

# Public Document Pack



**Nottingham**  
**City Council**

## **Nottingham City Council Companies Governance Executive Committee**

**Date:** Tuesday, 20 February 2024

**Time:** 3.00 pm

**Place:** Ground Floor Committee Room - Loxley House, Station Street, Nottingham,  
NG2 3NG

**Councillors are requested to attend the above meeting to transact the following business**

**Director for Legal and Governance**

**Governance Officer:** Mike Carey

**Direct Dial:** 0115 876 3760

- 1 Apologies**
- 2 Declarations of Interests**
- 3 Minutes** 3 - 8  
To confirm the minutes of the meeting held on 16 January 2024.
- 4 Work Programme** 9 - 10  
For discussion and noting.
- 5 NIC Business Plan 2024/25**  
Presentation by NIC representative.
- 6 Exclusion of the Public**  
To consider excluding the public from the meeting during consideration of the remaining items 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.
- 7 NIC Business Plan 2024/25 Exempt Discussion** 11 - 142  
Report of Corporate Director for Communities, Environment, and Resident Services.
- 8 Exempt Minutes** 143 - 148  
To consider the exempt minutes of the meeting held on 16 January

2024.

<b>9</b>	<b>NIC Strategic Review</b> Report of the Corporate Director for Communities, Environment, and Resident Services.	149 - 208
<b>10</b>	<b>Companies Financial Update</b> Report of the Corporate Director for Finance and Resources.	209 - 236
<b>11</b>	<b>Blueprint Strategic Review</b> Report of the Corporate Director for Growth and City Development.	237 - 304

If you need any advice on declaring an interest in any item on the agenda, please contact the Governance Officer shown above, if possible before the day of the meeting

Citizens attending meetings are asked to arrive at least 15 minutes before the start of the meeting to be issued with visitor badges

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**Nottingham City Council  
Companies Governance Executive Committee**

**Minutes of the meeting held at Loxley House, Nottingham, NG2 3NG on 16 January 2024 from 3:04pm – 4:35pm**

**Membership**

**Present**

Councillor David Mellen (Chair)  
Councillor Audra Wynter (Vice Chair)  
Councillor Angela Kandola  
Councillor Linda Woodings

**Absent**

Councillor Pavlos Kotsonis

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

Dave Astill	- Managing Director, Nottingham City Transport
Richard Beckett	- Head of Major Projects
Ross Brown	- Corporate Director for Finance and Resources
Mike Carey	- Governance Officer
Councillor Graham Chapman	- Chairman, NCT
Rob Hicklin	- Finance Director, NCT
Neil McArthur	- Interim Director for Commercial and Procurement
Jiayue Wang	- Companies Governance Compliance Officer

**Call-in**

Unless stated otherwise, all decisions are subject to call-in. The last date for call-in is 26 January 2024. Decisions cannot be implemented until the working day after this date.

**75 Apologies**

Councillor Pavlos Kotsonis - unwell

**76 Declarations of Interests**

None

**77 Minutes**

The minutes of the meeting held on 19 December 2024 were confirmed as an accurate record and signed by the Chair.

**78 Work Programme**

Neil McArthur, Interim Director of Commercial and Procurement, advised the Committee that the dates for some of the strategic reviews had to be pushed back to later meetings, but that good progress is being made on all of them.

**The Committee noted the Work Programme.**

## 79 Nottingham City Transport Limited Business Plan 2024/25

This item does not contain any decisions eligible for call-in.

Dave Astill, Managing Director of Nottingham City Transport, delivered the presentation on the NCT Business Plan 2024/25, highlighting the following points:

- (a) a draft business plan has been provided to the Committee, organised around five key objectives:
  - i. To sustain the business;
  - ii. To provide a comprehensive, frequent and reliable bus service;
  - iii. To offer affordable, value for money fares;
  - iv. To minimize the ongoing impact on the environment;
  - v. To be an employer of choice.

