

# Nottingham City Council

## Executive Board

**Minutes of the meeting held at Ground Floor Committee Room - Loxley House, Station Street, Nottingham, NG2 3NG on 18 February 2020 from 2.01 pm - 2.39 pm**

### Membership

#### Present

Councillor David Mellen (Chair)  
Councillor Sally Longford (Vice Chair)  
Councillor Cheryl Barnard  
Councillor Neghat Khan  
Councillor Rebecca Langton  
Councillor Dave Trimble  
Councillor Adele Williams  
Councillor Sam Webster  
Councillor Kevin Clarke  
Councillor Andrew Rule

#### Absent

Councillor Eunice Campbell-Clark  
Councillor Linda Woodings

### Colleagues, partners and others in attendance:

Candida Brudenell - Corporate Director for Strategy and Resources  
Theresa Channell - Head of Strategic Finance  
Chris Henning - Corporate Director for Development and Growth  
Laura Pattman - Strategic Director of Finance  
Catherine Underwood - Corporate Director for People  
Andy Vaughan - Corporate Director for Commercial and Operations  
Kate Morris - Governance Officer

### Call-in

Unless stated otherwise, all decisions are subject to call-in. The last date for call-in is 28 February 2020. Decisions cannot be implemented until the working day after this date.

## 78 Apologies For Absence

Councillor Eunice Campbell-Clark – Council Business  
Councillor Linda Woodings – Council Business

## 79 Declarations Of Interests

None

## 80 Minutes

The minutes of the meeting held on 21 January 2020 were confirmed as a true record and were signed by the Chair.

## **81 Approval To Adopt Biodiversity Supplementary Planning Document (SPD)**

The Board considered the report of the Portfolio Holder for Planning Housing and Heritage recommending that the Board adopt the Biodiversity Supplementary Planning Document. The proposed SPD has been amended following a consultation period and provides a clear framework for developers. The SPD will help Nottingham City Council to work towards the clear air targets, and to becoming a bee friendly city by 2023.

The Committee agreed that the positive actions encouraged by this SPD should not be at the expense of S106 contributions and that both inclusion of environmental aspects within developments as well as S106 contributions should be expected from developers.

### **Resolved to:**

- (1) Adopt the Biodiversity Supplementary Planning Document; and**
- (2) Note that this Supplementary Planning Document will apply to all planning applications that are validated on or after 26<sup>th</sup> February 2020.**

### **Reasons for Decision**

The Biodiversity Supplementary Planning Document will help to ensure that development meets the Council's aspirations in terms of biodiversity gain and carbon neutrality

### **Other Options Considered**

Not adopting the Biodiversity Supplementary Planning Document. This option was rejected as it would result in a lack of comprehensive planning guidance to underpin the Local Plan.

## **82 School Admission Arrangements 2021/22 For Community Schools - Key Decision**

The Board considered the report of the Portfolio Holder for Early Years, Education and Employment proposing changes to admission arrangements for the 2021/22 school year for community schools.

The changes proposed are to reduce the number of preferences parents can make under the primary co-ordinated scheme from 6 to 4, and to alter the catchment areas for Fernwood Primary and Middleton Primary schools to ensure provision for future pupils residing in the proposed new development on Woodyard Lane.

### **Resolved to:**

- (1) Approve the Local Authority's proposed admission arrangements for 2021/22 school year for community schools:**
  - to reduce the number of preferences that parents can make under the primary co-ordinated scheme from 6 to 4, and**
  - to change the catchment areas of Fernwood Primary and Middleton Primary School.**

### **Reasons for Decision**

The change to the number of preferences parents can make brings the primary co-ordination scheme in line with the Secondary admission arrangements. During the 19/20 admission round 97% of parents were offered a place at their first 4 preferred schools, and in the 18/19 admission round 98% of parents were successful in gaining a place at one of their first 4 preferences.

A review of the school catchment areas in Wollaton was undertaken in 2011/2012 and since that time both Fernwood and Middleton Primary Schools have been expanded by extra 210 places at each school. Following a change in demographics, housing developments and increased inward migration, the next phase is to rebalance the catchment areas for these schools.

The change to Middleton Primary catchment to include the proposed new housing development on Woodyard Lane does not currently affect any citizens, as there are no existing residents on the planned development site.

