

Nottingham City Council

Executive Board

Minutes of the meeting held at Ground Floor Committee Room - Loxley House, Station Street, Nottingham, NG2 3NG on 22 November 2022 from 2.02 pm - 2.44 pm

Membership

Present

Councillor Kevin Clarke
Councillor Neghat Khan
Councillor Pavlos Kotsonis
Councillor Rebecca Langton
Councillor David Mellen (Chair)
Councillor Toby Neal
Councillor Andrew Rule
Councillor Adele Williams (Vice Chair)
Councillor Linda Woodings

Absent

Councillor Cheryl Barnard
Councillor Sally Longford
Councillor Audra Wynter

Colleagues, partners and others in attendance:

Nancy Barnard	- Head of Governance
Mel Barrett	- Chief Executive
Wayne Bexton	- Director of Carbon Reduction, Energy and Sustainability
Andrew Errington	- Director of Community Safety
Matt Gregory	- Head of Planning Strategy and Building Control
Clive Heaphy	- Corporate Director of Finance and Resources
Lucy Lee	- Director of Customer Services
Nick Lee	- Director of Education
Malcolm Townroe	- Director of Legal and Governance

Call-in

Unless stated otherwise, all decisions are subject to call-in. The last date for call-in is Friday 2 December 2022 . Decisions cannot be implemented until the working day after this date.

58 Apologies for Absence

Councillor Barnard – On Leave
Councillor Longford – Personal Reasons
Councillor Wynter - Unwell

59 Declarations of Interests

None

60 Minutes

The Board confirmed the minutes of the meeting held on 18 October 2022 as a correct record and they were signed by the Chair.

61 Revised Senior Officer Structure Funding

The Portfolio Holder for Finance presented a report on the funding arrangements for the Senior Officer Structure. The following points were discussed:

- a) The structure had been agreed at the appointments and Conditions of Services Committee in September 2022 and seeks to address build the capacity needed to support the Council's improvement work and establish key roles including a Director of Finance and Director of Housing.
- b) It is proposed that the funding is built into the medium term financial plan and is drawn from the resilience reserve in year one and thereafter is funded from transformation savings.
- c) Accountability for the performance of the new structure sits with the Chief Executive.

Resolved to:

- 1) Note the Best Value Business Case approved by ACOS on 6th September 2022 as part of the council's improvement programme.**
- 2) Approve £810,000 to be built into the council's base budget for the senior management structure of the council.**
- 3) Note that this decision will support the recruitment of permanent staff reducing the requirement for interim arrangements.**

• Reasons for Decision:

Funding is required for the revised senior officer structure agreed by the Appointments and Conditions of Services (ACOS) Committee on 6 September 2022. The revised structure was approved following a period of extensive engagement, including a review of the council's management structure supported by the LGA and their 'Decision Making Accountability' process which, included interviews with 620 members of staff, and feedback from other stakeholders.

There is a requirement to implement the new structure at pace to ensure the Council has the right capacity to continue to deliver on its improvement journey and ensure it is able to meet the statutory duty of Best Value. The proposals seek to ensure that the council management structure has the capability and capacity required to address the broader issues of governance and financial management.

• Other Options Considered:

A number of iterations of the structure were considered in response to feedback and consultation prior to the final proposals being agreed by the ACOS Committee.

In light of outcomes of the non-statutory review and the requirements contained in the Together for Nottingham improvement plan there is no viable option to 'do nothing'.

62 Commercial Strategy

The Portfolio Holder for Adult Social Care and Health presented a report on a new Commercial Strategy for the Council. The following points were discussed:

- a) The strategy is a requirement stemming from the Companies Governance Handbook and Improvement and Assurance Board (IAB) targets and seeks to ensure all commercial ventures are aligned to Council strategies and that risks and impacts are managed well.
- b) The strategy applies to all companies in which the Council has an interest, not just those in which it has a controlling interest.
- c) Significant progress has been made in relation to Council companies, including training for council appointed company directors and the establishment of a shareholder unit, in addition to action taken in relation to companies themselves.

Resolved to approve the Commercial Strategy.

