

## **NOTTINGHAM CITY COUNCIL**

### **AUDIT COMMITTEE**

**MINUTES of the meeting held at Loxley House on 26 JULY 2013 from 10.32 am to 12.20 pm**

- ✓ Councillor Sarah Piper (Chair)
  - ✓ Councillor Thulani Molife (Vice-Chair) (minutes 6 to 9 inclusive)
  - ✓ Councillor Mohammad Aslam
  - ✓ Councillor Georgina Culley
  - ✓ Councillor Michael Edwards
  - ✓ Councillor John Hartshorne
  - ✓ Councillor Toby Neal
  - ✓ Councillor Roger Steel
  - ✓ Councillor Malcolm Wood
- ✓ indicates present at meeting

#### **Others in attendance**

Dorne Collinson -	Head of Safeguarding and Quality Assurance )	Children and
Tim O'Neill -	Director of Family Community Teams )	Families
Jeff Abbott -	Head of Corporate and Strategic Finance )	
Simon Burton -	Corporate Risk Specialist )	Resources
Barry Dryden -	Senior Finance Manager )	
Laura Wilson -	Constitutional Services Officer )	

#### **1 APPOINTMENT OF VICE-CHAIR**

**RESOLVED to appoint Councillor Thulani Molife as Vice-Chair of this Committee for this municipal year (May 2013 to April 2014).**

#### **2 APOLOGIES FOR ABSENCE**

Councillor Georgina Culley (other Council business)

Tony Kirkham, Director of Strategic Finance  
Carole Mills, Deputy Chief Executive/Corporate Director for Resources  
Shail Shah, Head of Internal Audit

#### **3 DECLARATIONS OF INTERESTS**

None.

#### **4 MINUTES**

The Committee confirmed the minutes of the meeting held on 26 April 2013 as a correct record and they were signed by the Chair.

## **5 STRATEGIC RISK REGISTER (SRR) – QUARTER 1 2013/14 UPDATE AND 2012/13 ANNUAL REVIEW**

Simon Burton, Corporate Risk Specialist, introduced the Deputy Chief Executive/ Corporate Director for Resources' report which detailed the progress made in reducing the threat level for each strategic risk, and presented information on Strategic Risk (SR)6 – failure to safeguard vulnerable children, for the Committee to scrutinise.

Dorne Collinson, Head of Safeguarding and Quality Assurance, and Tim O'Neill, Director of Family Community Teams gave a presentation on SR6 highlighting the following points:

- (a) the Munro Report places the focus on 'early help' services as well as child protection, and the importance of the child's journey, experiences and views;
- (b) there have been changes to the Ofsted inspection framework to include a planned multi-agency inspection framework, but this is not progressing and is not likely to be in place for another 12 months. Consultation is currently underway on a new local authority inspection framework for children in need of help and protection, children in care and care leavers, which will be introduced in the Autumn;
- (c) there has been a national, regional and local increase in demand for safeguarding services;
- (d) more integrated working, earlier assessment and intervention has been introduced, such as establishing the Domestic Abuse Referral Team, and developing a multi-agency safeguarding hub enabling better information sharing around safeguarding concerns;
- (e) working practices have been aligned, including the introduction and roll out of Signs of Safety, and quality assurance activity managed by the Local Safeguarding Children Board;
- (f) plans are in place to improve the early help assessment, the Common Assessment Framework (CAF), with the Family Community Teams recording CAFs through CareFirst, and progressing towards a partnership e-CAF solution;
- (g) the Priority Families Programme has been implemented which includes learning feeding through into longer-term decisions about system design and ways of working, development of a Family CAF, and investment at the Edge of Care;
- (h) a review of the 'early help' offer in Family Community Teams has led to more case-holding resources and the introduction of CareFirst, as well as the introduction of a Performance Management Framework;
- (i) there has been a review of Access points into services which has resulted in the creation of a new integrated Access point for Nottingham City Council Children's Services.

Dorne Collinson and Tim O'Neill provided the following additional information in response to questions and comments from the Committee:

- (j) in Nottingham there are currently approximately 580 children in care, 450 children subject to child protection plans and many that are known to the Family Community Teams and Safeguarding;
- (k) the number of agency staff within Social Care has reduced greatly as a rolling recruitment programme is in place and has been successful. There is a stable staff base with agency staff only used when it is absolutely necessary;
- (l) the benefits cap will affect a number of families in Nottingham but, through Priority Families, adults are being helped into work to lessen the impact;
- (m) over 20% of local authorities are in intervention for safeguarding, predominantly because of the new inspection regime, but also because of the increasing demand for services and the reducing budget. Nottingham responded to the changes well in advance so has received good inspection results;
- (n) nationally the number of children in care and on the system is increasing as a result of the Baby P case and welfare reform;
- (o) Nottingham is a good safeguarding authority but safeguarding will always remain a high risk because of the impact if something does go wrong, although there are numerous checks and balances in the system to prevent incidents happening;
- (p) there isn't a shortage of foster carers, but there is a need for more internal (within the City) foster carers, although some children will always require external (outside the City) carers depending on their needs and safety. The profile of children in care is constantly changing and this means the need for foster carers changes;
- (q) it is understood that there can be a stigma attached to child protection and children in care so, to mitigate this, small group homes have been created in place of large residential care units and are given standard residential addresses rather than names. Efforts are always made to keep the children's lives as normal as possible by having a small number of carers in small group homes and keeping the children attending the same school. There are Independent Reviewing Officers for children in care to have a voice about the care they receive;
- (r) welfare reform is having an impact on families. Around 60% of current cases feature neglect as families have less money to meet basic needs. Families under stress can lead to negative mechanisms of coping such as domestic abuse or substance misuse, which will have an impact on the children. When a family presents with global needs an assessment is carried out on a case by case basis and the system records the reasons why a family has presented.

