

Nottingham City Council

Executive Board

Minutes of the meeting held remotely via Zoom -
<https://www.youtube.com/user/NottCityCouncil> on 23 February 2021 from 2.03 pm - 2.48 pm

Membership

Present

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

Absent

Colleagues, partners and others in attendance:

Councillor Kevin Clarke
Councillor Andrew Rule

Mel Barrett	- Chief Executive
Clive Heaphy	- Strategic Director of Finance
Richard Henderson	- Director of HR and Transformation
Nick Lee	- Director of Education Services
Malcolm Townroe	- Director of Legal and Governance
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 5 March 2021. Decisions cannot be implemented until the working day after this date.

79 Apologies for absence

Catherine Underwood – Corporate Director for People

80 Declarations of interests

Although not a formal Interest, in the interests of openness and transparency Councillors Barnard, Campbell-Clark, Langton, Mellen and Williams all notified the meeting they were governors of schools within the City. This did not preclude them from speaking or participating in Item 4 (minute 82) School Admissions Arrangements 2022/23 for Community schools

81 Minutes

The minutes of the meeting held on 19 January 2021 were confirmed as a true record and were signed by the Chair.

82 School Admission Arrangements 2022/23 for Community Schools

The Board considered the report of the Portfolio Holder for Regeneration, Schools and Communications seeking approval for the proposed admissions arrangements for the 2022/23 school year for Community Schools. These arrangements remain unchanged from those approved last year for the 2021/22 school year and continue to ensure fair access to school places and give priority to local children.

Resolved to approve the Local Authority's proposed admission arrangements for the 2022/23 school year for community schools.

Reasons for decision

Nottingham City Council is the Admissions Authority for Community schools and is responsible for determining the admissions arrangements for these schools for each school year.

Last year the admissions arrangements were changed for the 2021/22 school year to reduce the number of choices and to streamline the process. This change is being monitored. No further changes have been deemed necessary to maintain equal and fair access to school places for all children in the city.

Other options considered

Options to change the admissions arrangements for the school year 2022/23 have been rejected as they are not necessary or viable.

83 Budget 2021/22 and Medium Term Financial Outlook

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 Council is legally required to set a balanced budget each year and so this is the last Executive Board meeting before the March Council meeting, which is the latest opportunity to do so.

Resolution 4b is not subject to call in because the Chair of Overview and Scrutiny agreed that the decision is reasonable in all circumstances and should be treated as a matter of urgency because the Housing Act 1985 requires tenants to receive 28 days notice of rent increases (due date 29 March 2021). Production and postage of the notifications following a call in period would mean that the Council may be in breach of its statutory duty by giving less than 28 days notification. Postage of the notifications to tenants has to take place by no later than 24th February to ensure they reach tenants in time.

The Board considered the report of the Portfolio Holder for Finance, Growth and the City Centre outlining the Council's Revenue and Capital budget proposals for the General Fund, Housing Revenue Account (HRA) and Schools budget for 2021/22.

During discussion the following points were raised:

- (a) This budget has been set in the context of 10 years of sustained cuts from Central Government, the Covid pandemic and its financial impact on the Council, businesses, and citizens across the city, and a difficult year for the

organisation. Despite these difficulties the Council remains ambitious for its citizens and for the city and is committed to providing good quality services;

- (b) The main focus for the Council this year has been responding to the Covid pandemic and ensuring that services remain accessible to citizens. The cost of the pandemic for the Council has now reached £78 million. £50million of government funding has been received, leaving a shortfall of £28million;
- (c) The in-year budget process in 2020/21 achieved savings of £12.5million through a recruitment freeze, a voluntary redundancy programme and the use of reserves;
- (d) The report reflects a financial outlook for three years, however with financial uncertainties associated with Covid 19 combined with the action arising from the Recovery and Improvement Plan forecasting beyond 2021/22 is currently difficult. The budget reflects a one-year position with commitment to addressing the financial challenges ahead;
- (e) Particular pressure on the budget comes from the cost of Children in Care costs. This will continue to rise as companies continue to increase cost of placements. The Council is working hard to mitigate these costs, where possible, using block contract placements and independent fostering agencies. The Council is also working with the D2N2 partners and lobbying government to address the issue of increasing children in care costs;
- (f) The Council is proposing to implement the 3% adult care precept on Council tax in order to help fund adult social care. Authorities across the country are lobbying government to bring forward the proposed reforms to Adult social care funding as it is widely felt that this is not a sustainable way to fund adult social care;
- (g) Following 4 years of rent reductions introduced by Central Government the Council is implementing a 1.5% rent increase. For a 2 bedroom house this will equate to £1.21 increase a week. This will help to improve the HRA allowing a balanced budget for repairs, maintenance and improvements to the public realm as well as many other housing related services. The tenancy sustainment team continues to work well with tenants experiencing difficulties ensuring they are claiming all of the benefits they are entitled to, and offering other advice;
- (h) Domestic waste disposal costs have risen as more domestic waste is created through people working at home. Income from the commercial Business Waste activities has reduced as businesses have been closed or dramatically reduced waste output as a result of limited trading due to the Covid pandemic. This is one of many smaller ways that the financial pressure of Covid has impacted the Council;

