

NOTTINGHAM CITY COUNCIL

EXECUTIVE BOARD

MINUTES of the meeting held at Loxley House on 21 July 2015 from 2.03 pm - 2.36 pm

Membership

Present

Councillor Graham Chapman (Vice-Chair)
Councillor Alan Clark
Councillor Nick McDonald
Councillor David Mellen
Councillor Alex Norris
Councillor Dave Trimble
Councillor Jane Urquhart
Councillor Sam Webster

Absent

Councillor Jon Collins (Chair)
Councillor Nicola Heaton

Colleagues, partners and others in attendance:

David Bishop	- Deputy Chief Executive/Corporate Director for Development and Growth
Ian Curryer	- Chief Executive
Louise Dobson	- Business Support Officer
Sue Flack	- Director of Planning and Transport
John Kelly	- Corporate Director for Community Services
Debra La Mola	- Head of Democratic Services
Tracy Laxton	- Acting Business Administration Manager
Alison Michalska	- Corporate Director for Children and Adults
Glen O'Connell	- Acting Corporate Director for Resources
Geoff Walker	- Director of Strategic Finance
Keri Usherwood	- Marketing and Communications Manager
Laura Wilson	- Governance Officer
Sarah Wilson	- Chief Elections Officer

Call-in

Unless stated otherwise, all decisions are subject to call-in and cannot be implemented until Thursday 30 July 2015.

8 CHAIR

In the absence of the Chair, Councillor Graham Chapman, took the Chair for the meeting.

9 APOLOGIES FOR ABSENCE

Councillor Jon Collins
Councillor Nicola Heaton

10 DECLARATIONS OF INTERESTS

None

11 MINUTES

The Board confirmed the minutes of the meeting held on 16 June 2015 as a correct record and they were signed by the Chair.

12 TREASURY MANAGEMENT 2014/15 ANNUAL REPORT

The Board considered the Deputy Leader/Portfolio Holder for Resources and Neighbourhood Regeneration's report setting out the 2014/15 performance for the management of the Council's external debt and investments.

RESOLVED to note the Treasury Management performance information for 2014/15, as set out in the report.

Reasons for decisions

The Council adopted the Chartered Institute of Public Finance and Accountancy's (CIPFA) revised Code of Practice on Treasury Management in Local Authorities on 5 March 2012 which requires a formal annual report on the performance of the Treasury Management function.

Other options considered

Options for management of the Council's debt and investment portfolio are continually reviewed. The overall aim is to minimise the net revenue costs of our debt whilst maintaining an even debt profile in future years, and to maximise investment returns within stated security and liquidity guidelines.

13 PRE-AUDIT FINANCIAL REVENUE AND CAPITAL OUTTURN REPORT 2014/15 - KEY DECISION

The Board considered the Deputy Leader/Portfolio Holder for Resources and Neighbourhood Regeneration's report setting out the Council's pre-audit General Fund and Housing Revenue Account (HRA) revenue outturn 2014/15 and Capital Programme.

RESOLVED to

(1) note:

- (a) the pre-audit revenue outturn for 2014/15, including a revenue underspend of £1.459 million after taking into account carry-forwards, which are subject to review by the appropriate Portfolio Holder, as set out in paragraph 2.2 and Appendix A of the report;**
- (b) the management action undertaken to control the identified cost pressures across services, as set out in Appendix B of the report;**

