



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

**Date:** Tuesday, 16 February 2021

**Time:** 3.00 pm

**Place:** Remotely via Zoom – <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:** Mark Leavesley

**Direct Dial:** 0115 876 4302

- 1 Apologies for absence**
- 2 Declarations of interests**
- 3 Minutes** 3 - 8  
Last meeting held on 19 January 2021 (for confirmation)
- 4 Work plan** 9 - 10  
For noting/discussion
- 5 Council owned company discussion - Nottingham City Transport (NCT)**
- 6 Exclusion of the public**  
To consider excluding the public from the meeting during consideration of the remaining items 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
- 7 Council owned company discussion - Nottingham City Transport (NCT)**
- 8 Council owned companies - financial updates** 11 - 48  
Report of Strategic Director of Finance
- 9 Exempt minutes** 49 - 52  
Last meeting held on 19 January 2021 (for confirmation)

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](http://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 remotely and livestreamed on YouTube on 19 January 2021 from 3.10pm to 5.01pm

#### Membership

##### Present

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

##### Absent

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

##### Nottingham City Homes (for minutes 74 to 81 inclusive only)

Nick Murphy	- Chief Executive
Malcolm Sharp	- Chair of NCH Group Board
Joanne Clifford	- Director of Corporate Resources

##### Nottingham City Council

Clive Heaphy	- Strategic Director of Finance
Chris Henning	- Corporate Director of Development and Growth
Mark Leavesley	- Governance Officer
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. The last date for call-in is Friday 29 January 2021. Decisions cannot be implemented until the working day after this date.

#### 74 Apologies for absence

Mel Barrett - personal

#### 75 Declarations of interests

Councillor Woodings declared an interest in items 6 and 8 (minutes 79 and 81) as the nominated shareholder representative and Chair of the Partnership Forum of Nottingham City Homes.

#### 76 Minutes

The Committee agreed the minutes of the meeting held on 17 November 2020 as a correct record and they were signed by the Chair.

## **77 Governance Improvement Programme - progress update and lessons learnt**

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

The Chair presented the report and stated that although the same report was considered at a recent Full Council meeting, it was before this Committee for completeness.

He also stated the following:

- i. in response to publication of the Public Interest Report (PIR), since the last meeting of this Committee, the first meeting of the Governance Improvement Board had taken place, membership of which included the Leader and Deputy Leader (Chair of the Board), other City Councillors (including an Opposition Councillor), the Chair of Overview & Scrutiny Committee and two independent, external members;
- ii. the Council is working through an Action Plan, and progress has been made in relation to training of Company Board members, the definition of a Shareholder Representative (although this is still ongoing), working with Audit and Scrutiny and 'best practice' in these areas;
- iii. the Council is working through the recommendations from the Auditor, although in respect of the first recommendation regarding Robin Hood Energy (RHE), things have moved forward, with the customer base being passed to a new energy supplier and, so far, 50% of the workforce finding new employment;
- iv. following publication in August 2020 of the PIR, and the subsequent non-statutory review by Max Caller (which included some overlap in proposals regarding the Council's constitution, decision making, governance and companies), the Council has recently launched its Improvement Plan and will continue to work to bring about improvements as required.

### **Resolved to note the**

- (1) progress made to date as detailed in the report and appendices;**
- (2) recommendations considered at Council on 11 January 2021, approved as per the report that was submitted.**

### Reasons for recommendations

The Governance Improvement Programme was established to oversee the delivery of the City Council's Action Plan responding to the PIR concerning the Council's Governance Arrangements for Robin Hood Energy Ltd, and to review the wider governance issues at Nottingham City Council identified in the report.

In response to Recommendation 10 of the PIR which reads; "In addition to those referred to in recommendations above, the Council should apply the lessons from Robin Hood Energy in a further review of its company governance arrangements, in particular to ensure that risks are appropriately flagged and managed, as well as

successfully implementing the more robust monitoring agreed by the Companies Governance Executive Sub-Committee”, the City Council’s Action Plan requires that an overarching report covering the outcomes of the various reviews be produced in December 2020 and brought to Full Council for consideration.

