

# Annual Audit Letter

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**Nottingham City Council**

**Audit 2009/10**

**The Audit Commission is an independent watchdog, driving economy, efficiency and effectiveness in local public services to deliver better outcomes for everyone.**

**Our work across local government, health, housing, community safety and fire and rescue services means that we have a unique perspective. We promote value for money for taxpayers, auditing the £200 billion spent by 11,000 local public bodies.**

**As a force for improvement, we work in partnership to assess local public services and make practical recommendations for promoting a better quality of life for local people.**

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# Key messages

**This report summarises my findings from the 2009/10 audit. My audit comprises two elements:**

- **the audit of your financial statements; and**
- **my assessment of your arrangements to achieve value for money in your use of resources.**

**I have included only significant recommendations in this report. The Council has accepted these recommendations.**

## **Audit opinion and financial statements**

**1** You can take assurance from the fact that I issued an audit report including an unqualified opinion on the financial statements on 28 September 2010. However, I was unable to a certificate of audit closure at that time due to my ongoing investigation of issues raised by a local government elector.

**2** I am pleased to note the Council responded well to the complex new accounting requirements this year which included how Private Finance Initiative (PFI) and other similar schemes were accounted for.

**3** From 2010/11, the Council will prepare its financial statements for the first time under International Financial Reporting Standards (IFRS). Transition plans are in place but there is still much to do and it is important that the Council closely monitors delivery.

### **Public interest report follow up**

**4** I have reviewed the work done by the Council to consider in detail the individual cases highlighted by the public interest report into housing services. I am satisfied that the Council's conclusion, that it has pursued recovery as far as possible, is reasonable.

**5** I am however concerned about the potential impact of assimilating the repairs and maintenance contract into a new management agreement with Nottingham City Homes unless more robust safeguards to protect value for money are built in.

## Value for money

**6** I issued an unqualified Value for Money (VFM) conclusion on the 28th September 2010 stating that the Council had adequate arrangements to secure economy, efficiency and effectiveness in the use of resources.

**7** Action has been taken by the Council to develop its VFM arrangements during 2009/10. I am pleased to note the specific improvements made in the areas of financial planning, commissioning and procurement and data quality.

## Audit fees

**8** My audit fee for the core 2009/10 audit was £388,099 as agreed with the Council in April 2009. However, I will need to charge an extra fee for my additional work in response to issues raised by a local government elector.

## Current and future challenges

**9** The Council faces substantial financial pressures due to the continuing effects of the current economic downturn and the major public spending reductions announced by the Government in 2010.

**10** These will have a significant impact on the Council's financial position and delivery of services in the future. Existing budget overspends in 2010/11, if not addressed, will significantly reduce general reserves to a level substantially lower than that considered appropriate by the Council.

**11** Affordability will be a major factor influencing the continuing development of the Council's medium-term financial plan (MTFP) and capital programme to ensure that budgets for future financial years are both balanced and realistic.

**12** Continued close monitoring of financial performance and the overall financial position both in 2010/11 and future financial years will be vital.

# Financial statements and annual governance statement

**The Council's financial statements and annual governance statement are an important means by which the Council accounts for its stewardship of public funds.**

**I gave an unqualified opinion on the Council's 2009/10 financial statements on 28th September 2010, ahead of the statutory target date.**

## Overall conclusion from the audit

**13** I gave an unqualified opinion on the Council's 2009/10 financial statements on the 28th September 2010 ahead of the statutory date specified by the Department of Communities and Local Government (DCLG). I reported the detailed findings from my audit of the Council's 2009/10 accounts in my Annual Governance report to the Audit Committee.

## Significant opinion issues

**14** The financial statements presented for audit in June 2010 contained a number of misstatements. None of these were material and the Council amended all misstatements apart from one relating to capital expenditure. This related to previous years and so the Council chose not to amend its 2009/10 financial statements but will review the matter in 2010/11.

## International Financial Reporting Standards (IFRS)

**15** From 2010/11, the Council will prepare its financial statements for the first time under IFRS. Implementation of IFRS in Local Government will be a major challenge for authorities and will require substantial preparatory work ahead of next year.

**16** The Council has an IFRS transition work plan and timetable in place. This will require careful scrutiny and close monitoring to ensure that the transition process is smooth and timely. Early determination of accounting policies and the completion of skeleton accounts before the end of the financial year would help support the transition process. And one of the key challenges currently facing the Authority is restating the 2009/10 balances on an IFRS basis by the end of December 2010.

