

## NOTTINGHAM CITY COUNCIL

### EXECUTIVE BOARD

**MINUTES of the meeting held at Ground Floor Committee Room - Loxley House, Station Street, Nottingham, NG2 3NG on 21 February 2017 from 14.01 - 14.23**

#### **Membership**

##### Present

Councillor Jon Collins (Chair)  
Councillor Nicola Heaton  
Councillor David Mellen  
Councillor Alex Norris  
Councillor Dave Trimble  
Councillor Jane Urquhart  
Councillor Sam Webster

##### Absent

Councillor Graham Chapman (Vice Chair)  
Councillor Alan Clark  
Councillor Nick McDonald

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

David Bishop	- Deputy Chief Executive/Corporate Director for Development and Growth
Theresa Channell	- Head of Strategic Finance
Alison Michalska	- Corporate Director for Children and Adults
Glen O'Connell	- Corporate Director for Resilience
Keri Usherwood	- Marketing and Communications Manager
Andy Vaughan	- Corporate Director for Commercial and Operations
Adam Volz	- Political Assistant
Geoff Walker	- Director of Strategic Finance
James Welbourn	- Governance Officer
Rebecca Wilson	- Executive Officer to the Leader

#### **Call-in**

Unless stated otherwise, all decisions are subject to call-in and cannot be implemented until **3 March 2017**.

#### **68 APOLOGIES FOR ABSENCE**

Councillor Graham Chapman	
Councillor Alan Clark	- personal reasons
Councillor Nick McDonald	- work commitments
Candida Brudenell	- work commitments
Ian Curryer	- annual leave

**69 DECLARATIONS OF INTERESTS**

None.

**70 MINUTES**

The minutes of the meeting held on 17 January were agreed as a true record and signed by the Chair.

**71 MEDIUM TERM FINANCIAL PLAN (MTFP) 2017/18 – 2019/20**

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 budget has to be approved at the Full Council meeting on 6 March 2017, and the report despatch date is before the call-in period has ended.

The Leader of the Council presented the Medium Term Financial Plan (MTFP), which comprised both the revenue and capital programme for the General Fund and Housing Revenue Account (HRA).

**RESOLVED:**

- (1) in relation to the 2016/17 Forecast Outturn (Annex 1 of the report):**
  - (a) to note the current forecast outturn for the 2016/17 General Fund and HRA revenue budgets and capital programmes;**
  - (b) to endorse the allocations from Contingency as set out in Table 1B;**
  - (c) to approve the budget virements and reserve movements set out in Table 3 and Appendices B and C;**
- (2) in relation to the MTFP 2017/18 – 2019/20 Revenue Element (Annex 2 of the report):**
  - (a) to note:**
    - i. The General Fund revenue aspects of the MTFP;**
    - ii. That, at the time of dispatch of this report, the Fire Authority had not formally approved their final council tax increases. The final precepts will be confirmed prior to the City Council meeting on 6 March 2017;**
  - (b) to note, endorse and recommend to City Council:**
    - i. The General Fund net budget requirement for 2017/18 of £238.544m including the net movement in earmarked reserves as set out in Appendix A;**
    - ii. A basic amount of Council Tax level (Band D) of £1,593.03 that will raise a total of £100.947m (an increase of 4.99% consisting of 1.99% basic increase and 3.00% Adult Social Care Precept)**
    - iii. Delegated authority to the appropriate Director to implement all proposals after undertaking necessary consultation;**
  - (c) to approve the delegation of authority to the Strategic Director of Finance to make any necessary adjustments as a result of the final settlement;**

- (3) in relation to the MTFP 2016/17 – 2021/22 Capital Programme Element (Annex 3 of the report), Executive Board to note, endorse and recommend to City Council:**

  - (a) the Capital Programme as detailed in Appendix D;**
  - (b) the additional key principle for the governance and management of the capital programme as set out in Section 5 and Section 8;**
  - (c) the extension of the rolling programmes as set out in revised General Fund Capital Programme Table 3;**
  - (d) the revised Local Transport Programme as set out in Appendix C;**
- (4) in relation to the MTFP 2017/18 – 2020/21 HRA Element (Annex 4 of the report):**

