

Nottingham City Council

Executive Board

Minutes of the meeting held at Remote - To be held remotely via Zoom - <https://www.youtube.com/user/NottCityCouncil> on 29 June 2020 from 12.00 pm - 1.03 pm

Membership

Present	Absent
Councillor David Mellen (Chair)	
Councillor Sally Longford (Vice Chair)	
Councillor Cheryl Barnard	
Councillor Eunice Campbell-Clark	
Councillor Neghat Khan	
Councillor Rebecca Langton	
Councillor Dave Trimble	
Councillor Adele Williams	
Councillor Sam Webster	
Councillor Linda Woodings	

Colleagues, partners and others in attendance:

Councillor Kevin Clarke	
Councillor Andrew Rule	
Chris Henning	- Corporate Director for Development and Growth
Katherine Kerswell	- Interim Chief Executive
Laura Pattman	- Strategic Director of Finance
Malcolm Townroe	- Director of Legal and Governance
Catherine Underwood	- Corporate Director for People
Keri Usherwood	- Portfolio Communications Manager
Hugh White	- Corporate Director for COVID Response and Recovery
Kate Morris	- Governance Officer

Call-in

Unless stated otherwise, all decisions are subject to call-in. The last date for call-in is 9 July 2022. Decisions cannot be implemented until the working day after this date.

13 Apologies for absence

None.

14 Declarations of interests

Councillors Cheryl Barnard and Councillors Neghat Khan declared an interest in Item number 7 as Directors of the Board for Robin Hood Energy. They did not participate in discussion on this item.

15 Minutes

With the inclusion of Malcolm Townroe, Director of Legal and Governance in the list of colleagues who attended the minutes were confirmed as true record of the meeting held on 16 June 2020 and were signed by the Chair.

16 Pre-Audit Corporate Finance Outturn 2019/20 - Key Decision

The Board considered the report of the Portfolio Holder for Finance, Growth and the City Centre setting out the pre audit General Fund and Housing Revenue Account revenue outturn and Capital Programme for 2019/20. The Portfolio Holder highlighted the substantial reduction in government fund of Local Authorities over the last 10 years, detailing that Nottingham City Council had had to make savings of over £270 million over that period. The following points were highlighted during discussion:

- (a) As a result of loss of income and costs associated with COVID 19 and existing overspend the net overspend is £6.754 million for quarter 3;
- (b) Table 9, Capital Programme Outturn 19/20 shows slippage of projects rather than underspend on budgeted projects. The Strategic Director of Finance indicated that details of the slippage will be circulated to members of the Board at their request;
- (c) The Make Tofu Not War installation is a purchase fully funded by the Arts Council and is a permanent acquisition for the Council. Council funds were not used to purchase this piece of art;
- (d) The Blue Green Infrastructure project has been implemented following a large grant from the EU. Money has been spent across the city, and has helped to alleviate the risk of flooding as well as encouraging natural wetland habitat for a number of species. It has also allowed the creation of new footpaths and cycle routes across the city;

Resolved to:

(1) To note:

- a. **The pre-audit revenue outturn overspend of £6.754m for 2019/20 as set out in paragraph 2.2 and Appendix A of the report published with the agenda;**
- b. **The portfolio variances +/- £50k as set out in Appendix B of the report published with the agenda;**
- c. **The discretionary rate relief granted in 2019/20 detailed in paragraph 2.11 of the report published with the agenda;**
- d. **The additions to the Capital Programme detailed in Table 10 of the report published with the agenda;**
- e. **The refreshed Capital Programme, including planned and proposed as set out in paragraph 2.17 and 2.18 (Tables 11 to 12) of the report published with the agenda.**

(2) To approve:

- a. **The movements of resources set out in paragraph 2.5 and Appendix D of the report published with the agenda;**
- b. **The net movement on earmarked reserves, as set out in paragraph 2.7 and Appendix E of the report published with the agenda;**
- c. **The HRA outturn for 2019/20 as set out in paragraph 2.8 of the report published with the agenda**
- d. **Write-offs in excess of £10,000, totalling £0.648m where all options for recovery have been exhausted, as set out in paragraph 2.10 of the report published with the agenda**

- e. **Additional costs of £2.456m in relation to various capital schemes set out in paragraph 2.16 of the report published with the agenda; and**

(3) To note and endorse the allocations from the corporate contingency as set out in paragraph 2.3 of the report published with the agenda.

