

NOTTINGHAM CITY COUNCIL

EXECUTIVE BOARD

MINUTES of the meeting held at Ground Floor Committee Room - Loxley House, Station Street, Nottingham, NG2 3NG on 19 November 2019 from 2.03 pm - 2.47 pm

Membership

Present

Councillor David Mellen (Chair)
Councillor Sally Longford (Vice Chair)
Councillor Eunice Campbell-Clark
Councillor Neghat Khan
Councillor Dave Trimble
Councillor Sam Webster
Councillor Linda Woodings
Councillor Kevin Clarke
Councillor Andrew Rule

Absent

Councillor Cheryl Barnard
Councillor Rebecca Langton
Councillor Adele Williams

Colleagues, partners and others in attendance:

Councillor Kevin Clarke
Councillor Andrew Rule

Candida Brudenell	- Corporate Director for Strategy and Resources
Clive Chambers	- Head of Safeguarding and Quality Assurance
Ian Curryer	- Chief Executive
Chris Henning	- Corporate Director for Development and Growth
David Hobbs	- Selective Licensing Manager
Laura Pattman	- Strategic Director for Finance
Malcolm Townroe	- Director of Legal and Governance
Catherine Underwood	- Corporate Director for People
Andy Vaughan	- Corporate Director for Commercial and Operations
Jane Garrard	- Senior Governance Officer

Call-in

Unless stated otherwise, all decisions are subject to call-in. The last date for call-in is 29 November 2019. Decisions cannot be implemented until the working day after this date.

47 APOLOGIES FOR ABSENCE

Councillor Cheryl Barnard - Unwell
Councillor Rebecca Langton – Personal
Councillor Adele Williams – Other Council Business

48 DECLARATIONS OF INTERESTS

Councillor Neghat Khan declared an Other Interest in agenda item 17 Financing Arrangements (minute number 62). She left the room prior to discussion and voting on this item.

49 MINUTES

The Board confirmed the minutes of the meeting held on 22 October 2019 as a correct record and they were signed by the Chair.

50 TREASURY MANAGEMENT 2019/20 HALF YEARLY UPDATE

The Board considered the report of the Portfolio Holder for Finance, Growth and the City Centre on treasury management during 2019/20. The Portfolio Holder highlighted that:

- (a) the average interest rate payable on the debt portfolio has decreased from 3.359% at 31 March 2019 to 3.316% at 30 September 2019. This has enabled the Council to take advantage of historically low interest rates reducing the cost of long term borrowing;
- (b) the average return on investments to 30 September 2019 was 0.93% against a benchmark rate of 0.58% (7-day LIBID) so expectations are being outperformed;
- (c) the Public Works Loan Board standard interest rate on new loans has increased by 1% from 9 October 2019. This change was made without consultation with local authorities and is disappointing because it makes borrowing more expensive.

RESOLVED to note the treasury management actions taken in 2019/20 to 30 September 2019.

Reasons for decision

To ensure that councillors are informed of the actions that have been taken by the Chief Finance Officer (CFO) under delegated authority. The currently adopted Treasury Management Code of Practice requires the CFO to submit at least three reports on treasury management each year: a policy and strategy statement for the ensuing financial year; a 6-monthly progress report; and an outturn report after the end of the financial year. The Code also requires that the reports are considered by relevant scrutiny or executive committees, and that the City Council approves any changes to the treasury management strategy.

Other options considered

No other options were considered because the report is required by the Treasury Management Code of Practice.

51 ACTION PLAN IN RESPONSE TO THE INDEPENDENT INQUIRY INTO CHILD SEXUAL ABUSE REPORT PUBLICATION

This item does not contain any decisions eligible for call in.

The Board considered the report of the Leader of the Council setting out an action plan in response to the recommendations contained within the report of the Independent Inquiry into Child Sexual Abuse. The Leader of the Council informed the Board that progress on implementation of the action plan will be reported to the appropriate Council committees.