In 2011/12 the area of Tom Blower Close was moved to the catchment for Fernwood, it will be moved back to the catchment area for Middleton. Younger siblings of existing Fernwood pupils who are on roll at July 2021 will have priority over non-catchment siblings and will be considered as catchment siblings for first admission. This protected priority would not apply for subsequent siblings, so would apply for up to 6 years, 2026/27 academic year.

### **Other Options Considered**

The option to make other changes to the admissions arrangements was considered and rejected and they were not felt to be necessary or viable. Maintaining the Authority's admission arrangements for a further year will enable the authority to monitor the operation of the changes that are made to the 2021/22 arrangements, including those made by academies, in order to make any changes for subsequent years on an informed basis.

## **83 Report Schools Budget 2020/21 – Key Decision**

The Board considered the report of the Portfolio Holder for Early Years, Education and Employment presenting the Council's Schools budget for 2020/21. The following points were highlighted during discussion:

- (a) For 2020/21 there was a risk to the Authority of £1.060m which has been mitigated by a one off solution. This risk may need capturing as a budget pressure to the Local Authority during the 2021/22 budget process;
- (b) Schools funding has increased to fund pupil growth. The Central Expenditure funding has reduced by £1.060m;
- (c) There has been an increase of funding for Early Years education provisions and this has been passed on to providers;
- (d) High Needs has had an increase in funding of 17%.

**Resolved to:**

- (1) Note the overall indicative 2020/21 Schools Budgets to be spent incorporating the Schools, Central Schools Services, Early Years and High Needs blocks is £289.163m;**
- (2) Note that a balance of £0.567m, in the schools block has been transferred to the pupil growth contingency fund as per the approval of Schools Forum on 3 December 2019;**
- (3) Note that the 2020/21 DSG budget will be updated throughout the year to reflect subsequent adjustments made by the Education, Skills Funding Agency (ESFA) and that any balance remaining as a consequence of these adjustments will be allocated to the Statutory School Reserve (SSR);**
- (4) Note the potential risk to the LA in 2021/22 which will be captured in the risk assessment of the MTFP;**
- (5) Approve the in-year budget transfers and payments to schools, Private and Voluntary Charitable and Independent settings and Academies totalling £269.652m;**
- (6) Approve external spend associated with centrally retained expenditure totalling £2.694m;**
- (7) Note the procurement of external placements will be in accordance with the financial regulations, gaining approval through the appropriate processes;**
- (8) 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**
- (9) Delegate the authority to the Portfolio Holder for Schools and the Corporate Director for People to approve any final budget adjustments.**

**Reasons for Decision**

The Board is asked to note information to allow them to understand how and on what basis different education grants are allocated to the Local Authority and how they are then distributed to educational settings. This then allows the School's Budget to be established within statutory timelines.

The decision is also needed to ensure that there are appropriate constitutional approvals in place to spend the grants.

**Other Options Considered**

Any other options were rejected as they do not align to the financial regulations issued by the Department for Education in relation to the allocation of the DSG and the pupil premium grant.

## **84 Redevelopment Of Former Eastglade School And Southchurch Court Garages Site For New Council Housing – Key Decision**

The Board considered the report of the Portfolio Holder for Planning, Housing and Heritage proposing the appointment of Nottingham City Homes to developed two City Council owned sites for 142 new Council homes at the former Eastglade School site and Southchurch Court Garage site. The two developments are being proposed together in order to achieve better value for money. During discussion, the following points were highlighted:

- (a) This proposal helps Nottingham City Council to work towards achieving its ambitious target to build 1000 new social homes for rent by 2023;
- (b) Funding will include contributions from Section 106 and right to buy replacement funds;
- (c) The site on Southchurch Court will hold 36, 1 bedroom apartments and the former Eastglade School site will hold a mix of 1 bedroom apartments, and 2 and 3 bedroomed houses;
- (d) The Bestwood area currently has a number of regenerations projects and this new housing will contribute to that.

### **Resolved to:**

- (1) Approve the budget for the construction of c142 new Council homes and associated costs within the funding envelope set out in the exempt appendix, with corresponding amendment to the Housing Revenue Account capital programme;**
- (2) Authorise Nottingham City Homes to appoint contractors for the redevelopments of both sites, subject to tenders being returned within the funding envelope set out in the exempt appendix, and to the demonstration of value for money, and to the completion of the legal formalities required for the appropriation of the site to Housing Revenue Account; and**
- (3) Approve the expenditure of £800,000 of Section 106 affordable Housing contributions, made in line with the planning conditions for developments at Haywood School (planning ref. 14/0436PFUL) and Woodhouse Park (planning ref.13/01703POUT), towards the cost of development on Eastglade.**

### **Reasons for Decision**

The development of these sites will contribute to the Council's commitment to build 1000 new Council homes for rent by 2023.

