

Nottingham City Council

Overview and Scrutiny Committee

Minutes of the meeting held at Ground Floor Committee Room - Loxley House, Station Street, Nottingham, NG2 3NG on 8 December 2021 from 2.01 pm - 4.54 pm

Membership

Present

Councillor Anne Peach (Chair)
Councillor Carole McCulloch (Vice Chair)
Councillor Patience Uloma Ifediora
Councillor Gul Nawaz Khan
Councillor Jane Lakey
Councillor Sajid Mohammed
Councillor Toby Neal
Councillor Angharad Roberts
Councillor Andrew Rule
Councillor Audra Wynter

Absent

Councillor Georgia Power
Councillor Corall Jenkins

Colleagues, partners and others in attendance:

Councillor Neghat Khan - Portfolio Holder for Neighbourhoods, Safety and Inclusion
Councillor Sam Webster - Portfolio Holder for Finance and Resources
Beth Brown - Head of Legal Services
Andrew Errington - Director of Community Protection
Clive Heaphy - Interim Corporate Director for Finance and Resources
Alvin Henry - Central Neighbourhoods Operations Manager
Mary Lester - interim Director of Neighbourhood Services
Kate Morris - Governance Officer

42 Change to membership

The Committee noted that Councillor Ethan Radford had been replaced by Councillor Corall Jenkins

43 Apologies for absence

Councillor Corall Jenkins
Councillor Georgia Power

44 Declarations of interests

None.

45 Minutes

The minutes of the meeting held on 3 November 2021 were confirmed as a true record and were signed by the Chair.

46 The Council's Budget (Medium Term Financial Plan) 2022/23 - 2025/26

Councillor Sam Webster, Portfolio Holder for Finance and Resources, and Clive Heaphy, Interim Corporate Director for Finance and Resources introduced the report on the Council's Budget, the Medium Term Financial Plan (MTFP) for 2022/23 – 2025/26 to the Committee. They highlighted the following points from their presentation:

- (a) When this item came to the November committee, the budget gap was £28million rising to £38million by 2025/26. The increasing pressures seen across all core cities include demand for Children in care and adult social care costs;
- (b) The MTFP is now in a period of public consultation, which is due to end mid January 2022. Within the MTFP there are £12.2million new savings proposed, including £3.9million savings where public, external consultation is necessary. £8.3million represent internal efficiencies, including a reduction on 91 full time posts, 23 of which are currently vacant;
- (c) A range of work is ongoing to close the gap further, and from the previous forecast, of a £28million budget gap, this has now reduced to £15.7million. It is important to reduce this as far as possible to ensure the problem is not carried forward into future years;
- (d) Central Government has announced additional spend on Local Authorities totalling £1.6billion over the next year. There has been no formal announcement over allocations and so it is unclear how much Nottingham City will receive, formal confirmation is likely to come in mid December. This additional spend will help towards reducing the funding gap further;
- (e) The transformation programme continues to progress, headed by Richard Grice, the recently appointed Transformation Programme Director;
- (f) There are a number of consultation events being run, both in person and on line, allowing the public to engage with the Council around budget proposals. There are also events aimed at engaging with businesses, voluntary sector and partners, and sessions aimed specifically at engaging with young people as there are proposal that impact on youth centres;
- (g) The public consultation is longer this year, as suggested by the Improvement Board, and there have already good engagement with events that have so far taken place. The Portfolio Holder stressed that the consultation event is not a referendum, it is a method to help the Council consider different ways of thinking or approaching services as suggested by service users;

Committee members asked a number of questions sparking discussion. The following points were highlighted;

- (h) One of the largest costs to the Council is staff pay. Inflation causes this cost to increase as wages increase, this additional cost cannot be mitigated by price rises like in a business. Inflation also causes the cost of services to rise as it

costs more to provide the same service. In the past when inflation has risen Local Authorities have expected Central Government to increase pay awards to Councils to take into account these inflationary rises however this has not happened so much within the last decade;

