

## NOTTINGHAM CITY COUNCIL

### EXECUTIVE BOARD

#### MINUTES of the meeting held at Loxley House on 25 February 2014 from 2.01 pm to 2.37 pm

	<b>Portfolio</b>
Councillor Jon Collins (Chair)	Leader/Strategic Regeneration and Community Safety
✓ Councillor Graham Chapman (Vice Chair)	Deputy Leader/Resources and Neighbourhood Regeneration
✓ Councillor Alan Clark	Energy and Sustainability
✓ Councillor Nicola Heaton	Community Services
✓ Councillor Dave Liversidge	Commissioning and Voluntary Sector
✓ Councillor Nick McDonald	Jobs and Growth (minutes 111-117)
✓ Councillor David Mellen	Children's Services
✓ Councillor Alex Norris	Adults and Health
✓ Councillor David Trimble	Leisure and Culture
✓ Councillor Jane Urquhart	Planning and Transportation

✓ indicates present at meeting

#### Colleagues, partners and others in attendance:

Claire Brown	- Customer Access Programme Manager
Mark Gannon	- Director of IT
John Kelly	- Corporate Director for Communities
Alison Michalska	- Corporate Director for Children and Adults
Carole Mills	- Deputy Chief Executive/Corporate Director for Resources
Adam Pickering	- Political Assistant to the Conservative Group
Keri Usherwood	- Marketing and Communications Manager
Laura Wilson	- Constitutional Services Officer
Rebecca Wilson	- Political Assistant to the Labour Group

#### Call-in

Unless stated otherwise, all decisions are subject to call-in and cannot be implemented until Monday 10 March 2014.

#### 108 APOLOGIES FOR ABSENCE

Councillor Jon Collins (other Council business)  
Councillor Nicola Heaton (leave)

David Bishop

#### 109 DECLARATIONS OF INTERESTS

None

## **110 MINUTES**

The Board confirmed the minutes of the meeting held on 21 January 2014 as a correct record and they were signed by the Chair.

## **111 NOTTINGHAM CITY COUNCIL PROCUREMENT STRATEGY - KEY DECISION**

The Board considered the Portfolio Holders for Jobs and Growth and Commissioning and Voluntary Sector's report detailing the new Nottingham City Council Procurement Strategy which:

- provides clear messages to all organisations wishing to work with/deliver business on behalf of Nottingham City Council;
- sets out how Nottingham City Council's spending power, through procurement, will be used to drive new targets for the top priorities:
  - increase investment with local organisations;
  - create jobs;
  - support early intervention and value for money service for vulnerable citizens;
  - support the green agenda;
- creates a revenue stream to support the Nottingham Jobs Fund and Employer Hub;
- reviews procurement governance to increase Councillor and citizen influence;
- ensures that the procurement function and processes are aligned in the best way to deliver the Strategy.

**RESOLVED to approve the Nottingham City Council Procurement Strategy and its targets.**

### Reasons for decisions

The Strategy is a robust and efficient model for procuring goods and services and enables the delivery of strategic priorities. It ensures a focus on:

- maximising procurement capability and improving procurement processes in terms of efficiency and effectiveness in delivering priority outcomes;
- maximising spending power impact to support growth, including small and medium sized enterprises, through greater local investment and securing more local jobs;
- ensuring that return on investment delivers social and environmental benefits for the City;
- developing strategic, collaborative and commercial relationships with suppliers and key partners.

It will use the Council's spending power to drive Nottingham's aspirations through being citizen focused, maximising savings and delivering economic, social and environmental benefits.

It also sets the framework to ensure that procurement delivers value for money across all services and directly contributes to the achievement of corporate priorities in line with the Nottingham Plan and the Growth Plan.

Other options considered

Doing nothing was rejected because the current Procurement Strategy is out of date and the new Strategy is required to respond to the Nottingham Growth Plan.

Establishing a Commissioning and Procurement Strategy was considered but it was felt that this would be the next step as current work is focusing on a consistent approach for procurement throughout the Council across all spend areas.

**112 TREASURY MANAGEMENT 2014/15 STRATEGY**

This decision is not subject to call-in as Councillor Brian Parbutt, Chair of the Overview and Scrutiny Committee, has agreed that the decision is reasonable in all the circumstances and should be treated as a matter of urgency as the Council's budget has to be approved at the Full Council meeting on 3 March 2014 (which is before the call-in period has ended).

The Board considered the Deputy Leader/Portfolio Holder for Resources and Neighbourhood Regeneration's report detailing the Treasury Management and Investment strategies for 2014/15, including the debt repayment strategy.