  - (a) to note the implications of the Housing and Planning Act 2006 and the Welfare Reform and Work Act 2016. The changes that impact on the HRA's financial sustainability include:**
    - i. Reduction of social housing rents by 1% for four years from April 2016;**
    - ii. Sale of 'Higher value' assets levy (this has been deferred to 2018/19);**
    - iii. Changes to Housing Benefit; to cap it at the Local Housing Allowance level from April 2018 for general needs tenancies and April 2019 for supported accommodation tenancies;**
    - iv. Introduction of a requirement to prevent councils offering new tenancies longer than Page 4 five years in most circumstances. To be introduced from Autumn 2017;**
    - v. "Pay to Stay" – increased rents for higher income households with finance raised going to HM Treasury – this is no longer compulsory (Ministerial announcement November 2016);**
  - (b) to approve the:**
    - i. Proposed rent decrease of 1.0% for 2017/18;**
    - ii. Continuation of the tenant incentive scheme of up to £100 per tenancy per annum;**
    - iii. An increase in the estate and block maintenance service charges of £0.77 per week;**
    - iv. All other service charges increased by 1%;**
    - v. A sustainable working balance of £4m;**
    - vi. Delegation of authority to Nottingham City Homes (NCH) to award capital contracts up to the value of the scheme/programme as set out in Appendix B of Annex 4 of the report;**
  - (c) to note, endorse and recommend to City Council the 2017/18 HRA budget;**
- (5) in relation to the Robustness of the Budget (Annex 5 of the report), to note and endorse the recommendations of the Chief Finance Officer (CFO) in respect of the robustness of the estimates within the budget and the adequacy of reserves;**
- (6) in relation to the Budget Consultation 2017/18 (Annex 6 of the report), to note the outcomes of the budget consultation and communication;**

- (7) to delegate authority to the Strategic Director of Finance, in consultation with the Deputy Leader, to finalise the MTFP for publication following approval of the relevant elements of the budget by City Council.**

Reasons for Decisions

To enable Executive Board to approve rent reductions and make recommendations to City Council for consideration on 6 March 2017 when they meet to set the budget and council tax for 2017/18.

Other Options Considered

Throughout the budget process, a large number of individual cost reduction, income and investment options are considered. These in turn impact on the level of reserves. This is a complex process with many iterations and possibilities too numerous to present as discrete options. This report presented the final overall package of detailed proposals which together sought to balance levels of investment, cost reduction and an appropriate level of income.

**72 SCHOOL ADMISSION ARRANGEMENTS 2018/19 FOR COMMUNITY SCHOOLS - KEY DECISION**

The Portfolio Holder for Education, Employment and Skills presented a report on School Admission Arrangements in 2018/19 for community schools.

The proposed admission arrangements for the 2018/19 school year are unchanged from those approved for the 2017/18 school year, to ensure fair access to school places and to give priority to local children.

**RESOLVED to approve the Local Authority's proposed admission arrangements for the 2018/19 school year for community schools, which are unchanged from those approved for the 2017/18 school year.**

Reasons for decision

No changes were made from the 2017/18 arrangements so that they could remain in place for the 2018/19 school year.

Maintaining the Local Authority's 2017/18 admission arrangements enables to Local Authority to monitor the operation of the minor changes that were made to the 2016/17 arrangements, along with the arrangements of all admission authorities, including those of newly formed academies, in order to make any changes for subsequent years on an informed basis.

Other options considered

The option to change the admission arrangements from those agreed for the 2017/18 school year was not felt to be necessary or viable.

### **73 SCHOOLS' BUDGET 2017/18 - KEY DECISION**

The Portfolio Holder for Education, Employment and Skills presented a report on the Schools' Budget 2017/18.

The Schools Budget has been prepared in line with the parameters agreed at Schools Forum and with the financial regulations issued by the Department for Education (DfE). Indicative budgets and guidance will be issued to schools on 28th February 2017 with final budgets being confirmed by 31st March 2017. Where applicable, the Medium Term Financial Plan (MTFP) incorporates the impact from the Dedicated Schools Grant (DSG).

#### **RESOLVED:**

- (1) in relation to the DSG, to note the overall indicative 2017/18 cost of the Schools, Early Years and High Needs blocks is £256.501m and the DSG funds £255.454m of this cost in 2017/18 as set out in Table 2 of the report;**
- (2) in relation to the DSG, to approve the in-year budget transfers and payments to schools, Private and Voluntary Charitable and Independent settings and Academies totalling £242.158m as per Table 2 of the report;**
- (3) in relation to the DSG, to approve external spend associated with centrally retained expenditure. This allocation is £14.343m, as per Table 2 of the report;**
- (4) in relation to the DSG, to note that all DSG has been allocated to services. However, if in year, through updated settlements this position changes any unallocated DSG will be transferred to the Statutory School Reserve (SSR) as noted in section 4.5 of the report;**
- (5) in relation to the DSG, to note the procurement of external placements will be in accordance with the financial regulations, gaining approval through the appropriate processes;**
- (6) in relation to the Education Services Grant, to approve the spend of £1.118m allocated to the Local Authority (LA) for the following purposes:**
  - £0.640m to support retained statutory functions of the LA for all pupils;**
  - £0.478m transitional grant to support statutory functions for pupils in maintained schools.**

