

Nottingham City Council

Housing and City Development Scrutiny Committee

Minutes of the meeting held in the Ground Floor Committee Room - Loxley House, Station Street, Nottingham, NG2 3NG on 22 January 2024 from 10:02am to 11:58am

Membership

Present

Councillor Sam Harris (Chair)
Councillor Sarita-Marie Rehman-Wall
(Vice Chair)
Councillor Kevin Clarke
Councillor Neghat Khan
Councillor Michael Savage

Absent

Councillor AJ Matsiko
Councillor Adele Williams

Colleagues, partners and others in attendance:

Nancy Barnard	-	Head of Governance
Councillor Steve Battlemuch	-	Portfolio Holder for Skills, Growth, Economic Development and Property
Beverley Gouveia	-	Head of Property
Councillor Jay Hayes	-	Portfolio Holder for Housing
Councillor Angela Kandola	-	Portfolio Holder for Highways, Transport and Planning
Kevin Lowry	-	Director of Housing
Adrian Mann	-	Scrutiny and Audit Support Officer
Kate Morris	-	Scrutiny and Audit Support Officer
Sajeeda Rose	-	Corporate Director for Growth and City Development
Paul Seddon	-	Director of Planning and Regeneration
Stephen Tough	-	Head of Transport Projects and Operations
Matthew Wheatley	-	Head of Economic Development

23 Apologies for Absence

Councillor AJ Matsiko	-	work commitments
Councillor Adele Williams	-	personal reasons

24 Declarations of Interests

In the interests of transparency in relation to item 5 (Impact of the Proposed 2024-25 Budget on Growth and City Development), Councillor Michael Savage declared that he is a Council tenant and a trustee of the One Vision Partnership, which is a charity that works to support the regeneration of the Bulwell area.

25 Minutes

The Committee confirmed the Minutes of the meeting held on 18 December 2023 as a correct record and they were signed by the Chair.

26 Asset Rationalisation - Delivery and Future Strategy

Councillor Steve Battlemuch, Portfolio Holder for Skills, Growth, Economic Development and Property; Sajeeda Rose, Corporate Director for Growth and City Development; and Beverley Gouveia, Head of Property, presented a report on the progress of the Asset Management Programme and how the future strategy would be developed to continue to deliver capital receipts. The following points were raised:

- a) The Asset Management Programme continues to work towards accelerating the sale of those assets that have been identified as surplus, with an aim of achieving capital receipts in a timely manner. To date, £64 million has been secured in capital receipts from the sale of assets and the Programme is on track to achieve the forecasted returns for 2023/24, following the upcoming auction and sale of a number of properties at the end of January and the beginning of February.
- b) A number of actions have taken place to speed up the programme, including the implementation of a Disposals Policy to set the parameters for decision-making, standardising and shortening the decision-making process, ensuring a cycle of regular sales and auctions to ensure a flow of properties through the process, and carrying out full asset reviews (including agricultural and high-value assets, as well as operational assets). Alongside these actions, additional surveyor capacity has been recruited to the team and a prioritisation review has taken place with Legal and Finance colleagues to support the refreshed decision-making process.
- c) One of the major challenges is selling properties at the right time to achieve best value for the Council, as this often relies on market forces that outside of the Council's direct control. Some properties can be sold more quickly than others, but some can take years to realise the capital receipt. Another significant challenge has been the recruitment of qualified and experienced staff to allow the Programme to progress in a timely manner. However, the team is currently fully staffed through support from interim and temporary posts.

The Committee raised the following points in discussion:

- d) The Committee asked how staffing challenges had been overcome in the short-term and what was being done to ensure staff levels would remain sufficient to allow the Programme to continue to work efficiently. It was reported that there are currently 17 permanent positions vacant within the team. These are currently filled with interim support and by the use of consultants at the more senior levels. The recruitment process has run a number of times and two posts have been successfully converted from interim to permanent staff. Competition from the private sector for qualified staff is strong, but there are plans to grow the capacity in the team from the entry level, with a 'Grow our Own' graduate programme.
- e) The Committee queried how the changing markets impacted the Programme and whether the cost of maintenance of empty and unused buildings was taken into account when considering sales that may not otherwise represent best value. It was explained that there are a number of factors that are taken into account when selling a property and the maintenance cost of upkeep of a vacant building against lower capital receipt is considered, although there are a number of other

variables reviewed before a property is assessed for disposal. Similar considerations are taken into account where a property is occupied and providing a revenue income through rent. The market has been difficult recently, so sales of larger buildings (such as the old central library on Angel Row) have been impacted when an interested developer ceased to trade. Cash buyers are considered and have bought properties in the past, however, this does not necessarily speed up the sale process as checks and due diligence must take place to satisfy the Council that legal obligations around protecting against money laundering are fulfilled.

