



Nottingham City Council Companies Governance Executive Sub-Committee

Date: Tuesday, 16 March 2021

Time: 3.00 pm (or at the rise of Executive Board, whichever is the later)

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 - 6
Last meeting held on 16 February 2021 (for confirmation)
- 4 The Role of the Shareholder Representative** 7 - 12
Report of Director of Legal and Governance
- 5 Council owned company discussion - Futures** 13 - 26
Presentation by Interim Chief Executive, Futures
- 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 - Futures** 27 - 38
Presentation by Interim Chief Executive, Futures
- 8 Council owned companies - financial update** 39 - 78
Report of Strategic Director of Finance
- 9 Exempt minutes** 79 - 82
Last meeting held on 16 February 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. 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 via Zoom and livestreamed on YouTube on 16 February 2021 from 3.00 pm - 4.55 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:

Nottingham City Transport (for minute 89 only)

David Astill	- Managing Director (incoming)
Councillor Graham Chapman	- Chair of NCT Board
Chris Deas	- NCC Shareholder Representative
Mark Fowler	- Managing Director (current)
Rob Hicklin	- Finance Director

Nottingham City Council

Ian Edward	- Strategic Director for Companies
Clive Heaphy	- Strategic Director of Finance
Mark Leavesley	- Governance Officer
Malcolm Townroe	- Director of Legal and Governance

83 Apologies for absence

Chris Henning – annual leave

84 Declarations of interests

None.

85 Minutes

The Committee agreed the minutes of the meeting held on 19 January 2021 as a correct record and they were signed by the Chair.

86 Work plan

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

The Committee noted the work plan without discussion.

87 Council owned company discussion - Nottingham City Transport (NCT)

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

The Committee received a presentation by Nottingham City Transport representatives Rob Hicklin (Finance Director), David Astill (incoming Managing Director) and Mark Fowler (current Managing Director).

The main points were as follows:

- i. Mark Fowler will shortly be retiring, with David Astill taking over the role of Managing Director;
- ii. currently, the UK bus industry receives funding of around £29m per week through the 'Covid-19 Bus Service Support Grant (CBSSG)' towards the shortfall between costs and revenue received in fares to ensure they have a 'break-even' position. Patronage figures in comparison to the same time during the previous year are - currently 25-28%, 10% during the first lockdown and 55% during August/September of 2020 (between lockdowns);
- iii. due to the low patronage, and following government advice to not operate education-specific services, such as for universities, some services are currently being run as they would be during the August school holidays, with some suspended and others running a 10-minute service, rather than the normal 5-minute;
- iv. from 16 January, the Travel Centre, Old Market Square, is operating reduced opening hours of Mon-Fri, 8.30am-1.30pm;
- v. all buses have hand sanitizer stations installed and passengers are asked to adhere to the 1mt social distancing rules and leave the windows open at all times for ventilation. It is also mandatory for passengers to wear a face mask unless they are exempt, and this has been met with around 80% compliance;
- vi. social distancing requirements are observed by all staff at all depots;
- vii. although there is no statutory passenger limit, due to social distancing requirements buses are running at around 50% capacity, so approximately 15 passengers on a single-deck and 40 on a double-deck bus, which is not commercially sustainable;
- viii. the bus industry is working with the Department for Transport (DfT) on 'Recovery Partnerships' for when the UK returns to something like normality. There is a need for a transition period of the CBSSG funding while patronage returns to a position that allows bus operators to become as commercially sustainable as they were before the pandemic;
- ix. the 'National Bus Strategy' is due to be released by the end of February and will include the government's plan for funding etc during any transition period;
- x. the Council and NCT already have a 'Nottingham Advanced Quality Bus Partnership' in place (considered as a model for other UK bus operators to use), which details the statutory requirements on both parties, and it is hoped this can be aligned to any DfT/government transition plan;

- xi. to become commercially sustainable again, bus operators are reliant on the public returning to schools / universities / work places, and a belief that public transport is a safe way to travel.

In response to a question regarding socially distanced capacity on buses, Mt Astill stated that as long as social distancing is in place, buses can only run at around 50% capacity, therefore not being commercially viable, and that is why some level of CBSSG must continue during the transition period.

In response to a question regarding how the Council/NCT can encourage patronage once the vaccine has been rolled out to the majority of people and lockdown restrictions are lifted, Mr Astill stated that during the pandemic, public transport use has been between 25% and 55% of what it would be normally, whereas car use has been around 80% due to people wanting to be in their own 'bubble' when making a journey. Therefore, there needs to be a major campaign of 'positive messaging' from all parties (government, local authorities and bus operators) saying how safe / clean public transport is and that there has never been any contamination from using buses etc. It will also need bus journey times to be comparable to that of a car journey.

