

# Nottingham City Council

## Executive Board

**Minutes of the meeting held at The Ballroom - The Council House, Old Market Square, Nottingham, NG1 2DT on 20 July 2021 from 2.00 pm - 2.53 pm**

### Membership

#### Present

Councillor David Mellen (Chair)  
Councillor Sally Longford (Vice Chair)  
Councillor Eunice Campbell-Clark  
Councillor Rosemary Healy  
Councillor Adele Williams  
Councillor Sam Webster  
Councillor Linda Woodings

#### Absent

Councillor Cheryl Barnard  
Councillor Neghat Khan  
Councillor Rebecca Langton

### Colleagues, partners and others in attendance:

Councillor Kevin Clarke

Councillor Andrew Rule

Mel Barrett

- Chief Executive

Wayne Bexton

- Interim Corporate Director for Growth and City Development

Theresa Channell

- Head of Strategic Finance

Lucy Hubber

- Director of Public Health

Mary Lester

- Service Improvement Manager

Sir Tony Redmond

Malcolm Townroe

- Director of Legal and Governance

Kate Morris

- Governance Officer

### Call-in

Unless stated otherwise, all decisions are subject to call-in. The last date for call-in is 30 July 2021. Decisions cannot be implemented until the working day after this date.

## 21 Apologies for Absence

Councillor Cheryl Barnard

- Council Business

Councillor Neghat Khan

- Leave

Councillor Rebecca Langton

- Unwell

Clive Heaphy - Interim Corporate Director Finance and Resources

## 22 Declarations of Interests

None.

## 23 Minutes

The minutes of the meeting held on 22 June 2021 were confirmed as a true record and were signed by the Chair.

## **24 Treasury Management 2020/21 Annual Report**

This item does not contain any decisions that are subject to the call in.

The Board considered the report of the Portfolio Holder for and Resources and Finance presenting the Treasury Management Annual Report 2020/21 that details the 2020/21 performance in respect of management of the Council's external and internal debt and investments. The following points were highlighted:

- (a) The Council has reduced external debt by almost £142million. This is a significant reduction in external debt which has meant a shift to more internal borrowing;
- (b) The report sets out where a number of recently introduced strategies have helped to reduce the Council's debt, including the Voluntary Debt Cap, and capital strategies. The report focuses on 20/21 and so the impact of the new policies on these reported figures will be limited;
- (c) Highlighted risks include an increase in interest rates as a result of higher than expected inflation driven in part by the Covid 19 pandemic. Interest rates on public borrowing have historically been low, however an increase to these will result in a cost implication for the Council;
- (d) Regular meetings take place to monitor HRA borrowing. The notional borrowing cap has been retained. Any scheme must be affordable, sustainable and in proportion to the resources available in compliance with the CIPFA code.
- (e) 2020 was an unprecedented year both for the country as a whole and for Nottingham City Council the Portfolio Holder offered his thanks to finance colleagues for their support and hard work through difficult circumstances.

### **Resolved to note the performance information in relation to Treasury Management for 2020/21**

#### **Reasons for the decision**

This is an annual, statutory report to the Executive Board required under CIPFA Code of Practice.

#### **Other options considered**

Not receiving this report was rejected, as it would put Nottingham City Council in breach of the CIPFA Code of Practice.

## **25 Pre-Audit Corporate Financial Outturn 2020/21**

The Board considered the report of the Portfolio Holder for Finance and Resources setting out the Council's pre-audit revenue and capital outturn for its General Fund and Housing Revenue Account for 2020/21. The budget was originally approved by Full Council in March 2020 prior to the first lockdown as a result of the Covid-19 pandemic and then a further report setting an interim budget in response to a number of events was approved at the Full Council meeting in October 2020. The following points were highlighted during discussion:

- (a) Following the interim budget, and further savings of £12million the financial position of the council has improved. There is still a funding gap, but this has been reduced significantly from the £71million identified in the middle of 2020 as a result of additional funding from government for Covid costs, and the capitalisation programme, a non-essential spending freeze and a programme of voluntary redundancy;
- (b) The Council made use of its reserves to help alleviate the pressure on the budget as a result of Covid-19. Reserve levels have been recovered somewhat but are not back to their pre Covid levels;
- (c) The working balance of the Housing Revenue Account increased during the pandemic. Right to buy slowed and so there was an increase in rental income. Concerns remain around universal credit impacting on tenancy sustainment. Levels of arrears are being closely monitored and residents are receiving advice on benefits that are entitled to.