- f) The Committee asked what precautions were taken when considering buyers for larger buildings to ensure that the sale progresses smoothly and does not fall through at the last minute. It was set out that financial checks are carried out to ensure the stability of the buyer and the affordability of the property for them, and there is regular communication between the buyer and the team to ensure any issues that may arise are dealt with quickly and efficiently. The Council does have the option to take a deposit on larger building sales.
- g) The Committee queried what more could be done to speed up the Programme to maximise the capital receipts. The asset reviews that have been taking place throughout the life of the programme are consistently identifying properties that are suitable for disposal. This ongoing review process ensures that, as properties become viable for sale, the work to progress this takes place. Properties coming to market in the next financial year are already lined up, with work taking place across the Council to ensure quick and effective collaboration to allow sales to be realised.
- h) The Committee asked how the Programme considered the Council's corporate priorities. A Strategic Asset Plan is currently being drafted, taking into account the corporate priorities. There will be one policy for operational buildings that focuses on the community and service delivery, and one policy that focuses on commercial properties. There has been a focus on the disposal of commercial properties rather than community assets, however, many community assets can be resource-intensive for the Council in terms of maintenance and repairs.
- i) The Committee queried whether consideration had been given to selling or reviewing the leaseholds of some assets where, historically, token rents were in place. It was reported that this had been considered and a number of approaches have been made to long-term renters in appropriate buildings, but there has been little interest. This element of the Programme is regularly reviewed and, where a property is identified as suitable, the leasehold options are considered.
- j) The Committee asked where properties were advertised and if enough was being done to ensure wide reaching publicity and marketing for assets being sold. It was explained that the marketing of assets is done through a number of different channels. The auction houses selling assets market properties through their usual channels, using targeted mailing and specialist websites. Larger assets are also linked through the Council's website to marketing. To date, there has been a good conversion rate through auction and properties generally achieve more than the auction value. More work is needed to link with communities and Ward

Councillors around the sale of smaller assets that may be of interest to local community groups.

The Chair thanked the Portfolio Holder and officers for attending the meeting to present the report and answer the Committee's questions.

Resolved:

- 1) To request that further information is provided on the volume of properties in the currently agreed pipeline for disposal, and what the current high-risk agreed disposals are.**
- 2) To recommend that that consideration is given to how the current staffing structure supporting the Asset Rationalisation Programme could be developed further to:**
 - a) ensure strong recruitment and retention for the sustainable delivery of the Programme;**
 - b) develop interim and graduate posts into full-time roles wherever possible and appropriate; and**
 - c) attract students from local universities into appropriate graduate roles.**
- 3) To recommend that the drafting process for the Strategic Asset Plan gives due consideration to how the Council could sustainably maintain and develop community assets going forward, where viable.**
- 4) To recommend that consideration is given to how communities and Ward Councillors can be engaged with fully and effectively during the disposal process for a local community asset, to ensure that there is opportunity for a community solution to be found for the local asset to be continued.**

27 Impact of the Proposed 2024-25 Budget on Growth and City Development

Councillor Steve Battlemuch, Portfolio Holder for Skills, Growth, Economic Development and Property; Councillor Jay Hayes, Portfolio Holder for Housing; Councillor Angela Kandola, Portfolio Holder for Highways, Transport and Planning; Sajeeda Rose, Corporate Director for Growth and City Development; Kevin Lowry, Director of Housing; Paul Seddon, Director of Planning and Regeneration; Beverley Gouveia, Head of Property; Steve Tough, Head of Transport Projects and Operations; and Matthew Wheatley, Head of Economic Development, presented a report on the potential impact on services of the proposed 2024/25 Council budget. The following points were raised:

- a) The overall 2024/25 budget proposals have been developed in the context of very challenging circumstances both locally and nationally. There are significant pressures in a number of service areas, with a £16.2 million net budget gap identified as at July 2023. However, by December 2023, growing inflationary and demand pressures indicated a requirement to make savings of £53.7 million to achieve a balanced budget for 2024/25. As a result, a strict 'Duties and Powers' approach has had to be taken to the development of the new budget, identifying potential savings of £20.5 million.

