

NOTTINGHAM CITY COUNCIL

EXECUTIVE BOARD

MINUTES of the meeting held at Ground Floor Committee Room - Loxley House, Station Street, Nottingham, NG2 3NG on 19 March 2019 from 2.01 pm - 2.36 pm

Membership

Present

Councillor Jon Collins (Chair)
Councillor Graham Chapman (Vice Chair)
Councillor Dave Liversidge (minute 89 onwards)
Councillor David Mellen
Councillor Toby Neal (minute 89 onwards)
Councillor Neghat Khan
Councillor Dave Trimble
Councillor Linda Woodings

Absent

Councillor Sally Longford
Councillor Andrew Rule

Colleagues, partners and others in attendance:

Councillor Jim Armstrong
Chris Henning - Corporate Director for Development and Growth
Nick Murphy - Nottingham City Homes
Candida Brudenell - Corporate Director for Resources and Strategy /Assistant Chief Executive
David Bishop - Deputy Chief Executive/ Strategic Director of Development
Alison Michalska - Corporate Director for Children and Adults
Kate Morris - Governance Officer

Call-in

Unless stated otherwise, all decisions are subject to call-in. The last date for call-in is 27 March 2019. Decisions cannot be implemented until the working day after this date.

86 APOLOGIES FOR ABSENCE

Councillor Sally Longford – Council Business
Councillor Andrew Rule – Council Business

Ian Curryer – Chief Executive

87 DECLARATIONS OF INTERESTS

None.

88 MINUTES

The minutes of the meeting held on 19 February 2019 were confirmed as a true record and were signed by the Chair.

89 SCHOOLS CAPITAL MAINTENANCE GRANT ALLOCATION 2019/20 - KEY DECISION

The Board considered the report of the Portfolio Holder for Education and Skills seeking approval in advance of receipt of the funding announcement on the School Capital Maintenance Grant Allocations for 2019/20 to enable project prioritisation and delivery to commence once funding has been allocated.

RESOLVED to:

- (1) delegate authority to the Corporate Director of Children and Adults to accept the School Capital Maintenance Funding grant allocation from the Department for Education (DfE) to Nottingham City Council;**
- (2) delegate authority to the Corporate Director of Children and Adults to allocate funding from the School Capital Maintenance funding grant to the projects detailed in the published appendix A;**
- (3) note that £0.173 million is set aside as a contingency fund to allow the adjustment of the number of projects prioritised in the published appendix A;**
- (4) approve £0.0025 million to allow the scoping and prioritisation for a programme of works in 2020/21 to commence in Autumn 2019 with Nottingham City Council Design Services delivering these works;**
- (5) amend the capital Programme to include the allocation of the grant;**
- (6) delegate authority to the Corporate Director of Children and Adults to make adjustments of the number of projects prioritised in the published appendix A and the contingency should it be necessary;**
- (7) delegate Authority to Corporate director for Children and Adults to allocate contingency funding to projects such as health and safety or condition issues which arise during 2019/20, and to adjust the funding allocation for each project once cost information is finalised, subject to value for money being demonstrated and costs being within the overall budget allocated for this programme of works;**
- (8) appoint NCC Design Services to design, procure and manage the projects;**
- (9) approve the procurement of the works through the East Midlands Regional construction framework – an OJEU (the Official Journal of the European Union) compliant framework;**
- (10) delegate authority to the Head of Legal Services to sign contracts with the preferred contractors following procurement exercises to allow the projects to be delivered; and**

(11) approve a payment of £0.100m from the Building Schools for the Future (BSF) Lifecycle Reserve fund to Rosehill Special School to undertake condition and maintenance works to the building.

Reasons for Decision

The prioritisation of the funding is based on advice received and an extensive review of schools. There are two areas where funding has been prioritised:

- Health and Safety issues likely to impact on children and staff.
- Condition issues likely to impact on the operation of the school.

The balance of the funding for the School Condition grant has been identified as part of the prioritisation process and £0.173 million will be held as a contingency amount to deal with urgent health and safety or condition issues that arise during the financial year 2019/20. Delegating authority to the Corporate Director for Children and Adults to approve these projects will enable a swift response to urgent issues as they arise.

It is assumed that the DfE will continue to allocate the Capital Maintenance grant to Local Authorities. In order to plan ahead for the delivery of future schemes, £0.025 million will be allocated to begin the prioritisation for a programme of works in 2020/21. Further approvals will be sought to allocate funding to this programme of works in Spring 2020 on the assumption that funding will be allocated by the DfE. This forward planning will ensure that the Local Authority prepares for delivery and sets out a clear programme of future works to maintain schools, subject to funding being received.

