

Nottingham City Council

Executive Board

Minutes of the meeting held at Ground Floor Committee Room - Loxley House, Station Street, Nottingham, NG2 3NG on 16 July 2024 from 2.01 pm - 2.47 pm

Membership

Present

Councillor Kevin Clarke

Councillor Jay Hayes

Councillor Neghat Khan (Chair)

Councillor Pavlos Kotsonis

Councillor Sam Lux

Councillor Ethan Radford (Vice Chair)

Councillor Linda Woodings

Absent

Councillor Cheryl Barnard

Councillor Corall Jenkins

Colleagues, partners and others in attendance:

Nancy Barnard	- Head of Governance
Ailsa Barr	- Corporate Director Children's and Education Services
Beth Brown	- Director of Legal and Governance
Paul Clarke	- Assistant Chief Executive
Roz Howie	- Corporate Director for Adult Social Care and Health
Nicki Jenkins	- Director of Economic Development and Property
Colin Parr	- Corporate Director for Communities, Environment and Resident Services
Paul Seddon	- Director of Planning and Regeneration

Call-in

Unless stated otherwise, all decisions are subject to call-in. The last date for call-in is 26 July 2024. Decisions cannot be implemented until the working day after this date.

24 Apologies for Absence

Councillor Cheryl Barnard - Leave

Councillor Corral Jenkins – Leave

Mel Barrett

Ross Brown

Sajeeda Rose

25 Declarations of Interests

Councillor Pavlos Kotsonis declared an interest in Agenda Items 10 and 13 because, as a Ward Councillor, he had had previous involvement with the decision. During these items Cllr Kotsonis left the room.

26 Minutes

The minutes of the meeting held on 18 June 2024 were confirmed as a correct record and they were signed by the Chair.

27 Nottingham City Council Improvement Plan

Councillor Neghat Khan, Leader of the Council, presented the report which put forward a draft Nottingham City Council Improvement Plan setting out how Nottingham City Council will address the issues and challenges that have led to the current Commissioner-led intervention and respond to the actions required by Commissioners. The plan builds on and supersedes the Together for Nottingham Plan and is based around three improvement priorities that will enable and support Nottingham City Council to be: 1. A Council that delivers for Nottingham with a clear direction and purpose 2. A Council that is financially sustainable 3. A Council that is well run with effective people, processes and systems.

Resolved to:

- (1) agree and endorse the draft Nottingham City Council Improvement Plan as the Council's overarching improvement plan in response to the Commissioner-led Intervention.**
- (2) recommend approval of the Improvement Plan to Full Council at the meeting to be held on 5 August 2024.**
- (3) note that the Corporate Leadership Team will develop an investment and resource plan for the delivery of the Improvement Plan in accordance with the 2025/26 budget strategy objectives and principles to be brought back to the Executive for approval.**

Reasons for decisions:

- Nottingham City Council acknowledges the need for fundamental change. A number of significant challenges and issues have been the catalyst for the current Commissioner-led intervention, and we must respond robustly and decisively to these.
- On 22 February 2024, the Secretary of State for Levelling Up, Housing and Communities made Directions in relation to Nottingham City Council under section 15(5) of the Local Government Act 1999. These Directions require the Council to develop and agree an Improvement Plan to the satisfaction of the Commissioners within 3 months. Following correspondence between the Chief Executive and civil servants regarding the delay in the appointment of the third Commissioner the three-month deadline was extended and has subsequently been confirmed by the Lead Commissioner as 8 July 2024.
- The Improvement Plan outlines how the Council must change significantly and at pace to respond to the challenges it is facing. The future Council must look, feel and operate significantly differently to the Council of today. It needs to be clear on its role and purpose, realistic about what it can deliver, effective and efficient in how it operates, and focussed on consistently getting the basics

right so that the City's residents and partners know what they can expect from their Council.

- Delivering the Improvement Plan will reform the delivery of the services and outcomes the City and its citizens need. The Improvement Plan provides the basis for transformation, change and improvement activity the Council must develop, resource and deliver through eleven key programmes.
- Those programmes include existing programmes in addition to proposed new activity. They address the most immediate and significant challenges the Council faces, including its financial sustainability, which will be achieved through a programme of further budget savings, a continued asset sales programme and the strengthening of its financial management practice and culture.