The developments will provide much needed, new, high quality social homes for affordable rent. It will enhance the neighbourhoods, and make constructive use of the two sites.

The Right to Buy element of the funding will be used to meet up to 30% of the cost of the developments. If this funding is not spent within a certain period it has to be repaid with interest to the Government.

The funding envelope, as set out in the in exempt appendix, includes allowances for contingencies and risks.

There is currently £800,000 of Section 106 Affordable Housing commuted sums available to be put towards improving the viability of the Eastglade site. £252,525 is from planning application 14/00436/PFUL3 Haywood School, Edwards Lane. The balance of £800,000 (£547,475) is from planning application 13/01703/POUT Woodhouse Park. This Section 106 contribution to the funding of the Eastglade development is justified by the additional costs imposed by the challenging topography of the site and lack of existing infrastructure. Under both agreements, the Council is obliged to use the affordable housing commuted sum 'towards the provision of Affordable Housing within Nottingham City'. This project meets this definition.

### **Other Options Considered**

The option to do nothing was rejected as both sites are in need of development and the provision of new affordable homes to rent is necessary to meet high levels of demand.

The option of disposal for private development was rejected as this would not contribute to the Council's commitment to build 1000 new social homes, and because neither site is likely to be commercially viable.

Another option for the Eastglade site including innovative energy efficient community housing alongside new allotments was rejected as no viable option could be found. This was mainly due to the high costs associated with the challenging topography of the site.

An alternative option for the Southglade site was to build family homes on the site, but this was rejected as the site could only accommodate 8 -10 family sized homes and the high unit cost would have made this option financially unviable.

## **85 Medium Term Financial Plan (MTFP) - Key Decision**

The Chair of the Board 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 the business cannot be deferred as it requires approval by Full Council on 9 March 2020. The MTFP report requires approval at Full Council in order to set the Council Tax for 20/21. It is a legal requirement that Council Tax is set by 11 March 2020.

The Board considered the report of the Portfolio Holder for Finance, Growth and the City Centre presenting the Council's Medium Term Financial Plan (MTFP). This report comprises the revenue budget and capital programme for both the General Fund and the Housing Revenue Account (HRA). The following points were highlighted during discussion:

- (a) Nottingham City has seen a decade of cuts from Central Government that has necessitated approximately £0.25Billion in savings in that time. The funding from government has reduced from around £120m per year to £25m a year.
- (b) At the same time as significant cuts to funding there is an increased demand for services from the most vulnerable citizens;
- (c) The MTFP proposes £15.6m savings for 2020/21. Despite these cuts the Authority has worked hard to protect front line services for the most vulnerable citizens.

The Leader of the Council offered his thanks to Portfolio Holders and Officers for their hard work on the MTFP. Portfolio Holders echoed their thanks to Officers for their hard work during the process.

**Resolved to:**

**(1) 2019/20 Forecast Outturn (Annex 1)**

- a. To note the current forecast outturn for the 2019/20 General Fund, HRA revenue budgets and capital programmes.
- b. To approve budget virements and reserve movements set out in Appendices B and C.

**(2) MTFP 2020/21 – 2022/23 Revenue Element (Annex 2)**

- a. To note the General Fund revenue aspects of the MTFP.
- b. To note, endorse and release savings totalling £15.623m, £13.411m as set out in the December Budget consultation report and a further £2.212m as detailed in this report and set out in Table 8 and detailed within Appendices A of the report for public consultation
- c. To note, endorse and recommend to City Council:
  - i. The General Fund net budget requirement for 2020/21 of £248.059m
  - ii. Council Tax level (Band D) of £1,808.31 that will raise a total of £121.807m (a basic increase of 1.99% and 2.00% increase for Adult Social Care Precept)
  - iii. Delegated authority to the Corporate Leadership Team to implement all proposals after undertaking necessary consultation
  - iv. Delegated authority to the Chief Finance Officer (CFO) to approve payment of the pension deficit lump sum based on the best value approach for the Council

