

Nottingham City Council

Companies Governance Executive Committee

Minutes of the meeting held in the Ground Floor Committee Room, Loxley House, Station Street, Nottingham, NG2 3NG on Tuesday 24 May 2022 from 3:03pm to 4:51pm

Membership

Present

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

Absent

Councillor Adele Williams
Councillor Audra Wynter

Colleagues, partners and others in attendance:

Clive Heaphy - Interim Corporate Director of Finance and Resources
Adrian Mann - Governance Officer
Samantha Veal - Chief Executive, Blueprint

Call-in

Unless stated otherwise, all decisions made by the Executive Board are subject to call-in. The last date for call-in is **Tuesday 7 June 2022**. Decisions cannot be implemented until the next working day following this date.

1 Nomination of the Vice Chair

Resolved to appoint Councillor Adele Williams as Vice Chair of the Companies Governance Executive Committee.

2 Apologies for Absence

Councillor Adele Williams - unwell
Councillor Audra Wynter - unwell

Ian Edward - Strategic Advisor on Companies
Malcolm Townroe - Director of Legal and Governance

3 Declarations of Interests

In the interests of transparency in relation to agenda item 7, Councillor David Mellen stated that he is a director of Blueprint.

4 Minutes

The Committee confirmed the minutes of the meeting held on 19 April 2022 as a correct record and they were signed by the Chair.

5 Work Programme

The Chair presented the Committee's proposed work plan for the 2022/23 municipal year.

The Committee noted the Work Programme.

6 Dates of 2022/23 Meetings

Resolved to meet on the following dates at 3:00pm (or at the rising of the Executive Board, whichever is the later):

- **Tuesday 21 June 2022**
- **Tuesday 19 July 2022**
- **Tuesday 20 September 2022**
- **Tuesday 18 October 2022**
- **Tuesday 22 November 2022**
- **Tuesday 20 December 2022**
- **Tuesday 17 January 2023**
- **Tuesday 21 February 2023**
- **Tuesday 21 March 2023**

7 Council-Owned Company Discussion - Blueprint

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

In the interests of transparency in relation to agenda item 7, Councillor David Mellen stated that he is a director of Blueprint.

Samantha Veal, Chief Executive of Blueprint, presented a report on the current work being carried out by the company. The following points were discussed:

- (a) Blueprint's mission is to generate social, economic and environmental benefits within a commercial framework by stimulating and delivering sustainable, well-designed development for residential-led, mixed-use regeneration;
- (b) Blueprint is a 50/50 joint venture between the Council and PfP Capital (PfPC), managed by Igloo Regeneration. A previous structural review highlighted some potential for the company's liabilities to impact upon its shareholders, so it has now been established as a Limited Liability Partnership to mitigate against this;
- (c) in terms of governance, the Board of Directors has a non-voting, independent Chair who has a fixed term of office, whose role is to facilitate discussion. The Council has a Shareholder Representative to the company's Board of Directors, while the PfPC directors report to a shareholder board. The Council also provides officer support to the Blueprint directors. As the directors are non-executive, they do not have a maximum term of service – but in order to ensure consistency on the Board, directors and dedicated officers should aim to serve for at least three years, wherever possible;
- (d) a full induction process is in place for all directors and officers associated with the Board, with a range of governance documents in place. A skills matrix has been established and annual refreshers are provided. A wide range of skills is represented across the Board, and individual directors have the opportunity to use the matrix to identify areas for upskilling;

- (e) the Board operates to a clear governance calendar, including the regular review of the three-year rolling business plan, audit processes and risk management, with emerging risks communicated to the Board as they arise. A clear gateway process is in place for project approvals, with strong internal controls for budgeting. The written policies, procedures and delegated authorities are also reviewed regularly;
- (f) Blueprint delivers a commercial return on investment to the Council; matched private investment from PfPC into the city; the arms-length acquisition of land at market value; regeneration, place-making and the creation of new homes and neighbourhoods; is a catalyst for attracting further investment; drives up the quality of the built environment; and generates wider community engagement and support for local social enterprise. It works closely to align delivery to the 2021-23 Strategic Council Plan;
- (g) a significant priority is to establish place effectively as part of regeneration projects. There is strong outreach and engagement with communities, often working with social enterprise groups, including a specific toolkit for getting young people involved on the Planning process and the wide use of electronic engagement platforms. Developments are intended to be a part of their local communities, so a great deal of work is carried out to encourage their residents to stay in the city and so grow social amenity;
- (h) significant revitalisation work is taking place between Trent Bridge and Colwick Park, which is making better use of the river to create a community and stimulate growth. The vast majority of Blueprint developments are owner-occupied, as part of the focus of establishing effective communities, and there is a strong priority to build homes with a high environmental performance;
- (i) Blueprint has made a profit every year, with £3.8 million returned to the Council since 2015. The total comprehensive income for the current financial year is forecast to be £693,000. The company is funded through a combination of Partner Loan Notes, recycled sales capital and debt. A 'sources and uses' analysis is provided at each Board meeting to detail the committed investment and sources of funding over a two-year period, with robust forecast of potential sensitivities and risk. Future risk scenarios to developments, such as a key contractor becoming insolvent, are stress-tested rigorously. The current market position is kept under constant review and it is likely that, going forward, contractors will move away from fixed-price contracts and will require more flexible agreements, to mitigate their risk to rising inflation and materials costs;
- (j) the Coronavirus pandemic had an impact on Blueprint's day-to-day operations, but the company was able to adapt quickly. Current global events and their impact on the UK economy are being risk-assessed and managed as they develop. Rising costs and interest rates, and delays in the supply chain, do represent tangible risks to the company and are monitored closely – but there is still currently no change to Blueprint's long term strategy to continue to deliver housing and mixed-use regeneration that will bring local employment and wider community benefit.

The Committee thanked the Chief Executive of Blueprint for her presentation, and noted the report.

8 Exclusion of the Public

The Board resolved to exclude the public from the meeting during consideration of the remaining items in accordance with Section 100A of the Local Government Act 1972, under Schedule 12A, Part 1, Paragraph 3, on the basis that, having regard to all the circumstances, the public interest in maintaining an exemption outweighs the public interest in disclosing the information.

9 Council-Owned Company Discussion - Blueprint - Exempt Appendices

Samantha Veal, Chief Executive of Blueprint, presented the exempt appendices to the report on the current work being carried out by the company.

The Committee noted the exempt appendices to the report.

10 Council-Owned Companies - Financial Update

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

Clive Heaphy, Interim Corporate Director for Finance and Resources, presented an exempt report to support the Committee in understanding the current financial position and associated risks of the Council's group of companies.

The Committee noted the exempt report.