

Nottingham City Council Executive Board

Minutes of the meeting held in the Ground Floor Committee Room, Loxley House, Station Street, Nottingham, NG2 3NG on Tuesday 19 July 2022 from 2:00pm to 2:35pm

Membership

Present

Councillor David Mellen (Chair)
Councillor Adele Williams (Vice Chair)
Councillor Cheryl Barnard
Councillor Neghat Khan
Councillor Pavlos Kotsonis
Councillor Toby Neal
Councillor Audra Wynter

Absent

Councillor Rebecca Langton
Councillor Sally Longford
Councillor Linda Woodings

Colleagues, partners and others in attendance:

Councillor Andrew Rule

Mel Barrett	-	Chief Executive
Wayne Bexton	-	Director of Carbon Reduction, Energy and Sustainability
Clive Heaphy	-	Interim Corporate Director for Finance and Resources
Frank Jordan	-	Corporate Director for Resident Services
Adrian Mann	-	Governance Officer
Malcolm Townroe	-	Director of Legal and Governance

Call-in

Unless stated otherwise, all decisions made by the Executive Board are subject to call-in. The last date for call-in is **Wednesday 27 July 2022**. Decisions cannot be implemented until the next working day following this date.

19 Apologies for Absence

Councillor Kevin Clarke	-	personal reasons
Councillor Rebecca Langton	-	maternity leave
Councillor Sally Longford	-	Council business
Councillor Linda Woodings	-	on leave
Sajeeda Rose	-	Corporate Director for Growth and City Development
Catherine Underwood	-	Corporate Director for People

20 Declarations of Interests

None.

21 Minutes

The Board confirmed the minutes of the meeting held on 21 June 2022 as a correct record and they were signed by the Chair.

22 Extension of the Public Spaces Protection Order in Respect of Dogs

The Portfolio Holder for Neighbourhoods, Safety and Inclusion presented a report on the extension of the Public Spaces Protection Orders (PSPOs) for the control of dogs in the city. The following points were discussed:

- (a) the four PSPOs in respect of dogs were first approved in 2016. PSPOs may only last for up to three years, so they were extended in 2019, and it is now proposed to extend them for a further three-year period from September. The powers arising from the PSPOs are not intended to prevent or discourage responsible dog walking in the city, but are to be used to ensure that dogs are kept under control at all times and to prevent irresponsible dog owners from causing anti-social behaviour and associated harassment, alarm and distress to members of the public;
- (b) tackling anti-social behaviour is a high priority for the Council. A full public consultation was undertaken on the proposals to extend the PSPOs, and the responses received were supportive. Clear evidence has been collected to demonstrate that the PSPOs are effective in deterring anti-social behaviour, and in providing Community Protection Officers (CPOs) with the right enforcement tools to ensure that dogs are kept on leads and controlled, and that dog fouling is cleaned up;
- (c) from October 2019 to end of March 2022, CPOs issued 385 Fixed Penalty Notices for breaches of the PSPOs, following the principle of 'advise, warn, enforce'. As such, the powers granted by the PSPOs have enabled CPOs to ensure public safety without being over-used, or deployed in a heavy-handed way.

Resolved:

- (1) to authorise the extension of the following four Public Spaces Protection Orders (PSPOs) so that they remain in effect for a further period of three years from 24 September 2022, having been satisfied that the test in Section 60 of the Anti-Social Behaviour, Crime and Policing Act 2014 is met and having regard to the rights of freedom of expression and freedom of assembly:**
 - **PSPO 1 – Nottingham City Council Dogs on Leads by Direction Public Spaces Protection Order 2016 (as set out in Appendix 1 to the report);**
 - **PSPO 2 – Nottingham City Council Dogs on Lead Public Spaces Protection Order 2016 (as set out in Appendix 2);**
 - **PSPO 3 – Nottingham City Council Dogs Exclusion Public Spaces Protection Order 2016 (as set out in Appendix 3);**
 - **PSPO 4 – Nottingham City Council Fouling of Land by Dogs and Requirement to Produce Device for or Other Suitable Means of Removing Dog Faeces Public Spaces Protection Order 2016 (as set out in Appendix 4);**
- (2) to delegate authority to the Director for Community Protection to carry out the necessary publications in relation to the extended PSPOs, and to**

arrange for current signage to be amended in accordance with the legislative requirements.

- **Reasons for the decision**

One of the Council's ambitions is for all those living in, working in or visiting the city to enjoy safe, clean, vibrant and attractive public spaces. In the past, there have been significant problems caused by dog-related anti-social behaviour, nuisance and disorder across the city. Evidence at the time showed that these issues impacted greatly on the quality of the life for residents, visitors and businesses alike. PSPOs provide a mechanism whereby the Council has additional powers to address any anti-social behaviour and nuisance created by dogs.

