

AUDIT AND GOVERNANCE COMMITTEE

DATE	23 rd October 2025
REPORT OF	Carolina Borgstrom – Director for Economy, Environment and Infrastructure
SUBJECT	Equans Partnership Governance
STATUS	Open Report Appendix: CLOSED: NOT FOR PUBLICATION Exempt information within paragraphs 3 and 4 of Schedule 12A to the Local Government Act 1972

CONTRIBUTION TO OUR AIMS

The Council has two strategic priorities – stronger economy and stronger communities. The Partnership with Equans, which concluded on 30th June 2025, contributed to the Council's strategic aims through the delivery of a range of technical and professional services that underpin the ambitions of stronger economy and stronger communities. These services have now returned to the Council.

EXECUTIVE SUMMARY

On 14th February 2024, Cabinet agreed a new delivery model for Equans services beyond 1st July 2025.

At Audit and Governance Committee on 7th November 2024, Members received a report and closed appendix which set out the current partnership governance arrangements in place until 30 June 2025 and the proposed project delivery and governance arrangements which would be utilised after 1st July 2025.

Following the conclusion of Equans contract on 30th June 2025, this report and closed appendix provides an update on how those governance arrangements and risks have changed.

RECOMMENDATIONS

The Committee is asked to consider and note the contents of this report and the closed appendix.

REASONS FOR DECISION

Under its terms of reference, the Committee is required “to monitor and keep under review the Council’s arrangements for partnership governance.”

1. BACKGROUND AND ISSUES

- 1.1 The Regeneration Partnership with Equans (formerly Balfour Beatty) commenced on 1st July 2010 for an initial ten-year period, with the option to extend the arrangement by up to five years. The contract was extended initially for two years, but in December 2020, the Council agreed to extend the contract for the remaining three years allowable until 30th June 2025.

- 1.2 Prior to 30th June 2025, Equans provided a number of services including Highways and Transport, Strategic Planning, Development Control, Planning Enforcement, Building Control, Facilities Management, Security, Design Services and Housing Enforcement. On 1st July 2025, these services all transferred back in-house to the council.

Governance Arrangements Prior to 30th June 2025

- 1.3 Under the contract, North East Lincolnshire Council and Equans set up a transitional Exit Board in May 2024, with the formal Exit Board coming into operation on 1st July 2024 (one year before contract exit). The purpose of the Exit Board was to oversee a smooth transition to contract close. Meetings were chaired alternately by Jason Papprell (Equans Partnership Director) and Carolina Borgstrom (Director for Economy, Environment and Infrastructure - NELC).
- 1.4 The Exit Plan, which set out the basis for exiting the contract, was agreed by the Exit Board on 14th August 2024. Appendices to the exit plan set out the list of transferring assets; novating and non-novating agreements; transferring posts; analysis of pipeline projects; annual pension details statement; and other documentation. These were kept updated throughout the transition and signed off just before contract exit on 30th June 2025.
- 1.5 At the outset, the Council established a Strategic Board and six thematic groups which were tasked with ensuring that the transition phase ran smoothly. These met at least monthly and undertook work in accordance with the agreed project plan. Risks were monitored and mitigated against where possible.
- 1.6 In summer of 2023, Commercially Public was engaged by the council to support the process. They provided the initial project documentation and then monitored progress against the project plan through three Gateway Reviews at key points. Following these Gateway Reviews, Commercially Public provided a written report for the Council and provided verbal feedback to the Equans Scrutiny Working Group on their findings and proposed action plan.
- 1.7 More detail on the governance arrangements prior to and post transfer, and changes to strategic and operational risks, is set out in the closed appendix.

Governance Arrangements After 1st July 2025

- 1.8 Since 1st July 2025, the Equans Scrutiny Working Group has been monitoring service implementation and business continuity issues, as well as considering the initial service transformation plans. These will be reviewed by the working group as they develop over the next six to twelve months.
- 1.9 To assist in that process, the Working Group has requested a fourth Gateway Review, which will be held in March 2026, to receive feedback from Commercially Public on delivery of the transformation plans.
- 1.10 With regard to risks, most risks from the initial project plan have now been closed, albeit some on-going risks remain relating to final accounts sign-off (due

January 2026).