- (i) The Council is currently protected from the energy price rises thanks to favourable contracts. However these will come to an end in early 2022 and there will be a rise in the energy costs that the Council has to pay;
- (j) The Spending review is due to deliver more funding to the Council from Central Government. However this is flat settlement, and will not rise with inflation, meaning it will be the equivalent of less service provision each year. Authorities across the country are calling for multi-year settlements rather than the annual settlement, to allow for more robust financial planning and forecasting for the longer term;
- (k) In addition to the inflationary pay rises the Council will be expected to cover the incoming Health and Social Care levy, a significant additional contribution through national insurance;
- (l) Recent cyber security penetration testing has been favourable and Nottingham City Councils cyber security team are pleased with the results. It is impossible to say that there will not be breaches in cyber security but IT staff feel that function is currently good;
- (m) The Treasury Management team is a very skilled hardworking team of very knowledgeable individuals. They actively manage over £1 billion of borrowing on a day to day basis. They would benefit from additional staffing resource, as could most teams within the Council, however with the right structure and right models of work management there is sufficient resource;
- (n) The traditional market that insured Local Authorities against significant events is no longer viable as it was too risky for the insurance companies. The Council is able to self insure through the use of earmarked reserves for catastrophic events. The Council does use traditional insurance for other assets, such as buildings, fleet, equipment, group companies etc;
- (o) Financial monitoring is being increasingly linked into the monitoring of Key Performance Indicators (KPIs) across the Council. This is further identifying key drivers of spend and will help the Council to financially plan. The link between operational performance and monitoring is being encouraged across all departments;
- (p) Un-earmarked reserves are being increased year on year to help improve resilience within the Council. Up until recently Nottingham City Council had the lowest level of reserves of the Core Cities. This is no longer the case but a further increase in the level of reserves would be beneficial;
- (q) The Council is required to hold a certain level of reserves for the PFI schemes across the city. These reserves are earmarked for each scheme and cannot be used for other purposes, so although reserves levels may appear high, some of the money is not accessible for use by the Council for the General Fund;

- (r) The issue of mis-assigned Housing Revenue Account (HRA) funds is currently under investigation. There are a number of options which will allow the Council to pay the money back into the HRA;
- (s) Committee members raised concerns about how “user friendly” the online consultation form appears. They highlighted that it not easily navigated on mobile phones, and require a computer, but many households don’t have access to a computer, particularly in deprived areas, where services being lost will have the biggest impact. Committee members also highlighted that it was difficult to see what would directly impact individual wards;
- (t) The Portfolio Holder acknowledged that there was a lot of information on the consultation, but highlighted that it necessary to get that information across to allow citizens to make informed comments, as well as to satisfy legal elements to the consultation. He reiterated that there were in-person and online sessions taking place across the City to allow citizens to engage. He asked that if any Committee member had any suggestions to help make the information more accessible, that they contact the Media Communications team with their suggestions;
- (u) Where closures of Children’s centres are proposed there will be specific and separate consultation. This targeted consultation will take place after this wider consultation is complete;
- (v) The Council set aside £15million to fund the transformation programme. There is a target that every £1 spent will generate a saving of £3. Savings have already started to be seen, however the biggest savings will come in to full effect later in the programme, around years 3 and 4. There are still concerns about the budget gap for 2022/23, use of reserves to have a balanced budget would be a very last resort;
- (w) The refreshed Council Plan contains both statutory and non-statutory activities. Working with an outcome based focus will allow changes in services to deliver the same outcomes with savings. Producing a balanced budget will include taking decisions that will affect citizens and the services they rely on. It is not an easy process but it is necessary.

