

## NOTTINGHAM CITY COUNCIL

### EXECUTIVE BOARD

**MINUTES of the meeting held at Ground Floor Committee Room - Loxley House, Station Street, Nottingham, NG2 3NG on 20 February 2018 from 2.01 pm - 2.24 pm**

#### **Membership**

##### Present

Councillor Graham Chapman (Vice Chair)  
Councillor Dave Liversidge  
Councillor Sally Longford  
Councillor Nick McDonald  
Councillor David Mellen  
Councillor Toby Neal  
Councillor Dave Trimble  
Councillor Sam Webster

##### Absent

Councillor Jon Collins (Chair)  
Councillor Jane Urquhart

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

Councillor Andrew Rule - Leader, Minority Group  
Councillor Jim Armstrong – Minority Group

Noel McMenamin	- Governance Officer
David Bishop	- Deputy Chief Executive/Corporate Director for Development and Growth
Candida Brudenell	- Corporate Director Strategy and Resources
Theresa Channell	- Head of Strategic Finance
Rav Kalsi	- Councillor Support Manager
Nick Lee	- Head of Access and Learning
Alison Michalska	- Corporate Director, Children and Adults
Colin Monckton	- Director of Strategy and Policy
Laura Pattman	- Strategic Director of Finance
Craig Stanley	- Majority Support Officer
Keri Usherwood	- Portfolio Communications Manager
Andy Vaughan	- Corporate Director, Commercial and Operations

#### **Call-in**

Unless stated otherwise, all decisions are subject to call-in. The last date for call-in is **Friday 2 March 2018**. Decisions cannot be implemented until the working day after this date.

#### **73 APOLOGIES FOR ABSENCE**

Councillor Jon Collins – Other Council Business  
Councillor Jane Urquhart – Leave  
Ian Curryer – Leave

In the absence of the Chair, the meeting was chaired by Councillor Graham Chapman, the Vice-Chair.

#### **74 DECLARATIONS OF INTERESTS**

None.

#### **75 MINUTES**

The minutes of the meeting held on 16 January 2018 were agreed as a true record and they were signed by the Chair of this meeting.

#### **76 SCHOOL ADMISSION ARRANGEMENTS 2019/20 FOR COMMUNITY SCHOOLS - KEY DECISION**

The Portfolio Holder for Business, Education and Skills presented a report on School Admission Arrangements in 2019/2020 for community schools.

The proposed arrangements were unchanged from those approved for the 2018/19 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 2019/20 school year for community schools, which are unchanged from those approved for the 2018/19 school year.**

#### Reasons for decisions

No changes were made to existing arrangements. This will enable the Local Authority to continue to monitor the operation of minor changes made to 2016/17 arrangements, along with the arrangements of all admission authorities, including those of newly formed academies, in order to make any changes in future years on an informed basis.

#### Other options considered

The option to change admission arrangements from those agreed for the 2018/19 school year was not considered necessary or viable.

#### **77 SCHOOLS BUDGET 2018/19 - KEY DECISION**

The Portfolio Holder for Business, Education and Skills presented the report on the Schools Budget 2018/19.

The Schools Budget was prepared in line with the parameters agreed at Schools Forum and with financial regulations issued by the Department for Education (DfE). Indicative budgets will be issued to schools on 28 February 2018, with final budgets being confirmed by 31 March 2018. 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 2018/19 Schools Budgets to be spent incorporating the Schools, Central Schools Services, Early Years and High Needs blocks is £268.541m, as set out in Figure 1 of the report. This is made up of £265.352m DSG funding (as per (Table 2) and £3.190m from other funding streams, as set out in Table 2 of the report;**
- (2) in relation to the DSG, to note that the budget will be updated in year to reflect subsequent adjustments made by the Education & Skills Funding Agency to our 2018/19 DSG allocation. Any balance remaining will be allocated to the Statutory School Reserve;**
- (3) 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 £255.091m;**
- (4) in relation to the DSG, to approve external spend associated with centrally retained expenditure totalling £13.450m;**
- (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 Pupil Premium, to approve the allocation of Pupil Premium and Early Years Pupil Premium and other grants outlined in section 2.6 of the report to settings in accordance with the grant conditions;**
- (7) to delegate the authority to the Portfolio Holder for Schools and the Corporate Director for Children and Adults to approve any final budget adjustments.**

### Reasons for the decisions

To ensure an understanding of how and on what basis different education grants are allocated to the Local Authority and how they are then distributed to educational settings. This process enables the schools' budgets to be established.

To provide the Executive Board with a summary budget position of the DSG based on the approvals gained in accordance with the Schools and Early Years Finance Regulations 2018.

To update the Executive Board 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 are available as the recommendations align to the financial regulations issued by the DfE in relation to the allocation of DSG and pupil premium.

**78 MEDIUM TERM FINANCIAL PLAN (MTFP) 2018/19 - 2021/22 - KEY DECISION**

The 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 Treasury Management Strategy has to be approved at Full Council on 5 March 2018, and the report dispatch date is before the expiry of the call-in period.