## **PFI and service concession schemes**

**17** Certain areas of IFRS were required to be implemented early. In 2009/10, officers successfully applied new and complex accounting requirements under IFRS for PFI schemes and service concessions in 2009/10. There were particularly complex issues around the treatment of the Eastcroft Waste Incinerator.

## **Treasury management**

**18** The Council holds £38m of deposits with Icelandic banks that are overdue repayment. This is clearly an issue that has a potential impact on the Council's resources and its financial standing. However, I am satisfied that the Council has taken account of this potential impact in its financial planning.

**19** Using the updated guidance issued during the year, I reviewed the Council's accounting treatment and the extent to which it had reduced the valuation of these investments due to impairment. Following a £2m amendment, I concluded that the Council had correctly calculated the impairment at £11m giving a £27m valuation in the 2009/10 financial statements.

## **Audit closure**

**20** I was unable to issue a certificate of audit closure for 2009/10 on the 28th September 2010 due to my ongoing investigation of issues raised by a local government elector. However, I had completed sufficient work to conclude that these would have no material impact on the Council's 2009/10 financial statements. I will report back to the Council on conclusion of my investigation.

## **Internal controls**

**21** I did not identify any significant weaknesses in the Council's internal control arrangements that could result in a material error in its 2009/10 financial statements.

**22** In my 2008/09 annual audit letter, I reported that the Council lacked a definitive establishment list (schedule of approved posts) and that as a consequence further work was required last year to give me sufficient audit assurance over payroll expenditure. Due to other pressures, planned additional controls over payroll expenditure were not introduced in 2009/10. As last year, significant extra work was therefore required by both your staff and my audit team to obtain the audit assurance I needed.

**23** New payment arrangements were introduced in August 2009 and the Council experienced significant problems with the accounts payable system. The Council put in place extra procedures at the year-end to mitigate the effect of these problems. These procedures, together with my extended testing of payments gave me sufficient audit assurance in this area.

**24** Finally, I wish to bring to your attention the issue of members' responses to requests for confirmation of related party transactions. Although the Council has put a process in place to identify related parties which includes members and senior officers, its effectiveness is limited. This is because of the poor response rate from members. Failure to achieve a 100 per cent response rate increases the risk of undisclosed related parties in the Council's financial statements and represents weak governance.

## Financial performance

**25** The Council overspent its revenue budget for 2009/10 by £4.3m which it funded from reserves. As a consequence, available reserves fell substantially over the year with the Council's general fund balance at 31 March 2010 being £7.1m compared with £11.4m at 31 March 2009.

**26** For 2010/11, the Council has reported a £5.8m forecast year-end revenue overspend to the Executive Board as at September 2010. This will further reduce the level of available reserves.

**27** The medium term financial plan for 2010/11 to 2012/13 sets out the Council's view that available (general fund) reserves be maintained at between 2 per cent and 3 per cent of the annual revenue budget. Setting opening general fund reserves at the lower end of this range (2 per cent) equates to £5.5m for 2010/11 which the Council has met.

**28** Based on current financial performance, the level of general fund reserves at the end of 2010/11 is expected to be substantially lower than the £7.1m opening position. There is a risk that opening general fund reserves for 2011/12 will fall outside of the 2 per cent threshold.

**29** The Council needs to closely monitor its level of reserves and, where these have been used to meet financial pressures in-year, ensure that these are replenished. This is a critical aspect of financial planning as replenishment places pressure on the Council in setting its budget for the following financial year.

**30** In September 2010, the Council reported a £5.7m forecast year-end overspend against its approved 2010/11 capital programme (£208.1m) to the Executive Board. Prompt action by the Council is needed to ensure that its 2010/11 capital programme is affordable and to address the overspending.

**31** The Council also faces longer term capital resource pressures (£34m) over the next two financial years. In response, the Council has already implemented a strategic review of capital looking at the capital programme for 2010/11 to 2012/13. At November 2010, this review is nearly complete.