- (c) net General Fund carry forwards of 6.015 million, as set out in paragraph 2.6 and Appendix Aii of the report, subject to endorsement by the appropriate Portfolio Holder;
 - (d) the discretionary rate relief granted in 2014/15, detailed in paragraph 2.11 of the report;
 - (e) the position regarding cost reductions, invest to saves, pressures and big tickets for 2014/15, detailed in paragraph 2.4 of the report;
 - (f) the capital outturn and explanations of variances over £0.100 million, as detailed in Appendix H of the report;
 - (g) the additions to the Capital Programme detailed in Table 10 of the report;
 - (h) the refreshed Capital Programme, including schemes in development, and the unallocated resources of £3.864 million, as set out in paragraph 2.18 (Tables 12 to 14) of the report;
- (2) approve:
- (a) the transfer of the balance of the 2014/15 underspend, subject to finalisation of the audit, to:
 - (i) support the extension of the Nottingham Jobs Fund (£0.541 million) to enable a further 400 jobs to be created; and
 - (ii) create an inward investment fund (£0.750 million);
 - (b) the movements of resources, set out in paragraph 2.5 and Appendix D of the report;
 - (c) the net movement to earmarked reserves, as set out on paragraph 2.7 and Appendix E of the report;
 - (d) the HRA outturn for 2014/15, as set out in paragraph 2.8 and Appendix F of the report;
 - (e) write-offs in excess of £10,000, totalling £0.968 million, where all options for recovery have been exhausted, as set out in paragraph 2.10 of the report;
 - (f) the extension of the rolling capital scheme, as set out in paragraph 2.17 (Table 11) of the report.
- (3) note and endorse the allocations from the corporate contingency, as set out in paragraph 2.3 of the report.

Reasons for decisions

To enable formal monitoring of progress against the 2014/15 budget, and the impact of actual and planned management action.

To approve the virements of budgets, as required by corporate financial procedures.

Other options considered

No other options were considered as the Council is required to ensure that, at a corporate level, expenditure and income are kept within approved budget levels.

14 NOTTINGHAM JOBS FUND 2015-6 - KEY DECISION

The Board considered the Portfolio Holder for Jobs, Growth and Transport's report requesting funding to ensure that the Nottingham Jobs Fund can continue, and

detailing the change in wage subsidy to employers to a flat rate so that funding can stretch further and increase the number of beneficiaries.

RESOLVED to

- (1) approve the extension of the Nottingham Jobs Fund to enable a further 400 jobs to be created;**
- (2) allocate £637,491 to the programme for 2015/16, and £758,829 for 2016/17 (ongoing placement cost), giving a total of £1,396,320, noting that this includes £0.541million allocated for the scheme in minute 13 above.**

Reasons for decisions

The 2014/15 Nottingham Jobs Fund has been fully allocated and more funding is required to ensure the continued success of the programme.

The new funding will help local employers create 400 jobs opportunities for long-term unemployed residents in the City.

Other options considered

Not providing additional funding was rejected as many local residents are still having difficulties gaining employment and the need for job opportunities to be created and targeted at priority groups is still required. Some businesses need financial support to expand their workforce which creates the opportunities.

Continuing with the current funding model was rejected as the funding has come to an end.

15 CARRINGTON STREET AREA TOWNSCAPE HERITAGE PROJECT - KEY DECISION

The Board considered the Portfolio Holder for Jobs, Growth and Transport's report seeking approval to proceed with the Heritage Lottery Fund Stage Two bid for the development of the Carrington Street Area Townscape Heritage Project to improve the physical appearance of the buildings and support regeneration of the historic area.

RESOLVED to

- (1) approve the submission of the Stage Two Heritage Lottery Fund bid to seek funding to the value of £682,450 and delegate authority to the Deputy Chief Executive/Corporate Director for Development and Growth to accept the grant if the bid is successful;**
- (2) agree to the City Council providing match funding of £373,375, detailed in Appendix D of the report, to be managed through the identified funding below, noting that further approval will be sought for between 25% and 45% match funding contributions if grant assistance is taken up for capital works to buildings owned by the City Council:**

<u>Capital</u>	
Works to properties in the Townscape Heritage area	£1,270,100
<u>Revenue</u>	
Running costs (over 5 years)	£202,700
TOTAL COST	<u>£1,472,800</u>

Financed by:

Heritage Lottery Fund grant	£682,450
Property owners match contribution	£416,975
Good to Great resources	£50,000
Existing Development Management revenue budget (over 5 years)	£323,375

- (3) delegate authority to the Deputy Chief Executive/Corporate Director for Development and Growth, in consultation with the Portfolio Holder for Jobs, Growth and Transport, to approve grants up to the value of £200,000 for capital works on buildings within the designated area, as detailed in Appendix A of the report;**
- (4) delegate authority to the Head of Development Management to approve spend and enter into any contracts that relate to the activities outlined within the activity statement in Appendix B of the report;**
- (5) approve the budget of £131,000 to appoint a Townscape Heritage Project Manager, as outlined in Appendix E of the report, noting that a separate staffing decision will be taken to establish the post.**

Reasons for decisions

The project will improve the physical appearance of buildings in the area and support the regeneration of an economically disadvantaged historic area, for the benefit of local residents, workers and visitors.