- **Reasons for Decision**
To ensure all commercial ventures are aligned to Council strategies and that risks and impacts are managed well, to meet the requirements of the previously approved Companies Governance Handbook, and to meet the IAB target to have a Commercial Strategy in place by the end of November 2022.
- **Other Options Considered**
Not to approve a Commercial Strategy – this option was rejected as it is a requirement of the IAB and supports the Council's good practice.

63 Residents' Parking Permit Charges and the associated Traffic Regulation Order

The Portfolio Holder for Neighbourhoods, Safety and Inclusion presented a report on the implementation of the approved 2022/26 Medium-term Financial Plan proposal to introduce a Residents Parking Permit Charging Scheme where residents would receive a first permit free of charge (residential or visitor permit), and then be charged £35 for a second permit, and £50 for a third permit. The following points were discussed:

- a) Over 800 city streets are subject to parking permit arrangements. Public consultation was carried out between July and September in affected areas

with over 32,000 households receiving letters. 1087 objections were received in response.

- b) The current scheme costs the Council over £500,000 per year to administer. The new scheme remains generous compared with other areas with the retention of an initial free permit and planned exemptions from charges in line with equality requirements.
- c) A question was raised regarding whether there were any conditions imposing restrictions on parking arrangements on the Nottingham Trent University Clifton Campus requiring the university to restrict parking for those from particular postcodes.

Resolved to:

- 1) notes the results of the formal consultation that has been undertaken.**
- 2) Having considered the responses to the consultation and the Council's duties under the Equalities Act 2010, the Traffic Management Act 2004 and section 122 of the Road Traffic Regulation Act 1984, approves in principle the making of the Nottingham City Council (City Wide, Nottingham) (Proposed Resident Permit Charges & Amendments to Articles) Traffic Regulation Order 2022, subject to further work first being undertaken to consider whether modifications to the proposed Traffic Regulation Order should be made to include dispensations to the charges for the second and third resident parking permits following further consideration of the consultation responses and the amended Equality Impact Assessment ("EIA"), attached to the report as appendix 5.**
- 3) Delegate authority to the Corporate Director, City Growth and Development in consultation with the Portfolio Holder for Highways, Transport and Parks to approve the making of the proposed Traffic Regulation Order as modified following the completion of the further work outlined in resolution 2) above.**
- 4) Request that the Corporate Director for Growth and City Development establishes whether there are any requirements imposing parking restrictions on the Nottingham Trent University Clifton Campus.**

- **Reasons for Decisions**

There are around 800 streets in the city subject to Resident Permit Parking Restrictions. These have been introduced by Traffic Regulation Orders ("TROs") over a number of years for varying reasons pursuant to the Road Traffic Regulation Act 1984, and in all cases will have been proposed in relation to excessive numbers of vehicles not associated with residents. The proposed Traffic Regulation Order as consulted upon needs to be "Made" and in place to authorise the Council's proposed introduction of resident and resident visitor permit charges, by way of amending existing TRO's that include provisions for Resident Permit Parking.

There are currently over 45,000 free residential and visitor permits in circulation. The current residential parking permit scheme costs the Council annually in excess of £500,000 to administer. This proposal, if the proposed Traffic Regulation Order is made, would generate an estimated £412,500 as a contribution to these charges.

Due to the financial position of the Council, and the proposals made within the Medium-Term Financial plan, if the proposed Traffic Regulation Order is made, the income received from the charges is required to support this function. To ensure adequate management of traffic throughout the Council's permit parking areas, restrictions have been deemed necessary and should not be removed without additional investigation into the highway network impacts this action would cause. (Further funding and the successful completion of additional TRO's would be required to enable the removal/amendment of any current TRO provisions).

The operation, management and maintenance of permit parking areas is needed to adequately manage the demand for parking, helping to ensure that non-resident parking does not take place to the detriment of residents, residing in these areas.

In many resident parking areas, parking capacity issues exist and charging for additional permits may encourage reduced vehicle use.

If the proposed Traffic Regulation Order is approved in principle and subsequently made the new residential permits will be paperless and sent virtually which will help reduce our carbon footprint. There will be no change to visitors permits which are printed, laminated, and sent out in the post.

