

Public Document Pack



Nottingham
City Council

Nottingham City Council Corporate Scrutiny Committee

Date: Wednesday, 9 October 2024

Time: 2.00 pm

Place: Ground Floor Committee Room - Loxley House, Station Street, Nottingham,
NG2 3NG

Councillors are requested to attend the above meeting to transact the following business

Director for Legal and Governance

Scrutiny and Audit Support Officer: Damon Stanton

Direct Dial: 0115 87 64345

- | | | |
|----------|--|-----------|
| 1 | Apologies for Absence | |
| 2 | Declarations of Interest | |
| 3 | Minutes
To confirm the Minutes of the meeting held on 24 July 2024 | 3 - 10 |
| 4 | Budget Monitoring
Report of the Statutory Scrutiny Officer | 11 - 52 |
| 5 | Nottingham City Council Improvement Plan
Report of the Statutory Scrutiny Officer | 53 - 104 |
| 6 | Recommendation Tracker
To note the latest responses to the Committee's recommendations | 105 - 112 |
| 7 | Work Programme
Report of the Statutory Scrutiny Officer | 113 - 120 |

If you need any advice on declaring an Interest in any item on the agenda, please contact the Scrutiny and Audit Support Officer shown above, if possible before the day of the

meeting.

Citizens are advised that this meeting may be recorded, including by members of the public. Any recording or reporting on this meeting should take place in accordance with the Council's policy on recording and reporting on public meetings, which is available at www.nottinghamcity.gov.uk. Individuals intending to record the meeting are asked to notify the Governance Officer shown above in advance.

Nottingham City Council

Corporate Scrutiny Committee

Minutes of the meeting held in the Ground Floor Committee Room - Loxley House, Station Street, Nottingham, NG2 3NG on 24 July 2024 from 9:33am to 12.05am

Membership

Present

Councillor Samuel Gardiner (Chair)
Councillor Angela Kandola (Vice Chair)
Councillor Patience Uloma Ifediora
Councillor Imran Jalil
Councillor Georgia Power
Councillor Andrew Rule

Absent

Councillor Sarita-Marie Rehman-Wall
Councillor Naim Salim

Colleagues, partners and others in attendance:

Rebecca Dennis - Equality, Diversity and Inclusion Project Delivery Lead
Shabana Kausar - Director of Finance
Adrian Mann - Scrutiny and Audit Support Officer
Lee Mann - Strategic Director of Human Resources and Equality, Diversity and Inclusion
Gareth Sayers - Development and Change Manager
Damon Stanton - Scrutiny and Audit Support Officer
Councillor Linda Woodings - Executive Member for Finance and Resources

10 Apologies for Absence

Councillor Sarita-Marie Rehman-Wall – caring responsibility
Councillor Naim Salim – unwell

11 Declarations of Interests

None

12 Minutes

The Committee confirmed the minutes of the meeting held on 29 May 2024 as a correct record and they were signed by the Chair.

13 Budget Strategy

Councillor Linda Woodings, Executive Member for Finance and Resources, and Shabana Kausar, Director of Finance, presented a report on the Council's 2025/26 Budget Strategy. The following points were raised:

- a) A number of Local Authorities nationally are struggling with high costs in relation to their statutory duties around adult social care, children in care and

homelessness and rough sleeping. In Nottingham, a significant budget gap has meant that a Section 114 Notice was issued in November 2023 to control all non-required spending, and the Government then appointed Commissioners for the Council from January 2024. The 2023/24 budget outturn figures have been completed and work is underway to plan for the 2025/26 budget – where the Council will still be facing the same substantial demands on its statutory services, with a large budget gap to fill.

- b) The current Budget Strategy is in place to inform the approach to forecasting the Council's 2025/26 budget requirements (and associated shortfalls) effectively, to seek to mitigate the need to make any significant in-year adjustments, with initial budget proposals to be established for September. The current Exceptional Financial Support (ESF) package agreed by the Government, enabling the Council to use capital receipts from the Asset Rationalisation programme to fund revenue costs, is in place until the close of 2025/26, but will then come to an end.
- c) Currently, the future annual budgets within the period of the four-year Medium-Term Financial Plan (MTFP) are set on the basis of no increase in the Council Tax rate which, along with the Business Rates, is the Council's most significant source of income. Council Tax rises could be assumed, but decisions on this have not yet been made and it is not currently clear what the national cap on Council Tax increases will be for coming years. It is also not yet known what the value of the future Local Government Finance Settlements will be.
- d) Inflation remains high in the wider economy, leading to the delivery of certain services being more expensive – particularly in the context of Adult Social Care. However, interest rates are remaining stable, so the Council has been able to generate a steady income from this.
- e) Work to establish the 2025/26 Budget Strategy began ahead of the development of the Council's new Improvement Plan, which is being taken to Full Council (along with the Commissioners' formal Exit Strategy) during August. However, the Budget Strategy is fully aligned with the aims and objectives of the Strategic Council Plan, with a very clear focus on delivering financial sustainability. The Council must deliver its services within the level of funding available, and work is underway to understand the likely impacts of the Improvement Plan on the Council's financial position.
- f) The Budget Strategy has been drafted on the basis of five major principles and sets out seven strategic objectives – which are inter-dependent with the ten outcomes of the Strategic Council Plan. The Strategy is intended to inform a 2025/26 budget that will be viable and sustainable in the long-term, to seek to avoid further recourse to ESF from the Government.
- g) In order to close the current budget gap, all options to deliver savings and efficiencies must be considered. Benchmarking with other similar Local Authorities is underway to ensure that the Council's statutory services are delivered in a streamlined way to the best possible value, which may require significant transformation to take place. The approach to developing the next budget will seek to identify the key areas of focus for delivering active transformation to ensure that the Council can run as efficiently as possible while

