



**Nottingham City Council
Companies Governance Executive Sub-Committee**

Date: Tuesday, 19 May 2020

Time: 2.15 pm

Place: <https://www.youtube.com/user/NottCityCouncil>

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

Corporate Director for Strategy and Resources

Governance Officer: Mark Leavesley

Direct Dial: 0115 876 4302

Agenda	Pages										
1 Apologies for absence											
2 Declarations of interests											
3 Minutes Last meeting held on 21 January 2020 (for confirmation)	3 - 4										
4 Summary information - wholly or majority owned Subsidiaries Report of Strategic Director of Finance	5 - 8										
5 Proposed Council Companies performance reporting template Report of Corporate Director of Strategy and Resources	9 - 22										
6 Dates of future meetings To agree to meet at 2.15pm or at the rising of Executive Board (whichever is the later) on the following Tuesdays: <table><tbody><tr><td><u>2020</u></td><td><u>2021</u></td></tr><tr><td>16 June</td><td>19 January</td></tr><tr><td>21 July</td><td>16 March</td></tr><tr><td>22 September</td><td></td></tr><tr><td>17 November</td><td></td></tr></tbody></table>	<u>2020</u>	<u>2021</u>	16 June	19 January	21 July	16 March	22 September		17 November		
<u>2020</u>	<u>2021</u>										
16 June	19 January										
21 July	16 March										
22 September											
17 November											
7 Work programme Report of Corporate Director of Strategy and Resources	23 - 26										

8 Exclusion of the public

To consider excluding the public from the meeting during consideration of the remaining item in accordance with Section 100A 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

9 City Council owned company discussion

27 - 44

Presentation by Chief Executive

All items listed under 'exclusion of the public' will be heard in private. They have been included on the agenda as no representations against hearing the items in private were received

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 are advised that this meeting may be recorded by members of the public. Any recording or reporting on this meeting should take place in accordance with the Council's policy on recording and reporting on public meetings, which is available at www.nottinghamcity.gov.uk. Individuals intending to record the meeting are asked to notify the Governance Officer shown above in advance.

Nottingham City Council

Companies Governance Executive Sub-Committee

Minutes of the meeting held at Loxley House, Station Street, NG2 3NG, on 21 January 2020 from 2.30 pm - 3.02 pm

Membership

Present

Councillor Sally Longford (Vice Chair)
Councillor David Mellen (Chair)
Councillor Adele Williams
Councillor Linda Woodings
Councillor Cheryl Barnard (substitute for Councillor Webster)

Absent

Councillor Sam Webster

Colleagues, partners and others in attendance:

Candida Brudenell - Corporate Director of Strategy and Resources
Ian Curryer - Chief Executive
Mark Leavesley - Governance Officer
Laura Pattman - Strategic Finance Director
Shail Shah - Head of Audit and Risk
Malcolm Townroe - Director of Legal and Governance
Ceri Walters - Head of Commercial Finance

Call-in

Unless stated otherwise, all decisions are subject to call-in. Last date for call-in is 31 January 2020. Decisions cannot be implemented until the working day after this date.

1 Appointment of Vice-Chair

Resolved to appoint Councillor Longford as Vice-Chair for the remainder of the 2019-20 municipal year.

2 Apologies for absence

Councillor Webster - leave

3 Declarations of Interests

In the interest of transparency, the following declarations were made in relation to item 4, 'Companies Governance' (minute 4):

	Company associated with:
Councillor Barnard	- Robin Hood Energy
Councillor Longford	- Enviroenergy
Councillor Mellen	- Blueprint
Councillor Williams	- Blueprint, Thomas Bow
Councillor Woodings	- Nottingham City Homes
Malcolm Townroe	- Enviroenergy

4 Companies Governance

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

The Committee considered the report of the Corporate Director of Strategy and Resources, detailing the new arrangements in relation to governance of companies that Nottingham City Council wholly own or have a controlling interest.

During discussion the following comments were made:

- a) any commissioned work involving companies should be reported to this Committee in a timely manner, as should a business case for any proposed new company involvement by the Council;
- b) companies need to work closer together to help prevent issues arising, possibly including an annual companies conference;
- c) any training for Councillor Directors should also be available to relevant officers.

Resolved to note the report and the terms of reference for this Sub-Committee.

Reason for decision:

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

Other options considered:

None.

5 Future meetings

The Sub-Committee agreed to meet normally on a bi-monthly basis at 2.15pm or the rising of Executive Board (whichever is the later), subject to any additional meetings at the request of the Chair.

Therefore, it was noted that the next scheduled meeting will be on Tuesday 17 March 2020.

Subject:	Summary Information - Wholly or Majority Owned Subsidiaries
Director:	Laura Pattman – Strategic Director of Finance
Portfolio Holder:	Councillor Mellen, Leader
Report author and contact details:	Ceri Walters – Head of Commercial Finance Ceri.walters@nottinghamcity.gov.uk
Subject to call-in:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Key Decision:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Criteria for Key Decision:	
(a) <input type="checkbox"/> Expenditure <input type="checkbox"/> Income <input type="checkbox"/> Savings of £1,000,000 or more taking account of the overall impact of the decision	
and/or	
(b) Significant impact on communities living or working in two or more wards in the City <input type="checkbox"/> Yes <input type="checkbox"/> No	
Type of expenditure: <input checked="" type="checkbox"/> Revenue <input type="checkbox"/> Capital	
Total value of the decision: £0	
Wards affected: All	
Date of consultation with Portfolio Holder(s): 25 February 2020	
Relevant Council Plan Key Theme:	
Nottingham People	<input type="checkbox"/>
Living in Nottingham	<input type="checkbox"/>
Growing Nottingham	<input type="checkbox"/>
Respect for Nottingham	<input type="checkbox"/>
Serving Nottingham Better	<input checked="" type="checkbox"/>
Summary of issues (including benefits to citizens/service users):	
This report is to provide high level information about the companies that Nottingham City Council (NCC) either wholly or partly own and form part of the 'Group'.	
The detail in this report is taken from the 2018/19 published accounts, set out in appendix A.	
Exempt information: None	
Recommendation:	
1 To note that appendix A provides a summary with regard to each company that forms part of the 'Group'.	