### **Resolved to**

#### **(1) To note:**

- a) **The pre-audit revenue outturn positive variance of £38.7million for 2020/21 as set out in Table 4 and Appendix A;**
- b) **The portfolio variances +/- £50,000 as set out in Appendix B;**
- c) **The financial impact of Covid-19 as set out in Table 5;**
- d) **The discretionary rate relief granted in 2020/21 detailed in paragraph 5.8;**
- e) **The additions to the Capital programme, including planned and proposed as set out in paragraph 6.2 and Table 12;**
- f) **The refreshed Capital Programme, including planned and proposed as set out in paragraph 6.4 and 6.5 (Tables 13 to 14); and**
- g) **The HRA outturn for 2020/21 as set out in Section 4.**

#### **(2) To approve:**

- a) **The movements of resources set out in paragraph 3.19 and Appendix D;**
- b) **The net movement on earmarked reserves, as set out in paragraphs 3.10-3.12 and Appendix E;**
- c) **Capitalisation of £20million 2020/21 costs; and**
- d) **Write-offs in excess of £10,000, totalling £0.808million where all options for recovery have been exhausted, as set out in paragraph 5.7**

### **Reasons for decisions**

The movement in reserves and virements of budgets are required by corporate financial procedures. The report is part of the formal monitoring process against the 2020/21 budget.

### **Other options considered**

Other options were considered throughout the process however the proposed report represents the best options.

## **26 Sustainable Warmth Competition**

The Board considered the report of the Portfolio Holder for Energy, Environment and Waste Services seeking permission to bid to the Department of Business Energy and

Industrial Strategy (BEIS) to support regional delivery of the Sustainable Warm Competition in the Midlands. The Midlands Energy Hub has a strong track record of supporting similar schemes and will help Local Authorities to access funding to help to address households in fuel poverty and promote decarbonisation.

She highlighted that there was no liability to the Council, and that this was a whole funded scheme. Any money not allocated through the competition programme would be returned to BEIS.

### **Resolved to**

- (1) approve the submission of a bid to the Sustainable Warmth Competition for a grant allocation of up to £140million from the Department for Business, Energy and Industrial Strategy (BEIS) to support regional delivery through the Midlands Energy Hub;**
- (2) delegate authority to the Director of Carbon Reduction, Energy and Sustainability to accept the funding, subject to a business case being submitted and approved, and the funding conditions being approved, by the Director of Legal and Governance and the Corporate Director of Finance and Resources (Section 151 Officer); and**
- (3) note that any spend of the funding received will require further approvals prior to allocation.**

### **Reasons for decision**

The project targets citizen on the lowest incomes and in the worst performing households aiming to increase thermal comfort. This directly supports the Council's Fuel Poverty Strategy 2018-25.

The project will also allow retrofit projects supporting the Carbon Neutral by 2028 aspiration and National carbon reduction targets.

In addition to the important green factors and the benefit to citizens wellbeing the project will stimulate the supply chain and help facilitate a green economic recovery from Covid-19. These funds will allow a range of works, otherwise not affordable for Local Authorities to take place creating local jobs.

### **Other options considered**

One option considered was looking at alternative funding. This option was rejected, as alternative funding streams with such favourable terms have not been identified.

The other alternative considered was to do nothing. This was rejected, as it would be a missed opportunity to secure benefits for citizens and reduce carbon emissions.

## **27 Victoria Embankment Memorial Gardens National Lottery Heritage Fund Restoration Project**

The Board considered the report of the Portfolio Holder for Highways, Transport and Cleansing Services seeking approval to submit a bid to the National Lottery Heritage Fund, and proposals to seek additional funding from alternative sources, to fully grant fund a restoration project for the Victoria Embankment Memorial Gardens.

The Portfolio Holder highlighted that the project will be 100% grant funded, and should additional grant bids not be successful the project will be scaled down to ensure there will be no financial implication for the Council.