still supporting the most vulnerable people effectively. A great deal of work is being done to establish the Council's required base budget clearly, to inform what level of support still may need to be sought from national Government.

- h) In terms of the development timetable, the current aim is to produce a draft budget by November to go out to public consultation in December. The final budget proposals would then be submitted to Full Council for approval at the end of February 2025.

The Committee raised the following points in discussion:

- i) The Committee asked how the Council would ensure that its reliance on ESF was reduced over time. It was reported that, generally, a Local Authority can borrow as a means of meeting costs. Currently, however, the Council has a voluntary debt reduction policy in place – so the ESF is being used to enable capital receipts to be deployed to meet revenue costs in the short-term. A radical redesign of how statutory services are provided is required to reduce the revenue cost gap, so that the Council can meet its future service costs in full. A great deal of work is being done to ensure best value in the Council's commissioning and procurement processes, and there will be a close focus on developing effective partnership working, maximising income and paying down debts. The structure of management and of departments is being reviewed, and digital provision is being expanded.
- j) The Committee queried whether the Council's Asset Rationalisation Programme was being successful in generating the capital receipts required to meet the Council's current revenue shortfall. It was explained that a clear assessment policy and disposals methodology are in place to identify a pipeline of surplus properties for disposal, and that the receipts arising to date had covered the budget shortfall in the previous year – with new sales identified to deliver the receipts needed for the current year. There is a continuing programme to review all Council assets and whether they are surplus to requirement – but, whenever possible, the Council will avoid disposing of any assets that generate a regular and viable income, even if they are located outside of the city. The value and timings of disposing of more complex assets will need to be considered carefully so that it is clear in which year the income will be received, but the Council is able to carry out some new borrowing in the context of bridging the flow of capital receipts.
- k) The Committee asked how the disposal of important community assets could be avoided. It was reported that all of the Council's property assets have associated revenue and capital liabilities. The Council must work to ensure that it can deliver its statutory services effectively, in the first instance. Where the Council continues to provide community assets directly, these must have an effective use and achieve best value. However, although the sustainability of all Council assets must be considered, the disposal of property that does not represent a community asset is being considered first.
- l) The Committee asked what the main priority areas for achieving savings were likely to be in the 2025/26 budget. It was set out that all directorates must review the full range of potential savings options. However, it will not be possible to

implement all needed efficiency work at once, so activity will need to be prioritised against the available resources for effective delivery. Currently, directorates are working to generate high-level ideas for savings proposals and the level of savings that these might achieve. Developed ideas will then go through a robust review process to ensure that they will be deliverable within a given timeframe.

- m) The Committee asked what key assumptions lay behind the current Budget Strategy. It was explained that the Strategy represents the framework within which the Council will approach developing a budget to deliver the outcomes of the Strategic Council Plan. The current budget assumptions are clearly set out in the MTFP and they are tested regularly. The Commissioners are also involved in the focused work being done to ensure that the challenges to achieving a properly balanced budget are addressed now, so that they do not continue to be a recurring issue in future years. A great deal of activity is taking place to address target areas of overspend within Children's and Adults' Social Care.
- n) The Committee sought assurance that robust processes were in place to monitor how savings were being delivered, and queried how accountability for the delivery of savings would be ensured. It was reported that effective measures are in place to ensure that the progress being made in the delivery of the Council's budget is properly monitored. There are also clear structures for ensuring that the base budgets for key services are viable and deliverable, and for identifying and addressing any in-year issues that arise. However, unforeseeable situations can occur that have in-year impacts, such as national or global events that create volatility in the wider economy. The Budget Strategy sets out the themes and categories to be developed (and the required timelines) and needs to be understood in the context of the Strategic Council Plan, Improvement Plan and the Commissioners' Exit Plan.
- o) The Committee asked how effective transformation had been delivered to date, and how delivery was being monitored. It was explained that a great deal of continual review and improvement activity is required to make the Council the organisation that it needs to be. Wholesale organisational change must be planned and delivered effectively, rather than transformation being done in a piecemeal way at the individual directorate level. A large amount of transformation work has been undertaken to date, and there has been a great deal of activity to streamline transformation processes so that action is more focused and efficient. Ultimately, it is vital that transformation is planned and resourced effectively so that it delivers the right savings in the right period.
- p) The Committee asked how the Council intended to engage with the new Government on the significant cost pressures facing Local Authorities nationally. It was set out that work is underway with the other Core Cities to approach Government and seek to feed into its development of policy around addressing the major challenges faced by cities.
- q) The Committee queried how required savings from previous budgets that had not been achieved were now being addressed. It was explained that there is a significant focus on deploying resources for early intervention on issues so that they do not grow and create larger costs in the future. The Council must deliver a balanced budget, but careful work is being done to ensure that this is achieved