RESOLVED to note

- (1) the contents of the Action Plan as set out in appendix 1 of the report; and**
- (2) the costs associated with the actions set out in appendix 1 of the report and that there is no additional funding to support the actions required, the Council currently has an overspend position and that these costs will form part of the forecast which requires mitigating action.**

52 APPROVAL TO ADOPT LOCAL PLAN DOCUMENTS

The Board considered the report of the Portfolio Holder for Planning, Housing and Heritage proposing the adoption of the Provision of Open Space in New Residential and Commercial Development Supplementary Planning Document (SPD), the Management of Caves of Nottingham Supplementary Planning Document and the Statement of Community Involvement as part of the Council's planning policy framework. The Portfolio Holder highlighted that:

- (a) consultation had been carried out and a total of 72 submissions had been received which were generally supportive;
- (b) the Open Space SPD sets out expectations on how open spaces and green spaces will accompany new developments. This supports the Council's ambitions in relation to becoming carbon-neutral;
- (c) there are approximately 1000 caves in the City and it is important to protect this heritage through a SPD. A Cave Owners Guide has also been produced to support individuals and organisations in looking after caves that they own;
- (d) the Statement of Community Involvement sets out who the Council will consult on planning matters and how;
- (e) the Biodiversity SPD is still being developed and will come to a future Board meeting for adoption.

RESOLVED to:

- (1) adopt "The Provision of Open Space in New Residential and Commercial Development" Supplementary Planning Document, "Management of the**

**Caves of Nottingham” Supplementary Planning Document and the
“Statement of Community Involvement”;** and

- (2) apply the Supplementary Planning Documents to all planning applications which are validated on or after 27 November 2019.**

Reasons for decision

The Supplementary Planning Documents will ensure that development meets the Council’s aspirations in terms of open space provision and contributions and the protection of the City’s caves. The new Statement of Community Involvement will ensure that the community is appropriately involved in the planning process.

Other options considered

Not adopting the Supplementary Planning Documents/ Statement of Community Involvement was rejected because it would have resulted in a lack of comprehensive planning guidance to underpin the Local Plan and the outdated Statement of Community Involvement would no longer comply with statutory guidance.

53 REPORT ESPO FRAMEWORK FOR DIESEL FUEL SUPPLY

The Board considered the report of the Portfolio Holder for Adult Care and Local Transport seeking approval for the local authority to purchase diesel over the next five years through the continued use of the ESPO framework. In the absence of the Portfolio Holder for Adult Care and Local Transport, the Portfolio Holder for Finance, Growth and the City Centre reported that while the Council is making good progress in moving towards an environmentally-friendly fleet in support of it’s ambitions to be carbon neutral by 2028, there is still currently a need to purchase diesel and this is the most cost-effective way of doing so.

RESOLVED to

- (1) approve the use of the ESPO framework for the supply of diesel to Fleet Services using the nominated regional supplier under the framework;**
- (2) approve the spend on diesel of £8,000,000 over the next five years; and**
- (3) delegate authority to the Head of Neighbourhood Services to award and sign the necessary contract(s) to the chosen supplier under the ESPO framework.**

Reasons for decision

The ESPO framework lists approved suppliers chosen through a qualitative and pricing competition which Nottingham City Council is permitted to access as a contracting authority. To obtain the pricing from the supplier, ESPO provides them with the volume of fuel used by customers in a region and the suppliers offer their best price based on these figures. The contract is awarded to the supplier who scores highest overall across quality and price. Continuing to use the ESPO framework means that investigation into the most competitive suppliers has been undertaken on behalf of the Council.

Other options considered

The Council could establish its own contract for the purchase of fuel with a supplier but this option was rejected because the ESPO framework provides a value for money arrangement due to the economies of scale in the volume of fuel being bought through the framework which is something, as an individual authority, the Council is not able to compete with in terms of securing a competitive price.

54 LOAN TO NOTTINGHAM CITY HOMES LTD TO PURCHASE PROPERTIES FOR HOMELESSNESS TEMPORARY USE

The Board considered a report of the Portfolio Holder for Planning, Housing and Heritage proposing loaning £9million to Nottingham City Homes for the purchase of 70 homes to use as temporary accommodation for homeless families. The Portfolio Holder reported that there had been an increase in the number of homeless households to 680, the majority of which are families, and therefore there is a need to make additional temporary accommodation available. This will be the fourth set of properties to be purchased for this purpose, bringing the total to 220.

The Portfolio Holder for Health, Equalities and HR highlighted the health benefits of decent housing.