- **Other options considered**

To allow the current PSPOs to expire: this option is rejected because there is strong evidence that the PSPOs have been effective in reducing dog-related anti-social behaviour incidents across the city. The PSPOs create valuable enforcement powers for the Council, without which there are limited tools available to achieve the same impact. Relinquishing the current enforcement powers provided by the PSPOs would be likely to result in an increased level of anti-social behaviour incidents citywide, as there are no existing alternative powers to control the various problems associated with dogs in the administrative area of Nottingham.

23 Regulation of Investigatory Powers Policy

The Portfolio Holder for Finance presented a report on how the way in which the Council conducts surveillance for the purposes of law enforcement is regulated. The following points were discussed:

- (a) the Council is required by law to maintain a written Regulation of Investigatory Powers Act (RIPA) Policy and Guidance document on the way in which it uses directed surveillance and covert human intelligence sources for the purposes of law enforcement. The Policy has been updated to incorporate the revised Online Research and Investigation Policy, which sets out how information gathered through sources such as social media can be used for law enforcement purposes;
- (b) the powers set out in the Policy are available to all Local Authorities, but are deployed very infrequently, and their usage is inspected every three years.

Resolved:

- (1) to approve the updated Regulation of Investigatory Powers Act (RIPA) Policy and Guidance, which now incorporates the revised Online Research and Investigation Policy (as set out in Appendix 1 to the report);**
- (2) to note that the annual report in relation to the use of RIPA powers will be submitted to the Council's Audit Committee on an annual basis, as part of Information Assurance reporting;**

(3) to note that the RIPA Policy will be submitted to the Executive Board for review and approval on an annual basis, in line with the Home Office Code of Covert Surveillance Property Interference and the Code of Practice for Covert Human Intelligence Sources 2018;

(4) to note the Council's Senior Responsible Officer and Authorising Officers in relation to RIPA procedures (as set out in Section 2.6).

- **Reasons for the decision**

The RIPA, and the Codes of Practice issued under Section 71 of the Act, regulates the way in which the Council conducts surveillance for the purposes of law enforcement. The Council is required to consider a report annually on the use of its RIPA powers, and to review and approve its RIPA Policy.

- **Other options considered**

To do nothing: this option is rejected, as the Council is required by law to maintain an up-to-date RIPA Policy and ensure that surveillance is being carried out in accordance with the RIPA requirements and associated guidance.

24 Transformation Strategic Delivery Partner

The Portfolio Holder for Finance presented a report on the introduction of a structured and time-limited procurement process for appointing a Transformation delivery partner. The following points were discussed:

- (a) a framework has been developed to establish a planned means of procuring a strategic delivery partner so that, where required, the Council is able to obtain fixed-term external support to help deliver Transformation activity swiftly, transparently and at best value. Where specific external support is required, the related spend will be agreed through the appropriate approval process;
- (b) a great deal of work has been carried out as part of the Transformation journey to date, using and building internal capacity wherever possible. The Change Academy is in place to assist the development of internal expertise to drive Transformation, and is progressing well.

Resolved:

(1) to approve the principal of appointing a Strategic Delivery Partner for up to 24 months to support the delivery of the Together for Nottingham Plan and the 2023/24+ Medium-Term Financial Plan;

(2) to delegate authority to the Corporate Director for Finance and Resources to procure a Strategic Delivery Partner by way of call-off from an established framework, to enable further Improvement and Transformation work to commence as soon as is required;

(3) to note that the budget required for the next phase of Recovery and Improvement will form part of a separate report, once a refreshed

programme has been established to support the requirements of the 2023/24+ budget, and that budget approvals will be sought prior to undertaking any call-offs.

- **Reasons for the decision**

Based on the knowledge gained over the last 12 months and the expectations of the future demands of Improvement and Transformation activity, a more structured and time-limited procurement process is required for appointing a transformation delivery partner. A resourcing plan will be developed alongside the required Improvement and Transformation activity, which will inform the investment requirements and the appropriate procurement processes, ensuring value for money and a strong pace of change.

- **Other options considered**

To do nothing: this option is rejected as it would result in required savings and improvements not being delivered.