through the right approaches to service delivery. However, the savings set out in previous budgets must be achieved, ultimately, to address the current budget gap.

- r) The Committee asked how the most vulnerable families would be supported in the current context of rising costs and reducing services. It was set out that the Council was working hard to engage with the Government on how the challenges facing its statutory services could be mitigated at the national level. The provision established through Council Tax Support Scheme is under active review, and activity is taking place to find new ways of support the most vulnerable as much as possible. The Council will seek to preserve the current provision delivered through Resident Services wherever it can.
- s) The Committee sought assurance that the budget forecasts set out in the MTPF were accurate, and that the projected overspends could be reduced. It was reported that the current forecasts had been developed in a robust way, and that deliverable savings are being developed on the basis of the information available currently.
- t) The Committee asked how the Council's investment portfolio was being used to support its overall budget. It was explained that the investment portfolio represents cash on the Council's balance sheet that is managed as part of the Treasury Management function. The purpose of a budget is to set out how the Council's income will meet its expenditure – with the current revenue shortfall being addressed by capital receipts generated as part of the EFS. The Council's current cash is fully allocated either to expenditure or for reserves. Interest rates are currently good and some income from investments can contribute to the General Fund resources, but some of the income may also be for ring-fenced purposes.
- u) The Committee noted that, currently, the local NHS was proposing to make significant savings within its budgets both for the current year and for 2025/26. It advised that, as such, both the City Council and Nottinghamshire County Council would need to work together to ensure that cost burdens were not transferred to the Local Authorities' statutory services as a result.
- v) The Committee considered that the current assumption being used in the MTFP that Council Tax would not be increased in future years resulted in an understatement of the Council's income, and therefore an overstatement of the budget gap – meaning that service areas could be pushed to find budget savings that were not actually required. It noted that the MTFP would be updated as more information became known, but remained concerned that an assumption of probable Council Tax increase was not being used for the purposes of accurate budget forecasting.

The Chair thanked the Executive Member for Finance and Resources and the Director of Finance for attending the meeting to present the report and answer the Committee's questions.

Resolved:

- 1) To recommend that a more detailed and methodical approach to the Budget Strategy is developed so that delivery progress can be monitored clearly throughout the year.**
- 2) Alternatively, to request that assurance is provided in writing that the current Strategy is sufficient to ensure that the budget is balanced and forecast accurately.**
- 3) To recommend that a long-term decision is taken on the Council Tax levels for future years so that this income can be incorporated it into the Medium-Term Financial Plan.**

14 Equality, Diversity and Inclusion Strategy - Action Plans

Councillor Linda Woodings, Executive Member for Finance and Resources, Lee Mann, Strategic Director of Human Resources (HR) and Equality, Diversity and Inclusion (EDI), Gareth Sayers, Development and Change Manager, and Rebecca Dennis, EDI Project Delivery Lead, presented a report the Action Plans for the implementation of the Council's new EDI Strategy. The following points were raised:

- a) The activity to ensure a positive and fully inclusive workplace culture at the Council is being developed into the new EDI Strategy. Employee disciplinary and grievance processes have been updated and a new and improved approach to performance management is now in place. A culture mapping process is underway currently and a full staff survey is being planned for the end of the year. The results of these exercises will be used for effective benchmarking against other similar Local Authorities, to ensure that best practice is being embedded.
- b) Four Action Plans have been developed as part of the Strategy to deliver an Inclusive and Representative Workforce, Inclusive and Accessible Services for Citizens, A Progressive and Equitable City, and Economic Growth for All. These Action Plans include focused actions to be taken to implement the ambitions and desired outcomes of the Strategy, and have associated targets and measures that will be used to track and monitor delivery progress.