The Deputy Leader/Portfolio Holder for Resources and Neighbourhood Regeneration presented the Medium Term Financial Plan, comprising the revenue and capital programme of both the General Fund and the Housing Revenue Account (HRA).

**RESOLVED**

- (1) in relation to the 2017/18 Forecast Outturn (at Appendix 1 to the report):**
  - (a) to note the current forecast outturn for the 2017/18 General Fund and HRA revenue budgets and capital programmes;**
  - (b) to endorse the allocations from Contingency as set out in Table 3;**
  - (c) to approve the budget virements and reserve movements set out in Table 4 and Appendices B and C;**
- (2) in relation to the MTFP 2018/19 – 2020/21 revenue element (at Appendix 2 to the report):**
  - (a) to note the General Fund revenue aspects of the MTFP;**
  - (b) to note, endorse and release phase one updated, phase two and Targeted Intervention consultation proposals as set out in Tables 9 & 10 and detailed within Appendices A & B of the report for formal public consultation;**
  - (c) to note, endorse and recommend to City Council:**
    - i. the General Fund net budget requirement for 2018/19 of £246.363m including the net movement in earmarked reserves as set out in Table 5;**
    - ii. A basic amount of Council Tax level (Band D) of £1,688.45 that will raise a total of £110.406m (an increase of 5.99% consisting of 2.99% basic increase and 3.00% Adult Social Care Precept);**
    - iii. Delegated authority to the appropriate Director to implement all proposals after undertaking necessary consultation;**

- (3) in relation to the MTFP 2018/19 – 2022/23 Capital programme element at Appendix 3 to the report, 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 MTFP 2018/19 – 2020/21 HRA Element at Annex 4 to the report:**
- (a) to note the following 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) implementation of Universal Credit in October 2018;**
    - (iii) addition of fire safety works to Public Sector Housing Capital Programme;**
  - (b) to approve the:**
    - (i) proposed rent decrease of 1.0% for 2018/19;**
    - (ii) continuation of the tenant incentive scheme of up to £100 per annum;**
    - (iii) a proposed increase in general services charges of 2.9%;**
    - (iv) proposed increase to estate & block maintenance service charges £0.97 and £0.47/week respectively;**
    - (v) a working balance of £7.727m to provide for the effects of Universal Credit;**
    - (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 of Annex 4 of the report;**
  - (c) to note, endorse and recommend to City Council the 2018/19 HRA budget;**
- (5) in relation to the robustness of the Budget at Annex 5 to 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 2018/19 at Annex 6 to the report, to note the outcomes of the budget consultation and communication;**
- (7) to delegate authority to the Director of Strategic 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 5 March 2018 when they meet to set the budget and council tax for 2018/19.

#### 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 presented the final overall package of detailed proposals which together sought to balance levels of investment, cost reduction and an appropriate level of income.

## **79 TREASURY MANAGEMENT 2018/19 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 Treasury Management Strategy has to be approved at Full Council on 5 March 2018, and the report dispatch date is before the expiry of the call-in period.

The Deputy Leader/Portfolio Holder for Resources and Neighbourhood Regeneration introduced the Treasury Management Strategy for 2018/19.

The report set out the Treasury Management and Investment strategies for 2018/19 including the debt repayment strategy and the associated Prudential Indicators shown within appendices to the strategy report.

The report also outlined work undertaken to review and amend the current profile for reducing the Council's underlying need to borrow (Capital Financing Requirement - CFR) through the annual Minimum Revenue Provision charge to revenue (MRP) in respect of capital expenditure incurred prior to 2007/08 which was funded by borrowing. The revised method of calculating a prudent MRP provision identified short to medium term revenue benefits and sought approval.

**RESOLVED to endorse and recommend for approval by the City Council at its meeting on 5 March 2018:**

- (1) the overall Treasury Management Strategy for 2018/19 (at Appendix 1 to the report), and, in particular:**
  - (a) the strategy for debt repayment (Minimum Revenue Provision) in 2018/19 (at Appendix 4 to the report);**
  - (b) the Investment Strategy for 2018/19 (at Appendix 1 to the report);**
  - (c) the prudential indicators and limits for 2017/18 to 2020/21 (at Appendix 3 to the report);**
  - (d) adopt the current Treasury Management Policy Statement (at Appendix 5 to the report);**
- (2) the revision to the 2017/18 strategy for Debt Repayment (Minimum Revenue Provision) (at Appendix 9 to 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.

This legal requirement also applies to the approval of any in year revisions to the current Treasury Management Strategy, including the MRP policy.

#### Other options considered

The approval of a Treasury Management Strategy is a legal requirement. The Communities and Local Government (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, believes that the proposed strategy represents an appropriate balance between risk management and cost effectiveness. Some alternative strategies, with their financial and risk management implications can be found at Appendix 7 to the report.

## **80 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 outweighs the public interest in disclosing the information.**

**81 FIT FOR THE FUTURE - KEY DECISION - EXEMPT**

The Board considered the Portfolio Holder for Community and Customer Services' 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.