Other options considered:

- None. The Intervention Directions require the Council to agree and appraise the Improvement Plan.

28 Budget Monitoring Period 2 (2024/25)

Councillor Linda Woodings, Executive Member for Finance and Resources presented the report which provides an assessment of the Council's 2024/25 forecast outturn for the General Fund, Housing Revenue Account and Capital Programme, based on activity to the end of the Period 2 (31 May 2024). As seen across many other local authorities, the Council is experiencing significant cost pressures along with rising demand in adult's and children's social care, and temporary accommodation.

The Council continues to face exceptional circumstances as best demonstrated by the 2024/25 General Fund Budget balancing only by taking all available saving options and the use of material sums of Exceptional Financial Support. The 2024/25 approved budget includes use of c£41m of Exceptional Financial Support flexibility with any in-year overspends to be met from a combination of in-year mitigations and savings and one-off General Fund contingency. In case, where application of all available financial intervention strategies/tools does not fully close any in-year budget gap then use of reserves may be considered.

The Council is forecasting a gross General Fund overspend of £12.213m (3.4%) in Period 2 of 2024/25. Planned management intervention is predicted to reduce the net forecast overspend to £5.819m (1.63%). £5.165m of the net forecast overspend is attributable to the Adults & Public Health (Gross: £6.129m Net: £1.700m) and Children's & Education (Gross: £5.429m Net: £3.464m) directorates. The HRA forecast at Period 2 for 2024/25 is showing a net overspend of £0.497m. The revised Capital Programme profiled for 2024/25 at Period 2 (combined General Fund and HRA) is forecasting to spend c£205m, a variance of (c£20m) when compared to 2024/25 budget.

Resolved to

- (1) note the General Fund forecast net overspend for 2024/25 at Period 2 of £5.819m against approved budget of £356.800m and risks set out in Section 10 of the report.**

- (2) note that the Corporate Leadership Team in consultation with the Section 151 Officer will look to develop mitigation strategy and plan in bringing the forecasted spend back in line with approved budget.**
- (3) note the General Fund budget includes the Exceptional Financial Support flexibility of £41.143m for 2024/25, which will be deployed through a combination of capital receipts and short term borrowing as set out in section 4 of the report.**
- (4) note the progress of the approved savings over the Medium Term Financial Plan (2024/25 – 2027/28) period of £66.521m (74.4%) either delivered or on track to be delivered of which:**
 - £2.222m relate to undelivered 2023/24 savings brought forward
 - £35.215 relate to 2024/25 savings
 - £29.083m relate to savings over the MTFP period 2025/26 to 2027/28
- (5) note the HRA forecast net overspend for 2024/25 at Period 2 of £0.497m resulting in a reduction to the planned contribution to reserves.**
- (6) approve the 2024/25 Capital Programme net slippage of £19.384m and net underspend of (£56.823m) with regards to the following:**
 - **General Fund (£17.228m) and HRA (£2.755m) net slippage to be carried forward and reprofiled across the medium term financial plan.**
 - **£39.817m Accountable Body budget reprofiled across the medium-term financial plan.**
 - **(£56.823m) underspend across HRA (£0.039m) and Accountable Body schemes (£56.784m) for which budget will be removed.**

Reasons for decisions:

- This report forms a key part of formal General Fund Revenue, Capital and HRA monitoring against the 2024/25 budget.
- As set out in the Financial Regulations and Financial Accountabilities Framework, the Chief Finance Officer is responsible for reporting the performance of the budget to Executive Board.
- Budget reporting to councillors is essential for informed decision-making, transparency, and effective governance in local authorities, ensuring accountability and sound financial management.

Other options considered:

- This is a monitoring report required by Financial Regulations and the Financial Accountabilities Framework which supports informed decision making, transparency and effective governance and therefore no other options were considered.

29 Transfer of Section 106 funds for the extension of Bus Service 50

Councillor Neghat Khan, Leader of the Council and Executive Member for Strategic Regeneration, Transport and Communities presented the report proposing the use of Section 106 funds from a housing developer to provide a public transport route extension to Nottingham City Transport service 50 into the Teal Close development for up to four years, to enable public transport connectivity into the development. It

also proposed the provision of Robin Hood Cards to 180 households under the s106 Agreement to enable sustainable travel habits to be developed and support the Council's CN28 objectives.