The Board extended their thanks to all staff, colleagues and partners who have worked throughout the pandemic to ensure that services have continued to be offered to the most vulnerable citizens and to staff and colleagues who have worked hard to contribute to the difficult budget process.

Resolved to:

(1) 2020/21 Forecast Outturn

- a) note the current forecast outturn for 2020/21;
- b) approve budget virements and reserve movements set out in Appendices B and C of annex 1 of the published report;
- c) approve the proposal that underspends in 2020/21 are used to replenish reserves

(2) Revenue budget 2021/22

- a) recommend to City Council approval of the proposed General Fund revenue budget for 2021/22 with a net budget requirement of £243.7m.
- b) endorse proposals to set a Council Tax level (Band D) of £1,898.55

(3) Recommend to City Council approval of the proposed Capital Programme for 2021/22 as detailed in Annex 3 of the published report

(4) HRA budget 2021/22

- a) recommend to City Council approval of the proposed HRA budget for 2021/22 as set out in Annex 4 of the published report.
- b) Approve the:
 - i. Proposed rent increase of 1.5% for 2021/22.
 - ii. Continuation of the tenant incentive scheme in 2021/22 of up to £100 per annum and its removal from the budget from 2022/23 onwards.
 - iii. Proposed increase in general service charges of 1.5%.
 - iv. Proposed increase to garage rents of 0.5%.
 - 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 published report.

(5) To note the report of the Council's Section 151 Officer in respect of the robustness of the estimates within the budget and the adequacy of reserves.

(6) To note the outcomes of the budget consultation.

(7) Schools Budgets

- a) Approve the in-year budget transfers and payments associated with the grant funding and the use of the reserve included in this report. This will not exceed the grant value.
- b) Delegate the authority to the Portfolio Holder for Finance, Growth & the City Centre and the S151 Officer to approve any final budget adjustments in conjunction with the Portfolio holder for Regeneration, Schools & Communication and the Corporate Director (People).

Reasons for the decision

The council has to set a balanced budget each year, these proposals allow the Executive Board to recommend this budget to Council for approval at its March meeting. It also allows approval of the HRA and Schools Budget elements of the budget process.

Other options considered

A range of different options have been considered throughout the budget setting process including variations of council tax level, investments and cost reductions. These have all been rejected as these proposals offer balanced levels of investment, income, cost reduction and Council Tax.

84 Treasury Management Strategy 2021/22 & Capital and Investment Strategy 2021/22

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 a legal requirement for the Treasury Strategy to be approved by Council before the start of the financial year that it applies to (April 2021) and so this is the last Executive Board meeting before the March Council meeting.

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 outlining the Treasury Management Strategy and the Capital Strategy for 2021/22. He highlighted that the Capital Strategy included a review of the estate and that some building may be found to be surplus to requirement. He also highlighted the strategy to reduce external debt levels.

The Portfolio Holder commended Council Officers for their outstanding work in bidding for external grants and continuing to bring in much needed grant support for all aspects of the Authority's work.

Resolved to

(1) Recommend for approval by City Council at its meeting on 8 March 2021 the overall Treasury Management Strategy for 2021/22, and, in particular:

- **the strategy for debt repayment (Minimum Revenue Provision Statement) in 2021/22**
- **the Borrowing Strategy including the Debt Policy (section 3.4);**
- **the Investment Strategy for 2021/22**
- **the Prudential Indicators and Limits for 2021/22 to 2023/24**
- **adopt the current Treasury Management Policy Statement**

(2) Recommend for approval by City Council at its meeting on 8 March 2021 the Capital Strategy 2021/22 including the Voluntary Debt Reduction Policy Statement

Reasons for decision

Financial regulations require the Council to submit a policy and strategy statement on Treasury Management and on Capital Strategy for upcoming financial year for approval.

Other options considered

The approval of the Treasury Management Strategy and Capital Strategy is a requirement of the Chartered Institute of Public Finance and Accountancy (CIPFA). Not to recommend it for approval at the subsequent Council meeting would put Nottingham City Council in breach of this requirement.

85 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 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.

86 Treasury Management Strategy 2021/22 & Capital and Investment Strategy 2021/22 - Exempt appendix

The Board noted the contents of the exempt appendix.