1 Reasons for recommendations

- 1.1 To provide the subcommittee with high level information with regard to those subsidiaries which form part of the 'Group' for NCC.
- 1.2 This will support the development of the future work programme.

2 Background (including outcomes of consultation)

- 2.1 Information has been taken from the companies published 2018/19 accounts and summarised for information. This is set out in appendix A.

3 Other options considered in making recommendations

3.1 None

4 Finance colleague comments (including implications and value for money/VAT)

4.1 Any financial implication that arises from the subsidiaries is captured within the Medium Term Financial Plan of the Local Authority.

4.2 The consolidation of the group accounts form part of the statutory accounts of the Local Authority.

5 Legal and Procurement colleague comments (including risk management issues, and legal, Crime and Disorder Act and procurement implications)

5.1 None

6 Strategic Assets & Property colleague comments (for decisions relating to all property assets and associated infrastructure)

6.1 None

7 Social value considerations

7.1 None

8 Regard to the NHS Constitution

8.1 None

9 Equality Impact Assessment (EIA)

9.1 An EIA is not required because the report does not propose new or changing policies.

10 List of background papers relied upon in writing this report (not including published documents or confidential or exempt information)

10.1 None.

11 Published documents referred to in this report

11.1 2018/19 published accounts at Companies House for each subsidiary.

APPENDIX A

Company Name	What it does	Ownership	Accounting Year	2018/19 PUBLISHED ACCOUNTS							2019/20		
				Gross Income £m	Gross Expenditure £m	Net Expenditure £m	Assets £m	Liabilities £m	Net Assets £m	Average Employee numbers	NCC Directors / Board Members Names	Shareholder rep	Chair
Blueprint Limited Partnership	The Council purchased its share in March 2015 for £8m for the redevelopment of property and the sale and interim rental of land and property. The company specialises in the development of sustainable homes and workspaces.	Joint Venture (50%)	April - March	(3.987)	3.668	(0.319)	17.337	(1.081)	16.256	N/A	Cllr Mellen, Williams and Candida Perkis	Chris Henning	Jeff Moore
Enviroenergy Ltd	Provide heat (from steam) for domestic and commercial customers and to generate and sell electricity.	Subsidiary (100%)	April - March	(8.799)	8.552	(0.247)	12.088	(16.789)	(4.701)	5	Cllr Longford, Khan, Matsiko, Edwards, and Woodward	Andy Vaughan	Cllr Longford
Futures Advice, Skills & Employment Ltd (was Nottingham & Nottinghamshire Futures Ltd)	Futures is jointly owned by Nottingham City Council and Nottinghamshire County Council and is a not for profit company. It delivers contracts for Councils, the Education Skills Funding Agency (ESFA) and the Department of Work and Pensions (DWP). It was established in March 2001 and provides an all age careers and employment advice service. The Council also commission this service under a contractual process; any budget reductions to this spend will impact on the viability /future operation/business planning of this company.	Joint Venture (50%)	April - March	(18.038)	15.345	(2.693)	7.257	(19.261)	(12.004)	339 - including apprentices	Cllr Khan, Elliot, Rostance, Langton and Nikki Jenkins	Chris Henning	Tim Richmond
Nottingham City Homes Ltd	NCH was set up in 2004 as an Arms length management organisation (ALMO) of NCC set up to manage and maintain the housing stock on NCC's behalf. It manages around 26,000 homes and approximately 1,000 leasehold. It is responsible for the day to day management of the homes including services such as tenancy management, rent collection and repairs. NCH also provides other services such as Nottingham on Call, payment collection etc.	Subsidiary (100%)	April - March	(80.682)	72.069	(8.613)	46.829	(125.528)	(78.699)	206	The NCH board is comprised of Councillors as Directors, tenants and leaseholders and independent and co-opted members. Cllr Woodings, Power, Radford, Langton.	Chris Henning	Malcolm Sharp (CBE)
Nottingham City Transport Ltd	NCT was 'privatised' in 1986 and NCC held 100% equity of the company until 2000 when Transdev PLC the UK arm of the French multi-national transport operator acquired a stake in the company. The company delivers public transport for the City.	Subsidiary (95%)	April - March	(53.773)	55.239	1.466	52.241	(40.791)	11.450	1,113	Cllr Chapman, Wynter, Roberts, Jackson	Chris Henning	TBC
Nottingham Ice Centre Ltd	The NIC was the first twin Olympic-sized (60m x 30m) ice pad facility in the UK, "heralding a new era in the development of ice skating". ^[1] Incorporating the Nottingham Arena (since January 2016 re-branded as the Motorpoint Arena Nottingham), the NIC is a combined live entertainment and leisure venue.	Subsidiary (100%)	April - March	(19.572)	19.594	0.021	8.626	(9.939)	(1.313)	738	Cllr Trimble and Peach	Hugh White	Mitch Stevenson
Nottingham Revenues & Benefits Ltd	Incorporated August 2014, Provides administration services for Nottingham City Council's revenue and benefit services through a contract with Northgate. This contract is due to expire in October 2021.	Subsidiary (100%)	April - March	(7.062)	6.840	(0.222)	3.278	(12.191)	(8.914)	206	Cllr Webster, Campbell-Clark and Jackson	Laura Pattman	TBC
Robin Hood Energy Ltd	The company started trading in a controlled manner in July 2015 and started trading nationally in September 2015. Robin Hood Energy is a Not for Profit Energy Company launched by NCC as a competitor to the Big Six Energy Suppliers.	Subsidiary (100%)	April - March	N/A	N/A	0.000	N/A	N/A	0.000	N/A	Cllr Khan, Battlemuch, O'Grady, Barnard, Kotsonis	Chris Henning	Cllr Khan