The Committee raised the following points in discussion:

- c) The Committee asked whether the Council would be making a submission to the Stonewall Workplace Equality Index on an annual basis. It was explained that the Council would be in a position to make a full submission to the Index every 2-3 years, given the costs (both financial and in terms of officer time and resources) of making the application. However, the Council will always be doing the work required to achieve the Stonewall standards, with a full staff survey planned towards the end of the year as the next formal review point.
- d) The Committee asked how it would be ensured that the EDI Strategy was deliverable and that its outcomes could be demonstrated. It was reported that the Strategy was being developed to support the delivery of the overall Strategic Council Plan. Engagement has been carried out with the relevant Council services to make sure that the specific Action Plans within the Strategy are fully deliverable, so that the most vulnerable people will be properly protected and

supported. The Council publishes information regularly on its ethnicity, disability and gender pay gaps, and work has been done to set out the representation of staff with protected characteristics across all pay grades. There has been close analysis of the workforce trends over a ten-year period and new dashboards for the effective reporting of information are now in place, and have received positive feedback from managers.

- e) The Committee queried how Nottingham people would be consulted directly as part of the development of the EDI Strategy, and how this would be resourced. It was set out that individual Council services would engage directly with their service users, but that work would be done at the corporate level to ensure that the proper capacity was in place to do this effectively. The Action Plans are in the process of being finalised in August, with the consultation process to be launched during September or October.
- f) The Committee asked how managers would be supported in delivering the requirements of the EDI Strategy. It was explained that work is underway to ensure that effective exit interviews are carried out for as many colleagues leaving the Council as possible, to identify any equality issues that they had experienced. A full programme of culture change is in place, which has been embedded into the new individual performance review process. Managers are encouraged to take the widest possible feedback from their colleagues as part of a holistic approach and opportunities for formal 360-degree feedback are in place.
- g) The Committee asked how it was ensured that employees could feel confident and safe in speaking up about any problems. It was reported that a clear whistleblowing policy is in place and that there is a process for an employee to go to a higher manager or to HR if there is an issue with their immediate line manager. Cross-team mentoring and buddying schemes have also been implemented.
- h) The Committee observed that, due to the equality issues that had been identified within the Council previously, proper external benchmarking must be ensured as part of demonstrating clear improvement progress – to go beyond relying solely on internal self-assessment.
- i) The Committee noted that its previous recommendations in relation to the EDI Strategy from its meeting in May had not yet been replied to, and emphasised that the requirement of the Constitution is that recommendations from a Scrutiny Committee are responded to fully and in writing within two months.

The Chair thanked the Executive Member for Finance and Resources, the Strategic Director of HR and EDI, the Development and Change Manager, and the EDI Project Delivery Lead for attending the meeting to present the report and answer the Committee's questions.

Resolved:

- 1) To recommend that the public are engaged with effectively as part of the consultation process for the Equality, Diversity and Inclusion (EDI) Strategy.**

- 2) To recommend that, prior to publication, assurance is provided that the individual services provided by the Council meet the EDI needs of Nottingham residents, and that the expectations of those services align with the Strategy.**

15 Work Programme

The Chair presented the Committee's current Work Programme for the 2024/25 municipal year. The following points were raised:

- a) The Committee considered that, following its review of the Equality, Diversity and Inclusion (EDI) Strategy as it related to the Council's staff, the Committee should seek a briefing from the Executive Member for Communities, Waste and Equalities on how the Council approaches meeting the EDI needs of Nottingham people in its delivery of services to them.
- b) The Committee noted that it would be important to be able to understand the current financial outcomes of the savings set out in the 2024/25 budget, and the accuracy of its forecasts and assumptions, as part of the process for planning for the 2025/26 budget – particularly in the context of any savings set out in the 2024/25 budget that might not be achieved.

The Committee noted the Work Programme.

Corporate Scrutiny Committee

09 October 2024

Finance Update

Report of the Statutory Scrutiny Officer

1. Purpose

- 1.1 To consider the in-year financial position of the Finance and Resources and Chief Executive directorates as reported to Executive Board in September 2024, based on activity to the end of Period 4 (31 July 2024).
- 1.2 To note that the service impacts of in-year financial position relating to the Council's other Directorates should be scrutinised by the other Scrutiny Committees at their meetings if requested, as these matters fall outside the terms of reference for this committee.

2. Action required

- 2.1 The Committee is asked:
 - 1) To make any comments or recommendations in response to the information presented at the meeting.
 - 2) To consider whether any further scrutiny of the issue is required.

3. Background information

- 3.1 All Council's operating Executive Governance arrangements are required to establish Overview and Scrutiny Committees. These Committees act as a check and balance to the power of the Executive, holding decision makers to account for their decisions, reviewing proposals and supporting the development of policy. When operating effectively Overview and Scrutiny supports effective decision making and good governance through processes of supportive but robust challenge and transparent public accountability.
- 3.2 The Corporate Scrutiny Committee specifically carries out the statutory overview and scrutiny functions in relation to matters relating to the Council's finances and resources such as IT, customer services, commercial strategy, procurement and financial management and corporate and cross-cutting matters that affect each directorate such as development of and delivery of the Strategic Council Plan, budget, transformation and improvement.
- 3.3 In relation to the Budget, the Corporate Scrutiny Committee considers a number of items in its Work Programme over the course of the municipal year

including the Budget Strategy, Budget Monitoring, is a consultee on the Budget Proposals, and considers the final Budget prior to it being considered by City Council.