The proposals are a good example of collaboration across councils which will deliver improvements to sustainable transport and help improve air quality and congestion.

Resolved to

- (1) agree the spend of up to £201,511.48 per year over four years, secured under and in accordance with the section 106 Agreement with Persimmon Homes dated 30.06.2014, subject to compliance with the Service Subsidy Agreements (Tendering) (England) Regulations 2002 (as amended) (known as the 'de-minimis' rules).**
- (2) delegate authority to the Corporate Director for Growth and City Development to:**
 - (i) directly award (subject to appropriate Contract Procedure Rule exemptions) and enter into a contract/s service subsidy agreement/s with Nottingham City Transport for the extension of the Monday to Saturday daytime commercial bus service route 50 to serve the Teal Close Development, of up to four years duration;**
 - (ii) modify /extend existing tendered contracts with Nottingham City Transport in compliance with regulation 72 of the PCR 2015 for the extension of the existing evening and Sunday service, to serve the Teal Close Development of up to four years duration; and**
 - (iii) apportion the section 106 funding proportionally, over the duration of the above contracts terms, in the amounts set out at Table 1 in the report.**
 - (iv) spend up to £30,000 (plus indexation of £3,371.05) and issue up to 180 Robin Hood Card passes each of up to 3 month duration for households within the development.**
- (3) note section 151 Officer spend approval has been obtained (ref: 3485) and appropriate exemptions from the Council's Contract Procedure Rules to facilitate the direct Page 95 award of a contract/s to Nottingham City Transport Ltd under the Service Subsidy Agreements (Tendering) (England) Regulations 2002 (as amended) will be required.**

Reasons for decisions

- To spend the available funding with Nottingham City Transport Ltd for the commercial service (Monday to Saturday before 19:00 hours) and for the contract bus service (evenings and Sundays), to allow the extension of bus service 50 into the Teal Close residential development at all times and days of operation, and to provide up to 180 Robin Hood Card passes to households.
- These measures will encourage increased use of public transport and thereby help ensure the sustainability of the development in line with the Council's CN28 objectives

Other options considered:

- To not accept the money from the developer, and not allow funding for the bus service. This would mean new residents would not have access to a public

transport service, increasing the likelihood of travel habits which are not sustainable and was therefore rejected.

30 Approval to Consult on Supplementary Planning Documents

Councillor Jay Hayes, Executive Member for Housing and Planning, presented the report which proposed two new Supplementary Planning Documents (SPDs) on Purpose Built Student Accommodation (PBSA) and Reduction of Carbon in New Development. The document on PBSA provides guidance on the requirements for new PBSA schemes to ensure that developments meet the evolving needs of students including a move away from studios to cluster living with shared communal spaces. It is hoped the development of PBSA will encourage students away from homes that could be used for family housing to support the provision of family homes while also enabling students to continue living in the city. The document on carbon in new development is a joint document with Broxtowe Borough Council and provides detailed guidance on reducing carbon emissions in new developments, supporting policies in the Greater Nottingham Aligned Core Strategies Part 1 Local Plan, Nottingham City Council Local Plan Part 2, and Broxtowe Local Plan Part II. This SPD outlines strategies for energy efficiency, use of renewable energy, and sustainable construction, aligning with both councils' climate emergency declarations and carbon reduction goals.

Prior to adoption, the draft SPDs must be subject to consultation. A six week formal consultation period will be undertaken in summer 2024, during which notice will be given to interested parties. The results of this consultation will be considered and the draft SPDs will be amended if appropriate, before being reported back to Executive Board to be considered for adoption.

Resolved to

- (1) approve the publication of the draft Supplementary Planning Documents (SPDs), appended to the report, for a period of public consultation.**
- (2) delegate authority to the Director of Planning & Transport to approve any minor changes required to the draft SPDs prior to public consultation commencing.**

Reasons for decisions:

- The production of the above SPDs will help to ensure that development meets the Council's aspirations for new student accommodation and promotes the City's carbon neutral ambitions.