2. RISKS AND OPPORTUNITIES

- 2.1 There was a risk of reduction of service quality or continuity during implementation of the new service model. The process has run very smoothly, and no significant issues have arisen as a result of transferring the services back in-house.
- 2.2 The proposed service transformation plans will provide an opportunity to review how services are provided and identify areas for improvement.

3. OTHER OPTIONS CONSIDERED

- 3.1 Not Applicable.

4. REPUTATION AND COMMUNICATIONS CONSIDERATIONS

- 4.1 There are no specific reputational or communications issues associated with this report.
- 4.2 The management, staff, and trade unions at Equans and North East Lincolnshire Council were kept involved throughout the transition process. Key contractors and other stakeholders were also made aware of the change in provision.
- 4.3 Transition arrangements and implementation of the transformation plans will be monitored by the Equans Scrutiny Working Group.

5. FINANCIAL CONSIDERATIONS

- 5.1 There are a range of financial risks and opportunities arising from proposed delivery model agreed by Cabinet on 14 February 2024 and these are being worked through by the Finance Thematic Group as part of the transition plan.

6. CHILDREN AND YOUNG PEOPLE IMPLICATIONS

- 6.1 The services delivered are wide ranging and impact the regeneration and quality of place that our children and young people live in.
- 6.2 Some services affected by this review such as facilities management of school buildings, school crossing patrols and road safety are essential services to ensure that children and young people are kept safe. Ensuring these services, as well as other services designed to improve our place, continue to be delivered to high standard will benefit all children and young people.

7. CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS

- 7.1 The services delivered by the current arrangements includes key areas where coordinated action is required for the Council to reach the ambition of net zero by 2030. This includes Highways and Transport, Flood Management, Tree Services, Planning, Facilities Management and Utility Management. Enhanced

strategic oversight through the amended delivery model will enable the authority to focus service delivery on its environmental priorities by:

- Leading North East Lincolnshire towards consuming resources more efficiently and supporting and developing the green economy and infrastructure.
- Recognising and realising the economic and social benefits of a high-quality environment.
- Working towards a low carbon North East Lincolnshire that is prepared for, and resilient to, the impacts of climate change.

8. FINANCIAL IMPLICATIONS

- 8.1 As detailed above, there are a range of financial risks and opportunities arising from the delivery model and these are being considered as part of the transition plan. The current assumption is that the full range of services will be delivered within the existing budget envelope with no immediate cost pressures arising. Further work is being undertaken by the finance workstream to establish robust recharge charging mechanisms.

9. LEGAL IMPLICATIONS

- 9.1 There are no immediate legal implications arising from the above report, it being a vehicle to update the committee. The committee is asked merely to receive and note the content of the report and the accompanying closed appendix.

10. HUMAN RESOURCES IMPLICATIONS

- 10.1 There are no immediate HR implications arising from this report, however it is anticipated that reviews of the transferred services will be undertaken over a period of time to ensure that the full range of services will be delivered. Where work is ongoing around service reviews, then appropriate HR Advice will be sought and any reviews undertaken in line with policy and procedure.

11. WARD IMPLICATIONS

- 11.1 The services delivered through Equans impact on all Wards within the Borough.

12. BACKGROUND PAPERS

Cabinet – 5th June 2019 – Regeneration Partnership Review (Closed Report)

Cabinet – 6th November 2019 – Regeneration Partnership Review (not available on website)

Cabinet – 9th December 2020 – Future Delivery of the Regeneration Partnership Services (Closed Report)

Cabinet – 14th January 2024 – Equans Review [Cabinet | Democracy \(nelincs.gov.uk\)](#) (Open report, closed appendix)

Audit Committee – 18th April 2024 - Equans Review – Review of Partnership Governance [Audit & Governance Committee | NELC \(nelincs.gov.uk\)](#) (Open

report, closed appendix)

Audit and Governance Committee – 7th November 2024 – Equans Review –
Review of Partnership Governance Audit & Governance Committee | NELC
(Open report, closed appendix)

13. CONTACT OFFICERS

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