

## NOTTINGHAM CITY COUNCIL

### EXECUTIVE BOARD

**MINUTES of the meeting held at Ground Floor Committee Room - Loxley House, Station Street, Nottingham, NG2 3NG on 19 February 2019 from 2.00 pm - 2.18 pm**

#### Membership

##### Present

Councillor Jon Collins (Chair)  
Councillor Graham Chapman (Vice Chair)  
Councillor Neghat Khan  
Councillor Dave Liversidge  
Councillor David Mellen  
Councillor Toby Neal  
Councillor Dave Trimble  
Councillor Linda Woodings  
Councillor Andrew Rule

##### Absent

Councillor Sally Longford  
Councillor Sam Webster

#### Colleagues, partners and others in attendance:

Candida Brudenell - Corporate Director for Resources and Strategy /Assistant Chief Executive  
Theresa Channell - Head of Strategic Finance  
Eddie Curry - Head of Parks, Open Spaces and Investment Funding  
Ian Curryer - Chief Executive  
Chris Deas - Director of Major Projects (& NET)  
Kate Morris - Governance Officer  
Andy Vaughan - Corporate Director for Commercial and Operations  
Catherine Underwood - Director of Adults Social Care  
Keri Usherwood - Marketing and Communications Manager  
Janine Walker - Service Manager, Special Educational Needs Service

#### Call-in

Unless stated otherwise, all decisions are subject to call-in. The last date for call-in is 1 March 2019 Decisions cannot be implemented until the working day after this date.

#### **76 APOLOGIES FOR ABSENCE**

Councillor Sally Longford – Personal  
Councillor Webster – Leave

Alison Michalska – Corporate Director for Children and Adults

#### **77 DECLARATIONS OF INTERESTS**

None.

## **78 MINUTES**

The minutes of the meeting held on 22 January 2019 were confirmed as a true record and were signed by the Chair.

## **79 FUTURE PARKS ACCELERATOR FUNDING BID - KEY DECISION**

The Board considered the report of the Portfolio Holder for Leisure and Localities setting out the Future Parks Accelerator Funding Bid, and requesting match funding and allocation of staff resources required to progress the second stage of bidding.

### **RESOLVED to:**

- (1) Note the submission of the Stage 2 bid (detailed in appendix 1) to the Future Parks Accelerator and subject to the bid being successful delegate authority to the Director of Neighbourhood Services to agree and sign the grant funding agreement with Heritage Lottery Fund and National Trust;**
- (2) Approve the allocation of staff resources, revenue match funding and establish an earmarked reserve as detailed in the finance advice within the published report;**
- (3) Delegate authority to the Director of Neighbourhood Services to enter into contracts and commission specialist advice and consultants that are required to deliver the programme; and**
- (4) Note the proposal to establish the new fixed contract posts related to the delivery of the programme as outlined in appendix 1 and approve the allocation of the Future Parks Accelerator funding to those posts.**

### Reasons for decision

The recommendations are required in order to support the stage 2 application to the FPA. Essentially, if the bid is successful, the FPA will help Nottingham to undertake a 25-year strategy which will identify and provide new income generating opportunities, provide resources to complete an in-depth community engagement programme and help provide investment options for the long term planning and sustainable delivery of Nottingham's Parks and Green Spaces.

### Other Options Considered

The options considered include:

- Do Nothing – Not apply for the Funding  
This option has been considered and rejected as it will not help the service manage the budget reduction pressures and will not help sustain service delivery moving forward.
- Seek out other funding options  
This option is unlikely given the availability of other funding for revenue projects. Funding for activities such as business and strategy development work is very limited it is considered unlikely that this option will be possible to enable the service to progress.

**80 SCHOOL ADMISSION ARRANGEMENTS 2020/21 FOR COMMUNITY SCHOOLS - KEY DECISION**

The Board considered the report of the Portfolio Holder for Education and Skills outlining the proposed changes to admission arrangements for community schools following consultation. It was reiterated that these admission arrangements are only for the community schools, not schools run by academies, they retain the right to set their own admissions policies.

**RESOLVED to:**

- (1) Approve the Local Authority's proposed admission arrangements for the 2020/21 school year for community schools, to give clarity as to when a child is considered to have a sibling at the school concerned to ensure parents/carers are easily able to determine whether their child will be considered under the sibling criteria and to change the definition of siblings to include a stepbrother or stepsister where two children are related by a parent's civil partnership as well as by a parent's marriage is to ensure stepsiblings related by a parent's civil partnership are treated the same as those related by a parent's marriage.**

Reasons for Decision

In accordance with the School Standards and Framework Act 1998, the Local Authority has consulted with the City's Admission Forum, head teachers, governing bodies, relevant religious bodies and community groups, parents and carers within the city and Nottinghamshire County Council on all aspects of its proposed admission arrangements for 2020/21, which included a proposed a minor change from the 2019/20 admission arrangements.

It is proposed that the changes to the admission arrangements for the 2020/21 school year will ensure clarity and fairness for siblings. It is proposed that all other aspects of the 2019/20 admission arrangements remain in place for the 2020/21 school year.