Other options considered:

- Not producing or supporting the draft SPDs. This would however result in a lack of comprehensive planning guidance to underpin the Local Plan and jeopardise the City Council's development ambitions.
- The PBSA SPD is a key action from the adopted Student Living Strategy. The Carbon SPD will promote the City's carbon neutral ambitions and is an action within the Council Plan 2023-27

31 Local Authority Housing Fund Round 3

Councillor Jay Hayes, Executive Member for Housing and Planning, introduced the report outlining that the government has allocated £1.633m of Local Authority Housing Fund (LAHF) funding to Nottingham City Council for the purpose of providing homes for Afghan Citizen Resettlement Scheme families and accommodation for homeless families. The fund directly allocates a sum to Nottingham City Council, once it is made available by the Department of Levelling Up, Housing and Communities. Provisional approval to accept the funding exists through the signing of the Memorandum of Understanding, subject to formal approval. Nottingham City Council is looking to utilise a partnership model for the delivery of accommodation to support these specialist groups and the intention is to select a third party Registered Provider partner to utilise the grant funding and provide the match funding required.

It is anticipated that the use of the funding will reduce demand on existing temporary accommodation (TA) and reduce cost pressures in this area.

Resolved to:

- (1) accept the Local Authority Housing Fund grant allocation from the Department of Levelling Up, Housing and Communities and delegate authority to the Corporate Director of Growth and City Development to formally enter the Memorandum of Understanding**
- (2) identify a Registered Provider to deliver the agreed outputs via a compliant open procurement process**
- (3) award the Local Authority Housing Fund funding to the selected Registered Partner via a Grant Funding Agreement**
- (4) delegate authority to the Corporate Director of Growth and City Development to approve and enter into subsequent grant agreement and nominations agreement with appropriate conditions and restrictions.**

Reasons for decisions:

- Acceptance of the funding will enable the Local Authority Housing Fund allocation to be retained by the city rather than returned to the Department of Levelling Up, Housing and Communities
- This funding will enable 5 units of Afghan Citizens Resettlement Scheme (ACRS) homes and 12 additional units of affordable homes for homeless families to be delivered for the benefit of Nottingham citizens and Nottingham City Council (NCC)
- The delivery of housing for homeless families will enable savings to general funds homelessness expenditure on Nightly Paid Temporary Accommodation.

Other options considered:

- The Council to utilise funding and deliver units
Although the Council could choose to utilise this funding ourselves, we already have subsidy available from the Right to Buy Replacement Funds (RTB RF) to support the purchase of properties within the Housing Revenue Account (HRA) which can be used for either Permanent or Temporary Accommodation.

If RTB RF are not used, then these will have to be repaid to the Government with a punitive interest. Nottingham City Council already have an agreed purchase programme in place where the match funding is sourced via HRA revenue contributions to capital. The number of properties identified for purchase within this programme is a realistic assessment of what the Council will be able to source and complete within the timescale. Given this, the maximum benefit of the Local Authority Housing Fund 3 (LAHF3) funding can be achieved by locating a third-party partner to supplement our own programme by sourcing additional properties. The LAHF3 funding can only be used for additional units so could not be put towards the conversion of existing properties. Additionally, the Council does not directly deliver ACRS housing and relies on third parties to provide this accommodation, as such the Council would therefore be unable to deliver this element of the funding in the timescales which is conditional on being able to access the funding for the accommodation for homeless families. There is an increased risk of properties (especially larger homes required by the LAHF scheme) exiting their intended use via RTB if they are delivered by a local authority as opposed to a Registered Provider (RP)

- Different RPs are selected to deliver the separate ACRS/TA elements of the funding

The homelessness funding is contingent of the delivery of ACRS homes and a proportion of the latter needs to be in train before the TA funding can be accessed. The two streams are interdependent and therefore we would want to offer the grant as one package to one RP. This would prevent the need for partnership arrangements between two RPs in addition to our own agreement

- Do not utilise funding and forfeit back to DLUHC

In the event that a third party cannot be secured or if approval is not granted to deliver the scheme as outlined in the report, then the Council will have to return the funding and could do so without penalty. However, this would mean that the funding would not be utilised in the city for the benefit of Nottingham citizens and to help reduce the budgetary pressures in delivering temporary accommodation

32 Approval for the development and delivery of a neighbourhood electric vehicle charging programme utilising Local Electric Vehicle Infrastructure (LEVI) grant funding.