RESOLVED

- (1) to formally request that Nottingham City Homes purchase 70 further properties for use as temporary accommodation by homeless families whose cases are being considered by Housing Aid;**
- (2) to make a loan to Nottingham City Homes Ltd of £9million to fund the purchase and refurbishment of the properties on the terms set out in the financial comments at section 4 of the report and to amend the Capital Programme accordingly; and**
- (3) that Nottingham City Homes lease the 70 properties to Nottingham City Homes Registered Provider in order to attract housing benefit at the 'exempt' rate for supported housing.**

Reasons for decision

The number of people approaching the Council as homeless is not reducing. The Council is still having to use expensive, nightly paid temporary accommodation in order to fulfil its duties and self-contained homes are a far more suitable way of delivering temporary accommodation. This has been adopted as Council policy in the Council Plan, which contains the objective: "provide self-contained homes as emergency accommodation for homeless families instead of bed and breakfast".

The financial viability of short-term, supported temporary housing is dependent on achieving 'exempt accommodation' status for housing benefit. This allows additional charges to be levied for "care, support and supervision" provided to residents and for increased costs incurred through higher turnover. Only Private Registered Providers of Social Housing can obtain 'exempt accommodation' status, so these homes will be leased by Nottingham City Homes to Nottingham City Homes Registered Provider.

Other options considered

Not asking Nottingham City Homes to deliver 70 more homes for temporary homeless use was rejected because the alternative would be to use more bed and breakfast accommodation and other nightly-paid accommodation instead and at far greater costs to the Council.

55 SOCIAL HOUSING ENERGY RETROFIT (ENERGIESPRONG)

The Leader of the Council agreed that this item, although not on the agenda, could be considered as a matter of urgency in accordance with Section 100B(4)(b) of the Local Government Act 1972 in order to meet externally imposed deadlines for accessing funding.

The Board considered the report of the Portfolio Holder for Energy, Environment and Democratic Services proposing a further rollout of the Energiesprong initiative, making whole house interventions to achieve net-zero carbon emission standards. The Portfolio Holder highlighted the following information:

- (a) the pilot scheme in Sneinton was very successful but small scale and therefore it is being extended to Radford and Clifton;
- (b) the initiative will be funded through the Housing Revenue Account and a £5.7million grant from Government;
- (c) 262 properties will be retro-fitted as part of the initiative and become carbon-neutral;
- (d) as the initiative expands, the costs of retro-fitting each home will reduce making the approach more affordable;
- (e) the initiative is developing cutting-edge expertise that will be of national benefit;
- (f) the initiative will create local construction jobs.

RESOLVED to

- (1) note the progress made on the Energiesprong project delivery and the impact made on both carbon reduction and fuel poverty;**
- (2) approve acceptance of grants totalling £5.7million, via the Department for Business, Energy and Industrial Strategy (BEIS) Whole House Retrofit and Interreg North West Europe MUSTBE0 and delegate authority to the Head of Energy Services to sign a contract with BEIS to accept the grant;**
- (3) include in the Public Sector Housing Capital Programme additional retrofit schemes to the value of £14.2million funded by grant and Major Repairs Reserve contributions from the Housing Revenue Account, subject to sign off by the Section 151 Officer of the business case as detailed in the financial comments at section 4 of the report;**

- (4) delegate authority to the Corporate Director for Commercial and Operations in consultation with the Corporate Director for Development and Growth and the Portfolio Holders with responsibility for housing and energy to agree the procurement route, and following that to appoint the principal contractor and other contracts as necessary, approving dispensation from financial regulations to negotiate and award contracts to specialist suppliers named in the report;**
- (5) approve the establishment of a multi-agency project board as set out in the report to lead the programme; and**
- (6) to agree the leaseholder expenditure as set out in the exempt appendix to the report.**

Reasons for decision

To meet its 2028 carbon neutral commitment, the Council has to make significant improvements to the majority of the domestic properties in the City. The current costs for achieving higher standards are prohibitive and therefore a Government grant has been provided. However, to ensure the initiative is scalable and can become an integral part of the City's carbon reduction programme the unit cost must be reduced and how this can be achieved is an essential part of this project.