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Subject:	Proposed Council's Group Companies Financial Performance Reporting		
Corporate Director/ Directors:	Candida Brudenell – Corporate Director of Strategy and Resources Malcolm R. Townroe – Director of Legal and Governance Laura Pattman – Strategic Director of Finance		
Portfolio Holder:	Councillor David Mellen – Leader of the Council		
Report author and contact details:	Bipon Bhakri, Head of Finance Projects and Commercial		
Key Decision	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	Subject to call-in
			<input type="checkbox"/> Yes
			<input checked="" type="checkbox"/> No
Reasons:	<input type="checkbox"/> Expenditure	<input type="checkbox"/> Income	<input type="checkbox"/> Savings of £1,000,000 or more taking account of the overall impact of the decision
	<input type="checkbox"/> Revenue	<input type="checkbox"/> Capital	
Significant impact on communities living or working in two or more wards in the City	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
Total value of the decision:	Nil		
Wards affected:	All		
Relevant Council Plan Key Theme:			
Nottingham People			<input type="checkbox"/>
Living in Nottingham			<input type="checkbox"/>
Growing Nottingham			<input checked="" type="checkbox"/>
Respect for Nottingham			<input type="checkbox"/>
Serving Nottingham Better			<input checked="" type="checkbox"/>
Summary of issues (including benefits to citizens/service users):			
The proposed council group of companies financial performance review report will support the committee in meeting its key objectives of being able to have adequate oversight of the council companies' financial performance and information on potential issues/opportunities arising.			
Exempt information: None			
Recommendation:			
1 That the Sub-Committee note and comment on the proposed Council's Group Companies financial performance reporting pack.			

1 Reasons for recommendation

- 1.1 To support the effective financial governance of companies that are either wholly owned by the Council or where the Council has a controlling interest.

2 Background (including outcomes of consultation)

- 2.1 A template which outlines the proposed approach to report on the trading companies financial position is attached at appendix 1 for consideration.
- 2.2 It has been reported previously by external consultants when reporting on the councils companies, that a significant risk to the council, was that the current quality of

financial planning and reporting and control, was not giving the council, the adequate foresight of underperformance in relation to financial results. This reporting pack and approach is the positive response to the consultants' findings.

3 Other options considered in making recommendations

- 3.1 Not to have an agreed reporting procedure – It is best practice to have agreed set of requirements for financial management information so colleagues can plan reporting timelines and agree the information being submitted, so this option has not been considered further.

4 Finance colleague comments (including implications and value for money/VAT)

- 4.1 The focus on weekly and monthly reporting of the NCC group companies will enhance the accuracy of the NCC financial position with respect to expected dividend/debt payments from these companies and also position NCC better by being able to identify future risks/opportunities from current information to proactively support the NCC group companies.

5 Legal and Procurement colleague comments (including risk management issues, and including legal, Crime and Disorder Act and procurement implications)

- 5.1 None.

6 Social value considerations

- 6.1 None.

7 Regard to the NHS Constitution

- 7.1 None.

8 Equality Impact Assessment (EIA)

- 8.1 An EIA is not required because no service is proposed or changed by this paper.

9 List of background papers relied upon in writing this report (not including published documents or confidential or exempt information)

- 9.1 None.

10 Published documents referred to in this report

- 10.1 None.

APPENDIX 1

GUIDANCE NOTE

To support NCC oversight and enable it to be positioned to support its group companies, the group companies report on a regular basis (weekly and monthly) on key financial indicators which will provide NCC with information on the financial position of the companies and an early warning indication for future funding requirements.

REQUIREMENTS

Each of the group companies to submit on a weekly and monthly basis this completed reporting template to Bipop Bhakri (NCC Finance) by the stated dates - any variance will need to be agreed, as consequential impact on meeting other deadlines.

The submitted report needs to be agreed by NCC Finance and companies senior management representative as complete and accurate.

The report pack is split into weekly and monthly/cumulative reporting.

WEEKLY REPORTING REQUIREMENTS

The weekly report is comprised of 4 performance indicators which need to be populated by the company, using their financial data.

The weekly indicators are populated via the WEEKLY Financial Data INPUT tab by the company staff.

For each indicator, there needs to be supporting commentary to explain the movements from plan and corrective action, where adverse movement to get back on track. Where positive variance, if this is likely to continue to year end results.

The 4th week commentary report can also act as the monthly summary position for the company.

An Executive summary will help to contextualise weekly performance to aid oversight/better understanding of performance

MONTHLY/CUMULATIVE REPORTING REQUIREMENTS

The monthly/cumulative report is comprised of 9 performance indicators which need to be populated by the company, using their financial data.

The monthly/cumulative indicators are populated via the Monthly Financial Data INPUT tab by the company staff.

For each indicator, there needs to be supporting commentary to explain the movements from plan and corrective action, where adverse movement to get back on track. Where positive variance, if this is likely to continue to year end results.

Commentary needs to be a monthly summary of the previous weeks commentary and also a year to date position.

An Executive summary will help to contextualise monthly/cumulative performance to aid oversight/better understanding of performance

DEBT/DIVIDEND REPORTING

Each company will need to provide information on its debt and dividend payment to NCC position to inform the NCC Financial out turn position and what the corrective action is, in the event of slippage.

RISKS/OPPORTUNITIES LOG

Each company will need to provide information about its risks and opportunities that will impact significantly on its financial position and what the response will look like from the company to manage this.