25 Treasury Management 2021-22 Annual Report

The Portfolio Holder for Finance presented a report on the management of the Council's external debt and investments for 2021/22. The following points were discussed:

- (a) there has been significant progress in the steady reduction of the Council's debt, and all of the prudential indicators have been met. The balance of external loan debt for 2021/22 decreased by £31.8 million, and debt levels are forecast to decrease further. There has been a reduced need for borrowing, and the value of the Council's investments is being maximised;
- (b) nevertheless, investment in the city and its citizens still continues, with new capital projects undertaken once the required funds are available to the Council for spending. Some projects, such as the fit-out of the new Central Library, have had to wait for the required funding to be in place before commencing, but this has meant that the delivery of new capital programmes has not required further borrowing.

Resolved to note the Treasury Management annual performance for 2021/22.

- **Reasons for the decision**

The Treasury Management function is governed by provisions set out under Part 1 of the Local Government Act 2003, whereby the Council must have regard to the Chartered Institute of Public Finance and Accountancy's Prudential Code and Code of Practice. The Council borrows and invests substantial sums of money as part of its 'business as usual' activity. In common with all local authorities, it is therefore exposed to financial risks, including the potential loss of invested funds and the revenue account impact of changing interest rates. As such, the Treasury Management annual report is intended to cover performance in relation to treasury management activity and the associated monitoring and control of risk.

- **Other options considered**

To do nothing: this option is rejected, as the overall aim is to minimise the net revenue costs of the Council's debt whilst maintaining an even debt profile in future years, and to maximise investment returns within stated security and liquidity guidelines.

26 Financial Reserves Policy

The Portfolio Holder for Finance presented a report on the Council's policy for the management and governance of its financial reserves. The following points were discussed:

- (a) financial reserves are a vital part of a Local Authority's toolkit, and a good level of reserves shows that a Council has financial resilience. The Financial Reserves Policy sets out the framework for how the Council manages and governs its financial reserves (including restricted reserves), and mitigates against financial risk, in a responsible and transparent way;
- (b) due to the challenging financial context, with a lack of funding from central Government for Local Authorities, it is vital that the Council's reserves are managed carefully, openly and prudentially, so that they can be used when required to address anticipated risks and potential shocks. This includes situations such as rising inflation and the growing cost of living;
- (c) the Board noted that it is vital for the Council to hold a strong level of reserves to help mitigate against future financial risks. It considered that the additional investment in the reserves earmarked for ICT is very positive, to enable further investment in digitisation and the associated requirements for greater digital security.

Resolved:

- (1) to approve and adopt formally the Financial Reserves Policy;**
- (2) to note that the Policy will be subject to an annual review and will be updated to reflect any changes in risk and/or external standards that the Council must adhere to, or any changes to the Council's approach;**
- (3) to note the following balances on the reserves as at 31 March 2022 (based on the draft 2021/22 outturn):**
 - **General Fund balance – £12.6 million;**
 - **Earmarked reserves – £190.4 million;**
 - **Housing Revenue Account revenue reserves – £46.1 million;**
 - **Housing Revenue Account Major Repairs Reserve – £38.8 million;**
- (4) to note that, going forward, the Policy will form part of the annual Medium-Term Financial Plan report to the Executive Board, which will then be subject to approval by Full Council.**

- **Reasons for the decision**

Reserves are an important part of the Council's financial strategy and are held to create long-term financial resilience and stability. All movements in reserves will continue to require approval by the Section 151 Officer and are subject to a quarterly review. The outcomes of these reviews are presented to the Executive Board for noting as part of the quarterly budget monitoring reports, and are included within the annual Medium-Term Financial Plan.

- **Other options considered**

To do nothing: this option is rejected as the Policy presented is the Section 151 and Deputy Section 151 Officers' recommended approach for the Council to take.

27 Pre-Audit Corporate Financial Outturn 2021-22

The Portfolio Holder for Finance presented a report on the Council's pre-audit revenue and capital outturn for the General Fund and Housing Revenue Account (HRA) for 2021/22. The following points were discussed:

- (a) the pre-audit outturn shows an underspend of £13.9 million against budget for 2021/22, in the context of operating over 300 services during the Coronavirus pandemic, the cost of living crisis and changes in Government funding, making the outturn result a good achievement. The figure was contributed to by a short-term reduction in spending in some areas due to the pandemic, and the Council is working hard on its financial processes to ensure that ongoing monitoring and forecasting against budget is carried out clearly and transparently, to ensure a good level of reserves and sound financial planning in the long-term;
- (b) due to the underspend, earmarked reserves for financial resilience and ICT are being increased, to support the improvement of services and to mitigate against any risks arising in-year that would be difficult to address within the current budget. As inflation is now at 9.1% and is likely to rise, costs will increase in all areas – including salary costs. Work is underway to forecast the impact of these cost increases and it is vital to the Council's financial resilience that the right level of reserves are in place, as the Government has indicated that it will not increase financial support to Local Authorities to help address any funding gaps caused by inflation. This is likely to be a particular issue with Adult Social Care, where the demand for services is already greater than the funding available, before the added costs of inflation.