## Recommendations

- R1** Monitor implementation of the IFRS work plan to ensure that the IFRS transition is smooth and timely. Determine IFRS accounting policies and ensure these are adopted ahead of the 2010/11 financial statements being prepared.
  - R2** Improve operation of the current process for identifying related parties by ensuring that all members and senior officers respond to requests for information. Consider appointing a senior officer to oversee this exercise.
  - R3** Continue to closely monitor reserves to ensure these are maintained at an appropriate level.
  - R4** Ensure that the capital programme for 2010/11 to 2012/13 is affordable. Address overspends on the 2010/11 capital programme.
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## Public interest report follow up

**32** Last year's annual audit letter reported on the public interest report issued in January 2009 on your housing services from 2003 to 2005. That report highlighted concerns over the way in which properties had been allocated to tenants and the use of a council in-house employment agency to recruit staff into the Housing Department. My annual audit letter recognised that there was already evidence of positive change within housing and made specific reference to the re-inspection of Nottingham City Homes (NCH) in January 2009 which resulted in a two star rating.

**33** During this year I have followed up on the progress made by the Council in dealing with the recommendations made in the public interest report not addressed by the inspection process. In particular, the progress made by the Council in considering in detail the individual cases highlighted by our investigation. I have also followed up progress against an earlier critical audit report on the letting of housing repairs and maintenance contracts which was not fully addressed by the inspection process.

### Progress re individual cases

**34** I have considered the work carried out by the Council to review and pursue recovery options. I am satisfied that they have taken a robust approach and sought various options to facilitate recovery. I consider that making their decisions about whether or not to proceed with cases on the basis of the quality of evidence, likely outcomes and the cost of proceedings is a reasonable approach.

## Housing repairs and maintenance contract

**35** Previous audit concerns focussed on the Council's ability to demonstrate value for money in relation to housing repairs and maintenance given the lack of exposure to competitive tender in this area. These concerns were addressed by the full competitive tender process in 2009 when NCH were successful against other competitors.

**36** However, as part of the negotiations in agreeing a new management contract with NCH there has been a proposal to assimilate the repairs and maintenance contract into the management agreement. The Executive Board agreed some conditions around this which provide the Council with the mechanism to demonstrate on going value for money in this area. However, I was concerned to see that a draft of the agreement did not contain these conditions. I have written to the Council expressing my concern that the hard won progress in ensuring competitive delivery and value for money in this area could be lost.

### Recommendation

**R5** The Council should ensure that the management agreement with NCH provides sufficient safeguards around the repairs and maintenance service to enable the Council to demonstrate that it is achieving value for money on an ongoing basis.

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# Value for money

**I considered whether the Council is managing and using its money, time and people to deliver value for money.**

**I assessed your performance against the criteria specified by the Audit Commission and have reported the outcome as the value for money (VFM) conclusion.**

## **2009/10 use of resources assessments**

**37** At the end of May 2010, the Commission wrote to all chief executives to inform them that following the government's announcement, work on CAA would cease with immediate effect and the Commission would no longer issue scores for its use of resources assessments.

**38** However, I am still required by the Code of Audit Practice to issue a value for money conclusion. I have therefore used the results of the work completed on the use of resources assessment up to the end of May to inform my 2009/10 conclusion.

**39** I report the significant findings from the work I have carried out to support the vfm conclusion.

## **VFM conclusion**

**40** I assessed your arrangements to achieve economy, efficiency and effectiveness in your use of money, time and people against criteria specified by the Audit Commission. The Audit Commission specifies each year, which Key Lines of Enquiry (KLOE) are the relevant criteria for the VFM conclusion at each type of audited body.

**41** This is a summary of my findings.

Criteria	Adequate arrangements?
<b>Managing finances</b>	
Planning for financial health	Yes
Understanding costs and achieving efficiencies	Yes
Financial Reporting	Yes
<b>Governing the business</b>	
Commissioning and procurement	Yes
Use of information	Yes
Good Governance	Yes
Risk management and internal control	Yes
<b>Managing resources</b>	
Strategic asset management	Yes
Workforce	Yes

**42** I issued an unqualified conclusion stating that the Council had satisfactory arrangements to secure economy, efficiency and effectiveness in its use of resources.

**43** Overall, the Council has improved its value for money arrangements since last year. Key areas of improvement noted from my assessment work include financial planning, commissioning and procurement and data quality.

**44** Significant developments in financial governance and leadership together with better integration between the Council's operational and financial plans has contributed to much improved financial planning at the authority this year.

**45** Actions taken by the Council this year continue to reinforce the link between the Nottingham 2020 plan and the commissioning of services. Stakeholder involvement in budget setting is good. In commissioning some examples of good practice are noted including the training of young people to act as mystery shoppers for local services.