APPENDIX 1

Reporting Timetable 2020/21	May	June	July	August	September	October	November	December	January	February	March	April	May
Report Circulated to Company	w/c 18/5/20												
Companies Governance Executive Sub Committee Relevant Comments/Further Actions -circulation to company (ies)	26/05/2020	30/06/2020	28/07/2020			29/09/2020	24/11/2020			26/01/2021	23/03/2021		25/05/2021
Weekly Report submitted to BB		Friday Weekly	Friday Weekly	Friday Weekly	Friday Weekly	Friday Weekly	Friday Weekly	Friday Weekly	Friday Weekly	Friday Weekly	Friday Weekly	Friday Weekly	Friday Weekly
Mid Month Review of Reports/Looking Ahead		w/c 15/6/20	w/c 13/7/20	w/c 17/8/20	w/c 14/9/20	w/c 12/10/20	w/c 9/11/20	w/c 14/12/20	w/c 11/1/21	w/c 15/2/21	w/c 8/3/21	w/c 12/4/21	w/c 10/5/21
Monthly Draft Report submitted to BB		10/06/2020	08/07/2020	12/08/2020	09/09/2020	14/10/2020	04/11/2020	09/12/2020	06/01/2021	10/02/2021	03/03/2021	14/04/2021	05/05/2021
Final Monthly Report agreed with Company		12/06/2020	10/07/2020	12/08/2020	09/09/2020	14/10/2020	04/11/2020	09/12/2020	06/01/2021	10/02/2021	03/03/2021	14/04/2021	05/05/2021
Monthly Report Submission to Companies Governance Executive Sub Committee		15/06/2020	13/07/2020		14/09/2020		09/11/2020		11/01/2021		08/03/2021		10/05/2021
Companies Governance Executive Sub Committee		23/06/2020	21/07/2020		22/09/2020		17/11/2020		19/01/2020		16/03/2021		18/05/2021

NOTTINGHAM CITY COUNCIL COMMERCIAL COMPANIES FINANCIAL REVIEW



insert company name
PERFORMANCE REPORT
W/E XXXX MAY 2020

Distribution List :

Laura Pattman
insert councillor rep
insert management/shareholder rep
insert CEO



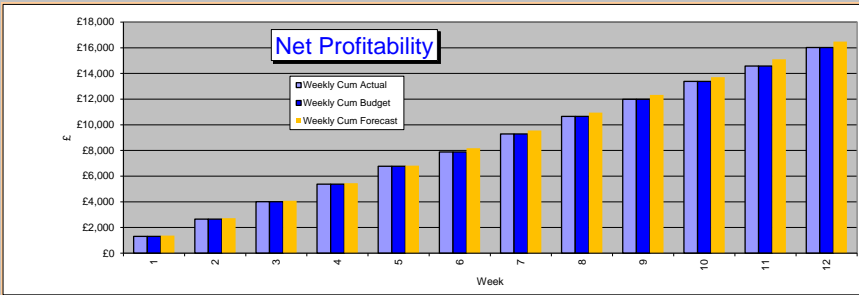
insert company name here - PERFORMANCE REPORT

CONTENTS

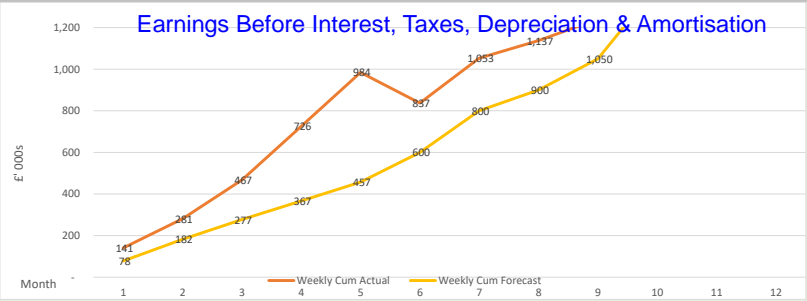
	<u>PAGE NO</u>
Weekly Indicators & Brief Comments	1
Weekly Full Commentary	2
Monthly/Cumulative Indicators & Brief Comments	3
Monthly/Cumulative Full Commentary	4
Risks/Opportunities Log	5
Dividend/Debt Repayment	6
Weekly Reporting Data Input	7
Cumulative Reporting Data Input	8

WEEKLY FINANCIAL PERFORMANCE REPORTING - MAY 2020

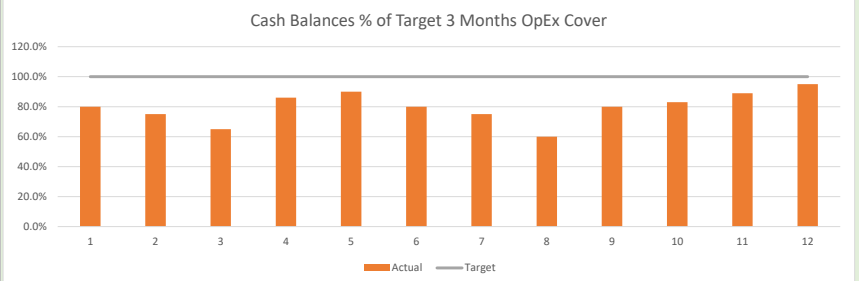
DRAFT TEMPLATE PAGE 1



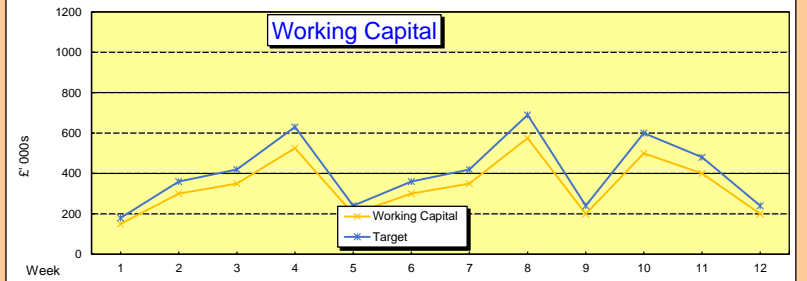
Weekly Commentary



Weekly Commentary



Weekly Commentary



Weekly Commentary

K

Favourable	£k	Adverse	£k
1 NET PROFITABILITY		1 NET PROFITABILITY	
2 EBITDA		2 EBITDA	
3 CASH RESERVES/LIQUIDITY		3 CASH RESERVES/LIQUIDITY	
4 WORKING CAPITAL		4 WORKING CAPITAL	
TOTAL	0.0	TOTAL	0.0