The project will whole-house energy retrofit 262 properties. The precise measures used will be individual to each property. There will be a chance to develop and test new methodologies of getting to the same energy solutions, using similar measures and components.

Energiesprong is a model which focuses on achieving net zero energy retrofits through offsite manufacture, and driving innovation to reduce cost. It also has a business case which can be used to make the cost of delivering work self-financing. The model is new to the UK, and the initiative will test ways to adapt the model to achieve similar energy standards at lower cost. It should also be able to deliver measures incrementally on some properties, which would reduce cost. Opportunities for insourcing work, creating new jobs and training will be maximised.

Other options considered

The option to do nothing was rejected because the City has committed to being carbon neutral by 2028. The projects enable the Council to develop cost reduction strategies and asset management plans about how best to achieve this target, whilst ensuring tenants are protected from fuel poverty. Housing Revenue Account match funding has been allocated to this project and consideration was given to utilising this funding in a different way. This was rejected because the benefits are holistic, scalable and guarantee standards for 30 years.

The incremental approach to installing 'low hanging fruit' energy efficiency measures will not achieve zero carbon standards. This piecemeal approach costs the local authority or housing association more and leads to non-compatible solutions being procured separately and therefore was rejected.

Whilst the cost for each home as part of this initiative is currently high (approximately £55,000), the budget is funded with the following:

- money which is already allocated against those particular properties, within the 30 year Housing Revenue Account programme, with the cost of borrowing included on an 'invest to save' basis
- additional revenues which are generated through the solutions
- grant funding to bridge the gap between the total of the income and savings and the current cost.

As a result the project is cost neutral to the Housing Revenue Account. Increasing in scale of deployment will mean costs reduce therefore reducing the cost of delivering the same high levels of energy performance to all properties, meaning a reducing amount of grant will be required. Other projects using Housing Revenue Account funds will not provide the cost effectiveness and impact of the Deep Retrofit approaches. These will deliver 2050 standards now, achieving the highest carbon saving possible in a cost effective and efficient way.

56 SCHEME OF SELECTIVE LICENSING FOR PRIVATELY RENTED HOUSES – REVIEW OF THE LICENSING OF BLOCK BUILDINGS AND REVISED FEE STRUCTURE 2019

The Board considered the report of the Portfolio Holder for Planning, Housing and Heritage setting out the outcomes of a review of licensing Block Buildings within the Council's Selective Licensing Scheme and recommending a revised fee structure for the Scheme. The Portfolio Holder highlighted the following information:

- (a) the Selective Licensing Scheme must break even over the five year period so the fees charged have been reviewed to ensure that all associated costs are being taken into account;
- (b) the differing fee structures take into account the differing associated costs, including costs of enforcement;
- (c) the proposed increase in licence fee for Individual Property Licences will apply from 1 April 2020 rather than January 2020 as originally intended, as an incentive for landlords who are still not yet registered with the Scheme to come forward and be able to pay the current lower fee. As an additional incentive, if currently unregistered landlords come forward during this period to register they will not be fined. From April 2020 landlords registering will have to pay the higher fee and enforcement action may be taken against those landlords that the Council has to chase up;
- (d) it is proposed to add additional conditions on Block Building licences granted within the Scheme to ensure that management arrangements are in place for matters such as fire safety.

RESOLVED to

- (1) adopt the Policy document as set out in appendix 1 to the report, which sets out the Council's approach to the licensing of dwellings within the City under the Council's Selective Licensing Scheme;**

- (2) adopt the additional standard licence conditions as set out in appendix 2 to the report to apply to any Block Licences that the Council may, in its discretion, grant;**
- (3) adopt the revised fee structure as set out in appendix 3 to the report in relation to all new licensing applications submitted under the Selective Licensing Scheme; and**
- (4) apply the above resolutions from 1 December 2019 with the exception of the proposed licence fee increase for Individual Property Licences which will be applied from 1 April 2020.**

Reasons for decision

Since implementation of the Selective Licensing Scheme, the Council continues to review its operating model and in light of learning and developed knowledge it is appropriate to include the ability for an applicant to apply for a Block Licence, where certain conditions are met, within the Council's policy. Discretion to grant Block Licences offers the ability, where relevant, to include additional licence conditions particular to the management of Block Buildings.

