



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

Date: Tuesday 18 August 2020

Time: 2:30pm

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

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

Director for Legal and Governance

Governance Officer: Adrian Mann

Direct Dial: 0115 876 4302

Agenda	Pages
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3 Minutes Minutes of the meeting held on 21 July 2020, for confirmation	3 - 6
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Meetings to start at 3:00pm, or at the rising of the Executive Board, whichever is the later

- 6 Exclusion of the Public**
To consider excluding the public from the meeting during consideration of the following items in accordance with Section 100A of the Local Government Act 1972 (under Schedule 12A, Part 1) on the basis that, having regard to all the circumstances, the public interest in maintaining an exemption outweighs the public interest in disclosing the information
- 7 Exempt Minutes** 9 - 12
Exempt Minutes of the meeting held on 21 July 2020, for confirmation
- 8 Council-Owned Company Discussion - Thomas Bow City Asphalt** 13 - 28
Presentation by Thomas Bow City Asphalt
- 9 Council-Owned Companies - Financial Performance Review** 29 - 36
Report of the Head of Finance (Commercial and Projects)

All items listed under 'Exclusion of the Public' will be heard in private. These items have been included under this section of the agenda because no representations against hearing them in private were received.

Councillors, co-optees, colleagues and other participants must declare all disclosable pecuniary and other interests relating to any items of business to be discussed at the meeting. If you need any advice on declaring an interest in an item on the agenda, please contact the Governance Officer shown above before the day of the meeting, if possible.

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: <https://www.nottinghamcity.gov.uk/your-council/about-the-council/council-meetings-decisions/recording-reporting-on-public-meetings/>.

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

Minutes of the meeting held remotely via Zoom and live-streamed on YouTube on Tuesday 21 July 2020 from 3:00pm to 4:38pm

Membership

Present

Councillor David Mellen (Chair)
Councillor Sally Longford (Vice Chair)
Councillor Sam Webster
Councillor Adele Williams
Councillor Linda Woodings

Absent

None

Colleagues, partners and others in attendance:

David Astill - Operations Director, NCT
Mark Fowles - Managing Director, NCT
Rob Hicklin - Finance Director, NCT
Councillor - Director, NCT
Angharad Roberts
Bipon Bhakri - Head of Finance - Commercial and Projects
Chris Henning - Corporate Director for Development and Growth
Katherine Kerswell - Interim Chief Executive
Adrian Mann - Governance Officer
Steve Oakley - Acting Director of Commissioning and Procurement
Laura Pattman - Strategic Director of Finance
Jo Pettifor - Strategic Procurement Manager
Malcolm Townroe - Director of Legal and Governance
Keri Usherwood - Portfolio Communications Manager
Hugh White - Corporate Director for COVID Response and Recovery

Call-in

Unless stated otherwise, all decisions made by the Companies Governance Executive Sub-Committee are subject to call-in. The last date for call-in is **Friday 31 July 2020**. Decisions cannot be implemented until the next working day following this date.

17 Apologies for Absence

None.

18 Declarations of Interests

None.

19 Minutes

The Committee confirmed the minutes of the meeting held on 16 June 2020 as a correct record and they were signed by the Chair.

20 Commissioning and Procurement Support for Council-Owned Companies

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

Steve Oakley, Acting Director of Commissioning and Procurement, and Jo Pettifor, Strategic Procurement Manager, presented a report on the potential for support to be provided between the Council and its group of trading companies, in order to maximise the value obtained overall in the use of Council resources. The following points were discussed:

- (a) companies wholly-owned and controlled by the Council (known as 'Teckal' subsidiaries) are deemed as 'Contracting Authorities' subject to the EU and UK procurement regulations, and must comply with the procedural requirements of these regulations. However, under the Teckal exemption, the Council and its Teckal companies can buy and sell from each other freely, without the need for competitive tendering. Therefore, it is possible for the Council to procure services and supplies for all of its Teckal companies, which offers the potential for savings through increased purchasing power and the economies of scale of larger contracts;
- (b) joint procurement is possible when the requirements for goods and services are similar and timescales can be aligned. The Council can work together with its companies to build stronger relationships to establish the right procedures and agree procurement plans, with an end view of carrying out all procurement for the group, jointly. This would streamline procurement and contracting arrangements, saving the time and resources involved in managing these processes separately. Detailed consultation with the Teckal companies has not yet taken place, but individual companies have expressed interest in such a project in the past;
- (c) the companies that fall outside of the Teckal exemption cannot buy and sell freely with the Council, so the normal the EU and UK procurement regulations apply. For requirements above the EU thresholds, the Council (and its Teckal subsidiaries) cannot purchase from a non-Teckal company without undertaking a compliant tendering process. As private entities, non-Teckal companies are not subject to the public procurement regulations in their purchasing, so they have greater flexibility in how they choose suppliers. They may purchase goods and services from the Council and its Teckal companies, retaining business and funding within the group. However, all services sourced from the Council must be provided at market rates, to avoid breaching State Aid regulations.