- **Other Options Considered**

One option is not to progress the proposed Traffic Regulation Order which allows for a charge for resident and resident visitor parking permits (not affecting charges for students and business permits), and retain the current arrangement which means the scheme would continue to be fully funded by the council taxpayers across the city. This option was not recommended as it would not deliver the savings required by the Medium Term Financial Plan.

A second option is to charge for all residents and visitors permits which are issued, removing the first free permit resulting in further contribution to the cost of permits. This would first require a further amended TRO to be prepared and consultation on that further amended TRO in accordance with the 1996 Regulations with the public and statutory consultees. This is not recommended given that this has not formed the basis of consultation.

64 The Greater Nottingham Strategic Plan: Preferred Approach - Approval to Consult

The Portfolio Holder for Leisure, Culture and Planning introduced a report on the draft Greater Nottingham Strategic Plan which requires approval before going out for public consultation. The following points were discussed:

- a) The Plan covers the period 2022 – 2038 and the areas of Nottingham City, and Broxtowe, Gedling and Rushcliffe Boroughs. It seeks to encourage sustainable growth across the area covered through the use of, for example, existing infrastructure, brownfield sites and urban living.
- b) Once adopted, the Greater Nottingham Strategic Plan will replace the Greater Nottingham Aligned Core Strategies (Local Plan Part 1).

Resolved to

- 1) Approve the “Greater Nottingham Strategic Plan - Preferred Approach” (appended to the report), in so far as it relates to Nottingham City, for a period of public consultation.**
 - 2) delegate authority to the Director of Planning and Regeneration to approve any minor changes (e.g. typographical and grammatical) required to the Preferred Approach document and the evidence base prior to consultation.**
- **Reasons for Decisions**
Consultation on the Preferred Approach document and the associated evidence base will contribute to the robustness of the next version of the Strategic Plan. Such documents must be approved by Executive Board prior to the commencement of a statutory consultation period. The Preferred Approach does not include the full range of topics which will be included in the Strategic Plan, but focusses on housing and employment provision, as these are the most contentious issues the Strategic Plan must address.
 - **Other Options Considered**
No other options were considered. The production of a Local Plan is a statutory duty. It would be possible for Nottingham City Council to prepare a Local Plan without the involvement of the partner Borough Councils, but this has been rejected as significant cost savings are achieved in preparing a joint document, which also ensures a consistent and coherent planning policy approach across the wider area.

65 Holiday Activity Fund, January - December 2023

In the absence of the Portfolio Holder for Children, Young People and Schools, the Leader of the Council presented a report on the acceptance of Department for Education (DfE) funding for 2023-24 to support children at risk of holiday hunger through the delivery of school holiday activities and meals. The following points were discussed:

- a) Previous schemes have been implemented via the funding of community groups.

- b) There will be a focus on building delivery for children and young people with Special Educational Needs and Disabilities to ensure the offer is inclusive.

Resolved to:

- 1) **accept the estimated maximum £2,000,000 grant from the DfE for 2023/24 and enter into any associated grant agreement with the DfE. If the figure awarded to Nottingham City Council is in excess of £2 million a further decision will be written to accept that funding.**
- 2) **delegate authority to the Director of Education to allocate the grant, in accordance with to the Council's Contract Procedure Rules and in accordance with the grant conditions from government.**
- 3) **note the forecasted budget expenditure, as detailed in appendix to the report.**

- **Reasons for Decisions**

The Holiday Activity Fund, first awarded to Nottingham City Council in 2021, aims to support children at risk of holiday hunger. The Department for Education devolve this funding to Local Authorities who are best placed to understand the needs of our citizens and distribute funds to organisations that support communities.

The funding amount for 2023 will not be confirmed until December 2022, so this paper estimates a maximum figure. This is to allow the HAF Project Manager and team to conduct a full bidding process for a Lead Partner and to engage community groups in time for delivery in 2023.

- **Other Options Considered**

Nottingham City Council does not have to accept this funding, but this is not an option we would consider because this support is needed for Nottingham residents.

66 Enviroenergy Tariff Increases for 2023

In the absence of the Portfolio Holder for Energy, Environment and Waste Services the Leader of the Council introduced a report on the heat and power supply charges to Enviro Energy customers applicable from 1st January 2023. The following points were discussed:

- a) The decision has been brought to Executive Board following the in-housing of Enviro Energy.
- b) The increase has taken the Energy Prices Bill, the wholesale costs of energy and the increasing operating costs of the District Heating Scheme and Private Wire Network and represent good value for customers.
- c) The increase has been referenced in a newsletter to customers and all customers will be given the 30 days' statutory notice of the increase. The price increase will be implemented from 1 January.