The buildings in the area are in need of investment and improvement and the project will help to encourage property owners to restore the heritage character of their buildings.

Private owners have expressed strong interest in grant funding of between 60% and 75% and discussions have confirmed that the grant would comfortably be spent.

Other options considered

Not submitting the Stage Two bid was rejected as the Council already passed the first round and failure to submit the bid would prevent an award of £682,450 grant funding.

16 ELECTORAL REGISTER - RESIDENCY TEST FOR ACCESS TO SERVICES

The Board considered the Deputy Leader/Portfolio Holder for Resources and Neighbourhood Regeneration's report proposing that, to address the residency test for access to services to City residents and support the Electoral Registration Officer (ERO) in promoting electoral registration and reduce costs, any existing residency tests that are normally applicable (or ones that might be in the future) should be that, as a minimum, the applicant is on the electoral register (if they are eligible).

The Board discussed the high student population in the City and the impact this has on the electoral register. To tackle this, it was agreed that the Chief Executive will discuss how students can be encouraged to register in Nottingham with the Vice-Chancellors of the universities.

RESOLVED to

- (1) agree that, where it is legally possible and practicable to do so, any existing test for residency within the City made at the point of application for Council services shall be that, as a minimum, the applicant is on the electoral register for the City, is eligible to be so;**
- (2) agree that, where it is legally possible and practicable to do so, a test for residency within the City also be applied at the point of application for Council services where currently there is no check that the applicant resides in the City, or at a specific address within the City, and it shall be that, as a minimum, the applicant is on the electoral register for the City, if eligible to be so;**
- (3) agree that the Leader of the Council approves the final list of services that the policy will apply to;**
- (4) agree that the residency test is implemented from 1 September 2015, with corporate and service specific communications on this issue being undertaken as soon as possible to alert City residents to this change;**
- (5) note that it is anticipated that existing government funding for Individual Electoral Registration (IER) will meet the cost of any additional temporary staff resource in Electoral Services, and for corporate and service specific communications to launch implementation of the electoral register residency check during the period of the canvass, but agree that any shortfall will be met from contingency;**
- (6) note that the first annual canvass under IER will commence with the delivery of Household Enquiry Forms to all City addresses during the week beginning 3 August 2015, and that this will run alongside promotion of electoral registration through engagement channels and activity as determined by the ERO;**

- (7) agree that the Chief Executive will discuss how students can be encouraged to register in Nottingham with the Vice-Chancellors of the universities.**

Reasons for decisions

To standardise and simplify residency tests that are applied to the provision of services for City residents and facilitate sustainable improvements in electoral registration in the City, which will support democratic participation and a reduction in the increasing costs of meeting the legislative requirements of IER.

Other options considered

Not introducing the changes to residency tests was rejected as it would not achieve any simplification of residency tests or ensure a greater focus on City services for City residents. Also, reliance on electoral registration engagement activity and ensuring that the statutory requirements of the canvass are met may not achieve the change in electoral registration that is necessary to ensure the ongoing completeness and accuracy of register, or to reduce the growing costs of electoral registration which may or may not be funded by Central Government from 2016/17.

Delaying implementation of the residency check until 1 December 2015 was rejected as this is after the register has been published and unregistered citizens may wait until they are denied access to services before they register to vote.

17 ROYAL CENTRE TRANSFORMATION PROJECT - ARTS COUNCIL BID - KEY DECISION

The Board considered the Portfolio Holder for Leisure and Culture's report seeking approval to proceed with the Arts Council England Stage Two bid to improve the facilities of the Theatre Royal and Royal Concert Hall to increase day time usage and continue attracting world class events.