4. 2024/25 Budget Forecast

- 4.1 At the end of 2023/24 the Council reported a provisional overspend of £17.568m to the June 2024 Executive Board, being fully funded from the Exceptional Financial Support flexibility. Although significant service growth has been provided through the 2024/25 budget and MTFP process to manage the recurring pressures, the Council is continuing to experience an increased demand for services amidst a challenging cost-of-living crisis.
- 4.2 The Council continues to face exceptional circumstances as best demonstrated by the 2024/25 General Fund Budget balanced only by taking all available saving options tabled to the executive Board and City Council in February 2024 and March 2024 respectively and the use of material sums of Exceptional Financial Support. The 2024/25 approved budget includes use of c£41m of Exceptional Financial Support flexibility with any in-year overspends requiring to be met from a combination of in-year mitigations and savings and one-off General Fund contingency. In case, where application of all available financial intervention strategies/tools does not fully close any in-year budget gap then use of reserves may be considered.
- 4.3 The Council is forecasting a gross General Fund overspend of £12.595m (3.53%) which is reduced to a net overspend of £2.822m (0.79%) following application of forecasted management and mitigating actions totalling £9.773m against the 2024/25 General Fund budget of c£357m.
- 4.4 The predominate drivers of the Council's financial pressures continue to be a combination of both demographic growth, complexity of care provision and inflationary pressures across a wide range of service areas.
- 4.5 The Council's comprehensive Savings Programme, including the Transformation Programme, which is currently in its third year, is projected to achieve significant budgetary efficiencies, with combination of 2024/25 and 2023/24 undelivered savings totalling £38.422m (78.8%) either delivered or on track to be delivered in 2024/25. Additionally, the ongoing Finance Improvement Programme is expected to further streamline our financial operations, ensuring continued fiscal prudence and resource optimisation.
- 4.6 The Housing Revenue Account (HRA) forecast at Period 4 for 2024/25 is showing a net underspend of (£0.304m).

4.7 The revised Capital Programme of c£329m profiled for 2024/25 at Period 4 (combined General Fund and HRA) is forecast to spend c£327m, a variance of (c£2m) when compared to the 2024/25 budget.

4.8 A detailed 2024/25 Budget Monitoring report at Period 4 is provided as Appendix 0.

5. List of attached information

- Appendix 0 – 2024/25 Budget Monitoring Report
- Appendix 1 – Savings Dashboard
- Appendix 2 – Capital Programme Slippage
- Appendix 3 – Capital Programme Under & Over Spends
- Appendix 4 – General Fund Revenue Budget Virement Summary

6. Background papers, other than published works or those disclosing exempt or confidential information

6.1 None

7. Published documents referred to in compiling this report

7.1 Executive - 2024/25 Budget Monitoring Period 4- 17 September 2024

8. Wards affected

8.1 All

8 Contact information

8.1 Damon Stanton, Scrutiny & Audit Support Officer

E: damon.stanton@nottinghamcity.gov.uk

T: 0115 87 64345

This page is intentionally left blank

Executive Board – 17 September 2024

Subject:	Budget Monitoring Period 4 (2024/25)
Corporate Director(s)/Director(s):	Ross Brown, Corporate Director Finance and Resources (Section 151 Officer) Shabana Kausar, Director of Finance (Deputy Section 151 Officer)
Executive Member(s):	Councillor Linda Woodings, Executive Member for Finance and Resources
Report author and contact details:	Clare Williams, Assistant Director for Strategic Finance Parmjeet Jassal, interim Financial Planning & Monitoring Accountant
Other colleagues who have provided input:	<ul style="list-style-type: none"> • Corporate Leadership Team • Colleagues within respective departmental leadership teams • Transformation Team • Colleagues within Finance Business Partnering, Technical and Strategic Finance teams
Subject to call-in:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Key Decision:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Criteria for Key Decision:	
(a)	<input checked="" type="checkbox"/> Expenditure <input checked="" type="checkbox"/> Income <input type="checkbox"/> Savings of £750,000 or more taking account of the overall impact of the decision
and/or	
(b)	Significant impact on communities living or working in two or more wards in the City <input type="checkbox"/> Yes <input type="checkbox"/> No
Type of expenditure:	<input checked="" type="checkbox"/> Revenue <input checked="" type="checkbox"/> Capital If Capital, provide the date considered by Capital Board Date: Capital budget approved 04/09/2024
Total value of the decision:	£4.736m (recommendation 6 and 7)
Section 151 Officer expenditure approval	Has the spend been approved by the Section 151 Officer? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/a Spend Control Board approval reference number: n/a
Commissioner Consideration	Has this report been shared with the Commissioners' Office? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Any comments the Commissioners wish to provide are listed below.
Wards affected:	All
Date of consultation with Executive Member(s):	
Relevant Council Plan Key Outcome:	
Clean, Green and Connected Communities	<input checked="" type="checkbox"/>
Keeping Nottingham Working	<input checked="" type="checkbox"/>
Carbon Neutral by 2028	<input checked="" type="checkbox"/>
Safer Nottingham	<input checked="" type="checkbox"/>
Child-Friendly Nottingham	<input checked="" type="checkbox"/>
Living Well in Our Communities	<input checked="" type="checkbox"/>
Keeping Nottingham Moving	<input checked="" type="checkbox"/>
Improve the City Centre	<input checked="" type="checkbox"/>
Better Housing	<input checked="" type="checkbox"/>
Serving People Well	<input checked="" type="checkbox"/>