Councillor Neghat Khan, Executive Member for Strategic Regeneration, Transport and Communications, introduced the report which, further to a Leader's Key Decision in March 2024 accepting a capital Grant allocation of £1,704,000 Local Electric Vehicle Infrastructure (LEVI) funding, sought approval to deliver the capital programme in full. The funding supports the Council to work with the charge point operator industry to improve the roll out of local charging infrastructure, with a focus on supporting residents who do not have access to private off-street parking. Funding is being made available in two tranches: 90% of the capital grant allocation (£1,533,600) was received on 27 March 2024 and the remaining 10% allocation (£170,400) is planned to be released by 31 March 2025 once a series of conditions have been met, including completion of procurement activities. The revenue allocations are being approved separately linked to an Executive Member Decision. It is planned to have 280 sites on council owned land in the form of electric vehicle charging hubs.

Resolved to:

- (1) approve the allocation of £1,704,000 LEVI grant funding for the development and delivery of a neighbourhood electric vehicle charging programme amending the Capital Budget as detailed in the body of the report. If for any reason the second 10% grant payment of the grant is not awarded the programme to be reduced accordingly to remain within budget.**
- (2) approve the Council's participation in the consortium procurement for a new charge point operator(s) led by Nottinghamshire County Council and Midlands Connect.**
- (3) approve the submission of the Stage 3 application to DfT following completion of procurement activities.**
- (4) delegate authority to the Corporate Director of Growth & City Development to enter into any call-off contracts with the appointed charge point operator(s) for the Nottingham City area.**

Reasons for decisions:

- The £1,704,000 capital grant will be used for the charge point contract, with £1,533,600 of the grant (90%) received on 27 March 2024 allocated to the 2024/25 financial year, and £170,400 (remaining 10%) expected in March 2025 to be allocated to the 2025/26 financial year. In the event that the final 10% of funding is not secured, the contract would only be awarded for the value of funding received, with fewer charge point sockets being delivered. A separate Executive Member Decision is being progressed for £399,710 revenue capability funding, which will be used to provide project team support for delivery of the capital scheme.
- Midlands Connect are the regional strategic transport body, who work to bring together the Midlands based local authorities to deliver a regional approach to transport projects. To support delivery of the LEVI programme, Midlands Connect are coordinating delivery for three local authority consortiums across the Midlands, alongside providing support to meet the various LEVI deadlines and sign-off of tasks.
- The City Council has joined a consortium with Nottinghamshire County Council, Derby City Council, Derbyshire County Council and Staffordshire County Council. Whilst each local authority has its own funding award and is responsible for their own application and project delivery, the consortium approach will enable each member to achieve better economies of scale, value for money and maximise outcomes by leveraging private sector investment from charge point operator(s) to increase the number of charge points across the area and secure a better deal for the area.
- Within the City Council area we will be seeking the installation of 860 7kW and 50kW sockets across 280 sites, in residential areas to best serve those residents without access to private off-street parking. The charge points will be located on land owned by the City Council, predominantly within the Adopted Highway boundary, predominately in the form of electric vehicle charging hubs (i.e. 3-5 charge points co-located together).

Other options considered

- **Reject the funding**
In the absence of this funding the Council would be unable to deliver the proposed infrastructure, which would not be in the best interest of our citizens. Utilising the grant funding means the infrastructure can be delivered at no additional cost to the Council. The Council receives a steady stream of electric vehicle infrastructure requests. Delivery of this project supports the Council's strategic goals of improving air quality and contributing to the Carbon Neutral 2028 Plan. This option was therefore rejected.
- **Reject the funding and procure a fully funded option**
Market engagement suggests we would not get as many favourable terms from the market or as many chargepoints if we didn't use the grant funding. This is likely to include being unable to deliver the priority or equity sites, as they are not likely to be commercially attractive to the market. This option was therefore rejected.
- **Continue with our own procurement outside of the Midlands Connect Consortium.**
Benefits of the consortium approach include fulfilling the Department for Transport (DfT's) business case requirements, sharing best practice and achieving better economies of scale by leveraging private sector investment from charge point operator(s) to increase the number of charge points across the area. Significant additional work would be required if the Council were to procure alone. In addition, undertaking our own procurement would require additional support from internal legal and procurement teams (both of which currently have limited resource available). This approach could make the DfT's strict timescales for the procurement stage challenging to meet, adding further risk that the final 10% of the funding could be lost. This option was therefore rejected

33 Expansion of Bluecoat Wollaton Academy

Councillor Pavlos Kotsonis left the room for the duration of this item.

