



**Nottingham City Council  
Companies Governance Executive Committee**

**Date:** Tuesday, 22 March 2022

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

**Place:** Ground Floor Committee Room - Loxley House, Station Street, Nottingham,  
NG2 3NG

Please see the information at the bottom of this agenda front sheet about the measures for ensuring Covid-safety

**Councillors are requested to attend the above meeting to transact the following business**

**Director for Legal and Governance**

**Governance Officer:** Phil Wye

**Direct Dial:** 0115 876 4637

<b>Agenda</b>	<b>Pages</b>
<b>1 Apologies for Absence</b>	
<b>2 Declarations of interest</b>	
<b>3 Minutes</b> To confirm the minutes of the last meeting held on 22 <sup>nd</sup> February 2022	3 - 6
<b>4 Work Programme</b> For noting.	7 - 8
<b>5 Establishment of the Shareholder Unit</b> Report of the interim Corporate Director for Finance and Resources	9 - 14
<b>6 Exclusion of the public</b> To consider excluding the public from the meeting during consideration of the remaining items in accordance with Section 100A(4) 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.	

<b>7</b>	<b>Council owned companies - financial update</b>	15 - 46
	Report of the interim Corporate Director for Finance and Resources	
<b>8</b>	<b>Council owned companies - progress update</b>	47 - 56
	Report of the interim Corporate Director for Finance and Resources	

All items listed 'under exclusion of the public' will be heard in private. They have been included on the agenda as no representations against hearing the items in private were received

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 attending meetings are asked to arrive at least 15 minutes before the start of the meeting to be issued with visitor badges

In order to hold this meeting in as Covid-safe a way as possible, all attendees are:

- asked to maintain a sensible level of social distancing from others as far as practically possible when moving around the building and when entering and leaving the meeting room. As far as possible, please remain seated and maintain distancing between seats throughout the meeting;
- strongly encouraged to wear a face covering when entering and leaving the meeting room and throughout the meeting, unless you need to remove it while speaking to enable others to hear you. This does not apply to anyone exempt from wearing a face covering;
- asked to make use of the hand sanitiser available and, when moving about the building, follow signs about traffic flows, lift capacities, etc.

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 Committee

Minutes of the meeting held at Loxley House, Nottingham on 22 February 2022  
from 3.19 pm - 4.44 pm

#### Membership

##### Present

Councillor David Mellen (Chair)  
Councillor Neghat Khan  
Councillor Sam Webster  
Councillor Linda Woodings

##### Absent

Councillor Sally Longford (Vice  
Chair)

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

David Astill	- Managing Director, NCT
Richard Beckett	- Head of Major Projects
Ian Edward	- Strategic Advisor for Companies
Clive Heaphy	- Interim Corporate Director for Finance and Resources
Rob Hicklin	- Finance Director, NCT
Phil Wye	- Governance Officer

#### Call-in

These minutes do not contain any decisions eligible for call-in.

#### 60 Apologies for absence

Councillor Sally Longford – personal reasons

#### 61 Declarations of interest

None.

#### 62 Minutes

The Committee agreed the minutes of the meeting held on 18 January 2022 as a correct record and they were signed by the Chair.

#### 63 Work Programme

The Committee noted the refreshed work plan

#### 64 Council owned company discussion - Nottingham City Transport

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

The Committee received a presentation by David Astill, Managing Director at Nottingham City Transport (NCT) and Rob Hicklin, Finance Director, NCT, which highlighted the following:

- (a) NCT's Board is composed of 3 executive members, 4 non-executive Councillor members, and 2 other non-executive members. It meets 5 times a year to monitor financial and operational performance;
- (b) the last 2 years have been challenging for NCT due to the Covid-19 pandemic. In March 2020 the majority of staff were furloughed and a skeleton service was run, but a near full service has been run since July 2020. The industry was financed by the government through grants and payments;
- (c) bus patronage is returning at about the average for the UK at 70-80% of 2019 levels, and cash flow is reasonably stable. The ability to return to profitability will depend on these levels continuing to increase;
- (d) there are plans in place to convert all single decker buses to electric via ZEBRA funding in the next 2 to 3 years. Further bio-gas double decker buses will also be introduced, although the preference will be for electric vehicles in future;
- (e) the most important expectation from customers is buses turning up on time and running frequently, followed by friendly drivers. Over the past 8 years 3 NCT drivers have been recognised as Bus Driver of the Year;
- (f) non-cash payment is encouraged, and two thirds of all transactions are now made using smartcards or bank cards and 50% of day tickets are now purchased through the mobile app;
- (g) social distancing and masks are still encouraged on NCT buses, as well as encouraging passengers to keep the windows open. To help recovery, funding may be available from the government through the Bus Improvement Plan, and this will be known in the next few weeks.

During discussion and in response to questions from the Committee, the following points were raised:

- (h) it is possible that some former passengers are reluctant to return to bus travel due to other passengers not wearing masks and following guidelines, however most current passengers have reported that they feel safe;
- (i) if passengers numbers do not fully return and additional funding is not made available, then cuts to services may be considered, dependent on patronage. Some routes already have a reduced frequency compared to before the pandemic.