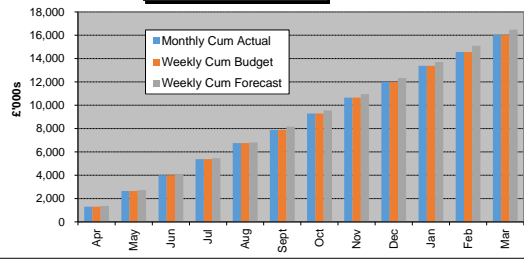
EXECUTIVE SUMMARY

MONTHLY/CUMULATIVE FINANCIAL PERFORMANCE REPORTING - MAY 2020

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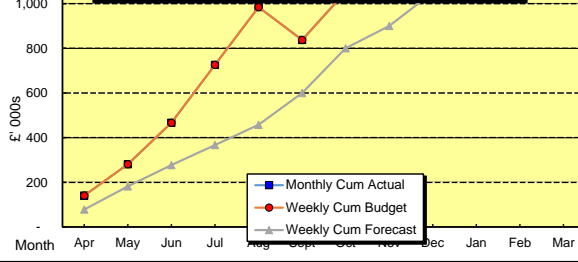
PROFITABILITY

Net Profitability



Comments

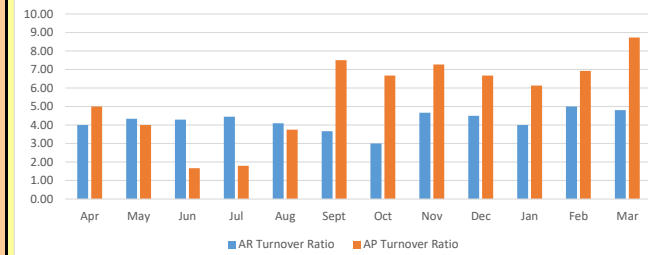
Earnings Before Interest, Taxes, Depreciation & Amortisation



Comments

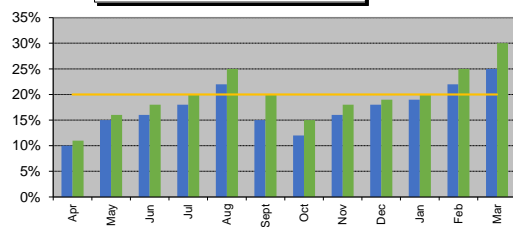
CASH CONVERSION

AR Turnover vs AP Turnover



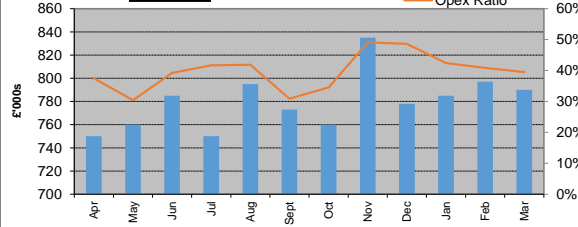
Comments

NET PROFIT MARGIN



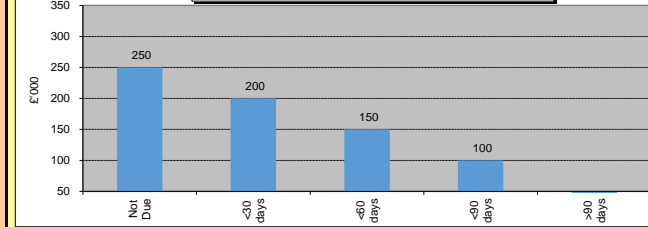
Comments

OPEX



Comments

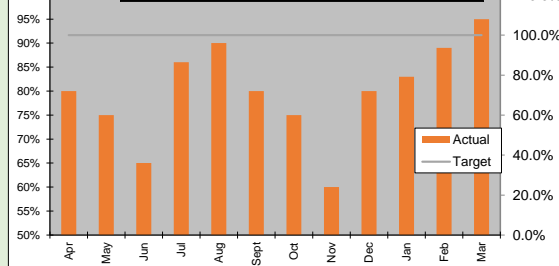
DAYS SALES OUTSTANDING



Comments

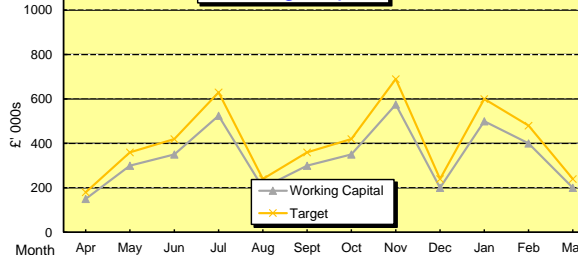
FINANCIAL HEALTH

Cash Balances as % of Target 3 month OpEx Cover



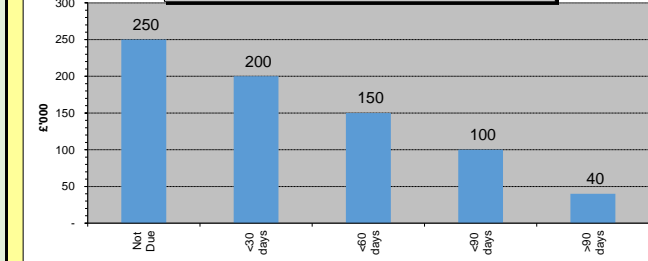
Comments

Working Capital



Comments

DAYS PAYABLE OUTSTANDING



Comments

Favourable	£k	Adverse	£k
1 NET PROFITABILITY		1 NET PROFITABILITY	
2 NET PROFIT MARGIN		2 NET PROFIT MARGIN	
3 EBITDA		3 EBITDA	
4 OPEX		4 OPEX	
5 CASH RESERVES/LIQUIDITY		5 CASH RESERVES/LIQUIDITY	
6 AR TURNOVER VS AP TURNOVER		6 AR TURNOVER VS AP TURNOVER	
7 DAYS SALES OUTSTANDING		7 DAYS SALES OUTSTANDING	
8 DAYS PAYABLE OUTSTANDING		8 DAYS PAYABLE OUTSTANDING	
9 WORKING CAPITAL		9 WORKING CAPITAL	
TOTAL	0	TOTAL	0