The Chair thanks the Portfolio Holder and the Interim Corporate Director for their input and invited Councillor Neghat Khan, Portfolio Holder for Neighbourhoods, Safety and Inclusion, and Andrew Errington, Director of Community Protection to talk about Resident Parking Permit Schemes. They highlighted the following points

- (x) A separate and specific consultation is taking place with all residents in the City who are part of a parking permit scheme proposing the introduction of charges for second and third permits. This consultation will run through to 10 January 2022. The consultation has been promoted on social media as well as direct communication with all scheme participants;
- (y) The first permit will remain free where the property is not an HMO;
- (z) It is anticipated that any changes to the schemes would be implements on 1 April 2022, any delay to this implementation will impact on the savings predicted;

- (aa) The Service is trying a number of ways to generate savings, one of which is trialling paperless permits, using digital communication as a default and streamlining the services, reducing printing and postage costs;

During discussion prompted by Committee members questions the following points were made:

- (bb) The introduction of the charge for permits is likely to result in a greater demand for enforcement. There are no plans to increase the numbers of Community Protection Officers so enforcement action will need to take place within existing resources;
- (cc) Some wards have suffered with increased on street parking as a result of the Work Place Parking levy, permit schemes were introduced to alleviate this issue. This will need to be carefully addressed in communications with residents.
- (dd) Charges for permits have already been brought into effect for HMO's in student dense areas;
- (ee) This proposed alteration to the schemes is in consultation phase only, it may be that residents no longer want a scheme in their area, or are in favour of the proposed changes. Parking Permit schemes are only put in place where there is a need, and in line with the Traffic Management Act;
- (ff) The consultation applies to all schemes, including those that have been agreed, but not implemented. These schemes are currently on hold until the end of the consultation period. Committee members expressed frustration that Ward Councillors had not been updated and informed that schemes had been put on hold by Traffic Management;
- (gg) If 51% or more of residents within a specific scheme indicate that they want it removed then there will be a separate review to establish if removal would be within the terms of the Traffic Management Act. There would need to a wider assessment of traffic safety, including how much the scheme is used by residents, how many visitors use the scheme, how long they stay etc;
- (hh) Committee members raised concerns about how carers manage using permits, as it collecting it from the client etc would eat into the allotted time for care. The Portfolio Holder informed the Committee that Business permits are available for purchase by businesses that allow parking within schemes city wide;
- (ii) Some Committee members questioned why the first permit was not being made chargeable, and why some Local Authorities are charging much more than the proposed charges set out by Nottingham City Council. The Director of Community Protection informed the Committee that the permit charges can only be used to cover administration fees, and that it was not permissible by law to make a profit on them;
- (jj) The costs for introducing a scheme are met by the Ward Councillors from a specific budget. The costs for removing a scheme will also need to be met by

Ward Councillors for the same budget, however the cost of removing a scheme is much less than implementing one;

- (kk) All finance figures presented to the Committee are estimates. It is not possible to guess what the uptake of second or third permits will be. It is a policy decision to reduce subsidies and this is one way to do that;

The Chair thanked the Portfolio Holder and Director for their presentation and invited them to speak on the second focused topic they brought to the Committee, the creation of the Resident Development Team, a merger of the Neighbourhood Development and Community Development teams. They highlighted the following points:

- (ll) The current Neighbourhood Development Team focus on work with community groups to shape services within neighbourhoods and ensure a two-way dialogue between the Council and communities. The Community Development Team focuses on reducing inequality and working with community groups enabling cohesion within neighbourhoods;
- (mm) The new model creates a new Resident Development Team focusing on partnerships and volunteering within communities, and helping residents meet their own needs. There is a push to get services closer to citizens and operating within the Neighbourhood Hubs. Resources will be area based, working within clusters of wards. These clusters are based on the established Street Scene wards, which is known to work cohesively;
- (nn) Further embedding of the digital reporting system, Firmstep is being encouraged and will help to tackle issues quicker and more effectively. The team merger will see a reduction on 3.3 FTE posts. One of which is currently vacant.