**46** The Council places a strong emphasis on data quality and has clear arrangements to confirm that data is relevant and reliable. Its use of data to monitor performance is good and improved during 2009/10. This has contributed towards a long term trend of improvement in high priority areas such as crime reduction and cleanliness. Steady progress is being made in improving ICT governance and security.

47 Service competitiveness remains an area for development by the Council. Many services have not been good at evaluating their own competitiveness. The corporate review programme implemented by management, while resulting in improvement, has not been as effective as originally expected. The opportunity to apply review findings at a Council wide level has been less than originally anticipated.

48 Work on the strategic budget in the autumn of 2009 strengthened the level of challenge of service provision, but further work is needed, especially in developing a greater understanding of the best use of resources within the wider partnership of local service providers across the city.

49 I also looked at the way the Council plans, organises and develops its workforce for the first time in 2009/10. The Council has a good track record for engaging with staff and continues to do so as it implements organisational and workforce changes. Staff absence levels remain comparatively high and this is an area where further work is needed.

## Risk-based performance reviews

50 To support my review of the criteria I undertook the following studies.

- Organisational development (Serving Nottingham Better); and
- IT service management.

51 I have reported my detailed findings to the Council in separate reports.

### Organisational development (Serving Nottingham Better)

52 I have been monitoring the progress of the Council's corporate improvement programme, Serving Nottingham Better (SNB) over the past two years.

53 The programme is now four years old, and has evolved substantially from its original purpose as a preparatory vehicle ahead of the Council's 2007 CPA Corporate Assessment, reflecting the changing needs of the Council. I have now concluded our work on SNB.

54 Due to the changing nature of SNB over its four-year life, rather than producing a written report I have provided feedback, and the Council has responded to this feedback, on a continuous basis.

55 To summarise it is my view that the following benefits have arisen at least in part due to the focus SNB has brought within the Council's corporate governance arrangements:

- improved capacity and focus on the delivery of improvements consistent with identified priorities;
- strengthened political and managerial leadership, with better officer and member accountability leading to clearer joint ownership of corporate goals;
- fewer, better plans, with the number of service plans falling from 150 down to 30 strategic service plans for the 2008/09 year;
- strong commitment to modernising the back office; and

- getting better at making improvements in the way the Council works, so that plans increasingly lead to actions and achievements.

**56** Feedback to and from the Council over the course of our SNB review up to our final feedback in May 2010 also acknowledged that:

- work on improving value for money and on making services more customer friendly was continuing;
- the Council was developing and starting to implement ideas about how it should reshape itself, that is, where and how services should be delivered;
- on the modernisation of the 'back office' there had been some early achievements, but also some longstanding difficulties; and
- the Council was still an organisation in transition.

**57** Following on from SNB, the Council has implemented a number of major transformation projects such as the workplace strategy, single status, service planning development and shared services. A clear transformation strategy is in place and work continues to implement this with good progress being made. I will continue to monitor progress of these aspects in terms of their contribution towards improving the Council's economy, efficiency and effectiveness.

### **IT service management**

**58** I reviewed the Council's IT service arrangements following centralisation of services and the development of a new ICT strategy and organisation structure in 2008.

**59** My approach compared ICT practices at the Council with the IT infrastructure library (ITIL) which is an ICT service management best practice framework issued by the Office of Government Commerce.

**60** The Council has a clear commitment at a corporate level to improve ICT services. Formation of the ICT service directors group in 2008 represented a major step for implementing improvement.

**61** From a service user perspective, the view of managers and staff is that service provision is improving. Users commented that the pace of improvement is slower than expected and that service emphasis is not always aimed at the user. Regular formal engagement between IT services and users would help inform and improve service management.

**62** Both financial management and change management over ICT services is strong with sound processes in place. Benchmarking data produced by SOCITM shows that the Council's IT costs are in the lower quartile compared with other similar authorities.

**63** My review of the Council's performance in comparison to ITIL standards assessed this as adequate. This is typical for many organisations when reviewed for the first time. I have recommended that this is used as a baseline against which future improvement is measured and that it seeks to achieve this within the next two years.

## Recommendations

- R6** Continue development of arrangements to challenge service provision that cover value for money and effectiveness. Ensure that budget decisions are informed by medium term as well as short term factors and that the medium-term financial plan fully reflects future resources.
- R7** Review my feedback from the Serving Nottingham Better review and, where appropriate, use this to inform the Council's workplace strategy and operating model.
- R8** Develop and implement an action plan to improve ICT service management that promotes good practice as set out in the IT infrastructure library issued by the Office of Government Commerce.