Resolved to

- a) **set domestic heat tariffs at a daily standing charge of 0.3572 pence per day, and a Unit Charge of 0.0824 pence per kilowatt hour, applicable from 1st January 2023.**
- b) **set domestic electricity tariffs at a daily standing charge of 0.3680 pence per day, and a Unit Charge of 0.2722 pence per kilowatt hour, applicable from 1st January 2023.**
- c) **set commercial heat tariffs to rates detailed in the Exempt Appendix, applicable from 1st January 2023, unless otherwise determined by the supply contract in place.**
- d) **set commercial electricity tariffs to rates detailed in the Exempt Appendix, applicable from 1st January 2023, unless otherwise determined by the supply contract in place.**
- e) **delegate authority to the Director of Environment and Sustainability, in consultation with the Portfolio Holder for Energy, Environment and Waste Services, the Director of Legal and Governance and the Corporate Director for Finance & Resources to vary tariff charges as necessary to achieve statutory compliance with potential future legislative change regarding energy prices.**

- **Reasons for Decisions**

Energy Prices for customers of the Council’s District Heating and Private Wire Networks are determined and applied annually from 1st January each year. Prices are determined through a combination of contractual indexation mechanisms, benchmarking the cost of energy against counterfactual wholesale energy markets and the expenditure required to operate and maintain the Combined Heat and Power plant and distribution networks providing energy to customers.

The decisions also take account of the Council’s fuel poverty and carbon neutrality ambitions and reflect what is considered to fair and reasonable proposals.

- **Other Options Considered**

The table below presents options for increasing charges with a rationale for each. All options apply the calculated maximum Standing Charge for gas in line with the Government’s Energy Price Guarantee, with the exception of Option 6 which advocates applying RPI to both the current Enviroenergy Standing Charge and also the current Enviroenergy Unit Charge.

Option	Description	Average %age Increase
1	Apply the OFGEM gas price cap rates announced on 26 th August 2022.	73.56%

2	Apply the Energy Price Guarantees' maximum calculated Standing Charge and increase the maximum EPG Unit Charge by 15% for district heating efficiency.	58.08%
3	Apply both the Energy Price Guarantees' maximum calculated Standing Charge and the EPG maximum Unit Charge.	41.60%
4	Apply the calculated "All-In" cost per kWh determined by the Energy Price Guarantee	21.84%
5	Apply the Energy Price Guarantees' maximum calculated Standing Charge and increase the current Unit Charge by 20%	17.30%
6	Apply the Retail Price Index (RPI) to both the Standing Charge and Unit Charge	8.61%

An analysis of these options is presented in the table below:

Domestic Heat Tariff Options	Standing charge per day (£)	Unit Charge per kWh (£)	"All in" Rate for average customer* (£)	"All in" %age Increase for Average Customer	Increase per week for Average Customer
1. OFGEM Price Cap	0.3572	0.1296	0.1586	73.56%	£5.82
2. EPG + 15% on Unit Charge	0.3572	0.1155	0.1444	58.08%	£4.59
3. Maximum EPG rates	0.3572	0.1004	0.1294	41.60%	£3.29
4. Composite EPG All-In Rate	0.3572	0.0824	0.1113	21.84%	£1.73
5. EPG Standing Charge + 20% increase on Unit Charge	0.3572	0.0782	0.1072	17.30%	£1.37
6. RPI	0.3569	0.0721	0.1011	10.64%	£0.84

*Based on average Enviroenergy domestic customer consumption

Recommended option

The recommendation presented is for **Option 4** which price matches the "All In" rate per kWh calculated to match the gas Energy Price Guarantee when applied to an average East Midlands domestic gas consumer. In other words, based on average consumption, Enviroenergy customers would pay the same price per unit of energy as those on gas supply once the Standing Charge cost is factored into the total cost. However, the benefit to district heating customers is the comparative efficiency of district heating and gas boilers, a contributory factor towards why an Enviroenergy

customer consumes less heat energy than their gas counterparty, and therefore why their annual heating costs also remain lower than the national average.