Summary of issues (including benefits to citizens/service users):

This report provides an assessment of the Council's 2024/25 forecast outturn for the General Fund, Housing Revenue Account and Capital Programme, based on activity to the end of the Period 4 (31 July 2024).

As seen across many other local authorities, the Council is experiencing significant cost pressures along with rising demand in adult's and children's social care, and temporary accommodation. The recent 'cost of living crisis' is also impacting the various income streams of the Council. In addition to these pressures the Council is also seeing pressures across social care arising from withdrawal of health funding contributions towards cost of care.

Since June 2024, the Council has implemented a Financial Intervention Strategy which encompassed a range of measures alongside departmental management actions intended to mitigate the Council's in-year pressure.

The Council in March 2024 approved a 4-year Medium Term Financial Plan (MTFP) based on the best available information at the time. However, the financial environment within which the Council is operating is constantly evolving and its budget strategy and planning process will be refreshed over the coming months to reflect the current financial position to ensure it continues to meet its Best Value requirement to demonstrate continued financial sustainability.

The Council continues to face exceptional circumstances as best demonstrated by the 2024/25 General Fund Budget balanced only by taking all available saving options tabled to the executive Board and City Council in February 2024 and March 2024 respectively and the use of material sums of Exceptional Financial Support. The 2024/25 approved budget includes use of c£41m of Exceptional Financial Support flexibility with any in-year overspends requiring to be met from a combination of in-year mitigations and savings and one-off General Fund contingency. In case, where application of all available financial intervention strategies/tools does not fully close any in-year budget gap then use of reserves may be considered.

The predominate drivers of these pressures continue to be a combination of both significant demographic, complexity of provision and inflationary pressures across wide range of areas.

The Council's comprehensive Savings Programme, including the Transformation Programme, which is currently in its third year, is projected to achieve significant budgetary efficiencies, with combination of 2024/25 and 2023/24 undelivered savings totalling £38.422m (78.8%) either delivered or on track to be delivered in 2024/25. Additionally, the ongoing Finance Improvement Programme is expected to further streamline our financial operations, ensuring continued fiscal prudence and resource optimisation.

The Council is forecasting a gross General Fund overspend of £12.595m (£2.822m net 0.8%) in Period 4 of 2024/25 and includes the planned management intervention.

The HRA forecast at Period 4 for 2024/25 is showing a net underspend of (£0.304m).

The revised Capital Programme of c£329m profiled for 2024/25 at Period 4 (combined General Fund and HRA) is forecasting to spend c£327m, a variance of (c£2m) when compared to 2024/25 budget.

Throughout the report, budget overspends are shown as a positive numbers and underspends as negative number.

Does this report contain any information that is exempt from publication?

No
Recommendation(s):
1) To note the General Fund forecast gross overspend for 2024/25 at Period 4 of £12.595m reduced by (£9.773m) following application of mitigating actions reducing the net overspend to £2.822m against approved budget of £356.800m (Section 5) and risks set out in Section 10.
2) To note that the Corporate Leadership Team in consultation with the Section 151 Officer has developed a mitigation strategy and plan to bring the forecasted spend back in line with approved budget (section 3).
3) To note the General Fund budget includes the Exceptional Financial Support flexibility of £41.143m for 2024/25, which will be deployed through a combination of capital receipts and short-term borrowing (section 5).
4) To note the progress of the approved savings over the Medium-Term Financial Plan (2024/25 – 2027/28) period of £88.335m (77.3%) either delivered or on track to be delivered of which: <ul style="list-style-type: none"> • £2.570m relate to undelivered 2023/24 savings brought forward (paragraph 6.3) • £35.852m relate to 2024/25 savings (paragraph 6.2) • £29.879m relate to savings over the MTFP period 2025/26 to 2027/28 (paragraph 6.4) <p>See section 6 and Appendix 1 for further details.</p>
5) To note the HRA forecast of net underspend for 2024/25 at Period 4 of (£0.304m) (section 8) resulting in an increase to the planned contribution to reserves.
6) To approve the 2024/25 Capital Programme net slippage of (£3.234m) and net overspend of £1.308m with regards to the following: <ul style="list-style-type: none"> • General Fund (£0.746m) and HRA (£2.955m) net slippage to be carried forward and reprofiled across the medium-term financial plan. • £0.467m Accountable Body acceleration and budget brought forward from the medium-term financial plan. • Decommission (£0.820m) capital scheme underspends of which (£0.442m) relates to Accountable Bodies, (£0.247m) relates to HRA and (£0.075m) relates to General Fund; subject to completion of respective due diligence and sign-off by Director of Finance. Further details contained within Appendix 3. • Note £1.997m Accountable Body overspend fully funded from government grant to be incepted following relevant approval sought by service through the usual governance process. • Note £0.131m General Fund overspend, for which budget increase will be incepted into the capital programme following relevant approval by service through the usual governance process. Further details are contained in Appendix 3
7) To approve General Fund net departmental budget changes of £0.194m as summarised in paragraph 6.7 and Appendix 4.

