



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

**Date:** Tuesday, 20 April 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 - 8  
Last meeting held on 16 March 2021 (for confirmation)
- 4 Council owned company discussion - SCAPE** 9 - 26  
Presentation by Group Chief Executive, SCAPE
- 5 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
- 6 Council owned company discussion - SCAPE** 27 - 44  
Presentation by Group Chief Executive, SCAPE
- 7 Council owned companies - financial update** 45 - 84  
Report of Interim Corporate Director for Finance and Resources

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 the public. Any recording or reporting on this meeting should take place in accordance with Council policy, 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.

This page is intentionally left blank

## 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

##### Nottingham City Council

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.





Nottingham  
City Council

Page 9

## A BRIEF INTRODUCTION TO SCAPE



Mark Robinson  
Scape group chief executive



Agenda Item 4



## The History of Scape

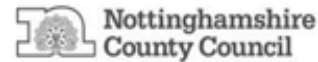
- LA's **collaborating** for over 50 years
- Originally on **building** of new schools
- More recently on **procurement**
- **6 shareholders** across the UK
- Formed a '**LATC**' in 2006

# SCAPE OWNERSHIP & GROUP STRUCTURE



Page 11

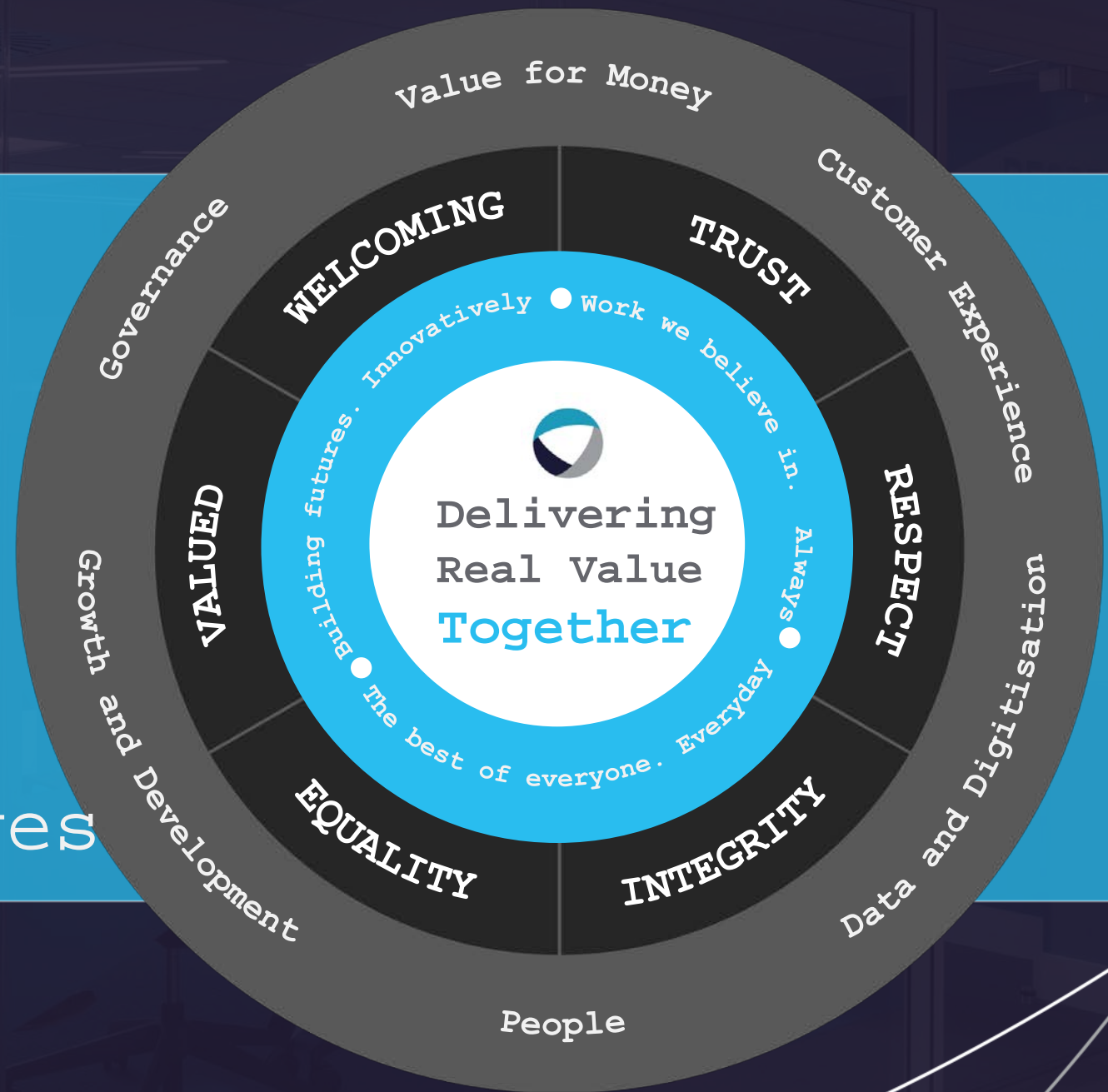
## Our shareholders





Our **Why**

Creating a  
**world**  
**everyone**  
deserves



# 15 years

serving the public  
sector

£17bn Buying power

£5bn Active pipeline value

2000 Live commissions

1200 Public sector clients

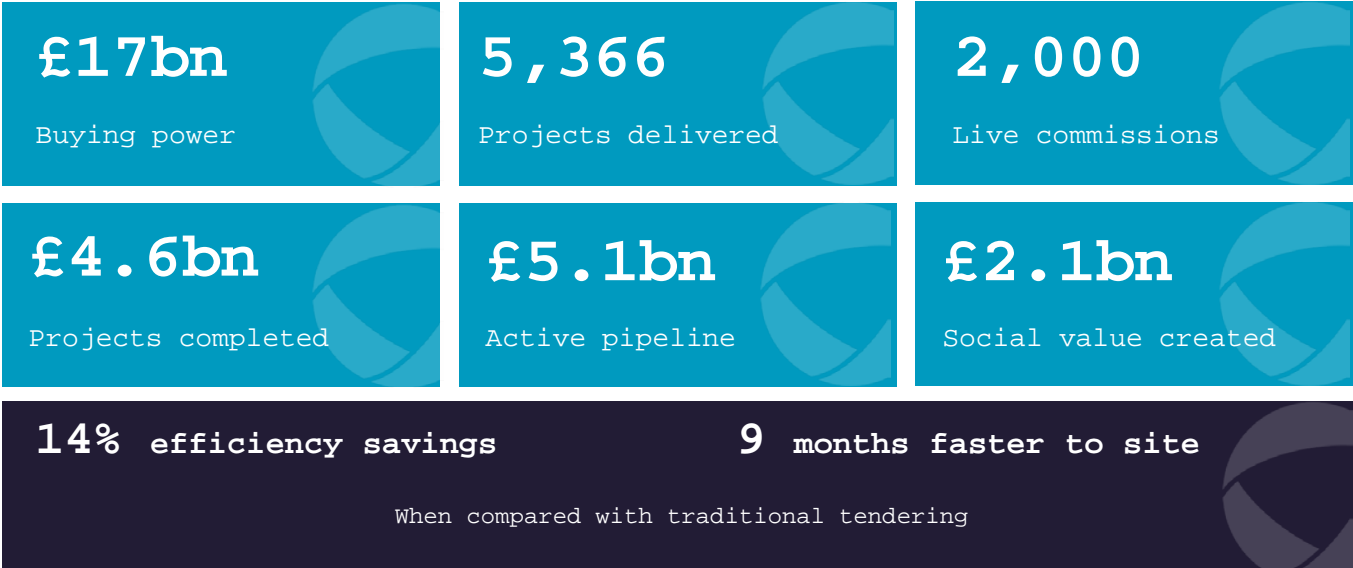
200 Employees

2006

2021

# EFFICIENCIES GENERATED TO DATE

Economies of  
scale and  
procurement  
efficiency



Delivered with no procurement challenges & no contractual claims.

Project  
efficiency





Note | Savings are up to these amounts and vary based upon the size of project.