In the absence of Councillor Cheryl Barnard, Executive Member for Children, Young People, and Education, Councillor Ethan Radford, Executive Member for Skills, Growth and Economic Development presented the report which outlined proposals to increase secondary school capacity by two forms of entry / 60 places per year group at Bluecoat Wollaton Academy, in order to meet the demand for places. Despite the investment in secondary capacity to date, there are still significant capacity challenges to meet the needs of the City's population.

There has been a 32% increase in demand for secondary Year 7 admissions since 2016, as the larger cohorts have moved through from primary education into secondary, and significant place pressure is currently set to continue up to 2029. Whilst this cohort growth was anticipated to a degree, the demand has increased further due to increased inward migration to the city, adding to the pressure in the year of entry and across year groups. It is essential that there are sufficient places for the growing number of secondary aged pupils within an accessible distance and to ensure quality and diversity of provision. Bluecoat Wollaton Academy delivers excellent educational outcomes, with an Ofsted rated 'Outstanding' provision. The school is significantly oversubscribed for applications and draws pupils from a wide

geographical area, in particular the West and Central areas where the place pressure is high.

Resolved to:

- (1) approve the allocation of funding from the Basic Need Fund and contribution Learning Trust totalling £10,300,936.23 for the expansion of Bluecoat Wollaton Academy (subject to approval by the Department of Education regarding the academy's 'significant change application' to expand the school) as set out in exempt appendix A to the report and to amend the capital programme accordingly.**
- (2) authorise the procurement of necessary consultants to develop and deliver the expansion project using the SCAPE framework and delegate authority to the Corporate Director for People to award any procured contracts, complying with the Council Constitution and the relevant regulations subject to costs being contained in exempt appendix A to the report.**
- (3) authorise the procurement of the construction contract for the expansion utilising the SCAPE framework to carry out the building works and to delegate authority to the Corporate Director for People to award any procured contracts, complying with the Council Constitution and the relevant regulations subject to costs being contained in exempt appendix A to the report.**
- (4) procure external legal resources using compliant frameworks and to delegate authority to the Corporate Director for People to award any procured contracts, complying with the Council Constitution and the relevant regulations subject to costs being contained in exempt appendix A to the report.**
- (5) enter into the necessary agreements with Archway Learning Trust to carry out the works and delegate authority to the Corporate Director for People in consultation with the Director of Legal Services to award the agreements.**

Reasons for decisions:

- Local Authorities (LA) have a statutory duty to ensure that there are sufficient school places under section 14 of the Education Act 1996. The Basic Need capital grant which Local Authorities receive from Government is intended to fund the expansion of physical capacity to create additional places.
- There are capacity challenges in order to meet the needs of the City's population and analysis of pupil forecasting data evidences that significant place pressure is currently set to continue up to 2029. There has been a 32% increase in demand for secondary Year 7 admissions since 2016. Demand is also growing across all year groups due to the number of in-year applications. There is a need for additional secondary capacity across all areas of the city, however, the greatest need is in the central, west, south west and north areas of the city. It is essential that there are sufficient places for the growing number of secondary aged pupils within an accessible distance and to ensure quality and diversity of provision.
- To address this continued secondary place challenge, we are working positively with the Archway Learning Trust to seek approval for a 300 place

expansion (60 extra places per year group) at Bluecoat Wollaton Academy, funded predominantly by the Basic Need funding the LA has received from Government for this purpose, with a contribution from the Archway Learning Trust.

- Local Authorities are required to support the expansion of schools which are Ofsted rated 'Good' or above. Bluecoat Wollaton Academy deliver excellent educational outcomes, with an Ofsted rated outstanding provision in all categories. They are also well located in terms of pupil demand across a large geographical area of the city including the South West, West and Central areas of the city where more places are required now and for the foreseeable future. This will enable more pupils in the City to access a high performing school that performs consistently above national averages in every measure.