Other Options Considered

No other options other than the minor changes set out in paragraphs 1.1.1 to 1.1.2. for the 2020/21 school year were considered.

The option to make any other changes to the admission arrangements from those agreed for the 2019/20 school year was not felt to be necessary or viable. This is because maintaining the rest of the Local Authority's 2019/20 admission arrangements for a further year will enable the Local Authority to monitor the operation of the changes that are proposed to the 2020/21 arrangements, along with the arrangements of all admission authorities in Nottingham City, including those of newly formed academies, in order to make any changes for subsequent years on an informed basis.

## **81 SCHOOLS BUDGET 2019/20 - KEY DECISION**

The Board considered the report of the Portfolio Holder of Education and Skills presenting the Council's Schools Budget for 2019/20 which has been prepared in line with the parameters agreed at Schools Forum and financial regulations issued by the Department for Education.

### **RESOLVED to:**

- (1) Note the overall indicative 2019/20 Schools Budgets to be spent incorporating the Schools, Central Schools Services, Early Years and High Needs blocks is £274.956m;**
- (2) Note that there has been a block transfer of funding of £1.059m from the Schools to the High Needs which has been approved by Schools forum;**
- (3) Note that the budget will be updated in year to reflect subsequent adjustments made by the Education, Skills Funding Agency to our 2019/20 Dedicated Schools Grant allocation as described in the report. Any balance remaining will be allocated to the Statutory School Reserve;**
- (4) Approve the in-year budget transfers and payments to schools, Private and Voluntary Charitable and Independent settings and Academies totalling £261.108m;**
- (5) Approve external spend associated with centrally retained expenditure totalling £13.901m;**
- (6) Note the procurement of external placements will be in accordance with the financial regulations, gaining approval through the appropriate processes;**
- (7) Approve the allocation of Pupil Premium and Early Years Pupil Premium and other grants outlined in section 2.6 to settings in accordance with the grant conditions; and**
- (8) Delegate the authority to the Portfolio Holder for Education and Skills and the Corporate Director for Children and Adults to approve any final budget adjustments.**

### Reasons for Decision

To ensure an understanding of how and on what basis different education grants are allocated to the Local Authority (LA) and how they are then distributed to educational settings. This process enables the schools' budgets to be established.

To provide the Executive Board (EB) with a summary budget position of the DSG based on the approvals gained in accordance with the Schools and Early Years Finance Regulations (England) (2) 2018.

To update the Board on the impact of any new legislation on the Schools budgets.

To ensure the appropriate constitutional approvals are gained to spend the grants.

#### Other Options Considered

No other options are available as the recommendations align to the financial regulations issued by the DfE in relation to the allocation of DSG and the pupil premium grant.

## **82 MEDIUM TERM FINANCIAL PLAN (MTFP) - KEY DECISION**

This decision is not subject to call in as Councillor Brian Parbutt, Chair of the Overview and Scrutiny Committee, has agreed that the decision is reasonable in all circumstances and should be treated as a matter of urgency as the Council's budget has to be approved at Full Council meeting on 4 March 2019 and the report despatch date is before call in period has ended.

The Board considered the report of the Portfolio Holder for Finance, Resources and Commercial Services presenting the Council's Medium Term Financial plan comprising of the revenue and capital programme for both the General Fund and Housing Revenue Account.

### **RESOLVED:**

- (1) In relation to the 2018/19 Forecast Outturn (at appendix 1)**
  - (a) To note the current forecast outturn for the 2018/19 General Fund and HRA revenue budgets and capital programmes.**
  - (b) To endorse the allocations from Contingency as set out in Table 3.**
  - (c) To approve the budget virements and reserve movements set out in and Appendices B and C.**
  
- (2) In relation to the Medium Term Financial Plan 2019/20 – 2021/22 Revenue Element (at appendix 2)**
  - (a) To note:**
    - i. The General Fund revenue aspects of the MTFP.**
  - (b) To note, endorse and release:**
    - i. proposals totalling £15.901m as set out in Tables 9 and detailed within Appendices A of the report for formal public consultation**
  - (c) To note, endorse and recommend to City Council:**
    - i. The General Fund net budget requirement for 2019/20 of £239.785m including the net movement in earmarked reserves as set out in Table 5**
    - ii. A basic amount of Council Tax level (Band D) of £1,738.93 that will raise a total of £116.101m (a basic increase of 2.99%, no increase for Adult Social Care Precept)**
    - iii. Delegated authority to the appropriate Director to implement all proposals after undertaking necessary consultation**
  
- (3) In relation to the Medium Term Financial Plan 2019/20 – 2023/14 Capital Programme Element (in appendix 3) Executive Board to note, endorse and recommend to City Council:**
  - (a) The Capital Programme as detailed in Appendix D**
  - (b) The additional key principle for the governance and management of the capital programme as set out in Section 5 and Section 8**