# INDUSTRY LEADING PERFORMANCE

## Performance efficiency

	 <b>SCAPE</b> Performance	 <b>Glenigan</b> National average
On budget	<b>98%</b>	<b>66%</b>
On time	<b>99%</b>	<b>59%</b>
Client satisfaction	<b>9/10</b>	<b>8/10</b>
Value for money	<b>88%</b>	<b>73%</b>

*N.B. On average, every construction project overspends by 7%.*

## Social, environmental and community impact

**95%**

Waste diverted  
from landfill

**91%**

SME  
engagement

**50%**

Local labour  
used

**87%**

SME spend

**53%**

Local spend  
within 20 miles

**98%**

Fair payment

## ACCELERATED PROCUREMENT For the public

- Direct award frameworks
- Performance managed
- 1,000 clients
- 15 years track record of successful delivery

Page 16



**Adrian Hill**  
Director of  
Operations





## ACCELERATED PROCUREMENT

### Beyond the public sector

- Responsible procurement solution for:
  - Local authority-owned private companies,
  - Charitable bodies,
  - Joint venture partnerships and special purpose vehicles.

Page 17



**Mike Salter**  
Director of  
Development



- Joint Venture
- Full array of property services
- 85 employees
- Client and partner



**Daniel Maher**  
Managing Director

Project  
Management

Architectural  
Design

Arc  
Assist

Arc  
Regeneration

Commercial  
Management

Structural  
Engineering

Responsive  
Repairs &  
Servicing

Client  
Services

CDM / H&S

Mechanical  
Design

Arc  
Construction  
Services

Arc  
Compliance

Contractor  
Management  
& Performance

Electrical  
Design

Planned  
Maintenance

Asset  
Management





LUNGFISH

- Award winning practice
- Bespoke, modular and offsite specialists
- Disruptive client engagement approach

