this isn't the case.
4. Operational Support conduct the following activity:
  - a. Write-off the debts on the system.
  - b. Create an electronic record of what has been written off.
  - c. Create a cover sheet which details the number of liability orders written off, their value and the split (untraceable, small balance) and confirms that all system criteria used for creating the write-off list are correct.
5. The Operational Support Manager signs the cover sheet and it and the electronic document are passed to the Head of Service for counter signature.
6. The cover sheet and electronic document are passed to the Finance Director for final signature.

### **Regular reasons (6 monthly):**

1. A system report extracts details of all the liabilities that meet the criteria stated.
2. These are checked by a recovery Team supervisor to ensure there is nothing listed where there is ongoing action e.g. with the bailiff or subject to committal action.
3. Operational Support write-off the debts on the system and create an electronic document.
4. Operational Support then:
  - a. Write-off the debts on the system;
  - b. Create an electronic record of what has been written off;

- c. Create a cover sheet detailing the number of debts written off, their value and confirm that all system criteria used for creating the write-off list are correct.
5. The Operational Support Manager signs the cover sheet and passes it with the electronic document to the Head of Service for counter signature.
6. The cover sheet and electronic document are passed to the Finance Director for final signature.

Regular reasons (as required) – Exhausted and Deduction from Benefits cases

1. A system report extracts details of all the liabilities that meet the criteria stated.
2. These are sampled checked by a Supervisor in the Council Tax team to ensure that the appropriate debts have been selected.
3. Operational Support writes off the debts on the system and creates an electronic document.
4. Operational Support then:
  - a. Write-off the debts on the system;
  - b. Create an electronic record of what has been written off;
  - c. Create a cover sheet detailing the number of debts written off, their value and confirm that all system criteria used for creating the write-off list are correct.
5. The Operational Support Manager signs the cover sheet and passes it with the electronic document to the Head of Service for counter signature.
6. The cover sheet and electronic document are passed to the Finance Director for final signature.

## Appendix 2: Business Rates Write Off Practice

### Business Rates Write off Criteria:

#### Write offs can occur at 2 levels:

1. **Ad Hoc** - low volume done 'as and when' where write-off is appropriate. These require completion and approval of a write-off form giving a reason for the write-off.
2. **Regular (quarterly)** - low volume to ensure that the database is kept clean - completed automatically.

#### Irregular (Ad Hoc) reasons:

##### The liable party:

1. is an individual who has absconded and cannot be traced (see below);
2. has died and not left an estate;
3. has been made bankrupt;
4. has moved overseas and we have no powers to collect;
5. has had a debt relief order granted;
6. has been committed for non-payment;
7. is a company and has been struck off the Companies Register;
8. Is a company and has been liquidated or gone into administration.

#### Absconders

In the case of absconders all reasonable avenues will be used to find the liable party. We will attempt to trace them once or twice dependent on the level of debt. If unsuccessful the debt is written off as follows:

- a. Less than £1,000 - One trace attempt
- b. £1,000 or greater - Two trace attempts.

There will be a minimum of 4 months between any first and second attempt.

To comply with the financial regulation that any write-off should only be considered after 2 years from when the debt become payable, any write off due to absconding will only be undertaken where the debt ended at least 2 years ago.

Write-offs on other grounds may be done before the 2 year period where it is clear that any delay could not increase the chance of recovering the debt e.g. companies going into liquidation or being struck off, the ratepayer dying with no assets.

#### Regular reasons (Quarterly):

1. Closed debts which are over 4 years old (from account closure date) and have a debt under £10,000 where there hasn't been any movement in the past 6 months specifically:
  - a) No cash payment.
  - b) No debt change.
  - c) No bill or reminder sent.
2. Closed accounts with an un-summonsed debt of less than £70 (the current level that we take a case to court).

3. Summonsed debt we have been unable to collect using our *small balance* process. This is applied to debts up to £70 which haven't had a recent payment:
  - a. Closed accounts, no payment in 100 days following chase letter.
  - b. Open accounts, no payment in 2 years following chase letter and all subsequent and current debt is paid up to date.

**Business Rates Write off Authorisation:**

Irregular reasons:

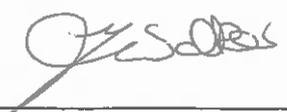
1. Business Rates Officer completes and signs a write-off form detailing the reason for write-off and endorses it on the system.
2. This form is countersigned by a supervisor or team leader who authorises it on the system. There **must** be 2 separate signatures.
3. Operational Support collects all forms, reconciles them every month against system write-off data and checks that the required signatures are in place.
4. At the end of each financial year a summary containing the total of all ad hoc write-off activity is produced by Operational Support and passed to the Finance Director for final signature. Reports showing the volume and value of write-offs are provided to the CFO by Accountancy every quarter.