**RESOLVED to**

- (1) note the progress on SR6 (failure to safeguard vulnerable children) and recognise the increasing pressure on the service;**
- (2) request Dorne Collinson and Tim O'Neill to circulate the following information to the Committee:**

- (a) the number of children known to Social Care, Family Community Teams and Safeguarding;
  - (b) a breakdown of the reasons families present to care services;
- (3) note the progress made on reducing the seriousness of the Council's strategic risks, as reflected by their threat levels and direction of travel, for quarter 1 2013/14, as detailed in Appendix 5 of the report, and for the year 2012/13, as detailed in Appendix 6 of the report;
- (4) note the results of the review of the Strategic Risk Register by Corporate Leadership Team, as detailed in paragraph 4.5 of the report;
- (5) select SR29 – failure to establish an effective Public Health function with adverse impact on the citizen wellbeing and a failure to deliver the authority's statutory responsibilities - for specific scrutiny at the 29 November 2013 meeting as part of the Strategic Risk Register quarter 2 2013/14 update.

## **6 DRAFT STATEMENT OF ACCOUNTS 2012-13**

Barry Dryden, Senior Finance Manager, introduced the Deputy Chief Executive/Corporate Director for Resources' report, which detailed the progress regarding the 2012/13 Statement of Accounts for Nottingham City Council, and outlined the process for approving the Statement in accordance with the Accounts and Audit Regulations 2011.

Barry Dryden provided the following information in addition to the report in response to questions and comments from the Committee:

- (a) the total reserves have increased by £29 million. Unusable reserves cannot be spent and usable reserves are ring-fenced. Ring-fenced reserves can only be spent on specific issues, for example, some are grants for projects that have not yet been completed but will be in the next financial year, so the money will then no longer be shown in reserves. Some money is put into the reserves before it is moved to the correct account, so the total reserves figure is fluid throughout the year. The authority is facing an uncertain future so it is prudent to have reserves and they are within the allowable limit of 2-4%. Reserves couldn't be used to meet ongoing spending pressures as it would be a one-off payment rather than being sustainable;
- (b) the authority is active in pursuing HMRC (Revenue and Customs) to obtain VAT refunds and recently recovered £5 million.

## **RESOLVED**

### **(1) to note:**

- (a) the Statement of Accounts was submitted to KPMG for review on 28 June 2013;
- (b) the contents of the Statement of Accounts were placed on deposit for public inspection for 20 working days from 8 July 2013;
- (c) there have been no significant changes to the accounting policies presented to the Audit Committee on 26 April 2013;
- (d) the Committee will be required to review the final audited Statement when it is presented on 27 September 2013;

- (2) to confirm that it is appropriate for the Statement of Accounts to be produced on a going concern basis;**
- (3) to request Barry Dryden to circulate the following information to the Committee:**
  - (a) a breakdown of the reserves e.g. capital, revenue, etc;**
  - (b) a statement detailing how much VAT has been recovered.**

## **7 TREASURY MANAGEMENT 2012/13 ANNUAL REPORT**

Jeff Abbott, Head of Corporate and Strategic Finance, introduced the Deputy Chief Executive/Corporate Director for Resources' report which set out the 2012/13 performance in respect of treasury management, which is the management of the Council's external debt and investments.

Jeff Abbott provided the following information in addition to the report in response to questions and comments from the Committee:

- (a) the loan debt portfolio is managed very carefully with a good team of advisers. There are some old loans with high interest rates from the 1980s that were considered a good deal at the time and had a fixed rate for 20/30 years, and it is too expensive to pay them off early. On other loans the Council has benefited from early repayment;**
- (b) the Council is appropriately cautious in investing money to ensure that the capital is protected and the rate of return is good;**
- (c) the NET loan was taken in advance as it had significant benefits and good interest rates;**

### **RESOLVED to**

- (1) note the Treasury Management 2012/13 Annual Report, set out in Appendix A of the report;**
- (2) request Jeff Abbott to circulate the following information to the Committee:**
  - (a) a list of the loans that the Council is locked in to;**
  - (b) further details of the Private Finance Initiative and Workplace Parking Levy funds relied on for the NET (Nottingham Express Transit) loan.**

## **8 INTERIM ANNUAL GOVERNANCE STATEMENT 2012/13**

Barry Dryden, Senior Finance Manager, introduced the Director of Strategic Finance's report, which presented the Annual Governance Statement for comment before it is published with the City Council's Statement of Accounts in September 2013.

Barry Dryden assured the Committee that the money recovered from the Icelandic banks is still attracting interest.

The Committee requested:

- (a) that the information on Children in Care mentioned in the ‘issues worthy of noting’ section of the Statement is checked to ensure that it reflects the current position, as it appears to contradict the information presented in relation to the Strategic Risk Register (minute 5);
- (b) further information in the final Statement relating to the Workplace Parking Levy income and how it affects the Link Bus network.

**RESOLVED to**

- (1) note the Interim Annual Governance Statement 2012/13, set out in Appendix 1 of the report;**
- (2) request Shail Shah to:**
  - (a) include further information in the final Statement relating to the Workplace Parking Levy income and how it affects the Link Bus network;**
  - (b) check the information on Children in Care mentioned in the ‘issues worthy of noting’ to ensure it reflects the current position;**
- (3) request Jeff Abbott to circulate details of the interest being accrued on the money recovered from the Icelandic banks to the Committee.**

**9 DATES OF FUTURE MEETINGS**

**RESOLVED to meet at 10.30 am on the following Fridays:**

**2013**  
**27 September**  
**29 November**

**2014**  
**28 February**  
**25 April**