Rosehill Special School was rebuilt under wave 2 of the BSF programme. As part of this programme to meet the requirements of the Department for Education (DfE), both the school and the City Council had to commit to funding a lifecycle fund so that the building could be maintained to the same standard as a new Private Finance Initiative (PFI) school for 25 years. Rosehill Special School has now been operational for eight years and the school are undertaking minor works to the building that will improve the education environment, health & safety and security. The works will be procured directly by the school in line with financial regulations and with the support of the Major Projects team

Other Options Considered

Consideration was given to combine the Condition funding and the Basic Need funding. If combined this funding could be used to address the shortfall in school places across the city.

Consideration was also given to amalgamating the Condition grant with broader City Council capital funding.

Both of these options have been rejected, as they would leave schools at risk of closure through health and safety or condition issues. It would also mean that school buildings would continue to deteriorate, increasing the risk of forced closure for emergency repairs.

With regard Rosehill School, to 'do nothing' has been rejected as, while this would retain the funding within the Lifecycle Reserve; it would not support the maintenance of the school as a positive environment for education

90 NOTTINGHAM CITY HOMES PARTNERSHIP AGREEMENT - KEY DECISION

The Board considered the report of the Portfolio Holder for Housing and Planning setting out proposed new partnership agreement between Nottingham City Homes (NCH) and Nottingham City Council (NCC).

It was noted that tenant overall satisfaction is up to 90%, and satisfaction with repairs is up to 88% having been around 50% at the beginning of the existing agreement. This agreement aims to put tenants at the heart, and has gone out to tenants for consultation.

RESOLVED to:

- (1) agree the proposed heads of terms for a new partnership agreement as set out in the published appendix 1;**
- (2) delegate authority to the Portfolio Holder for Housing and Planning to sign a new agreement based on these terms;**
- (3) develop a number of service level agreements setting out expectations for the delivery of the services by the Council which support Nottingham City Homes in their work;**
- (4) develop further Service Level Agreements for those tenant-facing services carried out by the Council in and around housing estates, giving tenants greater transparency and understanding of the services for which they pay their rent;**

Reasons for Decision

The existing agreement is no longer fit for purpose and requires updating to provide officers with greater clarity about responsibilities and expectations

NCH now delivers a greater range of services via the main company and its subsidiaries, and this is not reflected in the current agreement

Rather than wait for the current agreement to expire in two years' time it is appropriate to bring some certainty about future arrangements now.

The Council delivers a number of services to NCH to support it in the delivery of its operations – for example, ICT, human resources, marketing and communications etc. The expectations around delivery of these services should be part of this agreement, therefore it is necessary to ensure that robust service level agreements underpin the NCC-NCH main agreement.

In addition to the services provided direct to NCH, there are a number of tenant-facing services such as grounds maintenance, tree services, lighting etc on council-owned housing estates and land held within the housing revenue account (HRA). Transferring the oversight of these to NCH will promote a more joined-up 'one Council' approach to dealing with issues which are often the subject of complaints from tenants to councillors. These services also require SLAs to give the necessary clarity of responsibility and accountability.

Other Options Considered

To allow the current agreement to expire in 2021: this was rejected as this would lead to uncertainty; furthermore there would continue to be in place an agreement which does not properly reflect the current situation.

91 FUTURE CITY REGENERATION

The Board considered the report of the Leader of the Council/Portfolio Holders for Regeneration and Growth setting out the City Council's approach to ensuring the momentum of this regeneration is maintained, whilst recognising the limits of the current Capital Programme

The document outlines the expectations of Nottingham City Council of developers ensuring a good standard of regeneration through the city, being both ambitious and forward looking for the city. The Board agreed that the design features set out are complimentary to the current progressing development projects.

RESOLVED to:

- (1) Endorse the approach to master planning across the City as set out in the published report; and**
- (2) Endorse the approach being taken to create a vehicle to deliver regeneration in the City.**

Reasons for Decision

To facilitate its desire to promote further investment and regeneration in the City as part of its next phase of development activity the Council wants to deliver the following:

- Provide a strong and coherent master planning framework to give clarity to investors and developers on how the City will continue to evolve, enabling a range of developments that will underpin economic growth in a quality urban landscape that provides a clear sense of place; and
- Supplement this approach by giving consideration to using its own land holdings to bring further development forward in certain areas, as shown in Appendix 1: Master Planning Areas. In order to maximise the impact of these assets, the Council is keen to attract private sector investment to potentially bring projects forward on these sites, for example the opportunity for circa £2billion development over 0.5sq mile at Nottingham Southside (Appendix 5).