The public presentation focused on objectives two to five, while the first objective was addressed in the exempt discussion;

- (a) NCT is the largest public transport operator in Greater Nottingham, making up 65% of public transport journeys. 80% of public transport journeys in Nottingham are made on a bus, and more than 80% of City residents live within 400m of an NCT service. In 2022/3, there was an average of 118 bus journeys per resident in Nottingham, the second highest rate in England and higher than the England average (outside of London) of 34 journeys per head. Levels of patronage are recovering after declining sharply during the pandemic, with around 90% of pre-Covid ridership, which compares favourably with other operators across the country. Figures show that the pattern of journeys has returned to pre-Covid norms, with peaks indicating that people are returning to offices and to university sites;
- (b) NCT have operated 99% of scheduled services, with minimal lost mileage. Any disruptions have been due to issues outside of the company's control, such as roadworks. Punctuality of services becomes harder later in the year, with darker nights and the return of schools and universities, but even then NCT have reached 89% punctuality, with the others generally two or three minutes late. This is achieved with support from the radio control system, rare for a bus company outside of London, which maintains direct communication with drivers and helps to address issues as they arise. Nottingham received a generous amount from central government through the Bus Service Improvement Scheme (BSIP), in recognition of NCT's success over a number of years;
- (c) NCT checks its fares against comparable cities and has managed to keep fares relatively low. The company is participating in the National Bus Fare Cap, which reduces the cost of an adult single ticket to £2. Services are promoted to students who have discounted rates and can purchase academic year passes. BSIP funding is being used to support the Under 22 Ticketing Scheme, which gives qualifying 19-21 year olds access to student rates, whether or not they are a registered student. There is a perception that

complicated fare options can be a barrier, so NCT is making it as easy as possible to pay using different options, such as cash, smart cards, contactless, and the phone app. Overall, customer satisfaction surveys (conducted in the autumn every year) are encouraging, with the most recent survey showing 96% satisfaction against a target of 90%;

- (d) NCT currently has the largest fleet of bio-gas double-deck buses in the world, with 143 in service, and is in the process of replacing the remaining diesel buses with battery-electric vehicles with support from the Zero Emissions Bus Regional Areas (ZEBRA) scheme. 24 electric buses of Chinese manufacture are in the course of delivery at the moment, and will initially serve routes 30, 39, and 50. Assuming that the ZEBRA scheme continues, NCT is aiming to replace the diesel fleet by 2028 in order to meet Nottingham's Carbon Neutral 2028 aspirations. This will mean introducing over a hundred electric buses, with a plan to introduce electric double-deck buses in 2026;
- (e) NCT works hard to be an employer of choice and has been recognised nationally for its efforts at recruitment and retention. Recruitment was difficult in the post-Covid labour market, but it is improving, and 131 drivers have been recruited this financial year. The driver turnover rate has declined over the last three years, after the post-Covid 'great resignation', when a relatively high proportion of staff in different industries across the country resigned or retired after the end of the furlough scheme. NCT responded with staff surveys, changing work patterns, and investment in staff to improve retention. 82% of staff live in Nottingham City, and 92% live in the City and County area. Around a quarter of staff describe themselves as being from an ethnic minority group. 15% identify as female, and the gender pay gap is 3.3%;
- (f) NCT's Staff Excellence Award ceremony is held annually, most recently on the 7 January 2024 at the Albert Hall. The recipient of the Bus Driver of the Year Award, who is the first driver to win the award twice, will go forward to the UK Bus Awards in November 2024. Many NCT drivers are recognised at a national level, including a driver who won the Silver Award for Top National Bus Driver at the UK Bus Awards in 2023, which reflects well on NCT's training programme.

During the discussion which followed, and in response to questions from the Committee, the following points were made:

- (g) the National Bus Fare Cap scheme is designed with the intention that operators should not lose income, with government funding making up the difference between a commercial 'shadow' fare and the reduced £2 fare. Some routes across the country have seen a clear increase in business because of the fare, particularly leisure routes like the TransDev Coastliner. In Nottingham, as a compact urban network, it is not clear that the fare cap has increased patronage. NCT fares were already competitive, and the largest impact appears to have been a transfer from long-term tickets and day tickets to single ticket purchases;
- (h) patronage has reached 90% of pre-Covid levels, on around 87%-90% of pre-Covid service levels. Peak journey times have returned to their pre-Covid

pattern, but the morning peak is noticeably quieter, particularly on Monday mornings, and a reduction in the Friday morning peak which was noticed before Covid has continued. Student numbers are around two-thirds of pre-Covid levels, which may reflect increasing remote access to lectures and which may be a long term trend;