Other options considered:

- Do nothing
If no expansion options are considered, the Council are potentially in breach of their duty to ensure a sufficiency of places under section 14 of the Education Act 1996.
- Expansion of an alternative school
The Nottingham Emmanuel School (NES), run by the Archway Learning Trust, has also been considered. This is a popular and oversubscribed school delivering good outcomes for pupils and there is a need for additional places in this area. However, the need for additional capacity is less significant in the East and South East of the city, where NES is located.
In addition to pressures in the South West / West and Central areas of the city, there is also significant pressure in the North. When The Bluecoat Trent Academy moves to its new permanent site on Pelham Avenue in September 2024, this will be accessible for some pupils in the north of the city, e.g. Sherwood, Bestwood and Top Valley. However, additional capacity is still expected to be required, particularly with increase inward migration and the growth in pupils expected from the significant housing being built in the Bestwood area.
In recent years, the growth in demand in the North of the City has been partially addressed by The Bulwell Academy admitting temporary increases to their admission number in agreement with the Local Authority. However, this option has now been exhausted and there is no remaining physical capacity at this school to admit more pupils.
As an alternative consideration, the option to expand the other two secondary academies in the North of the city (Oakwood and Park Vale Academies) has been explored with the Redhill Academy Trust. The Trust currently has no plan to expand either school, instead, opting to admit over their Pupil Admission Numbers (PANs) to accommodate pupils in their catchment area who may otherwise be without a local school place. They are also both Private Finance Initiative (PFI) schools therefore any expansion project could be protracted and / or costly, and therefore could pose risk in terms of delivering value for money.

34 Disposal of The City Ground, Pavilion Road, Nottingham

Councillor Pavlos Kotsonis returned to the meeting.

Councillor Ethan Radford, Executive Member for Skills, Growth and Economic Development, presented the report on the sale of the site known as 'Land & Buildings situated at Pavilion Road and Trentside and 672 sq. yards or thereabouts, Trentside, West Bridgford, Nottingham'. Cllr Radford confirmed that an agreement had been reached with the tenant, subject to the final agreement of heads of terms, contractual arrangements and due diligence.

The disposal delivers a capital receipt that can be used in line the Council's Capital Strategy but will result in an annual revenue loss which will need to be mitigated. The sale will enable significant redevelopment which will benefit the city and wider area.

During discussion an amendment was agreed to recommendation 2 requiring consultation with the Leader and Deputy Leader should any changes be proposed to the draft heads of terms in relation to restrictive/other covenants /overage.

Resolved to

- (1) declare the site known as 'Land & Buildings situated at Pavilion Road and Trentside and 672 sq. yards or thereabouts, Trentside, West Bridgford, Nottingham' surplus to the Property Trading Account and make the property available for disposal.**
- (2) delegate approval of the final sale terms (Heads of Terms) for the freehold sale of the site to the Corporate Director for Growth and City Development in consultation with the Corporate Director of Finance and Resources (s151 Officer) and in consultation with the Leader and Deputy Leader should any changes be proposed in relation to restrictive/other covenants /overage.**
- (3) delegate the final decision to dispose of the asset to the Corporate Director for Growth & City Development in consultation with the Corporate Director of Finance and Resources (s151 officer) once all required due diligence has been satisfied.**
- (4) To delegate the approval of any required licences/agreements/deeds to ensure completion of the sale to the Director of Economic Development & Property.**

Reasons for decisions:

- To facilitate a sale the assets comprising 'Land & Buildings situated at Pavilion Road and Trentside and 672 sq. yards or thereabouts, Trentside, West Bridgford, Nottingham' will need to be declared surplus to the Property Trading Account and made available for sale on terms to be agreed and approved. If suitable terms are not agreed the assets will remain part of the Property Trading Account.
- Delegating agreement of the final sale terms as documented in the Heads of Terms will allow the disposal to proceed without the need to bring a decision back to the Executive Board. Agreement will be in consultation with the s151

Officer and with the Leader and Deputy Leader should any changes be proposed in relation to restrictive/other covenants /overage.