EXECUTIVE SUMMARY

The below are considered the key risks to the latest forecast outturn position of Exxx

Area Impacted	Nature of Change/Descriptive text	Comments on Likelihood (High/Medium/Low) and Why	Financial Effect on forecast bottom line (£m)	Funding Required from NCC to support (£m)
Income (or specific type of income)				
Costs of Sales Expenditure (or specific type of expenditure)				
Customer Profile (impact on operations)				
Operating Exp (or state specific type of op exp if needed)				

Net Profitability

Week 20/21	Weekly Cum Actul	Weekly Cum Budget	Weekly Cum Forecast
1	1,308	1,308	1,365
2	2,654	2,654	2,731
3	4,002	4,002	4,078
4	5,383	5,383	5,450
5	6,764	6,764	6,822
6	7,885	7,885	8,169
7	9,285	9,285	9,560
8	10,652	10,652	10,952
9	11,992	11,992	12,333
10	13,376	13,376	13,710
11	14,572	14,572	15,101
12	16,023	16,023	16,484

INPUT NOTES: net profitability/loss refers to the bottom line value of a company's income statement. The value represents the company's financial health for the reporting period (week/month/quarter/year). It represents a measure for a company's success or weakness and enables further questions on the reasons for the results including sales volumes and prices, expenditure and overhead costs which all impact on the bottom line. Net Profit is not to be used to compare companies, as each company has its own particular circumstances and operating environments.

Earnings before Interest & Taxes, Depreciation & Amortization (£'000s)

Week 20/21	Weekly Cum Actul	Weekly Cum Budget	Weekly Cum Forecast
1	141	141	78
2	281	281	182
3	467	467	277
4	726	726	367
5	984	984	457
6	837	837	600
7	1,053	1,053	800
8	1,137	1,137	900
9	1,241	1,241	1,050
10	1,514	1,514	1,400
11	1,376	1,376	1,440
12	1,547	1,547	1,453

INPUT NOTES: EBITDA refers to net profit, with add back of interest, taxes, depreciation, and amortisation. This indicator is good measure for analysis of the true operating cash flows of a business. It is useful for informed analysis of companies that have significant amounts of debt or large investments in fixed assets because this indicator excludes the accounting effects of non operating expense like interest and non cash expenses like depreciation. Adding these expenses back into net income allows for better review of the true operating cash flows

Cash Balances actuals vs target level - 3 months op exp as risk cover indicator for company liquidity

Week 20/21	Actual	Target
1	80.0%	100.0%
2	75.0%	100.0%
3	65.0%	100.0%
4	86.0%	100.0%
5	80.0%	100.0%
6	80.0%	100.0%
7	75.0%	100.0%
8	60.0%	100.0%
9	80.0%	100.0%
10	83.0%	100.0%
11	89.0%	100.0%
12	95.0%	100.0%

INPUT NOTES: cash balance refers to available cash reserves, not restricted to specific expenditure. Target is set as 3 months coverage for opex expenditure in the event of wind down.

Working Capital Level , Target at 1.2 times higher than actual £'000

Week 20/21	Current Assets	Current Liabilities	Working Capital	Target
1	1000	850	150	180
2	1200	900	300	360
3	1300	950	350	420
4	1500	975	525	630
5	1200	1000	200	240
6	1350	1050	300	360
7	1450	1100	350	420
8	1650	1075	575	690
9	1700	1500	200	240
10	1900	1400	500	600
11	2000	1600	400	480
12	2000	1800	200	240

Working capital is vital as it will help you accurately gauge your business's operational efficiency and short-term financial health. The working capital ratio is commonly used to assess a company's financial performance. Low working capital ratio values, near one or lower, can indicate serious financial problems with a company. The working capital ratio reveals whether the company has enough short-term assets to pay off its short-term debt.

INPUT NOTES:
 current assets refer to assets - tangible and intangible - that can be turned into cash within 1 year or one business cycle, which ever is less. Categories include liquid market securities - stocks and bonds, inventory, cash and cash equivalents, accounts receivable
 current liabilities refer to all debts and expenses the company expects to pay within one year or one business cycle, which ever is less. Categories include rent, utilities, materials and supplies, interest or principal payments on debt, accounts payable, accrued liabilities and accrued income, taxes, dividend payable, capital leases due within one year and long term debt that is now coming due.

Net Profitability

2020/21	Monthly Cum Act.	Weekly Cum Budget	Weekly Cum Forecast
Apr	1,308	1,308	1,308
May	2,654	2,654	2,731
Jun	4,002	4,002	4,078
Jul	5,363	5,363	5,449
Aug	6,764	6,764	6,822
Sept	7,885	7,885	8,169
Oct	9,295	9,295	9,560
Nov	10,652	10,652	10,952
Dec	11,962	11,962	12,383
Jan	13,276	13,276	13,710
Feb	14,572	14,572	15,101
Mar	15,023	15,023	15,454

INPUT NOTES:
 Net profitability refers to the bottom line value of a company's income statement. The value represents the company's financial health for the reporting period (week/monthly/quarter/year). It represents a measure for a company's success or weakness and enables further questions on the reasons for the results including sales volumes and prices, expenditure and overhead costs which all impact on the bottom line. Net Profit is not to be used to compare companies, as each company has its own particular circumstances and operating environments.