**The grant explanation is set out in section 2.5 of the report;**

- (7) in relation to the Pupil Premium, to approve the allocation of Pupil Premium and Early Years Pupil Premium to settings in accordance with the grant conditions.**

**The grant explanation is set out in section 2.6 of the report;**

- (8) in relation to reserves, to approve use of the Statutory Schools Reserve (SSR) to support any increased costs in 2016/17 associated with High Needs educational provision. This will be summarised within the outturn report, and is explored in section 4.7 of the report;**
- (9) to delegate the authority to the Portfolio Holder for Education, Employment and Skills and the Corporate Director for Children and Adults to approve any final budget adjustments.**

Reasons for decisions

To ensure an understanding of how and on what basis different DfE grants are allocated to the Local Authority (LA) and how they are then distributed to educational settings. This process enables the school's budgets to be established.

To provide the Executive Board (EB) with a summary budget position of the DSG based on the approvals gained in accordance with the Schools and Early Years Financial Regulations 2015.

To update EB on the impact of any new legislation on the Schools budgets.

To ensure the appropriate constitutional approvals are gained to spend the grants.

Other options considered

No other options were available as the decisions align to the financial regulations issued by the DfE in relation to the allocation of the DSG and pupil premium.

**74 TREASURY MANAGEMENT 2017/18 STRATEGY**

The Leader of the Council introduced the Treasury Management Strategy for 2017/18.

The report set out the Treasury Management and Investment strategies for 2017/18 including the debt repayment strategy and the associated Prudential Indicators shown within appendices to the strategy report.

**RESOLVED to endorse and recommend for approval by the City Council at its meeting on 6 March 2017 the overall Treasury Management Strategy for 2017/18 (Appendix 1 of the report), and, in particular:**

- a. the strategy for debt repayment (Minimum Revenue Provision) in 2017/18 (Appendix 4 of the report);**
- b. the Investment Strategy for 2017/18 (within Appendix 1 of the report);**
- c. the prudential indicators and limits for 2016/17 to 2019/20 (Appendix 3 of the report);**
- d. adopt the current Treasury Management Policy Statement (Appendix 5 of the report).**

Reasons for decisions

Approval of a Treasury Management Strategy is a legal requirement, to comply with:

- Financial Regulations and 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 Provision (MRP) for the repayment of debt.

#### Other options considered

The approval of a Treasury Management Strategy is a legal requirement. The CLG Guidance and the CIPFA Code do not prescribe any particular treasury management strategy for local authorities to adopt. The Chief Financial Officer, having consulted the Portfolio Holder, believed that the strategy represented an appropriate balance between risk management and cost effectiveness. Some alternative strategies, with their financial and risk management implications can be found in Appendix 7 of the report.

#### **75     REMOURBAN & DOMESTIC ENERGY EFFICIENCY PROGRAMME - KEY DECISION**

The Portfolio Holder for Planning and Housing introduced the report on the REMOURBAN & Domestic Energy Efficiency Programme.

The City Council has been awarded European grant money to be spent on energy efficiency measures on Council Houses. This money has been supplemented further monies totalling £430,000.

#### **RESOLVED to:**

- (1)     note the Leader's Key Decision of December 2014 to accept the RemoUrban grant, which included elements relating to funding energy efficiency and energy innovation measures, which this report sought to enable;**
- (2)     note that 366 homes will benefit from significant home energy improvements which, in turn, will see householders' energy bills reduce significantly;**
- (3)     revise the capital programme in accordance with paragraph 4.1 of the report and approve spend in accordance with this profile;**
- (4)     delegate approval to the Director for Waste, Energy and Highways to award contracts, within the financial limits described in this report;**

#### Reason for decisions

To allow the accessing of EU funding to support home energy improvements in 366 homes within the city.

Other options considered

Do nothing - rejected, the funding in question has already been allocated to energy efficiency improvements as part of the Horizon 2020 funding stream. Not agreeing to the use of this funding in the way set out in this report would have meant that the Remourban funding from the European Commission would not be able to be drawn down and the greater energy savings planned would not be achieved.

**76     EXCLUSION OF THE PUBLIC**

**RESOLVED to exclude the public from the meeting during consideration of the remaining item(s) 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 outweighs in the public interest in disclosing the information.**

**77     SOUTHERN GATEWAY DEVELOPMENT**

The Board considered the Leader/Portfolio Holder for Strategic Regeneration'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.