Reasons for decisions

The approval of virements of budgets is required by corporate financial procedures. The actions approved will enable formal monitoring of progress against the 2019/20 budget and the impact of planned and actual management action.

Other options considered

This report details the 2019/20 outturn and how the overspend will be managed.

17 Council Financial Position - Financial Risk Assessment

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

The Board considered the report of the Portfolio Holder for Finance, Growth and the City Centre on detailing the Council's current financial position assessing the impact of government austerity alongside the impact of the COVID-19 pandemic. The following points were highlighted:

- (a) The full financial impact of COVID-19 on the city is unlikely to become clear for some time. As a result of additional spend to ensure that vulnerable citizens have been looked after throughout the crisis the Council has spent an additional £85.5million and received a government grant for £19million;
- (b) An In Year budget process is underway to find further savings to help to mitigate this extra spend;
- (c) Core Cities are lobbying the government asking for the financial support that was initially pledged, to fund the cost of the COVID-19 outbreak for Local Councils;
- (d) As a way of generating income to combat the budget cuts from central government, the Council has made investments in property and in companies. Companies such as Nottingham City Transport, which is a successful and multi-award winning company. However even the most successful companies owned by the Council will be unable to pay their usual dividends to the Council this financial year and possible next due to the impact of COVID-19 on the economy;
- (e) Each capital project prior to the outbreak of COVID-19 had a business case for the investment. A piece of work has already begun to look at Post COVID business cases as the impact has been so wide reaching. This piece of work has only recently been started and details will come back to the Board when appropriate;
- (f) The Council is in the early stages of reacting to INTU going into administration. It will look at various options to allow regeneration of the site to continue.

- (g) The impact of the COVID-19 outbreak on homelessness will become more pronounced as time goes on. Section 21 evictions have not stopped even through lockdown and around 100 households a week present to the Council as homeless.
- (h) Despite having projects in the pipeline because of the delay starting them because of the COVID-19 outbreak, the Council may be forced to return right to buy funds to the Government because they cannot be spent within the strict time scales. This will further compound the expected housing pressures going forward;
- (i) The first Local Outbreak Board has met and is working on plans to help prevent and manage future outbreaks.

The board acknowledged the hard work and sacrifices made Nottingham City Council staff and by residents of Nottingham City throughout the lockdown period helping to prevent the further spread of the virus.

Resolved to:

- (1) note the overall in-year financial position of the Council as set out in this paper;**
- (2) note the significant impact that the Covid-19 pandemic has had on the income and expenditure of the Council;**
- (3) note the substantial lobbying that is underway to secure further financial support from government to stabilise the financial position of the Council;**
- (4) note the financial gap for this financial year and approve the activities underway to address the position in the form of the extension of spending controls, the identification of in-year savings and the review of reserves;**
- (5) note that if additional savings and the review of reserves are believed to be insufficient to ensure a balanced budget position in the professional judgement of the s151 Officer, then a Section 114 Report will be issued;**
- (6) note that the s151 Officer will keep the financial position under continuous review;**
- (7) note that a review of the capital programme is underway;**
- (8) note that progress on the implementation of a minimum level of £15.5m of savings will be presented to the Board for approval in July; and**
- (9) note that an updated Medium Term Financial Strategy will be presented to Executive Board in September.**

Reasons for decision

The City Council, like many other councils across the country are facing significant financial pressures as a result of Governments cuts. This has been compounded by

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the impact of COVID-19. Given the scale of the financial challenge it is necessary for the Council to refresh the Medium Term Financial Outlook as well as plan to deal with immediate in year issues.

Other options considered

This report is for information only and no other options were considered.

18 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 5 of Part 1 of Schedule 12A to the Act

19 Exempt Minutes

The exempt minutes of the meeting held on 16 June 2020 were confirmed as a true record and were signed by the Chair.

20 Strategic Review

Resolved to approve the recommendation as set out in the exempt report.