

NOTTINGHAM CITY COUNCIL

EXECUTIVE BOARD

MINUTES of the meeting held at Ground Floor Committee Room - Loxley House, Station Street, Nottingham, NG2 3NG on 17 December 2019 from Time Not Specified - Time Not Specified

Membership

Present

Councillor David Mellen (Chair)
Councillor Sally Longford (Vice Chair)
Councillor Cheryl Barnard
Councillor Eunice Campbell-Clark
Councillor Neghat Khan
Councillor Dave Trimble
Councillor Adele Williams
Councillor Sam Webster
Councillor Linda Woodings

Absent

Councillor Rebecca Langton

Colleagues, partners and others in attendance:

Councillor Kevin Clarke
Councillor Andrew Rule

Candida Brudenell	- Corporate Director for Strategy and Resources
Theresa Channell	- Head of Strategic Finance
Ian Curryer	- Chief Executive
John Gregory	- Grant Thornton External Auditors
Chris Henning	- Corporate Director for Development and Growth
Laura Pattman	- Strategic Director of Finance
Malcolm Townroe	- Director of Legal and Governance
Catherine Underwood	- Corporate Director for People
Andy Vaughan	- Corporate Director for Commercial and Operations
Kate Morris	- Governance Officer

Call-in

Unless stated otherwise, all decisions are subject to call-in. The last date for call-in is 31st December 2019. Decisions cannot be implemented until the working day after this date.

63 APOLOGIES FOR ABSENCE

Councillor Rebecca Langton – Leave

64 DECLARATIONS OF INTERESTS

Councillors Neghat Khan and Cheryl Barnard declared an Other Interest in agenda item 10 Company Arrangements (exempt minute number 71) because they are Board members for Robin Hood Energy. They did not participate in discussion or voting on this item.

In relation to agenda item 5 Company Governance (minute number 67), in the interests of transparency the following Councillors stated that they were members of Boards for fully or partially owned companies that will be subject to the terms of reference for the newly established sub committee:

Councillor Cheryl Barnard
Councillor Eunice Campbell-Clark
Councillor Neghat Khan
Councillor Sally Longford
Councillor David Mellen
Councillor Dave Trimble
Councillor Sam Webster
Councillor Adele Williams

And in the interests of transparency Councillor Linda Woodings stated that she was the nominal shareholder for Nottingham City Council with Nottingham City Homes.

65 MINUTES

The Board confirmed the minutes of the meeting held on 19 November 2019 as a correct record and they were signed by the Chair.

66 REVIEW OF 2019/20 REVENUE AND CAPITAL BUDGETS AT 30 SEPTEMBER 2019 (QUARTER 2)

The Board considered the report of the Portfolio Holder for Finance, Growth and the City Centre providing an up to date assessment of the Council's current and forecast year end financial position for the General Fund revenue account, the Capital Programme and the Housing Revenue Account based on activity to the end of September 2019. The draft outturn position shows a net overspend of £7.527m.

The following points were highlighted during discussion:

- (a) There is a large overspend in the Children and Young People portfolio. Currently more children are in care than time last year and the cost of placements is increasing. Providing these placements is a statutory duty and staff within Children's Services are working hard to avoid the highest cost placements and maximising partner funding ;
- (b) Services within the Leisure and Culture portfolio continue to maximise external income. Along with income generation from services, including international exhibits, the service is increasing income through consultancy and commercialisation;
- (c) What appears to be "slippage" of the Broadmarsh budget is actually as a result of profiling and timing of when the budget was compiled, rather than as a result of altered finances.

RESOLVED to

(1) Note:

- a. **the overall current forecast net overspend of £7.527m**

- b. the forecast working balance of £7.260m on the Housing Revenue Account**
- c. the forecast position on the Capital Programme**
- d. the Capital Programme projections at Quarter 1**
- e. the refreshed Capital Programme, including schemes in development.**

(2) Approve the movements of resources as set out in paragraph 2.6 and appendix D of the report published with the agenda; and

(3) Note and endorse the allocations from the corporate contingency as set out in paragraph 2.4 of the report published with the agenda.

Reasons for decision

It enables formal monitoring of progress against the 2019/20 budget and the impact of actual and planned management action.

The approval of virement of budgets is required by corporate financial procedures.

Other options considered

The Council is required to ensure that, at a corporate level, expenditure and income are kept within approved budget levels and this report sets out how this is being managed. No other options were considered.

67 COMPANY GOVERNANCE

The Board considered the report of the Leader of the Council setting out the new arrangements that have been put into place in relation to Company Governance for those companies that are either wholly owned by the Council or where the Council has a controlling interest.

These new arrangements will support companies to have good governance, good vision and ambition. The newly established sub committee will ensure that there is support in place for companies alongside increased accountability to Nottingham City Council.

