



Nottingham City Council Companies Governance Executive Sub-Committee

Date: Tuesday, 18 May 2021

Time: 3.00 pm

Place: Ballroom, Council House, Old Market Square, NG1 2DT

Please see information on page 2 of this agenda front sheet about requirements for ensuring Covid-safety

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 Appointment of Vice-Chair

2 Apologies for Absence

3 Declarations of Interests

If you need advice on declaring an interest, please contact the Governance Officer above, if possible before the day of the meeting

4 Minutes

Last meeting held on 20 April 2021 (for confirmation)

3 - 6

5 Dates of 2021-22 meetings

To agree to meet at 3.00pm (or rise of Executive Board, whichever is later) on the following Tuesdays:

| <u>2021</u> | <u>2022</u> |
|--------------|-------------|
| 22 June | 18 January |
| 20 July | 22 February |
| 21 September | 22 March |
| 19 October | 19 April |
| 16 November | |
| 21 December | |

| | | |
|----------|--|---------|
| 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 companies - financial update | 7 - 44 |
| | Report of Interim Corporate Director for Finance and Resources | |
| 8 | Council owned companies - summary of issues and recovery and improvement plans | 45 - 74 |
| | Report of Interim Corporate Director for Finance and Resources | |

In order to hold this meeting in as Covid-safe a way as possible, all attendees are asked to follow current Government guidance and:

- remain seated and maintain distancing between seats through the meeting. Please also remember to maintain distancing while entering and leaving the room/building;
- wear face coverings throughout the meeting;
- make use of the hand sanitiser available and, when moving about the building, follow signs about traffic flows, lift capacities etc;
- comply with Test and Trace requirements by scanning the QR code at the entrance to the building and/or giving their name and contact details to the Governance Officer at the meeting.

Citizens attending the meeting are asked to arrive 15 minutes before the start time above to be escorted to the meeting room

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 and livestreamed on 20 April 2021 from 3.00 pm - 4.37 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:

SCAPE (for minutes 104 to 106 only)

Mark Robinson - Group Chief Executive
Alastair Gamage - Chief Finance Officer

Nottingham City Council

Mel Barrett - Chief Executive
Ian Edward - Strategic Advisor on Companies
Clive Heaphy - Interim Corporate Director for Finance and Resources
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 30/04/2021. Decisions cannot be implemented until the working day after this date.

101 Apologies for absence

None.

102 Declarations of interests

Councillor Webster declared an other registerable interest in items 4 and 6, minutes 104 and 106, as a Board Director of both SCAPE Procure (Scotland) Ltd and SCAPE Procure Ltd.

103 Minutes

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

104 Council owned company discussion - SCAPE

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

The Committee received a presentation by Mark Robinson, Group Chief Executive, SCAPE, the main points of which were:

- i. SCAPE formed a Local Authority Trading Company in 2006, meaning it is able to trade as a commercial entity, but remains wholly owned by a local authority;
- ii. SCAPE is jointly owned by 6 local authorities – Derbyshire County, Derby City, Nottinghamshire County, Nottingham City, Warwickshire County and Gateshead;
- iii. the Company Group consists of SCAPE Procure (Scotland) Ltd & SCAPE Procure Ltd (both providing frameworks for the public sector), SCAPE Venture Ltd (frameworks for the private sector), Lungfish Architects Ltd (architecture / design specialists) and Arc Property Services Partnership Ltd (Design, Construction, Regeneration and Property Services);
- iv. there has been continual growth during the last 15 years, including delivery of 5,366 projects worth £4.6bn, and currently SCAPE has 2,000 live commissions worth £5.1bn, 1,200 public sector clients and employs 200 staff;
- v. SCAPE has a social, environmental and community ethic, and its projects have delivered - 95% waste diversion from landfill, employment of 50% local labour and a 53% local spend (within 20 miles of the project) and a 98% fair payment record (settlement within 16 days);
- vi. its performance compared to the national average is industry leading, with on budget, on time and value for money indicators being 98%, 99% and 88% against 66%, 59% and 73% respectively. It also has a 9/10 against 8/10 client satisfaction rating;
- vii. SCAPE Civil Engineering was awarded ‘Civils Project of the Year’ in 2020 for its Springhead Bridge, Ebbsfleet, project;
- viii. other major success stories include RIGA in Gateshead, which created 600 new jobs and boosted the local economy, and Castleward Primary School in Derby, which received a commendation from the Derby Civic Society and was shortlisted for 3 awards – ‘2020 RICS Social Impact Award’, ‘2020 SPACES Civic Building of the Year’ and ‘LABC Building Excellence Award for best public service / educational building’;
- ix. SCAPE was also included in The Sunday Times ‘top 100 best not-for-profit organisations to work for 2020’.

In response to a question regarding (1) the key to its success and (2) future development of the company, Mr Robinson stated that (1) it was mainly due to excellent collaborative working and (2) planned expansion of the service offer to assist as many in both the private and public sectors as possible.

In response to a question about current challenges for SCAPE and the industry in general, Mr Robinson stated that the pandemic had caused a 20% reduction in the construction industry world-wide, although civil construction had not been affected as

badly, and that Brexit remained an issue while the industry adapted to the new ways of working and new legislation. He further stated that while there had been, and still are, challenges, the industry is working together to find solutions.

In response to a question regarding current schemes the company was working on, Mr Robinson stated that SCAPE was currently involved with the following projects:

- a new £170m HM Prison, Glen Parva, Leicester;
- a new £75m Sandwell Aquatics Centre, Birmingham (for use during the 2022 Commonwealth Games);
- the Perry Bar Regeneration Scheme, Birmingham (a £500m scheme to improve the local area, including new homes and improved transport and community provision);
- a further 600 projects around the UK.

Resolved to record the thanks of the Committee to the SCAPE representatives for their informative presentation and attendance.

105 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.

106 Council owned company discussion - SCAPE

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

The Committee received a presentation by Alastair Gamage, Chief Finance Officer, SCAPE.

Resolved to record the thanks of the Committee to the SCAPE representatives for their informative presentation and attendance.

107 Council owned companies - financial update

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

The Committee received a presentation by Ian Edward, Strategic Advisor for Companies, updating it on the latest financial position of each company and any material changes since the previous report and identifying any key risks.

Resolved to note the presentation.

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.

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