

NOTTINGHAM CITY COUNCIL

EXECUTIVE BOARD

MINUTES of the meeting held at Loxley House on 22 July 2014 from 2.05 pm - 2.31 pm

Portfolio Holders

Present

Councillor Jon Collins (Chair)
Councillor Graham Chapman (Vice-Chair)
Councillor Alan Clark
Councillor Dave Liversidge
Councillor David Mellen
Councillor Alex Norris
Councillor Dave Trimble
Councillor Jane Urquhart

Absent

Councillor Nicola Heaton
Councillor Nick McDonald

Colleagues, partners and others in attendance:

David Bishop - Deputy Chief Executive/Corporate Director for Development and Growth
Anna Coltman - Policy Officer
Helen Jones - Director of Adult Social Care
John Kelly - Corporate Director for Community Services
Tracy Laxton - Business Administration Manager
Tanya Najuk - Programme Manager
Glen O'Connell - Acting Corporate Director for Resources and Monitoring Officer
Keri Usherwood - Marketing and Communications Manager
Geoff Walker - Acting Director of Strategic Finance
Laura Wilson - Constitutional Services Officer
Rebecca Wilson - Political Assistant to the Labour Group

Call-in

Unless stated otherwise, all decisions are subject to call-in and cannot be implemented until Monday 4 August 2014.

21 APOLOGIES FOR ABSENCE

Councillor Nicola Heaton (non-Council)
Councillor Nick McDonald (other Council business)

Ian Curryer
Alison Michalska

22 DECLARATIONS OF INTERESTS

None

23 MINUTES

The Board confirmed the minutes of the meeting held on 17 June 2014 as a correct record and they were signed by the Chair.

24 WELFARE REFORM - ONE YEAR ON

The Board considered the Deputy Leader/Portfolio Holder for Resources and Neighbourhood Regeneration's report providing an overview of the impacts of welfare reforms introduced since April 2013 on Nottingham citizens and services and what actions have been and are being taken to respond and mitigate the effects.

Examples of impacts include:

- significant effects on the most financially vulnerable citizens, particularly in areas with high numbers of benefit claimants;
- approximately £18.3 million being taken out of the local economy due to reductions in available household income;
- significant challenges for the Council and exposure to significant financial risk.

Examples of actions taken by the Council include:

- preparing citizens for the changes through communications and targeted consultation events;
- the introduction of the local Council Tax Support Scheme using a combination of Council and Government funding;
- the introduction of a discretionary Hardship Scheme and Small Loans Scheme;
- partnership working with Nottingham City Homes, registered social landlords and housing organisations, advice agencies, voluntary, community and faith groups, food banks and the Department for Work and Pensions.

RESOLVED to

- (1) note the impact of the welfare reforms, introduced since April 2013, on Nottingham's citizens and economy and the actions that have been taken to respond and mitigate them, as set out in Appendix A of the report;**
- (2) recommend that Full Council consider the impact of the welfare reforms, introduced since April 2013, on Nottingham's citizens and economy;**
- (3) recommend that this knowledge and insight is considered in the recommissioning of advice services.**

Reasons for decisions

A motion was carried at the Full Council meeting on 27 January 2014 setting out the Council's concerns about the effects of the cuts in welfare and local government spending on citizens and the economy in Nottingham and this report provides an update on the issues raised at that meeting.

Other options considered

No other options were considered as the report is a response to the issues raised at the Full Council meeting held on 27 January 2014.

25 AWARD OF CONTRACT FOR THE LOCALLINK BUS SERVICES TO BE OPERATED BY ELECTRIC VEHICLES: ROUTES L3 L4 L9 L12 - KEY DECISION

The Board considered the Portfolio Holder for Planning and Transportation's report detailing the proposal to tender and award a contract for the operation of socially necessary bus services for a further 3 to 5 years, using new electric bus technology in place of the existing diesel buses, to contribute towards the savings detailed in the Public Transport Big Ticket and meet the Council objective of social inclusion by continuing to provide transport access for elderly and disabled citizens not near commercial bus routes. The existing contract for the diesel buses needs to be extended for an interim period until the electric buses are available for service to ensure that there is no service disruption for passengers.