- (c) The extension of the rolling programmes as set out in revised General Fund Capital Programme Table 3**
  - (d) The revised Local Transport Programme as set out in Appendix C**
- (4) In relation to the Medium Term Financial Plan 2019/20 – 2021/22 Housing Revenue Account (appendix 4)**
- (a) To note the following changes that impact on the HRA's financial sustainability include:**
    - i. Reduction of social housing rents by 1%**
    - ii. Stock reduction resulting from Right to Buy and the increase through new build and acquisition**
    - iii. Roll out of Universal Credit from October 2018**
  - (b) To approve the:**
    - i. Proposed rent decrease of 1.0% for 2019/20**
    - ii. Continuation of the tenant incentive scheme of up to £100 per annum**
    - iii. Introduction of a 10% administration charge for selected service charges**
    - iv. A proposed increase in general services charges of 2.4%**
    - v. Proposed increase to estate & block maintenance service charges £0.68/week**
    - vi. A working balance of £7.727m to provide for the effects of Universal Credit**
    - vii. Delegation of authority to Nottingham City Homes (NCH) to award capital contracts up to the value of the scheme/programme as set out in Appendix B of Annex 4 of the report**
  - (c) To note, endorse and recommend to City Council the 2019/20 HRA budget**
- (5) In relation to the robustness of the budget (in appendix 5) to note and endorse the recommendations of the Chief Finance Officer in respect of the robustness of the estimates within the budget and the adequacy of reserves;**
- (6) In relation to the Budget Consultation 2019/20 (in appendix 6) to note the outcomes of the budget consultation and communication; and**
- (7) To delegate authority to the Director of Strategic Finance, in consultation with the Deputy Leader, to finalise the MTFP for publication following approval of the relevant elements of the budget by City Council.**

#### Reasons for Decision

This report presents and seeks endorsement for the MTFP to enable Executive Board to approve HRA elements of the report and make recommendations to City Council for consideration on 4 March 2019 when they meet to set the budget and council tax for 2019/20.

#### Other Options Considered

Throughout the budget process, a large number of individual cost reduction, income and investment options are considered. These in turn impact on the

level of reserves. This is a complex process with many iterations and possibilities too numerous to present as discrete options. This report presents the final overall package of detailed proposals which together seek to balance levels of investment, cost reduction and an appropriate level of income.

### **83 TREASURY MANAGEMENT STRATEGY 2019/20 AND CAPITAL & INVESTMENT STRATEGY 2019/20**

The Board considered the report of the Portfolio Holder of Finance, Resources and Commercial Services covering the Treasury Management Strategy Statement (TMSS) 2019/20 and the Capital Strategy for 2019/2020. The TMSS sets out the Treasury management, Treasury Investment and Debt Recovery strategies for 2019/20 and the Capital Strategy sets out the framework for the council's capital investment and financing decisions aligned with the City Councils corporate priorities over the medium term.

#### **RESOLVED to:**

- (1) To endorse and recommend for approval by the City Council at its meeting on 4 March 2019 the overall Treasury Management Strategy for 2019/20 (Appendix 1), and, in particular:**
  - a. the strategy for debt repayment (Minimum Revenue Provision) in 2019/20 (section 5.2);**
  - b. the Investment Strategy for 2019/20 (section 4);**
  - c. the prudential indicators and limits for 2019/20 to 2021/22 (section 5.1);**
  - d. adopt the current Treasury Management Policy Statement (section 5.3).**
  
- (2) endorse and recommend for approval by the City Council at its meeting on 4 March 2019 the Capital & Investment Strategy 2019/20 as seen in appendix 2 of the published report.**

#### Reasons for Decision

Approval of a Treasury Management Strategy is a legal requirement, to comply with:

- Financial Regulations and the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management by submitting a policy and strategy statement for the ensuing financial year;
- guidance issued by the Secretary of State under section 15(1) (a) of the Local Government Act 2003 in approving, at Council, an Annual Investment Strategy before 1 April;
- guidance issued by the Secretary of State under section 21 (1A) of the Local Government Act 2003 which requires the preparation of an annual statement of the Council's policy on making a Minimum Revenue Provision (MRP) for the repayment of debt.

The Capital Strategy is a new requirement for Nottingham City Council, the strategy has to comply with:

- The Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code and the Code of Practice on Treasury Management;

- regulations requiring the Council to have regard to the Code are issued under section 1 of the Local Government Act 2003.
- guidance issued by the Secretary of State under section 15(1) (a) of the Local Government Act 2003 in approving, at Council, an Annual Investment Strategy before 1 April;

#### Other Options Considered

The approval of a Treasury Management Strategy and Capital Strategy is a requirement of the CIPFA code. The MHCLG Guidance and the CIPFA Code do not prescribe any particular strategies for local authorities to adopt. The Chief Financial Officer, having consulted the portfolio holder, believes that the proposed strategies represent an appropriate balance between risk management and cost effectiveness.

#### **84     EXCLUSION OF THE PUBLIC**

**RESOLVED to exclude the public from the meeting during consideration of the remaining item in accordance with Section 100A(4) of the Local Government Act 1972 on the basis that, having regard to all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information as defined in paragraph 3 of part 1, Schedule 12A of the Act.**

#### **85     TREASURY MANAGEMENT STRATEGY 2019/20 AND CAPITAL & INVESTMENT STRATEGY 2019/20 - EXEMPT APPENDIX**

**RESOLVED to note the contents of the exempt appendix.**