

Nottingham City Council

Executive Board

Minutes of the meeting held at Loxley House, Nottingham on 18 July 2023 from 2.01 pm - 2.37 pm

Membership

Present

Councillor David Mellen (Chair)
Councillor Audra Wynter (Vice Chair)
Councillor Cheryl Barnard
Councillor Steve Battlemuch
Councillor Jay Hayes
Councillor Corall Jenkins
Councillor Angela Kandola
Councillor Sajid Mohammed

Absent

Councillor Pavlos Kotsonis
Councillor Linda Woodings

Colleagues, partners and others in attendance:

Mel Barrett	- Chief Executive
Wayne Bexton	- Director of Carbon Reduction, Energy and Sustainability
Ross Brown	- Corporate Director for Finance & Resources
Ita O'Donovan	- Interim Corporate Director for Communities, Environment and Residents Services
Paul Seddon	- Director of Planning and Regeneration
Malcolm Townroe	- Director of Legal and Governance
Catherine Underwood	- Corporate Director for People
Phil Wye	- Governance Officer

Call-in

Unless stated otherwise, all decisions are subject to call-in. The last date for call-in is 26 July 2023. Decisions cannot be implemented until the working day after this date.

19 Apologies for Absence

Councillor Pavlos Kotsonis - unwell
Councillor Linda Woodings – other Council business
Councillor Kevin Clarke – work commitments
Sajeeda Rose

20 Declarations of Interests

None.

21 Minutes

The Board confirmed the minutes of the meeting held on 20 June 2023 as a correct record and they were signed by the Chair.

22 Regulation of Investigatory Powers (RIPA) Policy

The Portfolio Holder for Finance and HR presented the report. The Regulation of Investigatory Powers Act 2000 (RIPA) and the Codes of Practice issued under section 71 of that Act regulate the way in which the Council conducts surveillance for the purposes of law enforcement. The Council are required annually to consider a report on the Council's use of its RIPA powers and review and approve the Council's RIPA policies.

Resolved to

- (1) approve the Regulation of Investigatory Powers Policy and Guidance which incorporates the Online Research and Investigation Policy, as attached at Appendix 1;**
- (2) note that the annual report in relation to the use of RIPA powers will be reported to the City Council's Audit Committee on an annual basis as part of the Information Assurance Update;**
- (3) note that the RIPA Policy will be submitted to Executive Board for review and approval on an annual basis in line with the Home Office Code of Covert Surveillance Property Interference 2018 and the Code of Practice for CHIS 2022;**
- (4) note the Council's Senior Responsible Officer (SRO) and Authorising Officers in relation to RIPA procedures.**

Reasons for decision:

- To ensure compliance with the Regulation of Investigatory Powers Act 2000.

Other options considered:

- None, the Council are required by law to maintain an up to date policy and ensure that surveillance is being carried out in accordance with RIPA and associated guidance.

23 Devolution Deal - Retrofit Capital Funding £9.92m

The Leader presented the report on the receipt and spend of £9.92m on domestic energy efficiency and low carbon retrofit activities within the D2N2 area. The funding would complement existing funding received in the region for Local Authority Delivery Phase 2 (LAD2), Sustainable Warmth Competition (SWC), HUG and Social Housing Decarbonisation Fund (SHDF).

Resolved to

- (1) delegate authority to the Head of Midlands Net Zero Hub in consultation with the Director of Environment and Sustainability to accept £9.92 million in grant funding from the Department for Levelling Up, Housing and Communities for the Devolution Retrofit Grant via Derbyshire County Council, and to delegate authority to the Head of Midlands Net Zero Hub to enter into a Grant Agreement for the funding;**
- (2) spend a grant allocation of £9.92m from the Department for Levelling Up, Housing and Communities, via Derbyshire County Council for the Devolution Retrofit Grant to support regional delivery;**
- (3) delegate authority to the Director of Environment and Sustainability, in consultation with the Head of Midlands Net Zero Hub to manage the grant via Midlands Net Zero Hub, and to delegate authority to approve and sign funding agreements and manage grant expenditure. This includes passporting funding out the D2N2 Local Authorities their equal portion of the funding £583,495;**
- (4) delegate authority to the Director of Environment and Sustainability and Head of Midlands Net Zero Hub to procure and award contracts required to deliver Nottingham City Council's proportion of the capital funding.**

Reasons for decision:

