

# Nottingham City Council

## Companies Governance Executive Committee

Minutes of the meeting held at Ground Floor Committee Room, Loxley House, Station Street, Nottingham, NG2 3NG on 17 September 2024 from 3.00 pm - 4.50 pm

### Membership

#### Present

Councillor Jay Hayes  
Councillor Neghat Khan  
Councillor Ethan Radford (Chair)  
Councillor Linda Woodings (Vice Chair)

#### Absent

Councillor Pavlos Kotsonis

### Colleagues, partners and others in attendance:

Mark Robinson	- Group Chief Executive SCAPE
Simon Chappel	- General Counsel SCAPE
Kevin Barr	- Finance Manager for Companies
Tony Barry	- Interim Director for Commissioning and Procurement
Ross Brown	- Corporate Director for Finance and Resources
Paul Seddon	- Shareholder representative for Blueprint (General Partner) Limited
Jane Garrard	- Interim Head of Governance

### Call-in

Unless stated otherwise, all decisions are subject to call-in. The last date for call-in is 27 September 2024. Decisions cannot be implemented until the working day after this date.

### 25 Apologies for absence

Councillor Pavlos Kotsonis – other Council business

### 26 Declarations of interests

None

### 27 Minutes

The minutes of the meeting held on 23 July 2024 were confirmed as an accurate record and signed by the Chair.

### 28 Work programme

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

Tony Barry, Interim Director of Commercial and Procurement, informed the Committee that the work programme has been amended, reflecting the amount of business to be conducted including the follow-up to two strategic reviews coming to the Committee in November. Further work will be taking place to try and ensure that subsequent agendas are more manageable.

**Resolved to note the work programme.**

## **29 Scape - Public Presentation**

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

Mark Robinson, Group Chief Executive of SCAPE and Simon Chappel, General Counsel for SCAPE, gave a presentation about SCAPE, highlighting the following information:

- a) SCAPE is owned by six local authorities, including Nottingham City Council, and all local authorities have an equal share
- b) The company primarily serves the public sector but does some work in the private sector, for example some universities are classed as being in the private sector.
- c) The company currently has 1200 clients.
- d) The Group structure involves six business units, three of which are linked to procurement activities. There is a separate unit for Scottish clients as regulations are different and a separate unit for private sector clients. The Company also has a partnership with Nottinghamshire County Council to help with management of its property and regeneration functions. This partnership is worth approximately £750m over its 50 year life span.
- a) The company has recently acquired a Construction Waste Portal to support clients in the construction industry to reduce construction waste.
- b) The company is not for profit but dividends are paid back to shareholders.
- c) The company has a community investment fund and a proportion of this is available to shareholders and clients to support bids for funding. There is also a small 'invest to grow' pot to support organisations in obtaining more funding.
- d) All surpluses are returned to the public sector.
- e) The company employs approximately 200 employees, mostly located locally in the Nottingham area.
- f) The company tracks and calculates social value, which is currently worth just over £1bn. It is tracked by region, and it is important for the company that projects are delivered locally where possible.
- g) The company has just over 2000 live commissions at any one time, which range in scale. The total value of the pipeline is £7.7bn.
- h) Following growth of the business a governance review was carried out to ensure that the company was able to adapt to manage the volume of business. This included a self-assessment by the Board of Directors to look at how to enhance board effectiveness and develop strategy for the medium to long term. This review resulted in approval of a governance action plan in January 2023 and a number of recommendations for improvement. One of the recommendations related to ensuring clarity about the role of directors and maximising the effectiveness of the board by setting up a number of sub-

committees to focus on relevant issues. The company has now started implementing the agreed actions, including introducing a new shareholder oversight board to support demarcation between directors and shareholders.

During subsequent discussion the following additional points were made:

- m) All shareholders have now appointed Executive Officers as directors, with the exception of Warwickshire County Council which hasn't yet made an appointment.
- n) The shareholder oversight board is made up of councillors.
- o) Turnover in appointments is a challenge and outside of the company's control, so succession planning is a focus. This is done by having a list of essential attributes which are embedded and which shareholders are asked to appoint against. Directors also have 'alternates' that can attend meetings in their absence.
- p) The dormant subsidiaries were each set up for specific reasons but there are no current plans for them to become active.
- q) The sub-committees are likely to initially focus on issues of finance, audit, risk and social value. The company is aware of potential challenges with capacity to support and attend sub-committees and therefore it is proposed to start with a small number and expand further if they are successful.
- r) The company takes a sustainable approach to dividends and typically £3-4m is paid out to shareholders.
- s) In 2006 the Council put in a stake of £75,000 and since then has received dividends of approximately £20-25m in total.
- t) There are currently a range of strategic opportunities for the company including working with the East Midlands County Combined Authority for which the company would like to be a primary route to market. The company is also looking at international opportunities that could help mitigate instability in the UK. The company will discuss this with shareholders if the potential to progress further is identified.
- u) The company has a strong risk management structure and one of the biggest risks is the macro/ geo-political situation. Some of the identified risks are surprising to the Council, for example the risk profile for Freedom of Information and the company explained that once it is assured that robust arrangements are in place the risk profile will be reduced.

**The Committee noted the presentation.**

### **30 Exclusion of the public**

The Committee decided to exclude the public from the meeting during consideration of the remaining agenda 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 outweighed the public interest in disclosing the information, as defined in Paragraph 3 of Part 1 of Schedule 12A to the Act.

### **31 Exempt Minutes**

The exempt minutes of the meeting held on 23 July 2024 were confirmed as an accurate record.

### **32 Council-owned companies - financial update**

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

Kevin Barr, Finance Manager for Companies, presented the report updating the Committee on the financial position in relation to Council-owned companies. Details of the discussion are set out in the exempt appendix.

**Resolved to approve the recommendation as set out in the exempt appendix.**

### **33 Blueprint (General Partner) Limited - Update**

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

Paul Seddon, shareholder representative for Blueprint (General Partner) Limited, presented the report giving an update on the current position. Details of the discussion are set out in the exempt minute.

**Resolved to approve the recommendations as set out in the exempt appendix.**

### **34 Update on Nottingham City Homes Ltd**

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

Tony Barry, Interim Director of Commercial and Procurement, presented the report giving an update on the position regarding Nottingham City Homes Limited. Details of the discussion are set out in the exempt minute.

**Resolved to approve the recommendations as set out in the exempt appendix.**