

Nottingham City Council

Companies Governance Executive Sub-Committee

Minutes of the meeting held remotely and livestreamed on 16 March 2021 from 3.02 pm - 4.58 pm

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:

Futures (for minutes 96 to 98 only)

Nicki Jenkins	- NCC Shareholder Representative
Tim Richmond MBE	- Chair of the Board
Paul Price-Hazlehurst	- Interim Chief Executive
Jennie Willock	- Chief Finance Officer

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Mel Barrett	- Chief Executive
Ian Edward	- Strategic Advisor on Companies
Clive Heaphy	- Strategic Director of Finance
Mark Leavesley	- Governance Officer
Malcolm Townroe	- Director of Legal and Governance

Call-in

Unless stated otherwise, all decisions are subject to call-in. The last date for call-in is **26 March 2021**. Decisions cannot be implemented until the working day after this date.

92 Apologies for absence

None.

93 Declarations of interests

Councillor Woodings declared an other registerable interest in item 4 (minute 95) as the nominated shareholder representative and Chair of the Partnership Forum of Nottingham City Homes.

94 Minutes

The Committee agreed the minutes of the meeting held on 16 February 2021 as a correct record and they were signed by the Chair.

95 The Role of the Shareholder Representative

Malcolm Townroe, Director of Legal and Governance, presented the report, detailing the revised Shareholder Representative Role Profile following review and comment by the Nottingham City Governance Improvement Board on 20 January 2021.

The Committee welcomed the revised Profile, as it gave clarity to those undertaking a shareholder role, and thanked those that had provided an input into the revisions, which were as a result of work undertaken by the Governance Improvement Board following a recommendation in the Public Interest Report to refine the role of shareholders.

In response to a question regarding whether it would be possible to increase the number of senior management shareholders, to ensure that one person was not a shareholder for numerous companies, Mr Townroe stated that work was currently underway to strengthen the role of shareholders with additional support and training and consideration was being given to shareholders meeting to discuss any cross-company issues etc.

In response to a question regarding Partnership Forums (such as NCH has) for all companies, Mr Townroe stated that Chris Henning, Corporate Director for Development and Growth, has been tasked with that work-stream and would report back to members once it had been completed.

Resolved that the revised Shareholder Representative Role Profile appended to the report be approved and adopted.

Reason for recommendation

To seek approval to the adoption of the revised Shareholder Representative Role Profile following consideration and comment by the Nottingham City Governance Improvement Board on 20 January 2021

Other options considered

To not have a Shareholder Representative Role Profile – this has been rejected on the basis that having a clear Role Profile will improve Company Governance and provide a clear set of parameters to those undertaking the role.

96 Council owned company discussion - Futures

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

The Committee received a presentation by Futures representatives Jennie Willock (Chief Finance Officer), Paul Price-Hazlehurst (Interim Chief Executive Officer) and Tim Richmond MBE (Chair of the Board).

The main points were as follows:

- i. the Futures Group was established 25 years ago as a not-for-profit social enterprise company, jointly owned by Nottingham City and Nottinghamshire County Councils, with the aim of making a positive difference to people's lives by enabling them to realise their full potential and increase their confidence and skills through employment, education and training;
- ii. the group currently consists of 4 legal entities:
 - o Futures Advice, Skills and Employment Limited (FASE) – the parent company;
 - o Impact Apprenticeships Limited – acts as the employer for apprentices;
 - o Nottingham and Nottinghamshire Youth Services Limited – the route for funding of NEET (not in education, employment or training) activities and to enable teckal status;
 - o Futures for Business Limited – currently dormant and will be wound-up at the end of the year;
- iii. governance of the above is via:
 - o the Futures Board, which meets 3 or 4 times each year and consists of 2 Councillors and an Executive member from each shareholding authority, along with an independent Chair;
 - o the Executive Board, which meets in the period between Futures Board meetings (normally on a monthly basis) and consists of 1 Executive member from each shareholding authority, along with an independent Chair;
 - o an Audit Committee, which meets 2 or 3 times each year to oversee specific pieces of work, cover risk management and sign-off the final annual accounts, and has an independent Chair;
 - o a Remuneration Committee, which meets once each year to agree/approve any pay awards for staff;
- iv. one of Futures core roles is to assist the Councils in reducing numbers of those aged 16 to 24 who are NEET by supporting the young person to find education, employment or training;
- v. Futures' apprenticeship training agency supports employers in offering apprenticeships, provides contractual services to the National Careers Service in the East Midlands and East of England, and also offers a wide range of youth and adult employment initiatives and contracts on behalf of the councils and the D2N2 region;
- vi. as a result of the pandemic, the last year has been challenging, but the Futures team has continued to work to offer whatever services it was able to;
- vii. while the pandemic has also been financially challenging, Futures has continued to maintain a strong cash balance for the last 2 financial years;