RESOLVED to

- (1) note that a compliant procurement process for the Locallink bus services will be undertaken and to delegate authority to the Deputy Chief Executive/Corporate Director for Development and Growth to award the contract for the operation of bus services L3, L4, L9 and L12 for up to 5 years (3+1+1 at the Council's discretion) using electric vehicles in place of diesel vehicles, subject to contract costs being within the estimated value of £1.5 million;**
- (2) grant dispensation, for operational reasons, from Contract Procedure Rule 5.1.2 in accordance with Financial Regulation 3.29 to extend the existing contract for bus services L3, L4, L9 and L12 until new electric buses are available for use (currently anticipated to be 25 October 2014).**

Reasons for decisions

Purchasing and operating electric buses is a key component of the Public Transport Big Ticket. It will:

- utilise the availability of significant government funding for the purchase of alternative technology vehicles;
- enable the replacement of the existing diesel vehicle fleet;
- reduce costs by approximately £11,000 per vehicle per year;
- reduce carbon emissions.

To continue the services without disruption for passengers.

Other options considered

Continuing the services using diesel buses was rejected because of the high cost and the need to reduce carbon emissions on Council funded bus services by at least 50%.

Withdrawing the services was rejected as it would remove the access to public transport from some areas of the City where commercial services are more than 400m away from citizens.

26 HYSON GREEN LIBRARY RELOCATION TO MARY POTTER JOINT SERVICE CENTRE - KEY DECISION

The Board considered the Portfolio Holder for Community Services' report detailing the proposal to relocate the Hyson Green Library into the Mary Potter Joint Service Centre (JSC) to:

- provide and secure, quality and sustainable community services in the Hyson Green area;
- address the underutilisation of space in the JSC;
- improve customer experience through modern facilities and longer opening hours;
- provide a single access point for all Council services;
- provide a greater opportunity for community cohesion and social inclusion;
- increase the number of new members, number of loans and enquiries;
- improve access to IT;
- provide additional revenue from room lettings;
- improve local employment opportunities during the construction;
- reduce the costs associated with the current library.

RESOLVED to

- (1) approve the relocation of the Hyson Green Library into the Mary Potter JSC at a total capital cost of £780,000, to include the reconfiguration of the Acorn Resource centre, Children's Centre reception and Housing payment desk;**
- (2) delegate authority to the Director of Legal and Democratic Services, in consultation with the Corporate Director for Community Services, to approve the Lease Plus Agreement Minor Structural Contract Variation of £641,867 at the LIFT Strategic Partnering Board;**
- (3) approve the procurement of furniture, equipment and services in support of the Hyson Green Library relocation and delegate authority to the Portfolio Holder for Community Services, in consultation with the Corporate Director for Community Services, to sign the relevant contracts following the tender processes;**
- (4) declare the Hyson Green Library surplus to requirements following the relocation of the service into the Mary Potter JSC;**
- (5) approve a budget virement (transfer) from Acorn Resource Centre to the Library Service of approximately £78,000 per annum from 2015/16.**

Reasons for decisions

The Council is undertaking a series of citizen programmes to transform citizens' experience:

- the Community Provision in Neighbourhoods strategy aims to deliver a network of modern accessible multi-purpose facilities, conveniently located, offering higher quality frontline services and support for citizens;
- the Customer Access Programme aims to bring improved satisfaction and value for money from having services designed around the customer. It also aims to make them more efficient and simplify the ways in which the customer accesses and uses Council services.

The relocation will achieve both of these aims.

The relocation will also allow the Council to make better use of its assets and realise short and long term savings and efficiencies whilst releasing a surplus property and support citizens to self-serve and improve digital literacy.

Other options considered

Refurbishing the existing Hyson Green Library was rejected as it would cost approximately £700,000 and incur additional running costs of £26,000 per annum.

Extending the opening hours at Hyson Green Library was rejected as it would incur additional running costs of £26,000 per annum and maintenance charges of £239,000 over the next 20 years.

Doing nothing was rejected as it would incur maintenance charges of £239,000 over the next 20 years.

27 HIGHFIELDS PARK: HERITAGE LOTTERY FUND, PARKS FOR PEOPLE RESTORATION AND IMPROVEMENT PROJECT: STAGE TWO APPLICATION - KEY DECISION

The Board considered the Portfolio Holder for Leisure and Culture's report seeking final sign off and approval of the Highfields Park Landscape and Restoration Project, including its Maintenance and Management Plan. It also seeks approval and endorsement to submit a detailed Stage Two project application to the Heritage and Big Lottery Parks for People Fund (HBLPPF) in August 2014, following the Stage One HBLPPF approval in July 2013.