- At Full Council on the 13th January 2020, the Council declared a Climate and Ecological Emergency. Then in June 2020 the CN 2028 Action Plan was published by the City Council to achieve sustainable carbon neutrality for Nottingham. Many of the partner Local Authorities have also declared Climate Emergencies, but recognise that they cannot deliver against their ambitions in isolation. Furthermore, some actions make more sense to deliver at a regional level.
- Local Authorities across the D2N2 region have declared climate emergencies with many targeting 2030 as their ambition to reach Net Zero. This is supported by the D2N2 LEP Energy Strategy, which at the time of writing referenced 12.1% of homes being in fuel poverty; this will be increasing with the current increase in energy costs. A key target within the strategy is by 2030 for 15% of buildings using low carbon heating and all current building stock be Energy Performance Certificate level C or above where possible alongside an ambition to comply with, and exceed where possible, applicable air quality standards in all locations.
- Retrofit is cornerstone activity and will support the region's ability to achieve Net Zero and is an efficient path to achieve Net zero at a Local Authority, County and Regional level.
- The outputs of the funding will have a direct benefit on citizens in receipt of the work, including warmer homes in the winter and lower energy bills. Current Government funding retrofit projects have resulted in delivery gaps across neighbourhoods and households benefiting from funding as they fall outside of a schemes strict criterion. With the cost-of-living crises residents across the region are struggling to pay their energy bills and as a result, fuel poverty is expected to

increase significantly in the winter. A greater level of residents who would not previously consider themselves fuel poor will require support, many of which will not be eligible due to current income thresholds for funding schemes yet will need support.

- This is an exciting opportunity to deliver a project that involves every Local Authority that will fall within the combined authority area. As this is a starting point of a working relationship with the Combined Authority it is important that each LA has the opportunity for equal involvement. Therefore an even split of the funding is the preferred approach and supported by Local Authorities across the D2N2 region for the following reasons:
 - This is the only capital funding programme at this stage that covers all Local Authority areas and will help ensure full buy in for Devolution around a shared goal of reducing fuel poverty and supporting the Net Zero ambition of the region.
 - A proportional split would mainly affect the two city regions, significantly increasing their share as the two City areas would be allocated £2.8m equating to 28% of the funding. Both city regions are successfully delivering retrofit programmes, with a revenue budget, and within the delivery window of this programme. The additional funds through a proportional split approach may be challenging to deliver in the timeframe, particularly given that there is no revenue funding which would make it very difficult, if not unaffordable, for the cities to deliver this capital retrofit program where the capital funding would then be in excess of £1m.
 - The levelling up ambition would still remain with an equal split, as the approach is still looking at levelling up D2N2 as a unified entity and ensuring there is support being provided in every Local Authority area. Furthermore, where underspend is expected, it can then be re-allocated proportionally across those areas that are able to over deliver.
- Local Authorities will follow their own procurement processes. There is strong regional support for creation of local jobs and encouragement of local small and medium enterprises to participate in the scheme.
- Local Authority procurement is expected to have the evaluation criteria set out in the template ITT which will cover method statements, risk assessment, and delivery of social value; and any other criteria identified as necessary during the stakeholder consultation. Local Authorities will be able to add specific additional criteria for their call-offs where these are relevant and proportionate to the project in question. Local Authorities will be individually responsible for meeting Health and Safety requirements.
- Local Authorities will report progress monthly to Midlands Net Zero Hub who will collate the information and report to Department for Levelling Up, Housing and Communities.

Other options considered:

- Not to proceed with the work. This would be a missed opportunity to attract investment and support local jobs while delivering against net zero/ carbon neutral commitments and reducing incidences of fuel poverty.

24 Nottinghamshire and Nottingham Waste Local Plan - Pre Submission Version

The Portfolio Holder for Highways, Transport and Planning introduced the report. The Waste Local Plan is a statutory document that all Waste Planning Authorities must prepare. It sets out policies against which all development proposals involving recycling and waste processing are assessed and determined by the City Council.

Resolved to

- (1) accept the summary of the main issues raised during the consultation on the Draft Plan Stage as outlined in the Report of Consultation (Appendix A) and how these have been addressed;**
- (2) endorse the Nottinghamshire and Nottingham Waste Local Plan – Pre Submission Version (Appendix B) and that it be published for formal representations;**
- (3) authorise the Corporate Director for Growth and City Development to make any further non-material typographical, formatting, mapping and other minor amendments considered necessary prior to publication.**

Reasons for decision:

- To note awareness of the response to the Draft Plan consultation stage and to present a final Plan to the Executive for approval to publish for formal representations to be made.
- To ensure that the Waste Local Plan is approved and published in accordance with the Constitution of the City Council.
- To provide delegated authority for officers to make necessary minor changes considered necessary associated with publication.