1. Reasons for recommendations

- 1.1. This report forms a key part of formal General Fund Revenue, Capital and HRA monitoring against the 2024/25 budget.

- 1.2. As set out in the Financial Regulations and Financial Accountabilities Framework, the Chief Finance Officer is responsible for reporting the performance of the budget to Executive Board.
- 1.3. Budget reporting to councillors is essential for informed decision-making, transparency, and effective governance in local authorities, ensuring accountability and sound financial management.

2. **Background (including outcomes of consultation)**

- 2.1. Councils are required by law to ensure their budgets are balanced each year. This highlights the critical need for consistent reporting and diligent oversight of budgets that enables sound financial governance.
- 2.2. At the end of 2023/24 the Council reported a provisional overspend of £17.568m to the June 2024 Executive Board, being fully funded from the Exceptional Financial Support flexibility. Although significant service growth has been provided through the 2024/25 budget and MTFP process to manage the recurring pressures, the Council is continuing to experience an increased demand for services amidst a challenging cost-of-living crisis. These demands occur against a backdrop of shifting economic conditions, characterised by variable inflation and interest rates and the residual effects of the pandemic. Therefore, it is crucial for Corporate Leadership Team to monitor the financial health of the Council with diligence, as minor changes in the needs of the community can significantly affect the budget.
- 2.3. Furthermore, the Council was faced with a challenging task of setting a balanced budget for 2024/25, with c£41m of the budget gap being funded from Exceptional Financial Support. However, this is a temporary arrangement, so the Council must find savings in the current year to ensure a balanced budget can be set next year. Corporate Leadership Team alongside the Transformation and Change Oversight Board are providing focus to this effort.
- 2.4. In response to the in-year financial challenge the Council has identified and included within the forecast mitigating and corrective actions of £9.773m leaving it with a net forecasted overspend of £2.882m. Although a substantial value of mitigating and corrective actions have been identified, the Council is still left with an unbalanced position as a percentage of its net budget. Corporate Directors are actively working to control expenditures within the approved 2024/25 budget, seeking to improve financial management and forecasting with support from the Finance team. The Corporate Leadership Team is committed with the continuation of spending controls and behavioural changes to manage any departmental overspends and ensure financial stability in the short term.

3. **Financial Intervention Strategy**

- 3.1. As a consequence of the continued financial challenges being faced by the Council, councils' leadership recognises and acknowledge the need to become more radical and robust in the mitigating actions it explores and implements in order to balance its budget in-year. It also understands and accepts that the Council will be faced with difficult decisions which are likely

to have an impact on service delivery and service standards including service policy.

3.2. Set out below is the agreed framework setting out the direction of travel which has been adopted by the Council following engagement with Corporate Leadership Team and Commissioners between June and early August 2024.

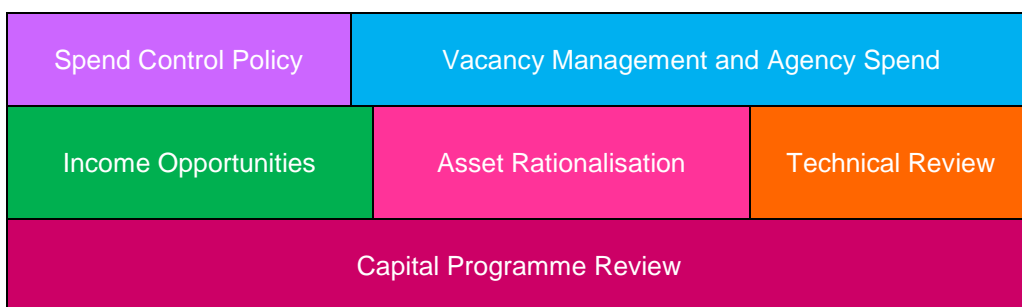


3.3. **Stage 1: Management Actions**

3.3.1. These are department led management action plans reflecting actions being undertaken by respective departments in managing their overspends.