One of the key requirements of the PIR and Action Plan was the establishment of an Improvement Board to oversee delivery and drive progress against the PIR Action Plan, to support improvement in the Council’s wider governance arrangements, and to ensure that a range of voices, including those independent of the Council, contribute to the development of improved governance at Nottingham City Council.

Included at Appendix 3 are the draft minutes of the first meeting of the Nottingham City Council Governance Improvement Board which include the comments, questions and observations of the Board members at the meeting on 9 December 2020.

#### Other options considered

None, as Nottingham City Council has accepted in full the recommendations of the Public Interest Report and has endorsed the Corporate Action Plan to deliver the required remedial actions in response.

#### **78 Work plan**

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

The Committee noted the work plan without discussion.

#### **79 Council owned company discussion - Nottingham City Homes (NCH)**

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

The Committee received a presentation by NCH representatives Nick Murphy (Chief Executive), Malcolm Sharp (Chair of the NCH Group Board) and Joanne Clifford (Director of Corporate Resources).

The main points were as follows:

- i. NCH was established in 2005 and is a wholly Council-owned company;
- ii. there are currently around 55,000 residents in 25,359 council tenancy properties and 1,359 leasehold properties, equating to around 1 in 6 of the city residents;
- iii. rents are collected by NCH and paid into the Council’s Housing Revenue Account (ring-fenced for council housing), out of which is paid outstanding debt from when the stock was first built, the management fee to NCH, costs of repairs and maintenance, capital investment and the cost of any retained services;
- iv. since 2005, NCH has:
  - invested £200m in stock improvements, leading to 89% overall satisfaction and 83% repairs satisfaction rates currently (up from starting figures of 61% and 54% respectively);
  - cut the arrears figure by half;

- reduced the re-let time by half;
  - reduced the number of voids, resulting in an extra £3m going into the HRA;
- v. benchmarking using HouseMark, a national comparator, shows that:
- of the six top comparators, NCH is top quartile for two and 2<sup>nd</sup> quartile ('above average') for the other four;
  - NCH is £282 per property below the national average for housing management and maintenance, a saving of £7.2m in total in 2020;
- vi. in 2018, NCH won a national award, 'UKHA Landlord of the Year';
- vii. services include:
- over 1,000 new tenancies each year;
  - over 100,000 repairs per year (1 repair completed every 5 minutes, with a current tenant satisfaction rate of 97%);
  - asset management (capital programme for improvements such as kitchens and bathrooms), including £22m additional funding for energy efficiency works;
  - 68 independent living schemes providing 2,500 homes for older residents;
  - 'Nottingham on Call' – enabling people to live in their own homes for longer, thereby saving money on Adult Social Care;
- viii. the backlog of 6,000 non-urgent repairs as a result of the first national lockdown, when only emergency repairs / gas testing could be carried out, was cleared by October 2020;
- ix. current covid restrictions mean that voids are higher than target as only 2 people can work in a property at any time, arrears have been impacted as there are now an additional 2,500 people on Universal Credit, up from 4,000 to 6,500 (although NCH has committed to no-one losing their home due to the pandemic) and over £400,000 has been spent on PPE, additional cleaning of independent living schemes and communal areas in flats and information leaflets to residents that don't use electronic media;
- x. following the Grenfell Tower fire, all NCH high-rise properties have been fitted with a sprinkler system, at a cost of £8m;
- xi. the waiting list for affordable homes is expected to double as a result of covid, but the housing stock is reducing at a rate of around 1 property per day due to people purchasing under the Right To Buy scheme;
- xii. the relationship with the Council is important, including having a Councillor shareholder representative, Councillor representatives on the Board, a Partnership Agreement (which includes regular Partnership Forum meetings, with reporting on performance and finances), a Corporate Plan (linked to the Council's expectations of NCH) and integration of back office and day-to-day working.

In response to a question regarding the 97% repair satisfaction stated earlier, Mr Murphy stated that it was following completion of a repair, measured in 2 ways – 'transactional' (how quickly was it done / how well etc) and 'perceptual' (a quarterly random selection of tenant's views on a range of NCH services, including repairs).