Board members expressed thanks to the officers for their hard work in identifying funding streams to make the project possible.

**Resolved to:**

- (1) To approve the project as detailed in the Victoria Embankment Memorial Gardens NLHF Restoration Project business plan subject to:
  - i) Capital Board endorsement and agreement to treat the project as an in-year addition to the capital programme;**
  - ii) confirmation that all sources of funding have been secured before any costs are incurred;**
  - iii) the Council's revenue expenditure being identified within existing budgets;****
- (2) To approve the funding for the new permanent Victoria Embankment Team Leader post and fixed-term project work placements. The establishment of the posts is being approved as a non-executive decision by the Corporate Director of Resident Services under Delegation 16.**
- (3) To approve the establishment of a sinking fund for the purpose of maintaining the site in good condition, funded from revenue surpluses in conjunction with the NLHF conditions; and**
- (4) To delegate the authority to the Corporate Director of Resident Services, in consultation with the Corporate Director of Finance and Resources and the relevant Portfolio Holder for Highways, Transport and Cleansing Services, to carry out procurement processes and enter into contracts relating to the project**

**Reasons for decision**

The Memorial gardens are a well-used public space and although the infrastructure of the gardens has remained intact since they were established 100 years ago many features require report and restoration. The project will also improve the more modern facilities like toilets and café provision on site creating greater footfall and more revenue.

The creation of the post will help to upskill work placements and volunteers in land-based skills, giving them better opportunity for employment in street-scene and ground maintenance positions.

**Other options considered**

Reducing the scale of the project was considered as an alternative option. This was rejected, as sufficient heritage restoration work is required to access the grant funding. Scaling back would leave the project not reaching the required level to qualify for the base funding.

Not carrying out the work was another alternative option considered. This was rejected, as there is no other viable way to progress the required restoration work to the gardens and its features. Leaving the gardens in their current state of disrepair

would lead to further deterioration and potential health and safety issues in the future. It would also result in lost revenue potential from the café and leisure facilities for citizens.

## **28 Back2Work Project**

The Board considered the report of the Portfolio Holder for Skills, Growth and Economic Development, presented by the Leader in her absence, detailing the Back2Work project aimed at supporting unemployed residents' progress into employment following the Covid-19 pandemic. This decision seeks approval for the Council to act as an Accountable Body for the D2N2 Local Enterprise Partnership accepting funds from the European Social to set up and run the project.

### **Resolved to**

- (1) approve the Council to act as the Accountable Body for D2N2 and accept European Social Fund (ESF) monies for the D2N2 Back2Work Project, to run between September 2021 and December 2023;**
- (2) authorise the allocation of budget for the Council project posts;**
- (3) delegate authority to the Corporate Director for Growth and City Development to enter into a funding agreement with the Department for Work and Pensions and collaboration agreements with delivery partners, to allocate funding to delivery partners, and to authorise Council project roles; and**
- (4) Create, and recruit to, one ESF Project Administrator post within the Council's Economic Development team to support the management of the project. The funding for the post is being approved as an executive decision, and the establishment of the post is being approved as a non-executive decision by the Corporate Director for Growth and City Development under Delegation 16.**

### **Reasons for decision**

This project will help to reduce unemployment across the D2N2 area, including Nottingham City where unemployment rates are (7.8%). The project will improve access to vocational skills and help to support employment sectors hardest hit by the Covid-19 pandemic to recover.

The funding will ensure that the Nottingham Jobs Hub can continue to run beyond March 2023 when its current funding runs out.

There are a number of Council targets that this funding will help to contribute to including working with business to develop 500 apprentices, supporting 400 young people into employment through the KickStart programmes and supporting 1,000 residents including disadvantaged groups into employment, education and training.

### **Other options considered**

The only other option considered was to no bid for the available funding. This option was rejected as it would limit the Council's ability to support the most disadvantaged unemployed residents into employment, and employers across the region would not benefit from the support activities to help them recover from the Covid-19 pandemic.

It would also represent a lost opportunity to increase skills and productivity across key sectors.