RESOLVED to

- (1) approve the Highfields Park Landscape Restoration Project, including the Maintenance and Management Plan, and the Stage Two HBLPPF bid, as detailed in paragraphs 2.2 to 2.10 of the report;**
- (2) delegate authority to the Director of Sport, Culture and Parks to continue the preparation and submission of the Stage Two HBLPPF bid in August 2014 on behalf of the Highfields Leisure Trust;**

- (3) **delegate authority to the Director of Sport, Culture and Parks, subject to the receipt of a Stage Two pass from the HBLPPF, to continue to develop working designs and to go out to tender and, subject to tenders being within the available financial envelope of £4,257,200, enter into contracts relating to the delivery of the restoration works;**
- (4) **amend the Capital Programme to reflect the following expenditure:**

Capital costs

Capital cost	£2,591,281
Surveys	£ 107,970
Contingency 5%	£ 130,064
Client contingency	£ 51,826
Prelims	£ 340,233
Fees	£ 323,156
Inflation	£ 78,320
Total capital costs	£3,622,850

- (5) **approve the following revenue contributions for the project:**

University of Nottingham Lakeside events funding	£346,500
Nottingham City Council funding for Head Gardener	£125,000
Additional income (over 5 years)	£ 50,000
Probation Service (in kind)	£ 8,000
Volunteer time (in kind)	£ 21,000
Total Match Funding	£550,500
Heritage Lottery Fund grant request	£ 83,850
TOTAL REVENUE FUNDING	£634,350

Reasons for decisions

To ensure that the restoration project can continue with the full support of the Council.

Other options considered

No other options were considered as not proceeding would mean the Stage Two bid could not be submitted and the park restoration and improvement will not take place.

28 SALE OF 14 -16 HOUNDS GATE, NOTTINGHAM, NG1 7BA - KEY DECISION

The Board considered the Deputy leader/Portfolio Holder for Resources and Neighbourhood Regeneration's report detailing that, as part of the Council's rationalisation plan, Nottingham City Homes are vacating the office premises at 14-16 Hounds Gate and relocating to Loxley House, which means Hounds Gate offices will become vacant. The offices are of a basic quality and will be difficult to re-let without considerable expenditure on refurbishment works, so it is proposed that they are declared surplus to requirements and sold as retention of the building would incur significant revenue costs.

RESOLVED to

- (1) declare 14-16 Hounds Gate surplus to the Council's requirements;**
- (2) authorise the sale of 14-16 Hounds Gate to the party that submitted the highest offer following an informal tender process for the price and on the terms set out in the exempt appendix.**

Reasons for decisions

There is a high level of low and medium standard office premises available in the City Centre, therefore, remarketing of the premises to let for their existing use is not a viable option.

There is good demand for buildings of this nature from developers keen to convert outdated office space to residential use as apartments or student accommodation.

Other options considered

Offering the premises to let as offices without refurbishment was rejected due to the large number of similar standard offices available in the City Centre which means the premises would be likely to remain vacant for a considerable time and incur significant revenue costs.

Investing capital into refurbishing the premises was rejected as the building could not provide grade A office accommodation due to its nature so would be an unacceptable risk.

29 REDEVELOPMENT OF THE FORMER MORLEY SCHOOL SITE - KEY DECISION

The Board considered the Portfolio Holder for Community Safety, Housing and Voluntary Sector's report supporting the Council's priority to continue to build Council houses and to bring all social housing up to the Decent Homes standard and the ambitious plan to rebuild high quality new Council homes via Nottingham City Homes by redeveloping the former Morley School site in St Anns.

Changes in the Housing Revenue Account system enabled the Council to identify sites in need of decommissioning and demolition and to build back a mix of new homes to provide high quality family housing across the City.

RESOLVED

- (1) in relation to the new build homes, subject to the approval of the Homes and Community Agency to the award of funding of £0.600 million towards the project, to:**
 - (a) approve the procurement for around 30 new build homes on the former Morley School Site, within the funding envelope of £3.800 million;**

- (b) delegate authority to the Portfolio Holder for Community Safety, Housing and Voluntary Sector, in consultation with the Deputy Chief Executive/Corporate Director for Development and Growth and the Director of Legal and Democratic Services, to award the design and build tender and sign the contract, subject to the tenders being returned within the funding envelope above;**
- (2) in relation to the existing buildings, to:**
 - (a) approve the procurement for the demolition of the existing buildings on the former Morley School site, within the funding envelope of £0.200 million;**
 - (b) approve the procurement of the contractor for the removal of the asbestos in the existing buildings on the former Morley School site, within the funding envelope of £0.100 million;**
 - (c) delegate authority to the Portfolio Holder for Community Safety, Housing and Voluntary Sector, in consultation with the Deputy Chief Executive/Corporate Director for Development and Growth and the Director of Legal and Democratic Services, to award the demolition tenders and sign the contracts, subject to the tenders being returned within the funding envelopes above.**

Reasons for decisions

The site provides the opportunity for the Council to realise its ambition to provide high quality housing and actively regenerate the neighbourhood.