Suggestions for additional points within the terms of reference for the sub committee included:

- Increased scrutiny of company finances, especially in cases where the company requests lending;
- Power to investigate circumstances where companies have found themselves in a position which may have reputational impact on Nottingham City Council;
- A role in Shareholder representative selection on boards and the requirement to present regular performance reports;
- Leaders of the other parties offered the same attendance and speaking rights as they are for Executive Board.

These suggestions will be considered in balance with not overwhelming the sub committee and establishing an appropriate level of accountability.

RESOLVED to:

- (1) Note and endorse the establishment by the Leader of the Companies Governance Executive Sub Committee and to endorse the terms of reference attached to the published report;**
- (2) Note that meetings of the Companies Governance Executive Sub Committee will be held quarterly or at such frequency as shall be determined with the first meeting to be held at the rising of Executive Committee on 21 January 2020; and,**
- (3) Endorse the approach regarding overall arrangements set out in paragraph 2.1 of the published report.**

Reason for decision

To formalise future arrangements for the governance of companies that are either wholly owned by the Council or where the Council has a controlling interest.

Other options considered

The other option considered was to not establish the Companies Governance Executive Sub Committee. This option was rejected as the Council needs to strengthen its company governance arrangements.

68 BUDGET CONSULTATION 2020/21

The Leader of the Council agreed that this item, although not on the agenda, could be considered as a matter of urgency in accordance with Section 100B(4)(b) of the Local Government Act 1972 because the proposals need to be released for public consultation in order to allow sufficient time before the Medium Term Financial Plan is brought to Executive Board in early 2020.

The Board considered the report of the Portfolio Holder for Finance, Growth and City Centre that contained draft proposals for the revenue element of the Council's draft Medium Term Financial Plan (MTFP) for 2020/2021 to 2022/23.

The following points were raised during discussion:

- (a) The Leader of the Council thanked Portfolio Holders and Officers involved in the process of compiling the budget proposals acknowledging the difficulty of the task after a number of years of austerity;
- (b) The proposals to raise Council tax by 3.99% includes the 2% Social Care precept and the maximum 1.99% rise of council tax. This rise will protect front line and statutory services such as Adult social care;
- (c) The budget proposals outline savings of £13.4m. There is an additional £2.4m of savings to establish and these will be presented to a future Board in 2020;
- (d) Nottingham City Council has achieved £20m commercial external income which has further helped protect services from cuts;

- (e) Savings highlighted directly were the relocation of The Willows older people day service into Cherry Trees residential service, an alternative operating model for the Tennis Centre, and proposals around the Link bus services;
- (f) A number of teams were praised for their commercialisation and ability to bring in external income. The Energy Services Team, and the Planning and Building Control Team were praised for their consultancy work and in particular the self funding nature of the Planning and Building Control Team.

RESOLVED to note, endorse and release the consultation proposals as set out in paragraph 2.4 and table 6 of the published report for formal consultation, Nottingham that further details relating to individual consultation proposals are contained in appendix 2a-j of the published report.

Reason for decision

By endorsing the recommendation in the report it is possible to release details of the budget proposals for 2020/21 for public consultation.

Any options that include proposed workforce reductions will be subject to internal consultation, which entails jointly examining and discussing the proposals and issues of concern with the trade unions and affected colleagues. The details of such proposals may, therefore, change during the consultation period and may impact on the way in which identified proposals will be delivered.

Other options considered

Throughout the budget process a range of different options have been considered including various levels of council tax, investment and cost reductions. This is a complex process with many iterations and possibilities too numerous and detailed to present as discrete options here. The published report presents the overall set of current draft proposals which together seek to balance levels of investment, income, cost reductions and an appropriate level of council tax.

69 EXCLUSION OF THE PUBLIC

RESOLVED to exclude the public from the meeting during consideration of the remaining agenda items in accordance with Section 100A(4) of the Local Government Act 1972 on the basis that, having regard to all circumstances, the public interest in maintaining the exemption outweighed the public interest in disclosing the information, as defined in Paragraph 3 of Part 1 of Schedule 12A to the Act.

70 EXEMPT MINUTES

The Board confirmed the exempt minutes of the meeting held on 19 November 2019 as a correct record and they were signed by the Chair

71 COMPANY ARRANGEMENTS

The Leader of the Council agreed that this item, although not on the agenda, could be considered as a matter of urgency in accordance with Section 100B(4)(b) of the Local Government Act 1972 because the Council needed to urgently respond to a recommendation issued by its External Auditor and therefore it was not possible to

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wait until the next scheduled Executive Board meeting to consider this item. The Council was required to notify the External auditor of its proposed response by 17th December.

This decision is not subject to call in because the Vice Chair of Overview and Scrutiny Committee agreed that the decision is reasonable in all circumstances and should be treated as a matter of urgency because the Council needed to urgently respond to a recommendation issued by its External Auditor and therefore it was not possible to wait until the next scheduled Executive Board meeting to consider this item. The Council was required to notify the External auditor of its proposed response by 17th December

The Board considered a report about Company Arrangements.

RESOLVED to agree the recommendations as set out in the exempt minute.