**(3) MTFP 2020/21 – 2024/25 Capital Programme Element (Annex 3):**

**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) MTFP 2020/21 – 2022/23 HRA Element (Annex 4):**

**a. To note the following changes that impact on the HRA's financial sustainability include:**

- i. Increase of social housing rents by 2.7%**
- ii. Stock reduction of 248 resulting from new build stock, acquisitions and Right to Buy sales**
- iii. Continued roll out of Universal Credit and end of benefits freeze**
- iv. Impact of Grenfell Tower Public Enquiry and Hackitt review of building regulations and fire safety**

**b. To approve the:**

- i. Proposed rent increase of 2.7% for 2020/21**
- ii. Continuation of the tenant incentive scheme of up to £100 per annum with a budget of £2.000m**
- iii. Proposed increase in general service charges of 1.7%, in line with Consumer Price Index (CPI)**
- iv. A working balance of £7.727m to provide for the effects of Universal Credit and to support the new build programme**
- v. 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 2020/21 HRA budget**

**(5) Robustness of the Budget (Annex 5):**

**To note, endorse and recommend to City Council the recommendations of the Chief Finance Officer (CFO) in respect of the robustness of the estimates within the budget and the adequacy of reserves. Specifically delegating authority to the CFO includes:**

- (a) Conduct a fundamental review of reserves, balances and provisions to create a resilience reserve. The reserve is to be sufficient to cover risks highlighted within the report and to give authority to review and amend the reserve in year based on any new or emerging risks.**
- (b) Update the MTFP principles to take into account the Council's reduced budget flexibility as a result of the continued use of one off measures to reduce overspends and present a balanced budget**
- (c) Review and update the current MTFP practices and amend as necessary to align with CIPFA Financial Management Code**
- (d) Produce a detailed 3 year MTFP to address the budget gaps in years 2 and 3 which will require a thorough transformation plan and strategy in order to balance the medium term financial position**

**(6) Budget Consultation 2020/21 (Annex 6):**

**To note the outcomes of the budget consultation and communication**

**Reason for Decision**

The meeting of Full Council on 9 March 2020 will set the budget and Council Tax rates for 2020/21. By setting the HRA elements of the report and endorsing the MTFP this

### **Other Options Considered**

There were numerous individual different options considered throughout the budget process too detailed and numerous to list as distinct options. The MTFP presented to the Board shows the final overall package of detailed proposals that see to balance levels of investment, cost reduction and an appropriate level of income.

## **86 Treasury Management Strategy 2020/21 and Capital & Investment Strategy 2020/21**

The Chair of the Board 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 the business cannot be deferred as it requires approval by Full Council prior to April 2020 in order to comply with the CIPFA code.

The Board considered the report of the Portfolio Holder for Finance, Growth and the City Centre setting out the Treasury Management Strategy Statement 2020/21 and the Capital & Investment Strategy for 2020/21. The report looks at how to bring in revenue to the Council, investment and borrowing. The Council is committed to investing to grow the local economy, bring in more business rates and inviting private investment.

### **Resolved to:**

- (1) Endorse and recommend for approval by the Council at its meeting on 9 March 2020 the overall Treasury Management Strategy for 2020/21 and in particular:**
  - a. The strategy for debt repayment (minimum Revenue Provision) in 2020/21**
  - b. The Investment Strategy for 2020/21**
  - c. The Prudential Indicators and Limits for 2020/21 to 2022/23**
  - d. Adopt the current Treasury Management Policy Statement.**
  
- (2) Endorse and recommend for approval by the Council at its meeting on 9 March 2020 the Capital and Investment Strategy 2020/21**

### **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**

Not adopting these strategies would be against the CIPFA code and for this reason this option was rejected.

The Ministry of Housing, Communities & Local Government 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.

#### **87 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 and 4 of Part 1 of Schedule 12A to the Act

#### **88 Redevelopment Of Former Eastglade School And Southchurch Court Garages Site For New Council Housing - Key Decision - Exempt Appendix**

The Board noted the information contained within the exempt appendix.

#### **89 Establishment Of Commercial Waste Company**

The Board considered the exempt report of the Portfolio Holder for Energy, Environment and Democratic Services.

**Resolved to approve the recommendations as recorded in the exempt minute.**

#### **90 Treasury Management Strategy 2020/21 and Capital & Investment Strategy 2020/21 - Exempt Appendix**

The Board noted the information contained within the exempt appendix.