- b) The 'Duties and Powers' methodology assesses where the Council has a legal obligation to deliver a function and where it can exercise functions on a discretionary basis. It is a recognised approach in the Local Authority sector and is used to create a focus on the Council's core statutory activity and identify work areas where savings can be made. As a result, the current budget proposals have been developed on the basis of establishing all service options in the context of delivering the legal minimum as the base position. Although the current proposals have been discussed between senior officers and Executive councillors, and been subject to a formal public consultation process where required, a number have not been agreed by the Council's Executive.
- c) A request to the Government has been made for Exceptional Financial Support (EFS) and, if approved, this could amount to £65 million in support over 2023/24 and 2024/25. The outcome of this request is pending.
- d) Total savings of around £3 million have been identified in the Growth and City Development directorate using the 'Duties and Powers' methodology, with the majority of these coming from within the Highways, Transport and Planning Portfolio.

The Committee raised the following points in discussion:

- e) The Committee requested assurance that all of the proposals put forward would not contribute to the widening of existing inequalities. It was set out that all of the proposals have had Equality Impact Assessments completed, which will be fully reviewed alongside the feedback from the public consultation. These will inform the finalised proposals to be presented to the Executive Board in February.
- f) The Committee asked whether there was any indication when a decision around the Council's EFS application would be made. It was explained that, at present, there has been no indication given, although the decision would need to be taken by the Government prior to the final budget-setting process being completed. It is a complex process and officers are working closely with the Department for Levelling Up, Housing and Communities to ensure a swift response. A number of Councils across the country have made similar requests for support and the timeline for each has differed, as it is an individual process to each Local Authority.
- g) The Committee observed that the removal of non-statutory services in one area could result in an increased impact on statutory services in another – such as the proposal for introducing a charge for the use of public toilets could result in higher levels of urination in the street, which the Council would have a statutory duty to clean. It was explained that there was concern from the public in relation to the proposed new charges for the toilets in Greyhound Street. However, alternative facilities are still available across the city centre. Nevertheless, the knock-on impact of given proposals on other services in different directorates is something that officers must be conscious of throughout the budget development process.
- h) The Committee asked about the demand for car parking in the city and whether the additional income forecast in parking charges could be relied upon. It was

explained that parking demand is still recovering following the Covid-19 pandemic and can fluctuate. However, demand in the city centre is always high and the figures set out are considered to be realistic and achievable.

- i) The Committee raised concerns about the impacts of reducing the funding for public transport and removing funding for the park and ride operations, particularly on citizens who only had access to public transport, and the potential increase in emissions as people were forced to use private transport – with the associated knock-on effect on the delivery of the Council’s carbon neutral ambitions.
- j) The Committee asked what outcomes were arising from the review of concessionary fares. It was explained that the review is currently underway and, although any changes are likely to generate a saving, it is not yet clear what that saving would look like and in what year it would materialise. There is also likely to be an impact on transport as a result of the creation of the East Midlands Combined County Authority (CCA), which will be a complex process. Some concessionary fares receive central funding, but there are other discretionary fares (such as for tram travel and the Companion Travel scheme) that are non-statutory.
- k) The Committee raised concerns about the impact on citizens of the removal of the live updates and bus times on bus stops across the city, and the effects of this on citizens’ confidence in the bus services. It was reported that, on the main routes and traffic corridors, the services run fairly frequently and so the impact of the removal of live updates would be less significantly felt. However, the impact would be greater on the less frequent services, at off-peak times or when there is disruption.
- l) The Committee highlighted that delivering statutory homelessness services was a substantial pressure on the Council budget and expressed significant concern over proposed savings in the Regeneration team and how this would have a long-term impact on a wide range of statutory services across the Council. It was explained that a business case is being developed to mitigate the impacts in this area, taking into account the potential outcomes of becoming part of the CCA and maintaining the Council’s ability to successfully bid for external funding and grants.

The Chair thanked the Portfolio Holders and officers for attending the meeting to present the report and answer the Committee’s questions.

Resolved:

- 1) To recommend that full account is taken of the associated Equality Impact Assessments (as updated where appropriate following the results to the public consultation) in the development of the final proposals for service delivery savings within the Growth and City Development directorate.**
- 2) To recommend that full consideration is given to how the free use of accessible toilet facilities can be provided for the most vulnerable people in the city, such as rough sleepers and people with limited mobility.**

- 3) To recommend that full consideration is given to how information on public transport times can be made easily accessible to everyone travelling in the city, particularly when there is service disruption.**
- 4) To recommend that everything possible is done to mitigate against increasing future demand for statutory services in relation to homelessness and rough sleeping, within the current context of growing service demand both locally and nationally.**
- 5) To recommend that everything possible is done to maintain capacity within the directorate to apply successfully for relevant grant funding opportunities for the support of service delivery.**

28 Work Programme

The Chair presented the Committee's current Work Programme. The following points were discussed:

- a) It is intended that the Committee's next meeting on 19 February 2024 will consider items on Preparedness for the East Midlands Combined County Authority and Council Tenant Engagement.

The Committee noted the Work Programme.