Page 19



**Simon Reid**  
Managing Director



 **SCAPE**

**WINNER**

Civils project  
of the year  
2020

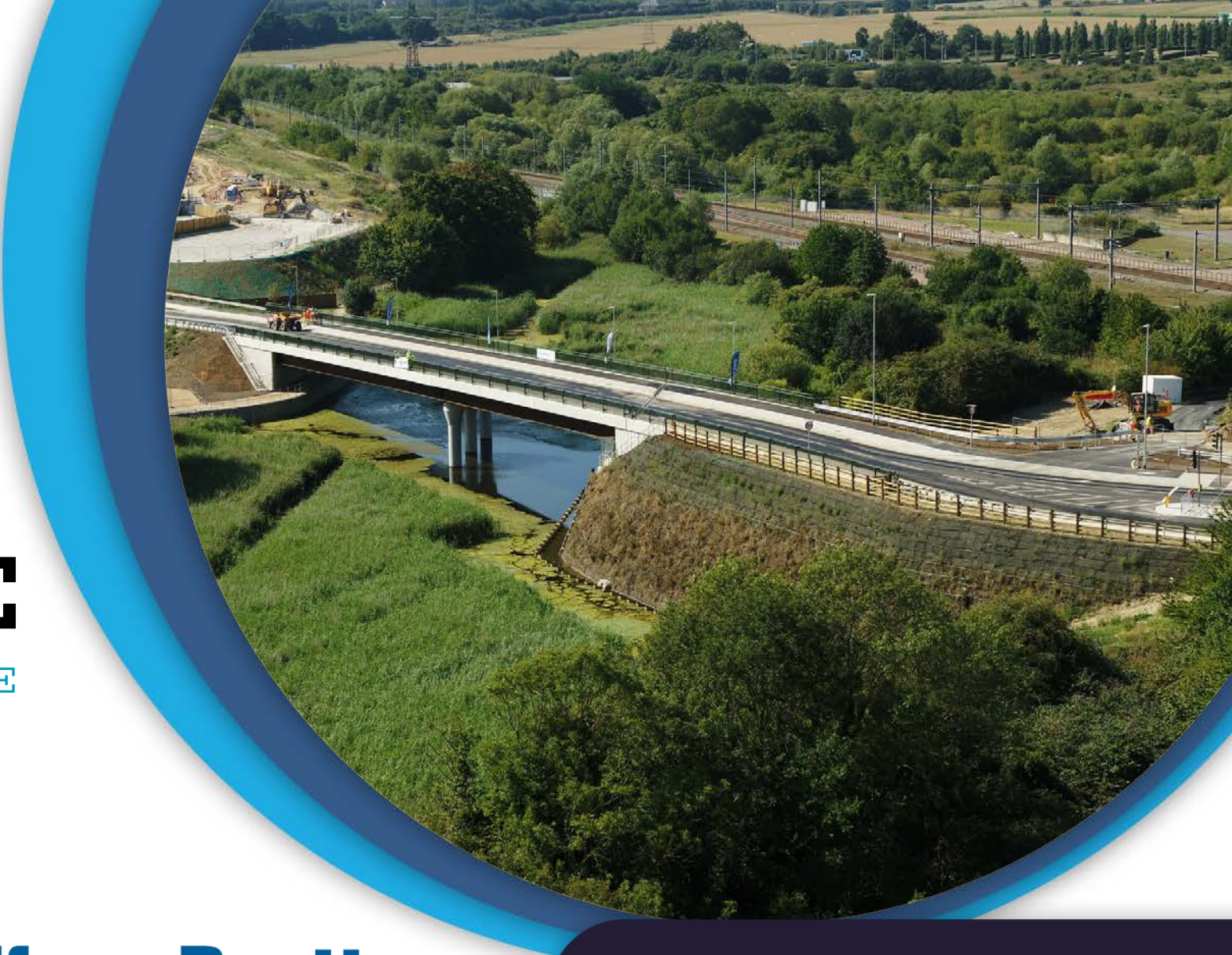
Take **TAKE PRIDE**

5 REASONS TO CELEBRATE SCAPE



**Balfour Beatty**

Springhead Bridge  
Scape Civil Engineering





## TAKE PRIDE

5 REASONS TO  
CELEBRATE SCAPE

“Not only will it bring  
around 600 new jobs to  
Gateshead, but it will  
give a much-needed boost  
to the local economy.”



 Fair payment <b>100%</b> within 19 days	 SME spend <b>100%</b> (£11.7m)
 Local labour <b>79.9%</b> within 20 miles	 Local spend <b>72.2%</b> within 20 miles
 Local labour <b>92.6%</b> within 40 miles	 Local spend <b>88.5%</b> within 40 miles

RIGA. Gateshead  
Scape Construction

# TAKE PRIDE

## 5 REASONS TO CELEBRATE SCAPE

- Best new building commendation: Derby Civic Society
- Shortlisted for 2020 RICS Social Impact Award
- Shortlisted for 2020 SPACES Civic Building of the Year
- Shortlisted for Best Public Service / Educational Building in the East Midlands, LABC Building Excellence awards

Page 22

**arc**  
partnership

  
LUNGFISH



**Castleward Primary**  
Arc and Lungfish



# TAKE PRIDE

5 REASONS TO  
CELEBRATE SCAPE

THE SUNDAY TIMES

100

Page 23

BEST NOT-FOR-PROFIT  
ORGANISATIONS  
TO WORK FOR  
2020



## TAKE PRIDE

5 REASONS TO  
CELEBRATE SCAPE

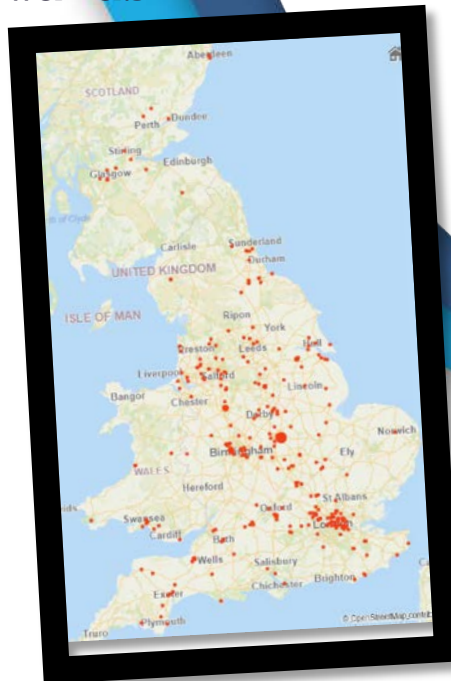
- 2000 students
- 300 schools
- 580 Industrial Cadet Silver Awards
- £200k social value

Page 24

"In 25 years of teaching, I cannot recall such inspiration from a group of professionals"

Kathryn Sanders, assistant headteacher,  
St Josephs CC school

Learning  
in lockdown



Digital work experience  
UK wide





# SCAPE

Delivering Real Value  
Together



This page is intentionally left blank

Document is Restricted

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