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## Approach to local value for money work from 2010/11

**64** Given the scale of pressures facing public bodies in the current economic climate, the Audit Commission has been reviewing its work programme for 2010/11 onwards. This review has included discussions with key stakeholders of possible options for a new approach to local value for money (VFM) audit work. The Commission aims to introduce a new, more targeted and better value approach to our local VFM audit work.

**65** My work will be based on a reduced number of reporting criteria, specified by the Commission, concentrating on:

- securing financial resilience; and
- prioritising resources within tighter budgets.

**66** I will determine a local programme of VFM audit work based on my audit risk assessment, informed by these criteria and my statutory responsibilities. I will no longer be required to provide an annual scored judgement relating to my local VFM audit work. Instead I will report the results of all my local VFM audit work and the key messages for the Council in my annual report to those charged with governance and in my annual audit letter.

Issue to consider	Comments
NET phase 2	<p>Work is planned by the Council in 2010/11 on the planned extension to the Nottingham tram system. This includes preparatory work for the associated work place parking levy.</p> <p>This will be a complex and challenging PFI project. The Council will face financial, accounting and governance risks with the implementation of this scheme. These will need to be closely managed.</p>

# Current and future challenges

## Economic climate

**67** Looking ahead, the Council will face substantial financial pressures due to the continuing effects of the current economic downturn. Coupled to major public spending reductions announced by the Government in 2010, these pressures will have a significant impact on the Council's financial position and delivery of services.

**68** The scale of future financial pressures means that greater emphasis will be placed on cost reduction. In response, the Council set a £56m cost reduction target over the next three years in its Medium Term Financial Plan (MTFP). A substantial element of this (£43m) relates to efficiency savings.

**69** Existing cost reduction requirements are already challenging and are likely to increase as the Council adjusts its current MTFP in response to the Government's spending review announced in October 2010.

**70** The scale and pace of change will require the Council to respond quickly to lower funding levels and continue to develop its MTFP. There is a clear recognition that the Council needs to reshape its organisation in the context of substantially reduced resources. The Council's Operating Model and recently developed Transformation Strategy will help inform change and set the direction of services in the future.

**71** Continued close monitoring and active management by the Council of its financial performance and position will be vital over the coming financial year to deliver its 2010/11 budget. The Council set a balanced budget and it is important that this is maintained whilst meeting service commitments. Overspending needs to be carefully managed to avoid any reduction in the reserves held by the Council.

**72** Looking ahead, the Council has recognised the importance of affordability in response to the current challenging economic environment. Affordability will be a major factor influencing the continuing development of the Council's MTFP such that budgets for future financial years are both balanced and realistic.

## Future developments

**73** The Council plays a leading role within the 'One Nottingham' Local Strategic Partnership (LSP) and both the Council Plan and MTFS link closely with the Nottingham Plan to 2020 issued by the LSP.

**74** There are a number of service developments, both planned and in progress, that contribute to delivery of the Council Plan. Some of these developments such as the NET extension are substantial. Again,



affordability will be a key factor affecting development and it is important that future financial plans reflect this.

## Recommendation

- R9** Closely monitor financial performance for the 2010/11 financial year. Ensure that overspending is managed to minimise the impact on general fund reserves.
- R10** The Council needs to satisfy itself that future changes to the Council's medium-term financial plan result in balanced budgets for future financial years that are realistic and affordable.
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## Closing remarks

**75** I have discussed and agreed this letter with the Chief Executive and the Deputy Chief Executive & Corporate Director for Resources. I will present this letter at the Audit Committee on 17th December 2010 and will provide copies to all members.

**76** Full detailed findings, conclusions and recommendations in the areas covered by our audit were included in the reports I issued to the Council during the year.

Report	Date issued
Annual Audit fee letter	April 2009
IT Service Management diagnostic	February 2010
Audit Opinion Plan	March 2010
Serving Nottingham Better review (letter)	July 2010
Annual governance report	September 2010
Auditor's report giving an opinion on the financial statements	September 2010
Value for money conclusion	September 2010

**77** The Council has taken a positive and helpful approach to our audit. I wish to thank the staff of Nottingham City Council for their support and cooperation during the audit.