The additional cost recommended is an additional 3½p per day on the Standing Charge and 1¾p per kWh on the Unit Rate. This represents an overall increase of 22% for the average Enviroenergy customer, with an additional weekly cost of £1.73 per week.

If the recommendation is accepted, the average domestic district heating customer will have an annual predicted heating cost of £500, compared to the EPG cost for the same volume of gas, at £582. The fact that the average gas consumer uses 7,500 kWh of energy more per year than the average district heating customer reduces their “All In” costs to the same overall unit rate, despite their overall heating bill being much higher. For district heating customers, a higher than average consumption of district heat would reduce the “All In” unit cost, whilst lower than average consumption would increase it, albeit a higher proportion of this income is still secured as a Standing Charge.

Options 1 to 3 are rejected on the basis that the composite “All-In” rates per kWh exceed those of the domestic gas Energy Price Guarantee, and Options 5 and 6 are rejected because they do not generate sufficient additional income to offset rising operating and maintenance costs of the scheme.

Options for increasing Domestic Electricity Tariffs

Whilst the customer base is relatively small (109 customers), current domestic electricity tariff charges for Enviroenergy customers reside significantly below the government Energy Price Guarantee for electricity. Options to increase domestic electricity tariffs are presented in the table below.

Option	Description	Average %age Increase
1	Apply OFGEM price cap discounted by 15%.	152.2%
2	Apply the calculated “All-In” cost per kWh determined by the Energy Price Guarantee	96.2%
3	Apply a 20% reduction to the Standing Charge and Unit Rate determined by the Energy Price Guarantee	75.7%
4	Apply a 50% uplift to both the current Standing Charge and Unit Rate	50.0%

Enviroenergy domestic power customers have no option but to remain with Enviroenergy unless the owners of the Atrium building meet the cost of establishing a separate connection to the National Grid which would enable other market providers to sell them power which would be at the full Energy Price Guarantee detailed in Option 2.

The following table presents an analysis of the financial impact of each of the options if applied to the current domestic electricity customer base:

Domestic Heat Tariff Options	Standing charge per day (£)	Unit Charge per kWh (£)	"All in" Rate for average customer* (£)	"All in" %age Increase for Average Customer	Average increase per customer per week
1. OFGEM price cap minus 15%	0.4359	0.4117	0.5117	152.2%	£9.45
2. Composite EPG All-In Rate	0.4600	0.2927	0.3982	96.2%	£5.98
3. EPG Standing Charge and Unit Rate minus 20%	0.3680	0.2722	0.3566	75.7%	£4.70
4. 50% increase on current rates	0.3402	0.2264	0.3044	50.0%	£3.10

*Based on average Enviroenergy domestic customer consumption

Recommended option

The recommended option is **Option 3**. Compared to the market, this price increase still provides value for money to customers as it is 20% below the Energy Price Guarantee. The Standing Charge therefore increases by 14p per day and the Unit Rate by 12p per kWh. Overall, this is a 75% increase over current costs, at an additional average weekly cost increase of £4.70.

67 London Road - Emergency Planning function

The Portfolio Holder for Strategic Regeneration and Communications presented a report on the assignment (sale) of the Council's occupational lease of accommodation at London Road Fire Station. The following points were discussed:

- a) The impacts of the transaction demonstrate strong and effective partnership working with the Police and the Fire Authority, and secure additional permanent Police presence in the Meadows area of the City. The bringing together of services and the Police presence in the Meadows will be positive for the city.
- b) The Council's Emergency Planning function are currently located in London Road and will be transferred to Loxley House with some storage facility subleased back to the Council.

Resolved to

- 1) approve the terms of an assignment of the Council's occupational lease in accommodation at London Road Fire Station, currently housing the Council's Emergency Planning function (EPf), to the Police and Crime

Commissioner on the terms as detailed in the exempt appendix to the report.