**RESOLVED to endorse and recommend for approval by the City Council at its meeting on 3 March 2014 the overall Treasury Management Strategy for 2014/15 as detailed in Annex 1 of the report and, in particular:**

- **the strategy for debt repayment (Minimum Revenue Provision) in 2014/15 as detailed in section 5 of Annex 1 of the report;**
- **the Housing Revenue Account Treasury Management Strategy for 2014/15 as detailed in section 6 of Annex 1 of the report;**
- **the Investment Strategy for 2014/15 as detailed in section 7 of Annex 1 of the report;**
- **the prudential indicators and limits from 2013/14 to 2016/17 as detailed in Appendix A within Annex 1 of the report.**

Reasons for decisions

To comply with:

- Financial Regulations an the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management by submitting a policy and strategy statement for the ensuing financial year;
- guidance issued by the Secretary of State under section 15(1) (a) of the Local Government Act 2003 in approving, at Council, an Annual Investment Strategy before 1 April;
- guidance issued by the Secretary of State under the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 which requires the preparation of an annual statement of the Council's policy on making a Minimum Revenue Provisions for the repayment of debt.

Other options considered

Options for the management of the Council's debt and investment portfolio are continually reviewed. The overall aim is to minimise the net revenue costs of the debt

whilst maintaining an even debt maturity profile in future years, and to maximise investment returns within stated security and liquidity guidelines.

### **113 MEDIUM TERM FINANCIAL PLAN 2014/15 - 2016/17 - KEY DECISION**

This decision is not subject to call-in as Councillor Brian Parbutt, Chair of the Overview and Scrutiny Committee, has agreed that the decision is reasonable in all the circumstances and should be treated as a matter of urgency as the Council's budget has to be approved at the Full Council meeting on 3 March 2014 (which is before the call-in period has ended).

The Board considered the Deputy Leader/Portfolio Holder for Resources and Neighbourhood Regeneration's report presenting the Council's Medium Term Financial Plan (MTFP) for 2014/15 - 2016/17 and the statutory calculation for the Council's 2014/15 revenue budget requirement and the steps needed to set the Council Tax level for approval at the meeting of the City Council in March.

An addendum to Annex 4 of the report detailing the rent setting consultation summary results was circulated in advance of the meeting.

#### **RESOLVED**

- (1) for the 2013/14 Budget (Annex 1 of the report) to:**
  - (a) note the current forecast outturn for the 2013/14 General Fund and Housing Revenue Account (HRA) revenue budgets and capital programmes as detailed within Annex 1 of the report;**
  - (b) endorse the allocations from Contingency as set out in Table 1D of Annex 1 of the report;**
  - (c) approve the budget virements and reserve movements set out in Table 3 and Appendices C and D of Annex 1 of the report;**
  
- (2) for the MTFP 2014/15 - 2016/17 - Overall and Focus on Revenue Element (Annex 2 of the report) to:**
  - (a) note:**
    - (i) the General fund revenue aspects of the MTFP as set out in Annex 2 of the report;**
    - (ii) that the Fire Authority have not formally approved their final Council Tax increases and that the final precepts will be confirmed prior to the City Council meeting on 3 March 2014;**
  - (b) note, endorse and recommend to City Council and, in so doing, specifically incorporate the statutory determinations set out in section 4 of the report:**
    - (i) the General Fund net budget requirement for 2014/15 of £277.230 million;**
    - (ii) a basic amount of Council Tax level (Band D) of £1,431.80 that will raise a total of £85.835 million (an increase of 1.95%);**

- (iii) **delegating authority to the appropriate Directors to implement all proposals after undertaking any necessary consultation;**
- (3) for the MTFP 2014/15 - 2016/17 – Capital Programme Element (Annex 3 of the report) to:**
  - (a) note, endorse and recommend to City Council the Capital Programme as detailed in Appendix D of Annex 3 of the report;**
  - (b) approve the £2.140 million for district heating pipes as detailed in Annex 3 of the report;**
- (4) for the MTFP 2014/15 - 2015/16 - HRA Element (Annex 4 of the report) to:**
  - (a) approve, with effect from 31 March 2014 (subject to consultation):**
    - (i) an average increase in rent levels for all Council owned dwellings within the HRA of 7.50%;**
    - (ii) an increase in service and heating charges of 3.2%;**
    - (iii) an increase in the service charge for independent living of 3.2%;**
    - (iv) an increase in weekly garage rents of £0.25 per week (52 week basis);**
    - (v) an increase in the Emergency Alarm charge of £0.080 per week (52 week basis);**
  - (b) approve the:**
    - (i) cost pressures totalling £0.981 million as detailed in Annex of the report;**
    - (ii) HRA working balance to be set at £4.000 million;**
    - (iii) Public Sector Capital Programme as set out in Appendix B of Annex 4 of the report;**
    - (iv) maintenance of a capital allowance to avoid pooling of receipts generated from HRA land and building sales to be used to fund affordable housing and regeneration schemes as set out in Annex 4 of the report;**
  - (c) agree in principal to the introduction of a tenant reward scheme to be implemented in 2014/15 as set out in Annex 4 of the report, subject to ongoing consultation;**
  - (d) note, endorse and recommend to City Council the 2014/15 HRA budget as set out in Appendix A of Annex 4 of the report;**
- (5) to note and endorse the recommendations of the Chief Finance Officer in respect of the robustness of the estimates made for the purpose of all aspects of the budget calculations and the adequacy of reserves as detailed in Annex 5 of the report;**
- (6) to note the outcomes of the budget consultation and communication as detailed in Annex 6 of the report;**
- (7) to delegate authority to the Deputy Chief Executive/Corporate Director for Resources, in consultation with the Deputy Leader/Portfolio Holder for Resources and Neighbourhood Regeneration, to finalise the MTFP for**

**publication following the approval of the relevant elements of the budget by City Council.**

Reasons for decisions

To enable the Board to approve rent increases and endorse and recommend the MTFP 2014/15 - 2016/17 to the City Council for consideration on 3 March 2014 when it meets to set the budget and Council Tax for 2014/15.