Sue Sunderland  
District Auditor  
November 2010

## Appendix 1 Audit fees

	Actual	Proposed	Variance
Financial statements and annual governance statement	231,842	231,482	0
Value for money	150,015	150,015	0
Whole of Government Accounts	6,602	6,602	0
Total audit fees	388,099	388,099	0
Additional investigation fee	TBC	0	

An additional fee will need to be charged to cover the cost of investigating the issues raised by a local government elector. It is hoped that this work will be completed in December 2010, at which point I will discuss and agree the additional fee with the Deputy Chief Executive & Corporate Director for Resources.

## Appendix 2 Glossary

### **Annual governance statement**

Governance is about how local government bodies ensure that they are doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner.

It comprises the systems and processes, cultures and values, by which local government bodies are directed and controlled and through which they account to, engage with and where appropriate, lead their communities.

The annual governance statement is a public report by the Council on the extent to which it complies with its own local governance code, including how it has monitored the effectiveness of its governance arrangements in the year, and on any planned changes in the coming period.

### **Audit opinion**

On completion of the audit of the accounts, auditors must give their opinion on the financial statements, including:

- whether they give a true and fair view of the financial position of the audited body and its spending and income for the year in question;
- whether they have been prepared properly, following the relevant accounting rules; and
- for local probation boards and trusts, on the regularity of their spending and income.

### **Financial statements**

The annual accounts and accompanying notes.

### **Qualified**

The auditor has some reservations or concerns.

### **Unqualified**

The auditor does not have any reservations.

### **Value for money conclusion**

The auditor's conclusion on whether the audited body has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of money, people and time.

## Appendix 3 Action Plan

### Recommendations

#### Recommendation 1

Monitor implementation of the IFRS work plan to ensure that the IFRS transition is smooth and timely. Determine IFRS accounting policies and ensure these are adopted ahead of the 2010/11 financial statements being prepared.

<b>Responsibility</b>	Audit Committee
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<b>Priority</b>	High
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<b>Date</b>	February 2011
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#### Comments

#### Recommendation 2

Improve operation of the current process for identifying related parties by ensuring that all members and senior officers respond to requests for information. Consider appointing a senior officer to oversee this exercise.

<b>Responsibility</b>	Audit Committee
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<b>Priority</b>	High
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<b>Date</b>	April 2011
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#### Comments

#### Recommendation 3

Continue to closely monitor reserves to ensure these are maintained at an appropriate level.

<b>Responsibility</b>	Council
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<b>Priority</b>	High
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<b>Date</b>	ongoing
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#### Comments

#### Recommendation 4

Ensure that the capital programme for 2010/11 to 2012/13 is affordable. Address overspends on the 2010/11 capital programme.

<b>Responsibility</b>	Deputy Chief Executive & Corporate Director for Resources
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<b>Priority</b>	High
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<b>Date</b>	April 2011
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#### Comments

### Recommendation 5

The Council should ensure that the management agreement with NCH provides sufficient safeguards around the repairs and maintenance service to enable the Council to demonstrate that it is achieving value for money on an ongoing basis.

<b>Responsibility</b>	Council
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<b>Priority</b>	High
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<b>Date</b>	December 2010
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**Comments**

### Recommendation 6

Continue development of arrangements to challenge service provision that cover value for money and effectiveness.

<b>Responsibility</b>	Deputy Chief Executive & Corporate Director for Resources
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<b>Priority</b>	High
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<b>Date</b>	ongoing
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**Comments**

### Recommendation 7

Review my feedback from the Serving Nottingham Better review and, where appropriate, use this to inform the Council's workplace strategy and operating model.

<b>Responsibility</b>	Deputy Chief Executive & Corporate Director for Resources
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<b>Priority</b>	Medium
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<b>Date</b>	January 2011
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**Comments**

### Recommendation 8

Develop and implement an action plan to improve ICT service management that promotes good practice as set out in the IT infrastructure library issued by the Office of Government Commerce.

<b>Responsibility</b>	Deputy Chief Executive & Corporate Director for Resources
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<b>Priority</b>	Medium
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<b>Date</b>	January 2011
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**Comments**

### Recommendation 9

Closely monitor financial performance for the 2010/11 financial year. Ensure that overspending is managed to minimise the impact on general fund reserves.

<b>Responsibility</b>	Council
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<b>Priority</b>	High
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<b>Date</b>	ongoing
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**Comments**

### Recommendation 10

The Council needs to satisfy itself that future changes to the Council's medium-term financial plan result in balanced budgets for future financial years that are realistic and affordable.

<b>Responsibility</b>	Council
<b>Priority</b>	High
<b>Date</b>	ongoing
<b>Comments</b>	

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