

Nottingham City Council Companies Governance Executive Committee

Minutes of the meeting held at Loxley House, Nottingham, NG2 3NG on 21 May 2024 from 3:00pm – 4:08pm

Membership

Present

Councillor Linda Woodings (Chair)
Councillor Jay Hayes
Councillor Pavlos Kotsonis
Councillor Neghat Khan
Councillor Ethan Radford

Absent

None

Colleagues, partners and others in attendance:

Tony Barry	- Interim Director for Commercial and Procurement
Ross Brown	- Corporate Director for Finance and Resources
Mike Carey	- Governance Officer
Liz Cook	- Chief Operating Officer for Nottingham City Homes
Neil McArthur	- Interim Director for Commercial and Procurement
Jiayue Wang	- Companies Governance and Compliance Officer

Call-in

Unless stated otherwise, all decisions are subject to call-in. The last date for call-in is 04 June 2024. Decisions cannot be implemented until the working day after this date.

1 Appointment of Vice Chair

Resolved to appoint Councillor Ethan Radford as Vice Chair of the Companies Governance Executive Committee for the municipal year 2024/25.

2 Apologies for absence

None

3 Declarations of interests

None

4 Minutes

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

5 Work Programme

The Committee noted the Work Programme.

6 Dates of 2024-25 meetings

Agreed to meet at 3.00pm (or rise of Executive Board, whichever is later) on the following Tuesdays:

2024

16 July

17 September

19 November

2025

21 January

18 March

7 Nottingham City Homes Limited Business Plan 2024/25 - Public Presentation

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

Liz Cook, Chief Operating Officer for Nottingham City Homes, presented the Nottingham City Homes Limited Business Plan 2024/25, highlighting the following points:

- a) Nottingham City Homes Limited is wholly owned by Nottingham City Council, and has two wholly owned subsidiaries: NCHRP (Nottingham City Homes Registered Provider) and NCHEL (Nottingham City Homes Enterprises Limited);
- b) NCH Ltd was established as an arm's length management organisation to manage Nottingham City Council's Housing Revenue Account housing stock. In April 2023, the management of this stock was brought back in-house, leaving NCH as a landlord of homes it had built or acquired;
- c) the NCH Group manages approximately 520 homes across the three companies, as well as around 195 homes through its private sector leasing scheme. These homes are a mixture of general needs, affordable rent, and temporary accommodation supporting the Council's Homelessness and Rough Sleeper's Strategy. NCH is currently the largest provider of temporary accommodation in Nottingham;
- d) NCHEL, which primarily focuses on market rental properties, is in the process of disposing of its properties with an aim to cease trading by March 2025, leaving Nottingham City Homes and NCHRP;
- e) In developing its business plan, NCH agreed seven main objectives with the Council:
 - i. retain NCH group owned property used for temporary accommodation;
 - ii. maximise available cash within NCH Ltd to fully address repayment (if possible) of sums owed to the NCC Housing Revenue Account;
 - iii. address the solvency challenges in its subsidiary, NCHEL;
 - iv. instigate a managed withdrawal from the market rented business;
 - v. create a residual company structure that is sustainable in terms of solvency and financial stability;
 - vi. implement a legitimate and transparent legal and financial relationship between NCC and the NCH Group.

Of these, the primary objectives are to retain temporary accommodation to ensure cost-effective discharge of homelessness duties, and to fully address repayment where possible to the HRA;

- f) NCH has recently undertaken a sustainability and financial analysis, to assess the viability of the organisation over a 30-year period, based on stock, stock condition and investment needs, asset and loan values, rental income and costs;
- g) NCH is also facing significant regulatory change, with new legislation including the Supported Housing (Regulatory Oversight) Act 2023 coming into force in August 2023;
- h) the Group directors are bound by their statutory duties under the Companies Act 2006 and need to be mindful of the long-term financial viability of the NCH Group. NCH plans to continue to sell market rent properties owned by NCHL and will continue to work closely with the Council as it refines and implements its business plan.

The Committee noted the presentation.

8 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 Paragraph 3 of Part 1 of Schedule 12A to the Act.

9 Nottingham City Homes Limited Business Plan 2024/25 - Exempt Discussion and Strategic Review Assessment

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

Liz Cook, Chief Operating Officer for Nottingham City Homes, gave the exempt presentation on the Nottingham City Homes Limited Business Plan 2024/25.

Neil McArthur, Shareholder Representative for Nottingham City Homes, presented the report on the Strategic Review Assessment.

Details of the report and subsequent discussion are set out in the exempt minute.

Resolved to note Nottingham City Homes Limited's first business plan and the strategic review assessment carried out by officers and the proposed next steps.

10 Exempt Minutes

Companies Governance Executive Committee - 21.05.24

Councillor Ethan Radford and Neil McArthur gave apologies and left the meeting due to prior commitments.

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

11 Nottingham Ice Centre – Review of governance documents

Jiayue Wang, Companies Governance and Compliance Officer, presented the report on the Nottingham Ice Centre review of governance documents. Details of the report and subsequent discussion are set out in the exempt minute.

Resolved to approve the proposed Articles of Association and Shareholder Agreement of Nottingham Ice Centre Limited.