The Committee noted the report and encouraged the further exploration and development of group procurement initiatives between the Council and its group of trading companies.

21 Work Plan

The Committee noted the current work plan, which has been updated for the holding of meetings on a monthly basis.

22 Future Meeting Dates

- **Tuesday 18 August 2020**
- **Tuesday 22 September 2020**
- **Tuesday 20 October 2020**
- **Tuesday 17 November 2020**
- **Tuesday 15 December 2020**
- **Tuesday 19 January 2021**
- **Tuesday 16 February 2021**
- **Tuesday 16 March 2021**
- **Tuesday 20 April 2021**

Meetings to start either at 2:30pm, or at the rising of the Executive Board, whichever is the later.

23 Exclusion of the Public

The Committee decided to exclude the public from the meeting during consideration of the remaining agenda 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 outweighed the public interest in disclosing the information, as defined in Paragraph 3 of Part 1 of Schedule 12A to the Act.

24 Exempt Minutes

The Committee confirmed the exempt minutes of the meeting held on 16 June 2020 as a correct record and they were signed by the Chair.

25 Council-Owned Company Discussion - Nottingham City Transport

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

Mark Fowles, Managing Director of NCT; David Astill, Operations Director of NCT; and Rob Hicklin, Finance Director of NCT gave a presentation on the company's current financial overview and business objectives.

The Committee noted the presentation, thanked the NCT representatives for their attendance and acknowledged the substantial work carried out by the company to run a vital public transport service successfully during the Coronavirus lockdown period.

26 Council-Owned Companies - Financial Performance Review

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

Bipon Bhakri, Head of Finance – Commercial and Projects, presented a report on the financial performance of the Council-owned companies as at 31 May 2020.

The Committee noted the report.

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	21 July	18 August	22 September	20 October	17 November	15 December	19 January	16 February	16 March	20 April	May (TBC)
Key Events											
Agenda Items	Commissioning and Procurement Support for Council-Owned Companies		External Audit Reports for all companies and NCC	Summary financial year end position 2019-20 City Council companies	Summary six-monthly or annual performance of NCC companies		Companies Conference				Summary year end position 2020-21 NCC companies
			Financial Governance Standards for City Council Companies		Company Director Training & Development Roles & Responsibilities of members on company boards						Companies Governance Executive Sub Committee Annual Report
	E	X	E	M	P	T	I	T	E	M	S
	Presentation by Group Company (NCT) Strategic plan Business Plan Financial update	Presentation by Group Company (Thomas Bow) Strategic plan Business Plan Financial update	Presentation by Group Company (Blueprint) Strategic plan Business Plan Financial update	Presentation by Group Company (NIC update) Strategic plan Business Plan Financial update	Presentation by Group Company (NRB) Strategic plan Business Plan Financial update	Presentation by Group Company (EE update) Strategic plan Business Plan Financial update	Presentation by Group Company (NCH) Strategic plan Business Plan Financial update	Presentation by Group Company (NCT update) Strategic plan Business Plan Financial update	Presentation by Group Company (Futures) Strategic plan Business Plan Financial update	Presentation by Group Company (Thomas Bow update) Strategic plan Business Plan Financial update	Presentation by Group Company (NIC update) Strategic plan Business Plan Financial update
	City Council Companies Financial Performance Report 2020-21	City Council Companies Financial Performance Report 2020-21	City Council Companies Financial Performance Report 2020-21	City Council Companies Financial Performance Report 2020-21	City Council Companies Financial Performance Report 2020-21	City Council Companies Financial Performance Report 2020-21	City Council Companies Financial Performance Report 2020-21	City Council Companies Financial Performance Report 2020-21	City Council Companies Financial Performance Report 2020-21	City Council Companies Financial Performance Report 2020-21	City Council Companies Financial Performance Report 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	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	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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