**Resolved to record the thanks of the Committee to Mr Astill and Mr Hicklin for their attendance and informative presentation.**

## **65 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.

**66 Council owned company discussion - Nottingham City Transport**

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

The Committee received a presentation by David Astill, Managing Director at Nottingham City Transport and Rob Hicklin, Finance Director, Nottingham City Transport.

**67 Council owned companies - financial update**

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

Ian Edward, Strategic Advisor for Companies, presented the report, updating the Committee on the latest position in respect of Council owned companies.

**68 Exempt minutes**

The Committee agreed the exempt minutes of the last meeting held on 18 January 2022 as a correct record and they were signed by the Chair.

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**2022**

	22 March	19 April	17 May	21 June
<b>P U B L I C</b>	No Public discussion	Company presentation - Futures Advice and Skills	Company presentation – Blue Print Ltd	No Public discussion
<b>E X E M P T</b>	Companies' progress update	Company presentation – Futures Advice and Skills	Company presentation – Blue Print Ltd	Companies' progress update
	Companies' financial update	Companies' financial update	Companies' financial update	Companies' financial update
	<b>As required:</b>			
	Significant change in existing company plans			
Approval of new company business case / formation/ Governance Proposals				

**2022**

	19 July	20 September	18 October	22 November
<b>P U B L I C</b>	Company presentation Nottingham City Homes	Company presentation - Nottingham Ice Centre Ltd	No Public discussion	Company presentation – Scape
<b>E X E M P T</b>	Company presentation – Nottingham City Homes	Company presentation – Nottingham Ice Centre Ltd	Companies Annual review 2021/22	Company presentation – Scape
	Companies' financial update	Companies' financial update	Companies' Annual financial update 2021/22	Companies' financial update
	<b>As required:</b>			
	Significant change in existing company plans			
Approval of new company business case / formation/ Governance Proposals				

20 December	
<b>P U B L I C</b>	No Public discussion
<b>E X E M P T</b>	Companies' progress update
	Companies' financial update
	<b>As required:</b>
	Significant change in existing company plans
	Approval of new company business case / formation/ Governance Proposals



<b>Subject:</b>	Establishment of the Shareholder Unit		
<b>Corporate Director(s)/ Director(s):</b>	Clive Heaphy – Corporate Director Finance & Resources		
<b>Portfolio Holder(s):</b>	Cllr Mellen – Leader Cllr Webster – Finance & Resources		
<b>Report author and contact details:</b>	Ceri Walters – Head of Commercial and Transformation Finance		
<b>Other colleagues who have provided input:</b>	Dionne Screamton – Senior Solicitor Contracts and Commercial Paul Slater – HR Business Lead		
<b>Key Decision</b>	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<b>Subject to call-in</b>
			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Reasons:</b>	<input type="checkbox"/> Expenditure	<input type="checkbox"/> Income	<input type="checkbox"/> Savings of £750,000 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 checked="" type="checkbox"/> No
<b>Type of expenditure:</b>	<input checked="" type="checkbox"/> Revenue <input type="checkbox"/> Capital		
If Capital, provide the date considered by Capital Board	Date:		
<b>Total value of the decision:</b>	Nil		
<b>Wards affected:</b>	All		
<b>Date of consultation with Portfolio Holder(s):</b>	10 March 2022		
<b>Relevant Council Plan Key Outcome:</b>			
Clean and Connected Communities	<input type="checkbox"/>		
Keeping Nottingham Working	<input type="checkbox"/>		
Carbon Neutral by 2028	<input type="checkbox"/>		
Safer Nottingham	<input type="checkbox"/>		
Child-Friendly Nottingham	<input type="checkbox"/>		
Healthy and Inclusive	<input type="checkbox"/>		
Keeping Nottingham Moving	<input type="checkbox"/>		
Improve the City Centre	<input type="checkbox"/>		
Better Housing	<input type="checkbox"/>		
Financial Stability	<input checked="" type="checkbox"/>		
Serving People Well	<input type="checkbox"/>		
<b>Summary of issues (including benefits to citizens/service users):</b>			
<p>This report is to provide an update on the establishment of a Shareholder Unit that will undertake the operational activities required to support the Companies Governance Executive Committee and aligns to the Together for Nottingham Plan and the requirements of the Non-Statutory Review.</p>			
<b>Exempt information: State 'None' or complete the following</b>			
None			
<b>Recommendation(s):</b>			
<b>1</b> To note the progress in the establishment of the Shareholder Unit.			
<b>2</b> To provide any views in association with the development of the Shareholder Unit.			
<b>3</b> To note the approval for costs, associated with the establishment of the Shareholder Unit, have been undertaken through a separate process.			

## 1. **Reasons for recommendations**

1.1 To ensure that the views of the Companies Governance Executive Committee (CGEC) are captured in the establishment of the Shareholder Unit.

