

# Nottingham City Council Delegated Decision



Reference Number:	4572
Author:	Ceri Walters
Department:	Finance and Resources
Contact:	Ceri Walters (Job Title: Head of Commercial Finance, Email: ceri.walters@nottinghamcity.gov.uk, Phone: 01158764128)
Subject:	Funding for Shareholder Unit
Total Value:	Up to £0.230m per annum (Type: Revenue)
Decision Being Taken:	1. To approve the funding of the newly established Shareholder Unit (SU) as set out in the Finance section of this decision.
Reasons for the Decision(s)	<p>The establishment of the SU 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.</p> <p>This dedicated unit of resource will ensure that the:</p> <ul style="list-style-type: none"><li>a) Council has a better grip and understanding of its companies and can provide the levels of assurance needed to a Shareholder.</li><li>b) Understands the interests held within other organisations.</li><li>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</li><li>d) Policy and direction of the companies aligns to that of the Council's.</li></ul> <p>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.</p> <p>The unit will consist of finance, compliance and legal support estimated based on market conditions, at c. £0.230m per annum. An progress report is being presented to the Companies Governance Executive Committee on 22 March 2022.</p>
Other Options Considered:	None - the funding of this team is requires permanent funding that complies with the principles of the Medium Term Financial Strategy.

**Background Papers:**

**Published Works:**

**Together for Nottingham Plan and the outcomes of the Non Statutory Review 21 December 2021 - Executive Board Refresh of the Nottingham City Council Recovery and Improvement Plan**

**Affected Wards:**

**Citywide**

**Colleague / Councillor Interests:**

**Consultations:**

**Date: 10/03/2022**  
**Other:Councillor Mellen, Webster, Woodings & Khan**  
**Agreed with the establishment of the shareholder unit and associated funding recommendations.**

**Date: 08/03/2022**  
**Chief Finance Officer:Clive Heaphy**  
**Discussed at Corporate Leadership Team 8 March 2022**

**Those not consulted are not directly affected by the decision.**

**Crime and Disorder Implications:**

**N/A**

**Equality:**

**EIA not required. Reasons: No impact.**

**Relates to staffing:**

**Yes**

**Decision Type:**

**Portfolio Holder**

**Subject to Call In:**

**Yes**

**Call In Expiry date:**

**30/03/2022**

Advice Sought:

Legal, Finance, Human Resources

Legal Advice:

This decision is supported from a legal perspective as it will ensure the correct resource is dedicated to ensure the Council's compliance with any statutory requirements under company law, and also there is clear oversight and management of its company portfolio.

All posts will need to be recruited in accordance with the Council's recruitment procedures and policies, including pay grading. If the Council is unable to recruit through its normal processes then it may be necessary to consider the appointment of temporary staffing through agency or locum arrangements. It is anticipated that the locum route will incur significantly higher costs due to the current market and this will need to be accounted for within the approved budget.

Advice provided by Naomi Vass (Senior Solicitor) on 15/03/2022.

Finance Advice:

This decision seeks to approve the funding mechanism of the newly established Shareholder Unit. Options for the funding of the Shareholder Unit need to reflect the prioritisation and sustainability of this function and align to the budget principles adopted in the Medium Term Financial Strategy (MTFS). The estimated cost of the team including on costs is up to £0.230m depending on a number of factors and it is assumed this decision applies from 1 April 2022.

The funding recommendations are:

For 2022/23 - any dividends received by Nottingham City Council in 2021/22 will be carried forward into 2022/23 to support the costs of the team. If this is not sufficient then funding will be taken from the resilience reserve.

For 2023/24 - Mainstream budget is to be allocated on an on-going basis through the 2023/24 budget process, this will embed the permanency of the team. However, on an annual basis, any dividends received will be earmarked to fund the cost of the team in the following year. The dividend income received will not reduce the mainstream budget for future years as this contravenes the principles in the MTFS.

Advice provided by Philip Gretton (Finance Analyst) on 16/03/2022.

HR Advice:

The proposal and new unit is to be resourced with 3 dedicated roles to provide specialist advice and guidance in relation to financial, governance and legal matters. 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. Resourcing of the roles may take up to 3-6 months, with an indication that internal and external processes will be ran concurrently to reduce the overall timescales. Advice provided by Paul Slater (HR Business Lead) on 14/03/2022.

Signatures

Sam Webster (PH Finance and Resources)

SIGNED and Dated: 23/03/2022

Sajeeda Rose (Corporate Director of Growth & City Development)

SIGNED and Dated: 16/03/2022