Resolved:

(1) to note:

- **the pre-audit revenue outturn positive variance of £13.9 million, prior to outturn reserve adjustments for 2021/22 (as set out in Table 2 to the report);**
- **the portfolio variances +/- £50,000 (as set out in Appendix A);**
- **the additions to the Capital programme (as set out in Paragraph 6.6 and Table 9); and**

- **the Housing Revenue Account (HRA) outturn for 2021/22 (as set out in Section 7) and the surplus of £8.3 million to be transferred to the HRA General Reserve;**

(2) to approve:

- **the general fund balance as at 31 March 2022 of £12.6 million;**
- **contributions of £3 million to the IT Reserve and of £10.9 million to the Finance Resilience Reserve, following the £13.9 million outturn variance;**
- **the quarter 4 movements of resources (as set out in Appendix B);**
- **the quarter 4 increase on earmarked reserves of £27.9 million (as set out in Section 4 and Appendix D); and**
- **the write-offs in excess of £10,000, totalling £0.5 million, where all options for recovery have been exhausted (as set out in Paragraph 5.8).**

- **Reasons for the decision**

The pre-audit corporate financial outturn forms a key part of the revenue, capital and HRA monitoring against the 2021/22 budget. The formal approval of virements of budgets and movement in reserves is required by corporate financial procedures.

- **Other options considered**

To do nothing: this option is rejected, as this outturn reporting is a requirement of corporate financial procedures.

28 Streets for People Programme for Highways and Transport 2022-24

The Portfolio Holder for Highways, Transport and Parks presented a report on the funding allocation and spend for the Streets for People Programme. The following points were discussed:

- (a) the Streets for People Programme has been developed by combining funding from the Government's Levelling Up Fund and Local Transport Plan Area Capital annual block allocations to enable improvements to the highway in local areas (including works to footways, roads, traffic and safety), and the introduction of highway Clean and Green Schemes. This is intended to enhance neighbourhoods for residents and achieve a greener public realm;
- (b) the Programme aims to make the best possible use of the funding available, so has been developed in consultation with councillors to achieve the strongest possible impact in individual wards. Works will take place from 2022 to 2024, following the carrying out of an appropriate procurement process;
- (c) the Board thanked all officers involved for their hard work in developing the Streets for People Programme, and for their success in securing the central Levelling Up funding to support the delivery of direct quality of life improvements for residents in a timely way.

Resolved:

- (1) to approve the ward allocation and spend of the Streets for People Programme 2022-24 (as set out in Appendix 2 to the report);**
- (2) to delegate authority to the Director for Neighbourhood Services to undertake the appropriate procurement processes and enter into contracts as necessary to carry out the ward-based projects delivered under the ward allocations (as set out in Appendix 2);**
- (3) to delegate authority to the Corporate Director for Resident Services, in consultation with the Corporate Director for Growth and City Development and the Portfolio Holder for Highways, Transport and Parks, to undertake the required engagement and prioritisation process for the remaining funding allocations, and to approve the final allocations of the Streets for People Programme 2022-24.**

- **Reasons for the decision**

The Streets for People Programme will enable improvements to the highway in local areas, including works to footways, roads, traffic and safety, and Clean and Green Schemes. The prioritisation for works is based on a technical assessment, local knowledge and engagement with all ward councillors, and is supported by the Highways Asset Management Plan, safety data and local ward priorities.

- **Other options considered**

To do nothing: this option is rejected as it would result in no approval of spend and, therefore, no schemes being delivered. Further, it would cause delay on dual-funded schemes and impact adversely on the overall delivery of the Local Transport Plan Capital Programme, breaching the external grant criteria on the timescales on non-delivery of schemes and, as such, not meet the set spend target.