RESOLVED

- (1) to submit a Stage Two bid to Arts Council England for the Royal Centre Transformation Project;**
- (2) to delegate authority to the Corporate Director for Community Services to accept any funding from Arts Council England and sign the associated Funding Agreement;**
- (3) to commit £328,000 for the project and design team fees for the remainder of the project, and delegate authority to the Corporate Director for Community Services to extend appointments and enter any further agreements to appoint the project and design team as required;**
- (4) subject to the Arts Council England bid being successful, to:
 - (a) approve a Council contribution of £1.73 million as match funding for the Royal Centre Transformation Project;****

- (b) amend the Capital Programme to include the Royal Centre Transformation Project;**
- (c) procure a building contractor and delegate authority to the Corporate Director for Community Services to enter into a contract up to the value of £2.893 million.**

Reasons for decisions

To apply for the remaining £1.491 million of a total application of £1.608 million towards the £3.2 million transformation project.

Extending the appointments of the project team will allow the project to continue over the evaluation period, prepare for the procurement of a building contractor and prepare for enabling works to take place in the Box Office and Kiosk. A second extension will cover the period from the announcement for the remainder of the project if the scheme progresses.

Adding the scheme to the Capital Programme will commit the Council to funding its share of the development costs.

Other options considered

Not submitting the Stage Two bid was rejected as it would mean that abortive costs will have been incurred and the opportunity to secure the external funding to improve the Theatre Royal and Royal Concert Hall would be lost, along with the chance to increase its financial resilience.

18 NOTTINGHAM CASTLE AND FUTURE MANAGEMENT ARRANGEMENTS FOR THE MUSEUM AND GALLERY SERVICES - KEY DECISION

The Board considered the Portfolio Holder for Leisure and Culture's report seeking approval to transfer the management of Nottingham Castle to a not for profit organisation, such as a Trust, and retaining the management of the remaining Museum and Gallery services in-house, in line with Focus Consultants Options Appraisal report commissioned as a result of the previous report on the management of Nottingham Castle and Heritage Lottery Fund bid considered by Executive Board on 19 November 2013.

RESOLVED to

- (1) note that transferring the management of Nottingham Castle to a not for profit organisation is, in part, to support the current Stage Two Heritage Lottery Fund bid work for the development of Nottingham Castle, the largest heritage development project in the UK;**
- (2) approve commencing a process of transfer for Nottingham Castle to a suitable not for profit organisation(s), to become the future management operator, and to retain the rest of the Museum and Gallery Service in-house;**

- (3) approve the development of a Full Business Case (FBC) to support the transfer process and to report back to Executive Board if the option agreed falls outside of the Council's current Medium Term Financial Plan;**
- (4) grant dispensation from Contract Procedure Rule 5.1.2, in accordance with Financial Regulation 3.29, to appoint specialist advisers for legal, finance and VAT, as required to support the development of the FBC and the operator selector process, including the required full contract and legal documentation;**
- (5) delegate authority to the Corporate Director for Community Services, in liaison with the Portfolio Holder for Leisure and Culture, to negotiate suitable lease, contract and terms and conditions with the selected organisation(s) to best support the long-term sustainability of the City's cultural offer and best protect Nottingham City Council's and citizens interests;**
- (6) commit up to £0.150 million as funding towards supporting the FBC and selection process, and the appointment of specialist advisers, as set out in the exempt appendix and section 5 of the report;**
- (7) note that through any negotiations, ownership of Nottingham Castle and its museum collections displayed within, remain the property of Nottingham City Council on behalf of its citizens.**

Reasons for decisions

To enable the authority to implement the changes recommended in the Options Appraisal commissioned from Focus Consultants Limited to assist the Council determine the most cost and tax efficient future delivery models for the operational management of the Council's current Museum and Gallery Service.

Other options considered

The Options Appraisal considered a wide range of ways the service could be managed including:

1. remaining in-house;
2. transferring all of the Museum and Gallery Service to a not for profit organisation;
3. transferring Nottingham Castle to a not for profit organisation and retain the rest of the Museum and Gallery Service in-house;
4. integrating with an existing third party/established Trust;
5. contracting out to a commercial private sector provider.

All of the options were scored against a detailed list of criteria and all, except the preferred option (3), were rejected as they did not meet the Council's requirements.