Earnings before Interest & Taxes, Depreciation & Amortisation (E'000)

2020/21	Monthly Cum Act.	Weekly Cum Budget	Weekly Cum Forecast
Apr	141	141	141
May	281	281	182
Jun	467	467	277
Jul	726	726	367
Aug	984	984	457
Sept	1,053	1,053	600
Oct	1,137	1,137	800
Nov	1,241	1,241	960
Dec	1,514	1,514	1,090
Jan	1,578	1,578	1,440
Feb	1,647	1,647	1,483
Mar	1,647	1,647	1,483

INPUT NOTES:
 EBITDA refers to net profit, with add back of interest, taxes, depreciation, and amortisation. This indicator is good measure for analysis of the true operating cash flows of a business. It is useful for informal analysis of companies that have significant amounts of debt or large investments in fixed assets because this indicator excludes the accounting effects of non operating expenditure like interest and non cash expenses like depreciation. Adding these expenses back into net income allows for better review of the true operating cash flows

Cash Balances actuals vs target level - 3 months op exp as risk cover indicator for company liquidity

2020/21	Actual	Target
Apr	80.0%	100.0%
May	75.0%	100.0%
Jun	65.0%	100.0%
Jul	88.0%	100.0%
Aug	90.0%	100.0%
Sept	80.0%	100.0%
Oct	80.0%	100.0%
Nov	80.0%	100.0%
Dec	80.0%	100.0%
Jan	83.0%	100.0%
Feb	89.0%	100.0%
Mar	90.0%	100.0%

INPUT NOTES:
 Cash balance refers to available cash reserves, not restricted to specific expenditure. Target is set as 3 months coverage for opex expenditure in the event of wind down.

Working Capital Level, Target at 1.2 times higher than actual E'000

2020/21	Current Assets	Current Liabilities	Working Capital	Target
Apr	1000	800	150	180
May	1200	900	300	360
Jun	1300	950	350	420
Jul	1500	975	525	630
Aug	1200	1000	200	240
Sept	1350	1050	300	360
Oct	1450	1100	350	420
Nov	1650	1075	575	690
Dec	1700	1500	200	240
Jan	1900	1400	500	600
Feb	2000	1600	400	480
Mar	2000	1600	400	480

Working capital is vital as it will help you accurately gauge your business's operational efficiency and short-term financial health. The working capital ratio is commonly used to assess a company's financial performance. Low working capital ratio values, near one or lower, can indicate serious financial problems with a company. The working capital ratio reveals whether the company has enough short-term assets to pay off its short-term debt.

INPUT NOTES:
 current assets refer to assets - tangible and intangible - that can be turned into cash within 1 year or one business cycle, which ever is less. Categories include liquid market securities - stocks and bonds, inventory, cash and cash equivalent s, accounts receivable
 current liabilities refer to all debts and expenses the company expects to pay within one year or one business cycle, which ever is less. Categories include rent, utilities, materials and supplies, interest or principal payments on debt, accounts payable, accrued liabilities and accrued income, taxes, dividend payable, capital leases due within one year and long term debt that is now coming due.

Net Profit Margin

2020/21	Monthly Cum Actual	Monthly Cum Budget	Target
Apr	10.00%	11.00%	20.00%
May	15.00%	16.00%	20.00%
Jun	18.00%	18.00%	20.00%
Jul	18.00%	20.00%	20.00%
Aug	22.00%	25.00%	20.00%
Sept	15.00%	20.00%	20.00%
Oct	12.00%	15.00%	20.00%
Nov	18.00%	18.00%	20.00%
Dec	18.00%	19.00%	20.00%
Jan	19.00%	20.00%	20.00%
Feb	22.00%	20.00%	20.00%
Mar	25.00%	30.00%	20.00%

INPUT NOTES:
 Net profit represents the financial success or Weakness (net loss) for a company in the reporting period. To enable comparison between companies, then an appropriate measure would be to use Net Profit as % of Sales (Net profit margin). It is one of the most important indicators of a company's financial health.
 This measure is useful as it tells us how much of the company's revenue translates into profit (or loss) after expenses are paid. A low percentage indicates that the company's expenditure is relatively high, wh
 It helps in assessing if a company's management is generating enough profit from its sales and whether operating costs and overhead costs are being managed.

Accounts Receivable by target

Not Due	<30 days	<60 days	<90 days	>90 days
250	200	150	100	40

INPUT NOTES:
 Accounts Receivable by Age analysis provides an important gauge to determine the company's customer's financial health, as well as possibly the company's efficiency and effectiveness in collecting monies owed to it.
 If the accounts receivable aging shows increasing value of monies owed to it in the 60 days or longer, then this is an indication of increasing doubtfulness of the customer being able to settle their account. It will also help in determining if the allowance for bad debt is reasonable

Accounts Payable by target

Not Due	<30 days	<60 days	<90 days	>90 days
250	200	150	100	40

INPUT NOTES:
 Accounts Payable by Age analysis provides an important gauge to determine the company's financial health, as well as possibly by the company's efficiency and effectiveness in paying monies owed by it.
 If the accounts payable aging shows increasing value of monies owed by it in the 60 days or longer, then this is an indication of decreasing financial health and needs to be investigated and resolved, as suppliers will be affected and impact on wider operational activities

AR Turnover vs AP Turnover

2020/21	AR Turnover Ratio	AP Turnover Ratio	AR Balance	Supplier Pay	AR Balance	Net Revenue
Apr	4.00	5.00	1000	500	500	2000
May	4.29	4.00	500	2000	600	2600
Jun	4.29	1.67	900	1500	700	3000
Jul	4.44	1.80	1000	1800	900	4000
Aug	4.00	3.75	800	3000	1100	4500
Sept	3.67	7.50	600	4500	1500	5500
Oct	3.00	6.67	450	3000	2000	6000
Nov	4.67	7.27	550	4000	1500	7000
Dec	4.50	6.67	750	5000	2000	9000
Jan	4.00	6.13	800	4800	2500	10000
Feb	5.00	6.92	650	4500	2200	11000
Mar	4.80	8.73	550	4800	2500	12000

INPUT NOTES:
 Accounts Payable Turnover Ratio:
 This shows how quickly your business pays off suppliers and other bills. It also shows the number of times your business can pay off average accounts payable balance during a certain time period.
 For example, if your company purchases 10 million of goods in a year, and holds of an average account payable of 2 million, the ratio is 5.
 A higher ratio shows suppliers and creditors that your company is on top of paying its bills.
 Accounts Receivable Turnover Ratio:
 Measures the number of times that your business is able to collect average accounts receivable, and indicates your effectiveness on extending credits.