He also stated that the Housing Ombudsman has recently issued new guidance on dealing with complaints and NCH has undertaken a self-assessment of its current practice and the ALMO Board will be meeting to discuss any changes required to its complaints procedure to meet the new code.

In response to a question regarding rent arrears, Mr Murphy stated that NCH continue to offer assistance with welfare reform and tenancy sustainment, but have now started doing work around training and employability, linked to the Council, Futures and the DWP, by supporting tenants to gain qualifications and employment.

In response to a question regarding how the pandemic has affected the role of Housing Patch Managers (HPM), Mr Murphy stated that during the first lockdown, they worked from home and were tasked with contacting vulnerable residents to check they were okay etc, which was very well received by the residents. Since relaxation of the covid rules, HPMS have undertaken work in local areas, such as ward walks and, going forward, it may be that HPMS take a more supportive, but not intrusive, role.

Councillor Woodings, in her role as Nominated Shareholder representative for NCH, stated that following publication of the Social Housing White Paper (November 2020), the content and delivery of training by NCH has been reviewed. She also stated that the Partnership Agreement referred to earlier is a 30-year agreement, renewed in October 2020, and that as well as quarterly Forum meetings, she meets regularly with senior Council / NCH representatives to discuss any issues, finance, budgets etc.

**Resolved that the thanks of the Committee to the NCH representatives, for the informative presentation, be recorded.**

#### **80 Exclusion of the public**

The Committee agreed to exclude the public from the meeting during consideration of the remaining items in accordance with Section 100(A) 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, as defined in Paragraph 3 of Part 1 of Schedule 12A to the Act, as the sensitive nature of the business affairs under consideration could, if made public, prejudice the ability of the companies concerned to operate effectively in a competitive market.

#### **81 Council owned company discussion - Nottingham City Homes (NCH)**

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

The Committee received a presentation by NCH representatives Nick Murphy (Chief Executive), Malcolm Sharp (Chair of the NCH Group Board) and Joanne Clifford (Director of Corporate Resources).

**Resolved to note the information.**

#### **82 Council owned companies financial performance update**

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

The Committee received a presentation by Clive Heaphy (Strategic Director of Finance) and Ceri Walters (Head of Commercial Finance).

**Resolved to note the information.**

Reason for recommendation

To ensure that the Committee understands the current financial position of the group of companies of Nottingham City Council and that any risks are highlighted for action.

Other option considered

None.



**Companies Governance Executive Sub-Committee – work plan 2020/21 & proposed dates 2021/22 (as at 04/02/2021)**

	<b>16 March 2021</b>	<b>20 April 2021</b>	<b>18 May 2021 (TBC)</b>
<b>P U B L I C</b>			Sub-Committee Annual Report
	Role of Company Shareholder Representatives	Public Interest Report (PIR) update (if required)	Public Interest Report (PIR) update (if required)
	Group Company presentation - Futures  Strategic Plan Business Plan Financial update	Group Company presentation - SCAPE  Strategic Plan Business Plan Financial update	Group Company presentation – Nottingham Ice Centre (NIC)  Strategic Plan Business Plan Financial update
<b>E X E M P T</b>	Group Company presentation - Futures  Strategic Plan Business Plan Financial update	Group Company presentation - SCAPE  Strategic Plan Business Plan Financial update	Group Company presentation – Nottingham Ice Centre (NIC)  Strategic Plan Business Plan Financial update
	Council companies' financial performance 2020/21	Council companies' financial performance 2020/21	Council companies' financial performance 2021/22
<b>I T E M S</b>			Council companies' summary year end position 2020/21
	<b>If appropriate:</b>	<b>If appropriate:</b>	<b>If appropriate:</b>
	Significant change in existing company plans	Significant change in existing company plans	Significant change in existing company plans
	Approval of new company business case / formation	Approval of new company business case / formation	Approval of new company business case / formation

This page is intentionally left blank

Document is Restricted

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank



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

Document is Restricted

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank



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

Document is Restricted

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank

Document is Restricted

This page is intentionally left blank