Other options considered:

- Preparation and keeping up to date a Waste Local Plan is a statutory requirement. Without an up to date planning policy framework in place, planning applications for recycling and waste development could be submitted and decided with little weight afforded to local planning policy resulting in a lack of certainty for local communities and the waste industry. The only other option is to not approve consultation and suspend preparation of the Plan with the above consequence and this is not considered appropriate.

25 Provisional Financial Outturn 2022/23

The Portfolio Holder for Finance and HR presented the report presenting the management accounts of the Council for the financial year ending 31 March 2023 and provides the General Fund and Housing Revenue Account (HRA) financial outturn position for both revenue and capital. As in previous years, this report sets out the Council's financial performance in an outturn report which reflects the Council's management structure as reported throughout last year to the Executive.

The provisional revenue outturn position at the end of the year as 31 March 2023 includes:

- £9.8m (4.3%) net revenue overspend in relation to General Fund (Quarter 3 £13.6m overspend), recommended by the S151 officer to be fully funded from the Financial Resilience Reserve.
- (£11.4m) (10.2%) net revenue underspend across the HRA (Quarter 3 £5.1m), with the underspend to be fully transferred to HRA earmarked reserves.

The General Fund overspend is largely driven by a combination of increased demand (social care, home to school transport and temporary accommodation), increased levels of social care need following a period of suppressed service delivery during COVID, increased costs, income shortfall and inflationary pressures, most notably from the nationally agreed pay agreement, which is above the 2022-23 budgetary provision. In response to the previously projected overspend the S151 Officer in Quarter 2 introduced a series of spending controls for the remainder of 2022-23, the aim of which was to reduce the level of overspend by the end of the year. The impact of these spending controls is incorporated into the provisional outturn report.

Despite an improved outturn position from what was previously reported at quarter 3, the Council continues to face escalating cost pressures, above those already factored into the 2024-25 budget and medium term financial planning process. There remains significant ongoing risks in relation to high levels of inflation, rising costs and demand, the complexity of need which will need to be managed across the Council to achieve a balanced outturn for 2023-24. In addition to demographic changes, the continuing cost of living crisis is likely to lead to more residents requiring council support, causing further pressure on services. Strong financial discipline in 2023-24 and the delivery of the significant savings targets underpinning the MTFP will remain critical in ensuring the Council maintains a sustainable financial position in the short to medium term.

Resolved to

- (1) note the provisional revenue outturn overspend of £9.8m prior to outturn reserve adjustments for 2022-23 as set out in Table 1 of the report;**
- (2) note the HRA outturn for 2022-23 as set out in Section 8 of the report, the surplus of £11.4m of which, £10.7m will be transferred to the HRA General Reserve and £0.3m being transferred to the Lift Replacement reserve and the balance of £0.4m transferred to the Major Repairs Reserve. In addition, that £4.7m is transferred from the HRA General Reserve to the Major Repairs Reserve per paragraph 8.2 of the report;**
- (3) note the Capital outturn for both the General Fund and HRA, with specific reference to the net slippage of:**

- **£74.2m within the General Fund Capital Programme, and**
- **£12.1m within the HRA Capital Programme.**

- (4) approve the general fund balance as at 31 March 2023 of £13.5m;**
- (5) approve the £9.8m outturn variance to be funded from the Financial Resilience Reserve;**
- (6) approve the quarter 4 virements as set out in Appendix A of the report;**
- (7) approve the quarter 4 increase on earmarked reserves of £0.1m, as set out in section 5 of the report;**
- (8) approve write-offs in excess of £10,000, totalling £0.1m where all options for recovery have been exhausted, as set out in paragraph 6.8 of the report.**

Reasons for decisions:

- This report forms a key part of formal revenue, capital and HRA monitoring against the 2022/23 budget.
- The approval of virements of budgets and movement in reserves is required by corporate financial procedures.

Other options considered:

- None. The General Fund revenue outturn position for 2022-23 is a net overspend of £9.8m, 4.3% of the net General Fund budget (£13.6m and 6.0% at Quarter 3) before the application of reserves to off-set the in-year overspend.

26 Period 2 2023/24 Budget Monitoring

The Portfolio Holder for Finance and HR presented the report providing an assessment of the Council's 2023-24 forecast outturn position for the General Fund revenue account, Capital Programme and the Housing Revenue Account (HRA) based on activity to the end of the Period 2 (31 May 2023).