## **29 Transformation and Improvement Update**

The Board considered the report of the Leader of the Council, outlining the need to approve a budget of up to £15million to facilitate the rapid journey of improvement set out in the Recovery and Improvement Plan adopted at Full Council on 25 January 2021. Setting aside this budget will ensure that the programme of change can be managed efficiently and in a timely manner, and will ensure that Officers and Members can act at pace should it be required. All projects will need to present full business cases before funds are made available to them. During discussion, the following points were raised by members of the Board:

- (a) Monitoring this use of this fund through the newly established Transformation Executive Member Board will ensure that the best value for money is achieved through robust business cases for individual projects and effective monitoring throughout the projects duration;
- (b) Embedding citizen focused transformed services is key to ensuing better value for money moving forward;
- (c) At the start of the pandemic, there was a significant shift to digital and online services with many services being delivered successfully through online interactions. Where is has been successful this will continue as it offers better flexibly for customers;

### **Resolved to**

- (1) note the proposed governance of the transformation programme including the proposed use of business cases to establish both investment needs and proposed savings over the medium term;**
- (2) approve a budget for Transformation and Improvement of up to £15million; and**
- (3) To delegate authority to the Chief Executive, in consultation with the Leader of the Council, to allocate the budget to support transformational and improvement activity.**

### **Reasons for decision**

The funds will provide necessary resource to support the investment in services and transformation. It will not be used to support business as usual activity but for targeted investment.

This work will support projects aligned with the Recovery and Improvement Plan and the Transformation Plan by creating capacity and transferable skills and knowledge across the Council.

### **Other options considered**

The alternative option considered is to do nothing. This option was rejected, as it would risk the delivery of the Recovery and Improvement plan.

### **30 Disposal of Waterway House, Waterway Street, Nottingham, NG2 3DY**

The Board considered the report of the portfolio Holder for Strategic Regeneration and Communications seeking to declare the freehold interest of Waterway House surplus to requirements of the Trading Account and make the premises available to sell on the open market. The Portfolio Holder highlighted that no alternative operational use for the building had been found and that sale on the open market would achieve best value for money from the asset.

#### **Resolved to**

- (1) declare Waterway House, Waterway Street, Nottingham, NG2 3DY surplus to the requirements of the Trading Account and make the freehold available to the Corporate Director of Growth and City Development for sale; and**
- (2) delegate authority to the Corporate Director of Growth and City Development, in conjunction with the Director of Economic Development and Property, to agree the method and terms of sale for the freehold of the premises, including negotiating with any under-bidder if any purchase should not proceed**

#### **Reasons for decision**

After becoming vacant in 2019 no further operational use has been found for the building. Releasing the property for sale will help to support the Local Plan be delivering inner city regeneration.

Revenue savings will be made in regard to void business rates and the capital receipt will be available to support the financial position of the Council. Open market sale will ensure that best market value is achieved

Offer for sale by informal tender will allow the Council to negotiate with prospective purchasers ensuring the best redevelopment option for the site.

#### **Other options considered**

Retaining the property in order to let it was considered as an alternative. This was rejected, as significant capital investment is required to secure any future income through rent.

Internal regeneration was also considered, however this was also rejected as there is no internal interest for regeneration.

### **31 Loan to Nottingham City Homes Registered Provider for the Acquisition of Laura Chambers Lodge, Clifton**

The Board considered the report of the Portfolio Holder for Housing, Planning and Heritage proposing the sale of Laura Chambers Lodge to Nottingham City Homes Registered Provider at market value price for use as temporary accommodation for families.

**Resolved to**

- (1) To delegate authority to the Corporate Director of Finance and Resources to approve a loan to Nottingham City Homes Registered Provider, subject to due diligence.**
- (2) To sell the Laura Chambers Lodge to Nottingham City Homes Registered Provider at market value, at the price detailed in the Exempt Appendix of the report published with the agenda; and**
- (3) To contribute £40,000 of Section 106 Affordable Housing Contribution to NCH RP to acquire the surrounding land at LCL, upon which to develop additional affordable housing units in the future.**

**Reasons for decision**

The Council has a duty to provide suitable accommodation for families classified as homeless and this will ensure the Council can continue to do so, whilst families maintain school placements, local family links and support networks.

Provision of this accommodation will result in a saving for the council in terms of reduced Bed and Breakfast costs or nightly paid accommodation, both of which are costly.