In response to a question regarding any plans for when major city attractions re-open, such as Nottingham Castle, Mr Astill stated that as all services terminate in the city centre, therefore all city centre attractions are within walking distance, no additional plans around service provision have been made.

Resolved that the thanks of this Committee to the following be recorded:

- **the NCT representatives for their attendance and informative presentation;**
- **all NCT staff for their work during the pandemic to ensure a bus service continued to be operated.**

88 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.

89 Council owned company discussion - Nottingham City Transport (NCT)

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

The Committee received a presentation by Nottingham City Transport representatives Rob Hicklin (Finance Director), David Astill (incoming Managing Director) and Mark Fowler (current Managing Director).

Resolved to note the presentation.

90 Council owned companies - financial updates

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

Ian Edward, Strategic Director for Companies, presented the report, informing the Committee of the latest position in respect of Council owned companies.

Resolved to note the report.

91 Exempt minutes

The Committee agreed the exempt minutes of the meeting held on 19 January 2021 as a correct record and they were signed by the Chair.

Subject:	The Role of the Shareholder Representative		
Director:	Malcolm R. Townroe – Director of Legal and Governance		
Portfolio Holders:	Cllr David Mellen, Cllr Sally Longford		
Report author and contact details:	Malcolm R. Townroe – malcolm.townroe@nottinghamcity.gov.uk		
Other colleagues who have provided input:	None		
Key Decision	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	Subject to call-in: 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 type="checkbox"/> No
Total value of the decision: NIL			
Wards affected: All	Date of consultation with Portfolio Holder(s): 4 March 2021		
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 seeks approval to the revised Shareholder Representative Role Profile following review and comment by the Nottingham City Governance Improvement Board on 20 January 2021.			
Exempt information: None			
Recommendation:			
1) That the revised Shareholder Representative Role Profile appended to this report be approved and adopted.			

1 Reason for recommendation

- 1.1 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.

2 Background (including outcomes of consultation)

- 2.1 Companies Governance Executive Sub-Committee considered a report in relation to the role of the Shareholder Representative at its meeting on 20 October 2020 and also received a presentation from the Corporate Director for Development and Growth regarding the role and his own experience of the same. The Portfolioholder for Planning, Housing and Heritage also fed back on her own experience of the same.

- 2.2 Following on from that meeting a draft Shareholder Representative Role Profile was taken to the Nottingham City Governance Improvement Board on 20 January 2021. The Board approved that Role Profile as an interim version pending a number of suggested amendments.
- 2.3 The Role Profile amendments have now been made and the final version has been circulated to Board Members for comment prior to final sign off by this Sub-Committee.
- 2.4 In order to assist Councillors' deliberations the Shareholder Role Profile appended to this report has the changes made, as a result of the comments received from the Nottingham Governance Improvement Board, highlighted in yellow. The relevant draft minute from the meeting is also appended.

3 Other options considered in making recommendations

- 3.1 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.

4 Finance colleague comments

- 4.1 There are no financial implications to consider in direct relation to this report. If any additional expenditure materialises when developing the role and function then appropriate approval will be needed at the time.

5 Legal and Procurement colleague comments

- 5.1 There are no significant legal issues arising out of the proposals contained in this report.

6 Social value considerations

- 6.1 None

7 Regard to the NHS Constitution

- 7.1 Not applicable

8 Equality Impact Assessment (EIA)

- 8.1 An EIA is not required because it does not involve new or changing policies.

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

- Report to Companies Governance Executive Sub-Committee, 20 October 2020.
- Report to the Nottingham City Governance Improvement Board, 20 January 2021.

Government Improvement Board 20/01/21 – Minute 12

Malcolm Townroe, Director of Legal and Governance, presented the report which asked the Board to approve a draft Role Description for the Shareholder Representative. In drafting the Role Description the views of the Companies Governance Executive Sub-Committee and the views of Shareholder Representatives were taken into account.

During the subsequent discussion the following points were put forward for consideration:

- (a) Move the final two points listed under Key Purpose (The Shareholder Representative will be appointed by the Company Governance Sub- Committee or the Chief Executive and will not be a Company Director, and The Shareholder Representative will be directly accountable to the Chief Executive) to the section on Duties,
- (b) Include an additional responsibility making shareholder representatives are responsible for their own continuous improvement and should work collectively on this and to improve the relationship between companies and the Council,
- (c) The distinction between the shareholder representative and the client roles should be emphasised in order to avoid conflicts of interest between the two,
- (d) The relationship between the shareholder representative and the Section 151 Officer should be made more explicit,
- (e) Under Duties, the phrase “challenge to avoid risks to the Council and our shareholding” should be reworded to refer to minimising or mitigating risk.