## 2. **Background (including outcomes of consultation)**

2.1 The establishment of the Shareholder Unit is a requirement of the Together for Nottingham Plan which is based on the recommendations of the Non Statutory Review. It is also deemed good practice.

2.2 This dedicated unit of resource will ensure that the:

- a) Council has a better grip and understanding of its companies and can provide the levels of assurance needed to a Shareholder.
- b) Council understands the interests held within other organisations.
- c) Statutory officers have the level of support needed to ensure that the good governance of the Council is also applied to its companies and
- d) Policy and direction of the companies aligns to that of the Council's.

2.3 The code of practice for Local Authority Companies is set out by Lawyers in Local Government advices that a Shareholder Executive is created to achieve an overview and scrutiny function of the Councils interests and companies.

The Shareholder Executive is made up of 2 elements:

- A shareholder Group/Board – this is the Companies Governance Executive Committee and
- A Shareholder Unit - the roles, responsibilities and outputs of the SU will be finalised over the coming weeks to ensure these are captured and will incorporate consultation with the Improvement and Assurance Board.

If constitutional changes are required to capture the new governance structure this will be undertaken through the appropriate process.

2.4 A unit is currently operating using temporary resource however to ensure sustainability a permanent team will be created that will deliver and embed the revised governance practices and ensure continual development.

The Shareholder Unit will consist of finance, compliance and legal support estimated, based on market conditions, at c. £0.230m per annum.

## 3. **Other options considered in making recommendations**

3.1 None, this a key action in the Together for Nottingham plan and also is defined as good practice.

## 4. **Consideration of Risk**

4.1 The key risks associated with the establishment of the Shareholder Unit are:

- a. Recruitment – due to the current market conditions recruitment may not be possible within the grading of the resources.

Mitigation actions through the availability of interim resource whilst recruitment continues.

- b. Insufficient resource – team size is insufficient to administer the required workload.

Mitigation will be through rigorous monitoring of the teams functions and outputs, acting at pace if additional resource is required either on a permanent or interim basis.

- c. Leadership - leadership of the team is not clear and experience amongst the team is not specialised enough to diagnose issues.

Mitigation could be from the procurement of external support on a routine or adhoc basis.

## 5. **Finance colleague comments (including implications and value for money/VAT)**

- 5.1 The options for the funding of this team are required to mirror the prioritisation and sustainability of this function and also link to the budget principles adopted in the Medium Term Financial Strategy.
- 5.2 To enable the recruitment to progress a separate approval has been undertaken for the allocation of funding approved by the Portfolio Holder for Finance & Resources.
- 5.3 In summary the funding of this decision will be as follows:
  - a. 2022/23 – 2021/22 unbudgeted dividends that are received from those companies that are permitted to distribute and/or resilience reserve.
  - b. 2023/24 – Mainstream budget to be allocated to embed SU permanency however this may be reduced on an annual review basis utilising any previous year dividends received by the Council from those companies permitted to distribute.

Ceri Walters

Head of Commercial Finance & Transformation Finance

14 March 2022

## 6. **Legal colleague comments**

- 6.1 The establishment of a Shareholder Unit/board was a recommendation from the Public Interest Report and has been captured as a key deliverable under the Together for Nottingham Plan.
- 6.2 Legal services will support in terms of identifying the appropriate resources and roles required with the Unit and how it will operate alongside other associated services within the Council.
- 6.3 Approvals for the associated spend and recruitment will be sought separately in accordance with the Council's Constitutional requirements.

Dionne Screaton

**7. Other relevant comments - HR**

- 7.1 The proposal and new unit is to be resourced with dedicated roles to provide specialist advice and guidance in relation to financial, governance and legal matters.
- 7.2 All roles have been established, including their pay grading, in line with the Council's Pay Policy principles. The posts will be established with a link back to their specialist areas to ensure that training and best practice is embedded in the roles.

Paul Slater  
HR Business Lead  
14 March 2022

**8. Crime and Disorder Implications (If Applicable)**

- 8.1 Not applicable

**9. Social value considerations (If Applicable)**

- 9.1 Not applicable

**10. Regard to the NHS Constitution (If Applicable)**

- 10.1 Not applicable

**11. Equality Impact Assessment (EIA)**

- 11.1 Has the equality impact of the proposals in this report been assessed?

No   
An EIA is not required because there are no implications from the establishment of this unit.

Yes

**12. Data Protection Impact Assessment (DPIA)**

- 12.1 Has the data protection impact of the proposals in this report been assessed?

No   
A DPIA is not required because as employees of the council data access will form part of their contract of employment.

Yes

**13. Carbon Impact Assessment (CIA)**

- 13.1 Has the carbon impact of the proposals in this report been assessed?

No

Yes

**14. List of background papers relied upon in writing this report (not including published documents or confidential or exempt information)**

14.1 Not applicable

**15. Published documents referred to in this report**

15.1 21 December 2021 – Refresh of the Nottingham City Council Recovery and Improvement Plan

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