Other options considered

A large number of individual cost reductions, income levels and investment options are considered throughout the budget process which, in turn, impacts on the level of reserves. The final overall package of detailed proposals which seek to balance levels of investment, cost reduction and an appropriate level of income are presented in the report.

The Council could have accepted the offer of a Council Tax Freeze Grant from the Government for 2014/15, which would have reduced the proposed Band D Council Tax increase of £1.95% to 0% in 2014/15 but this would have added an on-going net pressure of £0.568 million.

The options for increasing rents have been considered to mitigate the impact on tenants balanced against protecting investment in the stock to meet tenant priorities. Tenants have been consulted on the preferred option of a 7.5% rent increase with the introduction of a tenant reward scheme for responsible tenants (equating to a 4.68% increase for responsible tenants) or a flat rate increase of 5.48% in line with the existing rent policy.

**114 CUSTOMER ACCESS PROGRAMME - BUSINESS CASE - KEY DECISION**

The Board considered the Portfolio Holder for Community Services' report detailing the business case for a Customer Access Programme which recommends the establishment of a consolidated Customer Service function which will deliver front line services through a single management structure across all customer facing sites.

**RESOLVED to**

- (1) agree the business case to allow the Customer Access Programme to progress to design and implementation;**
- (2) agree the following:**
  - (a) total expenditure of £4.206 million over years 1-4 of the programme:**
    - £2 million one off funding from the IT Efficiency Fund;**
    - £2.206 million to be funded from the savings delivered by the programme;**
  - (b) a capital one off expenditure being added to the Capital Programme once the amount is known;**

- (c) **net potential savings totalling £1.973 million per annum from year 4 onwards.**

Reasons for decisions

The business case shows that there is a need for change as the current structure of Customer Services does not support the Citizens at the Heart agenda and leads to:

- variable/disjointed/inconsistent provision of Customer Services across all access points;
- duplication of processes, effort, data and costs;
- no co-ordinated understanding of customer needs underpinned by performance data;
- no strategy for customer contact or channel shift;
- no customer contact function owning the relationship with customers;
- creating unnecessary demand and cost and making the customer journey confusing;
- no easy way to deliver services to customers with partner agencies;
- missed opportunities.

The Programme contains structural, cultural and technical improvements which address the issues and design services around the needs of the customer whilst also making efficiency savings.

Other options considered

No other options were considered as the business case builds on the decision taken by the Board on 18 June 2013.

**115 REPLACEMENT OF THE EXISTING CITY-WIDE FLEET OF MULTI FUNCTIONAL DEVICES (MFDs) AND THE LOXLEY HOUSE PRINT ROOM MACHINES - KEY DECISION**

The Board considered the Deputy Leader/Portfolio Holder for Resources and Neighbourhood Regeneration's report setting out the new contractual arrangements for the replacement of the existing city-wide fleet of MFDs and the Loxley House Print Room machines, with projected savings of £1.2 million over the next 5 years.

**RESOLVED to**

- (1) **approve the Official Journal of the European Union (OJEU) procurement approach for the replacement of the existing city-wide fleet of MFDs and the Loxley House Print Room machines;**
- (2) **delegate authority to the Deputy Chief Executive/Corporate Director for Resources, in consultation with the Deputy Leader/Portfolio Holder for Resources and Neighbourhood Regeneration, to enter into contractual relationships with suppliers to supply and maintain the city-wide fleet of MFDs and Loxley House Print Room equipment.**

Reasons for decisions

To enable the Council to make savings and replace the existing city-wide fleet of MFDs and the Loxley House Print Room machines, as the Print Room machines are out of contract and so are the majority of the MFDs.

Other options considered

Marketing via the Government Procurement Service framework was rejected as it would restrict the number of suppliers that would be able to participate in the tendering process, including City suppliers.

**116 EXCLUSION OF THE PUBLIC**

The Board decided to exclude the public from the meeting during consideration of the remaining agenda item in accordance with Section 100A(4) of the Local Government Act 1972 on that basis that, having regard to all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

**117 REPLACEMENT OF THE EXISTING CITY-WIDE FLEET OF MULTI FUNCTIONAL DEVICES (MFDs) AND THE LOXLEY HOUSE PRINT ROOM MACHINES - KEY DECISION - EXEMPT APPENDIX**

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

**RESOLVED to note the information contained within the appendix.**

Reasons for decisions

As detailed in the report.

Other options considered

As detailed in the report.