- The final decision to sell the asset will be delegated to allow the sale to complete when all documentation has been agreed. This decision will only be made following the satisfactory conclusion of all required legal, financial, and commercial due diligence. Such due diligence will include: a. Obtaining independent valuation advice to confirm viability and that the Council has complied with its Best Consideration obligations; b. Any required financial due diligence such as anti-money laundering checks, financial viability checks, purchaser identity checks and any other required due diligence; c. Any additional finance/legal/property due diligence identified during the disposal process.
- The appointment of external specialists to advise on this disposal is key to the Council ensuring the Council meets its Best Consideration obligations, completes the disposal in a timely manner if approved and ensures that all prior due diligence/risk mitigation measures have been completed satisfactorily. External appointments will extend to specialist agency advice and valuation work, externalised legal work, and specialist financial appraisal work if required.
- The delegation of any required licences/agreements/deeds to the Director of Economic Development & Property has been included to ensure the disposal, if approved, progresses at pace.

Other Options considered:

- The Council has considered all available options which include do nothing, extend/re-gear the occupational leases and the recommended option of disposal.
- Do nothing and retain the current arrangement - The option of do nothing would maintain the current landlord and tenant position. The current long lease has circa 37 years to expiry with a rental income received which is subject to upward and downward review which therefore makes it higher risk from a revenue performance perspective.
- The benefits of the 'do nothing' option is:
 - Officer time will be saved by not negotiating with the tenant.
 - The asset becomes more valuable to the Council as the lease moves to expiry as its ability to charge a market rent becomes closer.
 - The Council continues to receive a rental income from the site.
 - Upon expiry of the lease there would be potential redevelopment/disposal options available for the Council as freehold owner although this option is in 37 years and therefore calculation of the benefit to the Council currently cannot feasibly be determined.
- The risks associated with the 'do nothing' option:
 - The tenant has stated that failure to redevelop the property could adversely impact the future viability of the asset and in this scenario the tenant may not undertake the redevelopment and could ultimately look to relocate.
 - Relations with the tenant could breakdown which will impact the ongoing landlord & tenant relationship and may have wider implications for both parties. It is noted that the site sits outside the Nottingham City

- administrative boundary but the economic benefits to the city are realised.
- The tenant may be unable to undertake the significant redevelopment due to funding restrictions associated with a short unexpired lease.
 - The Council's revenue is dependent on tenant performance for the next circa 37 years which represents a risk to income security.
 - The Council could lose the opportunity to secure a longer-term lease agreement on more financially stable terms later.
 - The Council could lose the opportunity to secure a significant capital receipt until lease expiry if a disposal was not progressed.
- Lease Re-Gear: A lease re-gear would result in the surrender of the current lease agreement and simultaneous grant of a long new lease on agreed terms.
 - The benefits of this option are:
 - A lease re-gear could potentially provide a rental income based on market values.
 - The longer lease would enable the tenant to draw down funding to facilitate the redevelopment of the site which would deliver economic benefits to the City.
 - A long lease with secure income with uplifts to market rent could be sold in the future to raise additional capital.
 - The Council maintains an element of control over a significant asset outside the administrative area.
 - The risks of this option are:
 - Agreement requires a willing landlord and tenant, and the tenant has made its position clear that it would only wish to proceed with acquiring the freehold interest.
 - If terms fail to be agreed – this would revert to the risks associated with option 1.
 - Locking the land into a long lease agreement means the Council's control is limited.
 - Agreeing terms of a new lease which cater for re-development/wider use of the site will be complex to agree therefore taking up significant officer time and resulting in higher costs for specialists.
 - The value of the Council's freehold interest would decrease significantly particularly in the event of a 99-year lease or longer being granted.
 - If a premium payment was negotiated the revenue pressure would need to be mitigated.
 - A longer lease would defer any ability for the Council to review its disposal/redevelopment options.

35 Exclusion of the Public

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, 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.

36 Expansion of Bluecoat Wollaton Academy - exempt appendix

Councillor Pavlos Kotsonis left the room for the duration of this item.

Councillor Ethan Radford, Executive Member for Skills Growth, Economic Development and Property, presented the exempt appendix, which was noted by the Board.

37 Disposal of the City Ground, Pavilion Road, Nottingham - exempt appendices

Councillor Pavlos Kotsonis returned to the meeting.

Councillor Neghat Khan, Executive Member for Strategic Regeneration, Transport and Communications, presented the exempt appendix which was noted by the Board.