29 Social Housing Decarbonisation Fund - Wave 1

In the absence of the Portfolio Holder for Energy, Environment and Waste Services, the Portfolio Holder for Housing and Human Resources presented a report on the launch of the Social Housing Decarbonisation Fund (SHDF) scheme. The following points were discussed:

- (a) the SHDF is intended to develop a pathway for all social housing to be net zero for carbon emissions by 2050, while also improving energy efficiency. A grant allocation from the Government's Department for Business, Energy and Industrial Strategy is being matched by funding from the Housing Revenue Account (HRA) and Public Sector Housing Capital Programme. A governance structure has been put in place to manage how the funding will be spent, and the use of the HRA funds has been authorised correctly;
- (b) Nottingham City Homes will act as the Council's managing agent for the delivery of the Wave 1 works via Teckal arrangements. It is likely that a range of improvements will be delivered to around 300 properties to help achieve warm, energy-efficient homes, reduce carbon emissions and fuel bills, tackle fuel poverty and support green jobs;

- (c) the Board thanked all officers involved for their hard work in developing the SDHF programme, and for their success in securing the central funding to support the delivery of carbon neutral and energy efficiency improvements for social housing, which will be very helpful to residents in managing their energy costs. It considered that the work will also represent an important step towards reducing carbon emissions as part of the Council's wider statutory responsibility for future housing standards.

Resolved:

- (1) to accept and spend the grant allocation of £2,881,923.67 from the Department for Business, Energy and Industrial Strategy in line with the Social Housing Decarbonisation Fund (SHDF) Wave 1 bid, to support the regional delivery of the SHDF scheme through the Midlands Net Zero Hub;**
- (2) to delegate authority to the Director for Carbon Reduction, Energy and Sustainability to manage the grant, including the authority to approve entering into agreements with third parties for the provision of goods and services associated with the delivery of the project;**
- (3) to approve the expenditure of £20,000 of the grant funding to cover Council staff time in administering the grant;**
- (4) to utilise Nottingham City Homes as the managing agent for the delivery of the grant-funded works on the Council's behalf, in accordance with the existing management agreement;**
- (5) to approve the use of match funding from current budgets contained within the approved Public Sector Housing Capital Programme (PSHCP) alongside this grant. The budget for match funding has been identified for these properties within the PSHCP period to March 2028 (as set out in Section 5 to the report).**

- **Reasons for the decision**

The SHDF scheme is being launched over a 10-year period to improve the energy performance of social rented homes, on the pathway to net zero carbon emissions by 2050. The scheme aims to support the social housing sector across England, improving the comfort and wellbeing of residents by installing energy efficiency and low-carbon heating upgrades.

- **Other options considered**

To not accept the funding: this option is rejected as this funding offers the opportunity to address fuel poverty and domestic decarbonisation issues within social housing across Nottingham, helping to improve the lives of citizens and directly contributing towards the Council's carbon neutral targets. Not accepting the funding would greatly limit the Council's ability to deliver these outcomes.

30 New Letting at Unit 4 North Lincolnshire Retail Park, Doncaster Road, Scunthorpe

The Portfolio Holder for Strategic Regeneration and Communications presented a report on the letting of Unit 4 North Lincolnshire Retail Park, Doncaster Road, Scunthorpe to a new tenant. The following points were discussed:

- (a) the commercial unit is currently unoccupied and is so creating void costs for the Council, but a lease has been negotiated with a new tenant that will achieve a good income, going forward.

Resolved:

- (1) to approve the lease terms agreed with the prospective tenant in respect of Unit 4 North Lincolnshire Retail Park, Doncaster Road, Scunthorpe (as set out in the Exempt Appendix to the report);**
- (2) to approve the payment of the associated fees;**
- (3) to delegate authority to the Director for Economic Development and Property to approve any required final terms and conditions to the agreement, save for the rent.**

- **Reasons for the decision**

It is proposed to let out Unit 4 North Lincolnshire Retail Park, Doncaster Road, Scunthorpe on market-facing terms to a prime UK covenant. The unit has been marketed openly by a retail warehouse specialist, which has recommended that the Council accepts the terms of the letting. The new lease will provide income for the Council and remove significant void costs.

- **Other options considered**

To not to proceed with the letting to the prospective tenant: this option is rejected as the market conditions could potentially worsen if the lease is not carried out now, leading to a longer void period (where the Council is responsible for meeting all associated void costs), and greater incentives may be required to secure a future letting.

31 Exclusion of the Public

The Board resolved to exclude the public from the meeting during consideration of the remaining items in accordance with Section 100A of the Local Government Act 1972, under Schedule 12A, Part 1, Paragraph 3, on the basis that, having regard to all the circumstances, the public interest in maintaining an exemption outweighs the public interest in disclosing the information.

32 New Letting at Unit 4 North Lincolnshire Retail Park, Doncaster Road, Scunthorpe - Exempt Appendix

The Portfolio Holder for Strategic Regeneration and Communications presented the exempt appendix to the report on the letting of Unit 4 North Lincolnshire Retail Park, Doncaster Road, Scunthorpe to a new tenant.

The Board noted the exempt appendix to the report.