There is an expectation that demand for temporary accommodation for families will rise in the coming year following the removal of the temporary ban on evictions and this accommodation will help to manage that demand

**Other options considered**

A number of other options were considered for this site. The first was to reutilise the property as a care home. This was rejected as there is not sufficient demand for this service and goes against the Better Lives Better Outcomes strategy to maximise the ability of older people to remain independent for longer.

The next option considered was to not refurbish the property for temporary accommodation. This was rejected, as there is high demand for accommodation and in areas other than the city centre.

Another option considered was to sell the property on the open market. This was rejected, as it would not achieve as high a capital receipt through an alternative method of disposal and the need for temporary accommodation in the city. Alternative disposal would not help to alleviate the pressure on Council finances due to unsuitable temporary accommodation costs.

The last option considered was sale to an alternative registered provider. This was rejected as no alternative registered provider has been identified that would be able to provide the much needed temporary accommodation in a time scale that fits with demand.

**32 Alignment of the Health and Wellbeing Board with the Integrated Care Partnership and Integrated Care System**

The Chair of the Board agreed that this item, although not on the original agenda, could be considered as a matter of urgency in accordance with Section 100B(4)(b) of

the Local Government Act 1972, because it is urgent that this report is received by the July meeting of the Executive Board as the Council cannot delay signing the proposed ICS Partnership Agreement for a further month. To do so would undermine the spirit of the Partnership Agreement and potentially prejudice of the Council's position within the ICS.

The Board considered the report of the Portfolio Holder for Adults and Health outlining proposals for how the Health and Wellbeing Board (HWB), the Integrated Care Partnership (ICP) and the Integrated Care System (ICS) will align following the recent publication of the recent Health and Social Care White Paper establishing. The following points were highlighted in discussion:

- (a) There are significant gaps in health life expectancy between men and women in the city and across the wards. The suggested changes will help to realign resources to tackle these health inequalities and improve services across the city for citizens;
- (b) The proposed advisory group will really help to ensure that citizens experiences are channelled into the system helping to shape services and to make an impact on the persistent inequalities;
- (c) This realignment is a good opportunity to ensure closer partnership working at a city level and greater impact of money spent on health services across the city.

### **Resolved to**

- (1) To agree the proposed governance structure as the basis on which to underpin the development of new ways of working on a 'place' approach with the ICS. Specifically that:**
  - **The ICP Board reports in to the HWB; and**
  - **The membership of the HWB is reviewed by its Chair and the Director of Public Health to ensure appropriate representation and a partnership ethos.**
- (2) For the Council to sign the Nottingham and Nottinghamshire Integrated Care System Partnership Agreement, with the additional clauses highlighted in Appendix 2 added to strengthen the focus on health inequalities.**

### **Reasons for decision**

The proposed model will allow the Health and Wellbeing Board greater oversight of health and care activity in the City allowing the development of a Joint Health and Wellbeing Strategy to prioritise a needs assessment based on population health data. This will ensure maximum effect for each pound spent on health and increase benefits for citizens across the city. It will also address the inequalities in healthy life expectancy that have been brought more starkly into focus through the Covid-19 pandemic

### **Other options considered**

A number of different models were considered at the Local Government Association facilitated workshops. These included retaining the current arrangements and full

delegation to place based commissioning. Neither of these options were considered appropriate and were discounted.

### **33 Exclusion of the Public**

The Board decided to exclude the public from the meeting during consideration of this/ the remaining agenda item(s) 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(s) 3 of Part 1 of Schedule 12A to the Act.

### **34 Exempt Minutes**

The exempt minutes of the meeting were confirmed as a true record of the meeting and were signed by the Chair

### **35 Disposal of Waterway House, Waterway Street, Nottingham, NG2 3DY - Exempt Appendix**

The Board considered the exempt appendix to the report on the disposal of Waterway House, Waterway Street, Nottingham NG2 3DY and noted its contents

### **36 Loan to Nottingham City Homes Registered Provider for the Acquisition of Laura Chambers Lodge, Clifton - Exempt Appendices**

The Board considered the exempt appendices to the report on the Loan to Nottingham City Homes Registered Provider for the Acquisition of Laura Chambers Lodge, Clifton and noted its contents