- (j) Committee Members commended NCT on formally launching its new electric vehicles. It was noted that the expansion of the electric fleet is reliant on ZEBRA funding, as the increased cost of £400,000 per vehicle compared with £200,000 for a diesel vehicle makes introducing electric vehicles commercially difficult. NCT expect that ZEBRA will continue, but if the scheme ends there is potential for support to be provided through BSIP funding, particularly since the diversion of HS2 funding into BSIP after the cancellation of HS2 Phase Two;
- (k) there are two principal ways to establish new commercial routes serving new developments. The least costly way is by extending existing services, as happened with the extension of service 45 to Chase Farm. If that is not an option, new routes can be kickstarted through alternate funding until they become commercially viable, as with service 50 which receives support from BSIP while the Trentside development progresses;
- (l) Nottingham City Council are consulting on reducing Linkbus services due to the current financial situation. In 2019, when the dedicated park and ride service at Queen's Drive was withdrawn, NCT was able to extend the 49 service and take over the route. However, the Locallink network is small and is servicing routes that would be difficult for the main commercial network to replace if they were to be withdrawn.

**The Committee noted the NCT Ltd Business Plan 2024/25.**

## **80 Exclusion of the public**

The Committee decided 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 the circumstances, the public interest in maintaining the exemption outweighed the public interest in disclosing the information, as defined in Paragraphs **1 and 3** of Part 1 of Schedule 12A to the Act.

## **81 Nottingham City Transport Limited Business Plan 2024/25 Exempt Discussion**

This item does not contain any decisions eligible for call-in.

Rob Hicklin, Finance Director for NCT, presented the exempt report for the Nottingham City Transport Limited Business Plan 2024/25. Details of the presentation and subsequent discussion are set out in the exempt minute.

**The Committee noted the contents of the exempt presentation.**

At the conclusion of this item, Dave Astill, Richard Beckett, Councillor Graham Chapman, and Rob Hicklin left the meeting.

## **82 Exempt Minutes**

The exempt minutes of the meeting held on 19 December 2023 were confirmed as an accurate record and signed by the Chair.

## **83 Appointment of Non-Executive Director to Scape**

Ross Brown, Corporate Director for Finance and Resources, presented the report on the appointment of a Non-Executive Director to Scape. Details of the report and subsequent discussion are set out in the exempt minute.

**Resolved to approve the recommendations as set out in the exempt report.**

Reasons for decisions:

- as set out in the exempt report.

Other options considered:

- as set out in the exempt report.

## **84 Nottingham City Homes Limited - Shareholder Representative's Performance Report**

This item does not contain any decisions eligible for call-in.

Neil McArthur, Interim Director for Commercial and Procurement, presented the Nottingham City Homes Limited Shareholder Representative's Performance Report. Details of the report and subsequent discussion are set out in the exempt minute.

**The Committee noted the NCH Ltd Shareholder Representative's Performance Report.**

## **85 Progress update following CGEC decisions on subsidiaries and non-subsidiaries**

This item does not contain any decisions eligible for call-in.

Jiayue Wang, Companies Governance Compliance Officer, presented the progress update following CGEC decisions on subsidiaries and non-subsidiaries. Details of the report and subsequent discussion are set out in the exempt minute.

**The Committee noted the progress update following CGEC decisions on subsidiaries and non-subsidiaries.**

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	19 <sup>th</sup> March	April TBC
<b>Public session</b>	1(a) - Futures Business Plan 2024/25 - Public Presentation	
<b>Exempt session</b>	1(b) - Futures Business Plan - 2024/25	
	2 - Futures Strategic Review Report	
	Part 1: Discussion with Company	
	Part 2: Council only discussion	
	3 - NCT Shareholder Representative's Performance Quarterly Report	
	4- NCT Strategic Review Report	
	Part 1: Discussion with Company	
	Part 2: Council only discussion	

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