The 2023/24 net General Fund budget approved by Council was £261.8m. At the end Period 2 General Fund is forecasting an overspend of £25.9m (9%).

The Council is committed to delivering its services within the approved budget and officers are pursuing mitigating actions to control expenditure within the approved budget. The net overspend is largely driven by inflationary and cost of living pressures, most notably resulting from the national public sector pay settlement which is above the original budgetary provision due to inflationary drivers. In response to the projected overspend the S151 Officer has introduced a series of spending controls for the remainder of 2023-24.

Resolved to

- (1) note the forecast outturn of £287.7m on the General Fund Revenue budget at Table 1 which is a forecast overspend of £25.9m (9.0%);**
- (2) note the forecast outturn underspend on the HRA of £7.3m (6.2%) against the budget of £117.9m set out in section 6 of the report.**

27 Budget Strategy and Medium-Term Financial Plan (MTFP) Refresh 2024/25 - 2027/28

The Portfolio Holder for Finance and HR presented the report representing the first stage in the Council's annual budget planning process, providing an early update on its projected financial position and seeking endorsement for the proposed budget strategy to ensure a continued balanced MTFP for 2024-25 to 2027-28.

The initial General Fund revenue gap of £50.9m, as set out in the report, is an initial assessment of the likely scale of financial challenges the Council is facing for 2024-25. The proposed budget strategy and process will continue to further review this refreshed position and will identify appropriate consultation proposals to balance the 2024-25 Budget with a further report setting out a robust draft MTFP presented to Executive Board in November 2023.

Resolved to

- (1) note the increase in the forecast budget gap for 2024/25 of £50.9m with an indicative cumulative budget gap of £58.7m over the 4-year MTFP period;**
- (2) agree that Corporate Leadership Team (CLT) prepare detailed plans and budget proposals in accordance with the Council's priorities and proposed budget strategy (section 4), taking into account emerging funding and expenditure information;**
- (3) note the budget preparation timetable and that proposals will be brought back to Executive Board for approval in November as part of a draft MTFP and Consultation report.**

Reasons for decision:

- The Council continues to face significant budget pressures and uncertainty, including the continuing level of support from Central Government over the medium term. Additionally due to increased demand for services, the long-term impact of COVID-19 and the current backdrop of economic uncertainty and inflation, council services continue to operate in a challenging environment.
- This report is part of the Council's continuing budget setting and business planning processes and builds on the previous MTFP position recommended by Executive Board in February 2023 and approved by Council on 6 March 2023.
- This report sets out the updated MTFP projections and proposed budget strategy for 2024-25 to 2027-28 so that officers can prepare detailed proposals for Member consideration as part of the annual budget-setting cycle in line with the

timetable in section 7 of the report.

- The overarching objective of our budget strategy is to set a priority-led budget over the medium term that is balanced and realistic; and supported by achievable saving plans. However, it must be recognised that meeting the significant budget gaps as that set out in this report will mean transforming the way we deliver services and doing some things differently.
- To achieve this we will adopt a One Council approach alongside local people and our partners to deliver the outcomes in the Together for Nottingham Plan based upon a sustainable financial position.

Other options considered:

- If the original MTFP approved by Full Council in March 2023 is not refreshed the forthcoming budget process and associated decisions to ensure a balanced 2024-25 budget and robust 4-year rolling MTFP will not be based on the latest best assumptions.

28 Adoption of the Eastside Supplementary Planning Document

The Portfolio Holder for Highways, Transport and Planning presented the report on the Eastside Supplementary Planning Document (SPD), which provides planning guidance for the development of the Eastside area of the City. It is supplementary to the adopted Local Plan. A public consultation has been undertaken on the draft SPD, these comments have been analysed and the document amended accordingly.

Resolved to adopt the Eastside Supplementary Planning Document

Reason for decision:

- The preparation of the SPD will help to ensure that development meets the City Council's aspirations for the Eastside area. SPDs contain planning guidance that is supplementary to the Local Plan and SPDs should be considered for adoption by Executive Board, after taking into account the outcomes of a statutory consultation period, on a draft version of the document.

Other options considered:

- Not producing the Eastside SPD. This would however result in a lack of comprehensive planning guidance for the Eastside area and failure to ensure that the City Council's development ambitions are met for this area.

29 Exclusion of the Public

The Board resolved to exclude the public from the meeting during consideration of the remaining item in accordance with Section 100A of the Local Government Act 1972, under Schedule 12A, Part 1, Paragraph 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

30 Adoption of the Eastside Supplementary Planning Document - Exempt Appendix

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