19 APPOINTMENT OF CONCESSION OPERATOR FOR NOTTINGHAM CITY CAVES - KEY DECISION

The Board considered the Portfolio Holder for Leisure and Culture's report requesting agreement for the continuation of the Egalitarian Trust managing the Nottingham City of Caves on behalf of Nottingham City Council, and granting them a 20 year lease to enable them to undertake future investment and development of the attraction.

RESOLVED to

- (1) grant dispensation from Contract Procedure Rule 5.1.2, in accordance with Financial Regulation 3.29, to enable the appointment of the Egalitarian Trust to take place outside of the Council's standard procurement and tendering procedures for the selection of a management operator, due to the linked interdependence of the Galleries of Justice attraction and operation of that to the City of Caves attraction;**
- (2) delegate authority to the Director of Sport and Culture, in consultation with the Portfolio Holder for Leisure and Culture, and Deputy Leader/Portfolio Holder for Resources and Neighbourhood Regeneration, to agree terms and complete a 20 year lease with the Egalitarian Trust in respect of the City of Caves attraction;**
- (3) agree that a base annual income rental, reviewed every five years, along with an agreed profit share is received by the City Council, on the terms set out in the exempt appendix.**

Reasons for recommendations

The Egalitarian Trust has, for the last seven years, started to create a resilient business model to help sustain its heritage operation. The income from the City of Caves attraction has been a key cornerstone for the Trust in this transition.

The City of Caves attraction has benefited from being linked to the Galleries of Justice and its professional teams to better articulate the caves history and the role caves played in the emergence of early Nottingham from around 900 AD.

Granting a long-term lease will enable the Trust to invest in the sites and also approach heritage bodies, and other Trusts and Foundations, to secure funding to further develop the offer.

Other options considered

The City of Caves attraction being managed by the owners of the Broadmarsh Centre was rejected as they did not see this as part of their core business.

Offering the management of the City of Caves attraction out to market as an open competitive tender was rejected because of the uncertainty around the development works needed to take place at the Broadmarsh Centre, and the well-established inter-linkage of the caves offer to the award winning Galleries of Justice attraction.

20 EXCLUSION OF THE PUBLIC

RESOLVED to exclude the public from the meeting during consideration of the remaining item in accordance with section 100a(4) of the Local Government Act 1972 on the basis that, having regard to all the circumstances, the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

21 ROYAL CENTRE TRANSFORMATION PROJECT - ARTS COUNCIL BID - KEY DECISION - EXEMPT APPENDIX

The Board considered the exempt appendix to the Portfolio Holder for Leisure and Culture's report.

RESOLVED to note the information contained within the exempt appendix.

Reasons for decisions

As detailed in minute 17.

Other options considered

As detailed in minute 17.

22 NOTTINGHAM CASTLE AND FUTURE MANAGEMENT ARRANGEMENTS FOR THE MUSEUM AND GALLERY SERVICES - KEY DECISION - EXEMPT APPENDIX

The Board considered the exempt appendix to the Portfolio Holder for Leisure and Culture's report.

RESOLVED to note the information contained within the exempt appendix.

Reasons for decisions

As detailed in minute 18.

Other options considered

As detailed in minute 18.

23 APPOINTMENT OF CONCESSION OPERATOR FOR NOTTINGHAM CITY CAVES - KEY DECISION - EXEMPT APPENDIX

The Board considered the exempt appendix to the Portfolio Holder for Leisure and Culture's report.

RESOLVED to note the information contained within the exempt appendix.

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Reasons for decisions

As detailed in minute 19.

Other options considered

As detailed in minute 19.

24 DEVELOPMENT OF COMMERCIAL OPTIONS FOR WASTE AND ENERGY - KEY DECISION

The Board considered the Deputy Leader/Portfolio Holder for Resources and Neighbourhood Regeneration and Portfolio Holder for Energy and Sustainability's exempt report.

RESOLVED to approve the recommendations in the report.

Reasons for decisions

As detailed in the report.

Other options considered

As detailed in the report.

25 COMMERCIAL OPPORTUNITY FOR FLEET SERVICES - KEY DECISION

The Board considered the Portfolio Holder for Jobs, Growth and Transport's exempt report.

RESOLVED to approve the recommendations in the report.

Reasons for decisions

As detailed in the report.

Other options considered

As detailed in the report.