Other Options Considered

Not provide a clear planning framework. This will lead to areas being developed in a piecemeal manner, which may be to the detriment of the creation of a quality sense of place and / or sustainable economic growth and for this reason this option was rejected.

Not bringing Council assets forward. This option was rejected because it will miss an

opportunity for the regeneration of certain sites within the city.

Disposing of sites on an individual basis. Ongoing individual disposals will still take place when the circumstances are right to do this. However having this as a sole approach will mean that some of the less viable sites may not be taken forward as they may not be as attractive to the market, thereby missing a regeneration opportunity.

92 NOTTINGHAM SOUTHSIDE REGENERATION - CROCUS PLACE - KEY DECISION

The Board considered the report of the Leader of the Council/Portfolio Holder for Regeneration and Growth regarding the proposed development at Crocus Place of Grade A Offices supporting the regeneration of the Southern Gateway.

The Board heard that there is a shortage of Grade A office space within the city, and this development will bring forward plans to address that. It is hoped that developers can submit plans in later March starting the planning application process.

RESOLVED to:

- (1) commit a funding envelope as identified in exempt Appendix B from within the capital programme and to further progress the proposed development of Grade A office space accommodation in Nottingham;**
- (2) continue with the adopted approach, for progressing design development, as outlined in the Leaders Key Decision 3309 dated 30 October 2018, including the extension of advisors contracts through the Perfect Circle framework beyond RIBA Stage 4, thus allowing the project to move forward with due diligence;**
- (3) delegate authority to the Corporate Director for Development and Growth, in consultation with the Portfolio Holder for Regeneration and Growth, to enter into contracts for both design development and construction, subject to expenditure being within the Project Financial Model and subject to the Business Case being signed off by the project appraisal group (PAG).**
- (4) delegate authority to the Director for Strategic Assets & Property, in consultation with the Corporate Director for Development and Growth and the Portfolio Holder for Regeneration and Growth, to negotiate and agree an appropriate pre-let commercial lease(s) for the proposed office development that meets the requirements within the Project Financial Model and in advance of the Business Case being signed off;**
- (5) ensure that the proposed office development, once completed and occupied in accordance with the approved business case, sits within the Property Trading Account Portfolio of the Council and be managed under the Director for Strategic Assets & Property, together with all income and budgets for the property being allocated to the Property Trading Account Portfolio; and**
- (6) ensure that the proposed office development becomes a project within**

the Strategic Asset Management (SAM) Big Ticket programme and that the SAM Big Ticket income targets are re-profiled accordingly as detailed within the exempt appendices A & B;

Reasons for Decision

The feasibility exercise for the Southside Grade A Office Development has been developed to a mature stage and a date of 22 March 2019 is being targeted for the submission of a Planning Application.

Advanced talks with potential tenants are progressing well and potential space requirements could see leases being agreed for substantial, if not all the floor space within the building.

Further contracts, for construction, project management and design will need to be entered into to take the project beyond the currently approved RIBA Stage 4.

The current feasibility stage cost estimates have been included within the Project Financial Model and these details, together with the projected income to the Property Trading Account and SAM Big Ticket are set out within the exempt Appendix A and B

Other Options Considered

Do nothing – to not commit further funding for the Southside Office Development, at this stage, could lead to missed opportunities with leasing the building and impact on the Council's income and so this option was rejected.

Site disposal – this would generate a capital receipt for the land value but would not maximise the potential value from the site. This option was rejected because the investment value and revenue income generated through completing the development is significantly greater.

The do nothing and site disposal options have been rejected as the Council is in negotiation with potential tenants and the Project Financial Model indicates a healthy yield.

93 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 as defined in paragraph 3 of part 1, Schedule 12A of the Act.

94 NOTTINGHAM SOUTHSIDE REGENERATION - CROCUS PLACE - KEY DECISION – EXEMPT APPENDIX

The Board considered the exempt appendices for the report of the Leader of the Council/Portfolio Holder for Regeneration and Growth.

RESOLVED to approve the recommendations in the report.

Executive Board - 19.03.19

Reasons for decisions

As detailed in minute 92

Other options considered

As detailed in minute 92