2020/21	Open Ratio	Op Expenditures	Revenue	Sales	Marketing	Bank Admin
Apr	38%	750	2000	350	250	150
May	30%	760	2500	380	280	120
Jun	39%	780	2000	385	270	130
Jul	42%	750	1800	375	290	125
Aug	42%	758	1900	385	285	140
Sept	31%	773	2500	388	295	130
Oct	35%	760	2200	370	270	120
Nov	49%	630	1700	375	280	160
Dec	49%	778	1800	378	285	138
Jan	42%	788	1850	385	275	125
Feb	41%	797	1950	382	280	135
Mar	40%	790	2000	375	275	140

INPUT NOTES:
 Operating Expense Ratio:
 This monthly financial report example indicates the operational efficiency of your business through the comparison of operating expenses and your total revenue.
 Essentially the lower your operating expenses the more profitable your business. It can be useful to breakdown the op expenditure by functions eg sales, marketing, general and admin - to see where op exp is being driven by
 These KPIs are particularly helpful to benchmark your company against other businesses.

Subject:	Proposed Work Plan		
Corporate Director/ Directors:	Candida Brudenell – Corporate Director of Strategy and Resources Malcolm R. Townroe – Director of Legal and Governance Laura Pattman – Strategic Director of Finance		
Portfolio Holder:	Councillor David Mellen – Leader of the Council		
Report author and contact details:	Shail Shah,		
Key Decision	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	Subject to call-in
			<input type="checkbox"/> Yes
			<input checked="" type="checkbox"/> No
Reasons:	<input type="checkbox"/> Expenditure	<input type="checkbox"/> Income	<input type="checkbox"/> Savings of £1,000,000 or more taking account of the overall impact of the decision
			<input type="checkbox"/> Revenue
			<input type="checkbox"/> Capital
Significant impact on communities living or working in two or more wards in the City			<input type="checkbox"/> Yes
			<input checked="" type="checkbox"/> No
Total value of the decision: Nil			
Wards affected: All	Date of consultation with Portfolio Holder: 25 February 2020		
Relevant Council Plan Key Theme:			
Nottingham People			<input type="checkbox"/>
Living in Nottingham			<input type="checkbox"/>
Growing Nottingham			<input checked="" type="checkbox"/>
Respect for Nottingham			<input type="checkbox"/>
Serving Nottingham Better			<input type="checkbox"/>
Summary of issues (including benefits to citizens/service users):			
The proposed work plan will support the Sub-Committee in meeting its terms of reference and priorities.			
Exempt information: None			
Recommendation:			
1 That the Sub-Committee note and comment on the proposed work plan, including suggested amendments as appropriate.			

1 Reasons for recommendations

- 1.1 To formalise planning and prioritisation of activities connected to the governance of companies that are either wholly owned by the Council or where the Council has a controlling interest.

2 Background (including outcomes of consultation)

- 2.1 An outline proposed forward plan of work is attached (appendix 1) for consideration. Members of the Sub-committee are invited to contribute proposals for future activity in connection with the sub-committee’s terms of reference.

3 Other options considered in making recommendations

- 3.1 Not to have a forward plan – It is best practice to plan work in advance, so this option has not been considered further.

4 Finance colleague comments (including implications and value for money/VAT)

4.1 None.

5 Legal and Procurement colleague comments (including risk management issues, and including legal, Crime and Disorder Act and procurement implications)

5.1 None.

6 Social value considerations

6.1 None.

7 Regard to the NHS Constitution

7.1 None.

8 Equality Impact Assessment (EIA)

8.1 An EIA is not required because no service is proposed or changed by this decision.

9 List of background papers relied upon in writing this report (not including published documents or confidential or exempt information)

9.1 None.

10 Published documents referred to in this report

10.1 None.

	16 June	21 July	22 September	17 November	19 January 2021	16 March	May (TBC)
Key Events							
Agenda Items	Presentation by Group Company Strategic plan Business Plan Financial update	Presentation by Group Company Strategic plan Business Plan Financial update	Presentation by Group Company Strategic plan Business Plan Financial update	Presentation by Group Company Strategic plan Business Plan Financial update	Presentation by Group Company Strategic plan Business Plan Financial update	Presentation by Group Company Strategic plan Business Plan Financial update	Presentation by Group Company Strategic plan Business Plan Financial update
	Presentation on Commercial Entities Review		External Audit Reports for all companies and NCC	Summary six-monthly or annual performance of NCC companies			Summary year end position 2020-21 NCC companies
	City Council Companies – Financial Performance Review	Summary financial year end position 2019-20 City Council companies	Companies Governance Executive Sub Committee Mid-Year Report	Company Director Training & Development Roles & Responsibilities of members on company boards			Companies Governance Executive Sub Committee Annual Report
				Companies Conference			
		City Council Companies Financial Performance Review 2020-21	City Council Companies Financial Performance Review 2020-21	City Council Companies Financial Performance Review 2020-21	City Council Companies Financial Performance Review 2020-21	City Council Companies Financial Performance Review 2020-21	City Council Companies Financial Performance Review 2021-22
	Significant change in existing company plans	Significant change in existing company plans	Significant change in existing company plans	Significant change in existing company plans	Significant change in existing company plans	Significant change in existing company plans	Significant change in existing company plans
	Approval of New Companies business cases and formation	Approval of New Companies business cases and formation	Approval of New Companies business cases and formation	Approval of New Companies business cases and formation	Approval of New Companies business cases and formation	Approval of New Companies business cases and formation	Approval of New Companies business cases and formation

Key -

Exempt Item

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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