Approval will allow the contracts to be tendered out and for contractor and the designer to be appointed and the preferred option to be developed for submission to planning.

Other options considered

Not redeveloping the site was rejected because it would not meet the Council's ambition to provide high quality housing and actively regenerate Nottingham's neighbourhoods.

Selling the sites for market housing development was rejected as the provision of Council homes in these locations will support the Council's aims of regenerating communities.

Disposing of the site to a Registered Provider (RP) partner for a reduced receipt in order for them to provide new affordable housing was rejected as, whilst the Council will provide some sites for RPs within this programme, it was not considered the best solution for delivering the required outcomes on the site.

30 CAPITAL PROGRAMME UPDATE 2014/15 - 2018/19 - KEY DECISION

The Board considered the Deputy Leader/Portfolio Holder for Resources and Neighbourhood Regeneration's report updating the Capital Programme for 2014/15 to 2018/19 to include high and medium priority schemes that have been prioritised as

part of the Council's investment strategy, including regeneration and transformational investments such as:

- the Broadmarsh area;
- the Southern Gateway;
- City Centre North; and
- outer sites.

There are also several areas of other capital projects which include:

- commercial opportunities;
- community provision;
- health and safety;
- meeting statutory and contractual responsibilities; and
- saving money.

An amendment was made at the meeting to remove the scheme for Clifton contained within the Community Provision element detailed in the exempt appendix.

RESOLVED to

- (1) recommend that Full Council approve the proposed Capital Programme for 2014/15 to 2018/19 of £677.567 million, including the amendment above;**
- (2) recommend that individual schemes be subject to separate approval in accordance with the Constitution and Scheme of Delegation, prior to expenditure being incurred;**
- (3) approve the following Key Principles for managing the Capital Programme within its available resources:**
 - **new projects (unable to cover their costs) added to the programme, will result in an existing project being removed or amended;**
 - **all projects must have a robust and viable full business case, which considers and includes whole life costing and revenue implications;**
 - **all schemes will be subject to robust and deliverable business plans and models which demonstrate the necessary return on investment required;**
 - **the decision to progress schemes will be dependent on securing the stated level of external funding or grant as appropriate;**
 - **new projects will be considered where the Council can make a return on investment;**
 - **where new sources of external funding/grants become available, the programme will be revisited;**
 - **all schemes will be subject to an independent internal 'Gateway review process';**
- (4) note the potential funding required as set out in paragraph 4.5 of the report, which includes £230.480 million of additional borrowing and the potential annual return of £20 million required to fund the associated borrowing;**

- (5) **note the following associated risks of the proposed investments:**
- **a 52% increase in the authority's borrowing over the next five years;**
 - **exposure to interest rate changes. A 0.5% increase in interest rates will increase the cost of borrowing by c£0.700 million per annum;**
 - **major schemes have a long pay back period which will require the use of reserves in the early years to fund short term deficits in business plans;**
 - **the cost of feasibility studies are all undertaken at risk;**
 - **schemes may not cover their costs or make the desired return.**

31 EXCLUSION OF THE PUBLIC

The Board decided to exclude the public from the meeting during consideration of the remaining agenda item in accordance with Section 100A(4) of the Local Government Act 1972 on that basis that, having regard to all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

32 SALE OF 14 -16 HOUNDS GATE, NOTTINGHAM, NG1 7BA - KEY DECISION - EXEMPT APPENDIX

The Board considered the exempt appendix to the Deputy Leader/Portfolio Holder for Resources and Neighbourhood Regeneration's report.

RESOLVED to note the information contained within the appendix.

Reasons for decisions

As detailed in the report.

Other options considered

As detailed in the report.

33 CAPITAL PROGRAMME UPDATE 2014/15 - 2018/19 - KEY DECISION - EXEMPT APPENDICES

The Board considered the exempt appendices to the Deputy Leader/Portfolio Holder for Resources and Neighbourhood Regeneration's report.

RESOLVED to note the information contained within the appendices.

Reasons for decisions

As detailed in the report.

Other options considered

As detailed in the report.