As a result of operating and processing licensing applications over the past year, the Council is able to be more accurate in its assessment of resource implications and therefore it was appropriate to review the overall fee structure for the Selective Licensing Scheme. The Housing Act 2004 permits a local housing authority to require a licence application to be accompanied by a fee and, when fixing that fee, that fee may take into account all costs incurred by the authority in carrying out its functions, which permits the authority to operate the Scheme in a cost-neutral manner.

Other options considered

The option not to offer the ability to apply for Block Licences was rejected because the Council can now propose options to accommodate such applications and current records and future building development shows that there is a potential benefit in now offering this option. There may be additional benefits arising from more efficient administration arrangements and the ability to include additional licence conditions, where appropriate, particular to the management of Block Buildings.

The option not to review the fee structure was rejected because after a year of operating the Scheme, the Council has been able to develop its cost estimations of time for the actions contained within the licensing process. In addition, the availability of a Block Licence means that an associated proportionate fee for such a licence had to be calculated. Given the Scheme is operated on a cost neutral basis through the payment of licence fees, the Council is under a duty to keep under review the financial model for the Scheme.

The Council has reviewed Block Building Licence fee structures offered by other local authorities, some of which have adopted a similar flexible fee structure which results in a total fee which is proportionate to the size of the building. The Council does have the option of a flat fee structure for a Block Licence but this was rejected because it would seem unfair for a licence for a block of four self-contained flats to cost the same as a licence for a block of one hundred self-contained flats. The

Council needs to be mindful of the need to apply reasonable and proportionate fees for its licences.

It was also considered whether to apply a flexible fee structure to individual property licences where an applicant has more than one self-contained dwelling within a Block Building. This option was rejected because the Council's experience is that the wider management and enforcement costs it is permitted to reflect in the fee are similar per dwelling when viewed across the City. Some of the efficiencies in offering a Block Licence are gained due to the fact that the entire building is under common control and management. The Council also draws comparison with where an applicant may have a number of individually licensed properties across the City. In these circumstances the fairest and simplest way to calculate the fee is to divide it amongst the thousands of property licence holders. The current fee structure also provides for a discount for accredited landlords. Where landlords have become accredited, including those with large or multiple property portfolios and those who own an entire block of dwellings do benefit from a reduction in the licence fee.

57 EXCLUSION OF THE PUBLIC

RESOLVED to exclude the public from the meeting during consideration of the remaining agenda items 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 outweighed the public interest in disclosing the information, as defined in Paragraph 3 of Part 1 of Schedule 12A to the Act.

58 EXEMPT MINUTES

The Board confirmed the exempt minutes of the meeting held on 22 October 2019 as a correct record and they were signed by the Chair.

59 SCHEME OF SELECTIVE LICENSING FOR PRIVATELY RENTED HOUSES - REVISED FEE STRUCTURE 2019 AND THE LICENSING OF BLOCK BUILDINGS - EXEMPT APPENDIX

The Board considered and noted the information contained within the exempt appendix.

60 SOCIAL HOUSING ENERGY RETROFIT (ENERGIESPRONG) - EXEMPT APPENDICES

The Board considered and noted the information contained within the exempt appendix.

61 ESTABLISHMENT OF COMMERCIAL WASTE COMPANY

This item was withdrawn from the agenda and deferred to a future meeting.

62 FINANCING ARRANGEMENTS

The Leader of the Council agreed that this item, although not on the agenda, could be considered as a matter of urgency in accordance with Section 100B(4)(b) of the Local Government Act 1972 because one of the Council's group companies required alternative financing arrangements prior to the end of the month and therefore it was not possible to wait until the next scheduled Executive Board meeting to consider this item. The Council was required to notify third parties of its intention to secure alternative financing arrangements by the end of November.

This decision is not subject to call in because the Chair of the Overview and Scrutiny Committee agreed that the decision is reasonable in all circumstances and should be treated as a matter of urgency because one of the Council's group companies required alternative financing arrangements prior to the end of the month and therefore it was not possible to wait until the next scheduled Executive Board meeting to consider this item. The Council was required to notify third parties of its intention to secure alternative financing arrangements by the end of November.

The Board considered a report about financing arrangements.

RESOLVED to agree the recommendations as set out in the exempt minute.