- 2) delegate authority to the Director of Economic Development and Property to approve final terms and conditions.**
- 3) approve a lease back of the storage accommodation at London Road to the Council on terms to be approved by the Director of Economic Development and Property.**
- 4) note the beneficial impacts of the transaction and arrangements for the bringing back of the Emergency Planning function into Loxley House and associated timescales.**
- 5) note that the decision facilitates the securing of a permanent Police presence in the Meadows area of the City in support of the Council's Corporate Priorities in relation to community safety.**

- **Reasons for Decisions**

To facilitate the assignment of the council's lease to the Police and Crime Commissioner and settle the basis of the reimbursement of the Council's relocation and associated costs.

- **Other Options Considered**

Not to agree the proposals. This would result in a maintenance of the status quo.

68 Revenue and Benefits Service

The Portfolio Holder for Finance introduced a report on the transfer of service undertakings from Nottingham Revenues and Benefits Ltd to the City Council on 1st April 2023, when the current contract expires. The following points were discussed:

- a) The transfer will enable closer working between revenues and benefits and other Council services creating opportunities for more streamlined services and better outcomes for customers.
- b) Staff will transfer to the Council under TUPE arrangements.
- c) Nottingham Revenues and Benefits limited was established to be a subcontractor to Northgate. Northgate no longer exists therefore there is no longer a driver for the existence of the company.

Resolved to

- 1) approve a transfer of service undertakings from Nottingham Revenues and Benefits Ltd to the City Council on 1st April 2023, subject to the services being operated within the constraints of the Council's budgets and any legal requirements.**

- 2) delegate authority to the Chief Executive, in consultation with the Portfolio Holder for Finance, Chief Financial Officer and Head of Legal, to complete the financial, commercial and legal aspects of a service transfer to the Council on 1st April 2023**
- 3) note that, following the Transfer of Services, the Limited Company will be taken through a managed closure whilst solvent.**

- **Reasons for Decisions**

The use of a wholly owned company to deliver Revenues and Benefits services is not a commonly found arrangement and the additional structures of operating a company can be simplified through transfer to an in house delivery model.

During the period in which the company has been operated as a Teckal arrangement, the governance associated with managing and monitoring a contract between the Council and company has required significant resources but has not demonstrated any greater value than the governance associated with an internal department. In addition, the need for a contractual arrangement has added a degree of inflexibility to the arrangement which, if removed, will allow greater potential for achievement of efficiencies and changes to operational practices.

Integration into wider Customer and Business Support transformation programmes can be achieved through Service transfer. Resources are already in place to on-board NRB services into the transformation programme, providing an opportunity to achieve improved access to services for citizens.

The Council has recently set out its framework for companies' governance which required minimum standards of company board governance in line with recognised codes of practice. The company board currently has a number of key vacancies for directorships and in the near-term those standards will be challenging for the company to achieve in full. Investing in additional board directors will take time for both the Council and company, which could alternatively be used to pursue efficiencies and improvements under an in house arrangement.

It is anticipated that there is an opportunity for significant cost reduction when the services are brought into the wider Customer and Business Support transformation programme.

The transition is considered to be achievable in the time available, the current operating model relies on a number of key enabling services being delivered by the Council, such as payroll, accommodation, business systems, IT and telephony. Therefore, the platforms required to continue services as a Council department are largely in place.

- **Other Options Considered**

To retain the separate legal entity, extend the contract between NCC and the Company for the provision of Services and support the company to invest in its

governance, Board capability and controls framework. This option is not considered suitable to achieve Best Value of the services to the Council or Citizens.

Procurement of an alternative service provider through a market exercise; this option was rejected due to the timeframes associated with such a process and the current challenges the Council has faced in collating robust data on the current service and the business interest of the company. This option is not precluded by a transfer to in house and could be considered at a later date.

69 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, Paragraphs 3, 4 and 5, 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.

70 Exempt Minutes

The Board confirmed the exempt minutes of the meeting held on 18 October 2022 as a correct record and they were signed by the Chair.

71 Enviroenergy Tariff Increases for 2023 - Exempt Appendix

The Leader of the Council presented the exempt appendix to the report which the Board noted.

72 London Road - Emergency Planning function - Exempt Appendix

The Portfolio Holder for Strategic Regeneration and Communications presented the exempt appendix to the report which the Board noted.

73 Revenue and Benefits Services - Exempt Appendices

The Portfolio Holder for Finance presented the exempt appendix to the report which the Board noted.