Resolved to:

- (i) approve the current version of the Shareholder Representative Role Description as an interim version while it is amended by the Director of Legal and Governance to reflect the comments outlined above, and**
- (ii) share the amended version with Governance Improvement Board members either at a formal meeting or via email for comment before and then take on to Companies Governance Executive Sub-Committee for formal approval if necessary.**

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Nottingham City Council Shareholder Representative Role Profile

Key Purpose

To protect the interests of the Council as Shareholder Representative.

To act as conduit between the Shareholders and the Company.

Expectations

- To act with honesty and integrity in the delivery of their duties.
- To actively communicate and collaborate with all required within the wider governance framework.
- To build and maintain effective and transparent relationships with all parties.
- To take personal accountability for own actions and decisions.
- To take personal responsibility for own continuous improvement working collectively with other shareholder representatives where appropriate.
- To actively work to promote and improve good working relationships between the Council and its companies.
- To take appropriate action to avoid conflicts of interest arising especially in relation to the shareholder role and any client roles.

Duties

1. To ensure that the arms-length company has the right level of timely support and challenge (at times supporting and at times challenging) as follows:
 - **support** to deliver agreed objectives (decisions, relationships, engagement, strategic steer, access to resources and so on)
 - **challenge** to minimise and/or mitigate risks to the Council and our shareholding
2. To balance the nature of challenge and support depending upon:
 - Company objectives
 - Specific context/timing – e.g. year end, business planning
 - Nature of relationship (wholly owned, part owned, influenced) and NCC reserved matters
 - Performance – financial and operational
 - Risks and opportunities
3. To attend and play an active role at board meetings of the company.

4. To manage and maintain effective relationships between shareholders and the company, ensuring not to influence Directors or voting outcomes.
5. To gain an understanding of roles and responsibilities across the wider governance framework and the potential for conflicts of interest.
6. To appropriately feedback any concerns of the shareholders to the Company and vice versa.
7. To feedback and pass information and communications between the shareholder and the Company.
8. To report quarterly back to the Companies Governance Executive Sub-Committee on the performance of the Company.
9. To review board decisions and actions ensuring Directors do not go beyond the remit of their powers and to provide shareholders' consent where required.
10. To establish and maintain early warning systems to flag issues and risks as quickly as possible.
11. To maintain a good working relationship with the Council's Strategic Director of Finance/S151 Officer and to raise any issues of concern with them at the earliest opportunity.
12. The Shareholder Representative will be appointed by the Companies Governance Executive Sub-Committee or the Chief Executive and will not be a Company Director
13. The Shareholder Representative will be directly accountable to the Chief Executive.

Knowledge, Skills and Experience

- ✓ Ability to promote the interests of an organisation and engaging partners/customers in strategic vision and service delivery.
- ✓ A good understanding of performance management and developing performance management systems/approaches.
- ✓ Good financial and commercial understanding and awareness.
- ✓ Strong analytical skills and a creative approach to problem solving.
- ✓ Experience of developing and maintaining positive relationships with all relevant stakeholders
- ✓ Experience of handling conflict and managing sensitive issues to achieve positive outcomes.
- ✓ Well-developed communication skills – oral and written.