Regular reasons (Quarterly):

1. A system report extracts details of all liabilities that meet the criteria stated.
2. The liabilities are checked by a Business Rates supervisor to ensure there is nothing listed where there is ongoing action e.g. with the bailiff or subject to committal action.
3. Operational Support write-off the debts on the system and create an electronic document.
4. Operations Support then:
  - a) Write-off the debts on the system
  - b) Create an electronic record of what has been written off.
  - c) Create a cover sheet detailing the number of debts written off, their value and confirm that all system criteria used for creating the write-off list are correct.
5. The Operational Support Manager signs the cover sheet and passes it and the electronic document to the Head of Service for counter signature.
6. The cover sheet and electronic document are passed to the Finance Director for final signature.

**Approval**

This Policy and Practice is approved as follows:

<b>SIGNATURE</b>		
<b>NAME</b>	<b>Geoff Walker – Chief Finance Officer</b>	<b>23<sup>rd</sup> January 2017</b>



**WQ3**

**WRITTEN QUESTION TO BE ASKED BY COUNCILLOR ANDREW RULE OF THE PORTFOLIO HOLDER FOR TRANSPORT AND HR AT THE MEETING OF THE CITY COUNCIL TO BE HELD ON 4 MARCH 2019**

Could the Portfolio Holder provide reassurance to all Nottingham City Council staff who are on a Single Status Contract, that they will be treated equally and in the same way as the 600 members of staff who took action against the Council, as their contracts may have been breached in exactly the same way, and the same remedy should also be applied to them?

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As the litigation on this matter is still on-going, the Council is unable to comment at present. However, it should be borne in mind that not all employees who brought claims against the City Council were successful, with around 100 claims being dismissed.

We are in the process of assessing and agreeing figures with the Trade Union Solicitors, as part of the remedies process, and this will be considered further by the Nottingham employment tribunal later this year.

**WQ4**

**WRITTEN QUESTION TO BE ASKED BY COUNCILLOR ANDREW RULE OF THE LEADER OF THE COUNCIL AT THE MEETING OF THE CITY COUNCIL TO BE HELD ON 4 MARCH 2019**

Given that Nottinghamshire County Council abandoned its plans to create a single unitary authority at the end of last year; does the Leader believe spending £50,000 on a Local Perception Study to develop counter proposals to a plan abandoned by the County Council is a prudent use of the Council's limited resources?

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Nottingham City Council committed last year to matching Nottinghamshire County Council's progress towards submitting any proposals to Government for Local Government Reorganisation.

This was to mitigate the risk that a successful bid by the County to Government would result in an under-bounded City 'island' within a very large County unitary authority for years to come. Such a result would have left the conurbation of Greater Nottingham split between two different unitary Councils, each with different policies and visions for the conurbation. This would be unlikely to lead to the best results for Greater Nottingham's citizens, businesses or partner organisations.

The County Council had already conducted a similar study to Nottingham City Council's. Phase 1 and phase 2 of the County Council's engagement and community consultation was expected to cost £190,000 – this is according to the County

Council's September 2018 report to their Policy Committee. Their phase 1 costs were estimated to be up to £50,000.

The County Council explicitly excluded the City from their exercise. In order to match the County Council's progress we needed to seek the views of City and surrounding residents separately.

Councillor Cutts, Leader of Nottinghamshire County Council, told the Nottingham Post in December that she would "pause and take more time to reflect", therefore we are not aware that the work has been explicitly permanently abandoned. It is the County Council's prerogative as to whether they end this pause at any time and as such it is prudent, given the above, for Nottingham to progress to the point where the City has matched the County's preparations for Local Government Reorganisation. The research we conducted will remain valid for some time. Nottingham remains objectively under-bounded.

We also met with senior Civil Servants in the Ministry of Housing, Communities and Local Government who confirmed that the legislation does permit Nottingham City to put forward a proposal ourselves, and therefore we were clear that in the event of the County persisting in excluding the City we did have a legal route to follow. The criteria for a robust case includes citizens' views, and therefore it was essential to conduct a local study. The City Council will not pursue unitarisation arguments further as long as the County Council's work remains paused.