- viii. as a result of recent work to identify the key priorities of stakeholders and the needs and demands of the core customer base, revised business targets will lead to a more diversified business model, reducing the risk of over-reliance on any one contract, improving financial resilience, and improving its direct services to the City, County and D2N2 areas;
- ix. Futures' strategies have been aligned to stakeholder priorities and covid and economic recovery plans to ensure targeted provision, such as getting citizens back into sustainable employment;
- x. current risks include:
 - o a slower rate of return to 'business as usual', and continuation of the furlough scheme, both of which are impacting on the ability to predict future provision requirements for careers services;
 - o an increased DWP provision, impacting on Futures' customer numbers;
 - o not knowing what will replace the European Social Funding (ESF), which ends in 2023, as Futures has a number of projects currently funded via this stream;
 - o staff mental health due to the current pandemic restrictions and working from home etc;
 - o pending Ofsted inspections of National Careers Service and Skills provision;
- xi. opportunities include:
 - o due to the unfortunate fact that during a time of economic downturn, as currently with the pandemic, there is an increase in the need for services such as those provided by Futures, a large amount of funding is provided to the education and skills sector;
 - o the 'Skills for Jobs White Paper' skills pathways;
 - o the availability of over £80m business development funding through the ESF and DWP Restart schemes.

In response to a question regarding teckal status and apprenticeships, Ms Willock stated that teckal legislation limits the proportion of non-teckal trade a company is allowed to have, therefore the Futures teckal company has 100% of the relevant trade with the councils, allowing FASE to concentrate on all other aspects of the business provision. She further stated that the apprenticeship company cannot employ apprentices, therefore has to be a separate entity from Futures so that it can manage the apprentices.

In response to a question regarding whether the DWP could deliver their services direct, or could contract Futures to provide them, Mr Price Hazlehurst stated that this has been identified as a risk due to recently launched new DWP Services, which may

impact on the work Futures is currently doing with vulnerable adults and clients through the National Careers Service. He also stated, however, that Futures has submitted a bid through the Cares framework to be a sub-contractor for the DWP Restart Programme, which will be launched in June 2021.

In response to a question regarding the impact of the pandemic on delivery of services, and the roadmap for when restrictions etc are eased/lifted, Mr Price-Hazlehurst stated that over the last 12 months' customer numbers have dropped between 25-35%, although staff have been given the capability to offer services digitally and via telephone where possible, when allowed, centres have been opening for services to meet statutory requirements and, if necessary, staff have been visiting the most vulnerable. He also stated that 100 Wi-Fi equipped tablets were distributed to customers throughout the city to upskill them to be able to access information digitally.

Going forwards, most centres are now open and Futures is working with stakeholders to ensure the needs of the local community are met.

In response to a question regarding what are the benefits of Futures to city residents, in light of it providing services across the country now, Mr Price-Hazlehurst stated that for every £1 invested in Futures, there is an £8 return to the city via regional and national contracts through organisations such as the ESFA. He also stated that the contracts also mean that Futures is able to ensure that any employers in the region look to them to fill any skills gaps or vacancies they may have.

Resolved that the thanks of this Committee, for the attendance and informative presentations by the Futures representatives, be recorded.

97 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 outweighed 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.

98 Council owned company discussion - Futures

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

The Committee received a presentation by Futures representatives Tim Richmond MBE (Chair of the Board), Jennie Willock (Chief Finance Officer) and Paul Price-Hazlehurst (Interim CEO).

Resolved to note the presentation.

99 Council owned companies - financial update

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

The Committee received a presentation by Ian Edward, Strategic Advisor on Companies, which detailed the latest financial position of the council's group of companies.

Resolved to note the report.

Reason for recommendation

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

Other options considered

None.

100 Exempt minutes

The Committee agreed the exempt minutes of the meeting held on 16 February 2021 as a correct record and they were signed by the Chair.