During discussion and questions from Committee members the following information was highlighted:

- (oo) Committee members wanted to know how the merged team would ensure that the relationship between Ward Councillors and community groups would be maintained, the reduction of Neighbourhood Development Officers has caused some difficulty in maintaining that relationship and the links into the community;
- (pp) Over the last 5 years there have been lots of small cuts to this service, posts have been reduced and funding has too, it is now not possible to offer the same service as previously. This transformation will look to deliver outcomes in a radically different way. The focus is enabling citizens to self-help through voluntary services. This is not a statutory service and many Councils across Britain no longer provide this service;
- (qq) These changes in structure are not part of the Transformation plan, these are changes in response to a need to reduce overall costs and still produce outcomes for citizens;
- (rr) Every Councillor will have a contact for ward issues, they may not be ward specific, but they will be area specific, covering a number of wards, based on

the Street Scene area definition. Councillors were concerned that this would cause a lot of upset in the community, for only a small saving;

The Chair thanked the Portfolio Holder and the Director for their presentations and asked Committee members to email any follow up questions to them direct. She invited Alvin Henry, Head of Waste and Mary Lester, Interim Director of Neighbourhood Services to give a presentation on Bulky Waste collection to the Committee. They highlighted the following points:

- (ss) Nottingham City is one of only two of the Core Cities who still offer free bulky waste collection. Liverpool is the other, which also has a high fly tipping rate;
- (tt) The proposal is to introduce a charge of £10 per booking, a charge that was introduced for white goods collections in April 2021. This will create approximately £99,000 income for the MTFP from 2022/23 onwards. This is estimated on a lower prediction of uptake of collections;
- (uu) There were concerns that the introduction of the charge for white goods may have resulted in an increase of fly tipping of these items, however this is not the case across the city and this indicates that citizens are prepared to pay for the disposal of their bulky waste;
- (vv) Mitigation work continues with universities and landlords in HMO dense areas to ensure end of term waste is disposed of correctly in order to reduce the spike in reports of fly-tipping and messy streets at term end. The bulky waste collection charge will also help to promote recycling, waste reduction and re-use across the city;
- (ww) Citizens in receipt of Council Tax Support will receive one free collection per year;

Committee members had a number of questions and the following information was highlighted:

- (xx) The introduction of the white goods collection charge has sped up the service provided and there have been very few complaints regarding the introduction of the charge;
- (yy) Committee members raised concerns about knock on costs that will be incurred with an increase in fly-tipping, and the impact that rubbish on the streets will have within communities. This will vary ward to ward depending on the demographic, there will be an increased push to make citizens responsible and to encourage reuse, and recycling and charges will remaining low. Committee member's also raised concerns around the need for additional enforcement action around fly-tipping and incorrect use of bins, and side waste;
- (zz) The Waste Team are working closely with the Enforcement team and are in discussion around the possible increased need for enforcement. Committee members cautioned against passing costs on to other teams in order to make savings;

- (aaa) The Committee agreed that there needs to be a balance of education, enforcement and support for citizens around correct waste disposal. The website page for booking bulky waste also offers citizens other options, such as links to re-use and donation sites.
- (bbb) Models using the 2020 data indicate that uptake will be around the predicted levels, although it may be higher. The pricing strategy has taken into account demographic. This also benefits the Carbon Neutral Strategy;
- (ccc) Committee members suggested discussions with Derby City and their waste management teams as figures for enforcement from the City are very good. The Head of Service agreed that this was a good idea and that strong professional links already exist with Derby City to facilitate these discussions;
- (ddd) Committee members suggested that there would be better uptake in areas of high Council housing and where there was good social housing, rather than in areas with high private landlord numbers. Additional education and communication is needed to private landlords to ensure they are aware of the changes and their responsibility around waste disposal;

The Chair thanked Members and Officers for their attendance at the meeting, and for the informative and detailed presentations. She asked that Committee members email any outstanding questions to the relevant Officers.

47 Work Programme

The Committee noted the work programme requesting a closer look at the Companies Transformation programme. The Carbon Neutral 2028 item will be deferred to a later meeting when more work has been done.