Fu+ures

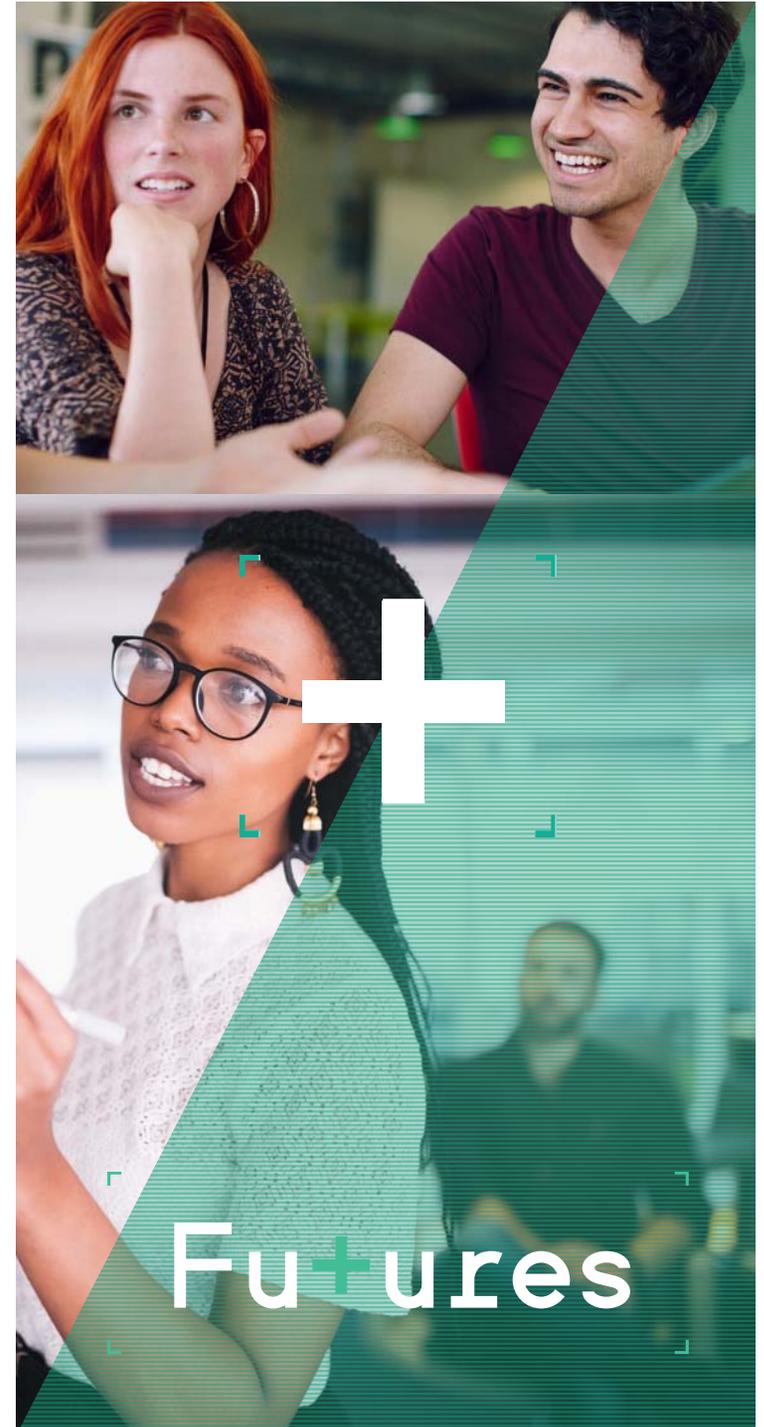
Governance Sub-Committee

16th March 2021



Agenda

- Overview of the Futures Group
- Business Plan 2021-22
- Governance Structure
- Risks



The Futures Group

- Established 25 years ago
- Not for profit social enterprise owned jointly by Nottingham City Council and Nottinghamshire County Council
- Provides a return of £8 for every £1 received from City Council to the direct benefit the city's residents
- Provides Careers, Skills and Employment support to local residents

Purpose, Mission and Vision

Our Purpose: We exist to make a positive difference to people's lives by enabling them to realise their full potential in employment, education and training through increased confidence, awareness and skills.

Our Mission: Unlocking potential in people of all ages. Future thinking, focused on leading change in careers, advice, skills and training.

Our Vision: To be a financially resilient social enterprise defined by the exceptional quality of our people and our results, which change lives.

Impact Dashboard

NEET Prevention Service



2798 year 11 into positive destination – **96.2%**
5.4% of young people in years 12-13 NEET or Not Known against target of 5.5%

National
Careers
Service

1481 customers supported during lockdown (March – December)
46% progressed into job and learning outcomes

IAPT

Between March – December 2020
294 new starters
52 supported into new employment
92 Returned to work/Supported to Remain in work



Nottingham
City Council



245 customers engaged March – October 2020
43 customers progressed into employment **588%** of profile



European Union
European
Social Fund

Youth Employment Initiative

812 customers engaged January– December 2020
572 Progression into employment, education or training Jan – December 2020

THE CAREERS &
ENTERPRISE
COMPANY

19 schools matched with Enterprise Adviser Network.
86% of N1 schools have achieved or partially achieved against the GBM6 benchmarks



100% pass rate at End-Point Assessment for all standards sat in 19/20 for Nottingham City Apprentices



Education & Skills
Funding Agency

AEB

168 qualifications delivered to Nottingham City residents August-December 2020

IASS

100% Customer Satisfaction for last quarter

Life Chances

32 learners progressed into volunteering
30 learners have sustained in full time employment for 26 weeks
25 learners have achieved first Entry Level qualification

Fu+ures

Business Plan 2021-2022



Key strategic objectives

1

Deliver high quality outcomes, valued by our customers and stakeholders

2

Secure profitable income growth which maximises financial sustainability

3

Promote outstanding practice through excellence in people management

To achieve these we will focus on the following priorities:

1.1 Maximise positive outcomes and progression for customers

1.2 Deliver services which meet local needs of stakeholders

2.1 Protect cash and margin through the uncertainties of COVID lockdowns and fluctuating customer engagement levels

2.2 Achieve contractual and financial targets outlined in the budget

2.3 Achievement of income targets by expanded capability in sales & business development team

2.4 Review and agree distribution plans for reinvestment

3.1 Deliver the Futures' People Plan including key outcomes across L&D, EDI, L&M, R&R

3.2 Equip staff colleagues to succeed in their roles

1.2 Develop area-based strategies ensuring the full range of Futures' capabilities are targeted where most needed and aligned explicitly to stakeholder priorities

Create clear action plans aligning Futures' activity and articulating contribution to stakeholder plans, including:

- Nottinghamshire County Council Economic Recovery Plan/Place Strategy
- Nottinghamshire District Council Economic Recovery Plans
- Nottingham City Council Economic Recovery Plan/Employment Task Force
- Nottingham City Council ESAP/Ward plans
- Leicester & Leicestershire LEP Jobs & Skills Plan
- D2N2 People & Skills Strategy/COVID-19 Recovery Strategy
- SEMLEP Economic Recovery Plan

2.3 Broader income diversification and portfolio 'mix'

Diversification in terms of income mix broken down as follows:

- 50% ESFA (incl. NSF, AEB and Levy/Non-Levy Apprenticeships)
- 30% DWP (incl. ESF, FSF, CAEHRS sub-contracts)
- 10% Local Authority (incl. NEETs, targeted support)
- 10% Other (incl. DHSC, DDCMS, MOJ, MHCLG, Charitable, Professional/ Commercial Contracts)



Futures

Current Legal Structure

The Futures Group undertakes a range of advice, skills and employment activities, operating through 4 legal entities:

Futures Advice Skills and Employment Ltd 'FASE'	This is the parent company, which houses the majority of the staff and delivery activities.
Impact Apprenticeships Ltd 'Impact ATA'	Wholly owned subsidiary of FASE, acts as employer for the apprentices run via the Apprenticeship Training Agency (ATA), which enables employers to take on learners without some of the bureaucracy associated with the apprenticeship scheme.
Nottingham & Nottinghamshire Youth Services Ltd 'NNYS'	Wholly owned subsidiary of FASE, mechanism for routing Local Authority funding in relation to NEET activities and enabling the fulfilment of 'Teckal' status criteria.
Futures for Business Ltd	Wholly owned subsidiary of FASE, originally set up with the intent to house all skills and commercial work. Dormant with intention to wind up at year end.

The governance of the activities covered by these legal entities is fulfilled via the 'main' Futures Board (comprising 2 Councillors and 1 Executive member from each shareholding Authority, along with the Independent Chair), which meets on a termly basis.

The Executive Board (1 Executive member from each shareholding Authority, along with the Independent Chair) meets in the intervening periods between 'main' board meetings.

In addition, specific pieces of work are overseen by an Audit Committee, which meets 2-3 times per annum, and a Remuneration Committee, which meets annually.

FASE Board



Nottingham
City Council

Nicki Jenkins – Director of Economic Development and Property

Rebecca Langton – Councillor

Neghat Khan – Councillor



Nottinghamshire
County Council

Nicola McCoybrown - Growth and Economic Development Director

Phil Rostance – Councillor

Boyd Elliott – Councillor

Observers

Colonel Tim S Richmond MBE TD DL (Chairman)

Futures – CEO

Kerry Wilson – Company Secretary

Futures

Risks

- Slow rate of return to BAU volumes impacting on income March – September whilst furlough is still in place
- Increasing DWP provision diluting employment provision and impacting customer numbers
- Unknown future of European Social Funding (ESF) – ending December 2023
- Staff mental health whilst under restrictions and home based working
- Pending Ofsted inspections across National Careers service and Skills provision

Opportunities

This growth and demand for its services reflects the critical importance of Futures in the Economic Recovery Plans of the stakeholders - Local Authorities, LEPs, employers, DWP, ESFA.

Further opportunities:

- Over £80m business development opportunities through ESF and DWP Restart
- Utilise levy transfer to support youth unemployment by creating more apprenticeship opportunities across Nottingham City
- Create opportunities through skills pathways to address skills shortage for future jobs as define in the Skills for Jobs White Paper
- Focused community engagement through a cohesive careers, skills and employment agenda

Fu+utures

www.the-futures-group.com

hello@the-futures-group.com

08000 85 85 20



Unlimited Possibilities



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