3.4. **Stage 2: Financial Intervention Strategy**

3.4.1. Alongside department led management action plans reflecting other actions being undertaken; the Council implemented a refreshed Financial Intervention Strategy to take effect from 25 June 2023 which encompasses the following range of measures intended to mitigate the Council’s in-year pressure.



3.5. **Stage 3: Immediate Interventions**

3.5.1. Following discussion at Corporate Leadership Team on 30 July 2024, there are no easy solutions remaining that have not already been captured and due to the increasing unfunded gross pressure being forecasted all mitigating actions will now have some impact on service delivery. Summarised below are types of interventions being explored as part of stage 2:

- Stopping Services
- Deferring Spend
- Acceleration of approved MTFP Savings from future years by bringing these forward into 2024/25
- Further in-year Duties and Powers review to reassess all discretionary spend
- Acceleration of 2025/26 ‘Big Ticket’ ideas being developed
- In-Year Fees and Charges uplift and/or instruction of new charges
- Enhancing Spend Controls on Vacancy Management

- Invest to save options which look to reducing spend in-year
- Other options to reducing spend or maximising income

3.6. **Stage 4: Application of Contingency and/or Reserves**

3.6.1. As agreed with Commissioners in Period 2, this stage will be the last management action applied by the Council where nothing further can be yielded from Stage 1 and 2. This will include:

- application of the one-off contingency budget of c£4m in 2024/25; and
- review of revenue reserves to identify and/or repurpose reserve funds to fund any in-year General Fund revenue pressure

3.7. **Stage 5: Exceptional Financial Support and S114 Consideration**

3.7.1. Although the further issuance of a S114(3) is not being proposed at this time, Corporate Leadership Team and Commissioners are acutely aware that this will remain an option that the S151 Officer may need to exercise as a last resort only where the Council has been unable to identify appropriate quantum of actions that will balance its budget in year.

3.7.2. Given the Council is already under intervention there will be continuing dialogue with Ministry of Housing, Communities and Local Government to understand options with regards to additional exceptional financial support in-year.

4. **Spend Control Process**

4.1. Following issuance of the Section 114(3) report on 29 November 2023, the Section 151 Officer has instituted a Spend Control Policy and Board which was set out in the S114(3) report and endorsed by City Council at their meeting on 18 December 2023 to continue until 31 March 2025. The policy's effectiveness is monitored through weekly board meeting chaired by the Section 151 Officer. During this time, any spending that occurs without authorisation is subject to a formal disciplinary process.

4.2. In addition to departmental spend control panels there are also the following panels in place:

- HR panel which considers decision on employee related decisions including vacancies. The panel is an extension of the previous Vacancy Management panel.
- Placement Panels across Adults and Children's managed by the directorate leads reviewing placement packages including new placements and changes to existing packages.

4.3. As set out in the 'Response to Section 114(3) report, the 'Financial Recovery Plan' report to City Council on 18 December 2023, a review of the spend control process was undertaken and reported to the Corporate Leadership Team in June 2024 who agreed the direction travel, but to implement any fundamental changes post materiality of the financial position following Period 4. This in practice resulted in the continuation of the spend control process 'as is' with the only changes being made to the frequency of the meetings moving

from daily to either weekly and/or twice weekly as appropriate and the removal of the Spend Control Advisory Panel.

4.4. Subsequently Commissioners have asked the Local Government Association (LGA) to conduct an independent review of the effectiveness of the process.

5. Exceptional Financial Support (EFS)

5.1. The granting of EFS by Government allows the Council to access its capital resources to finance its revenue spend, which is not allowed in normal circumstances.

5.2. In February 2024, the Council gained approval to utilise EFS flexibility of up to £65m. At provisional outturn 2023/24, £17.568m was utilised. £41m was allocated in 2024/25 to ensure a balanced budget position.

5.3. In 2023/24, the EFS was fully funded from capital receipts. As a result, the Council did not have to borrow. However, if the planned capital receipts forecast is not achieved, then the Council will have to borrow to fund the EFS. Borrowing costs impact on the General Fund through the MRP mechanism, so it is important that EFS utilisation is kept to a minimum.

5.4. The Council is committed to reducing the utilisation of EFS through early identification and delivery of additional savings in-year.

5.5. At Period 4, it is expected the full amount of EFS will be utilised in 2024/25, however due to the 2023/24 EFS requirement being fully met from capital receipts there is no longer a Minimum Revenue Provision (MRP) requirement against 2024/25 budget. The underspend is reflected in the Period 4 forecast for capital financing held corporately within treasury management. The table below sets the EFS requirement for 2024/25.

Table 1: 2024/25 Exceptional Financial Support Forecast

	Budget 2024/25 £m	Period 4 Forecast £m	Period 4 Net Variance (under) / overspend £m	Period 2 Net Variance (under) / overspend £m
General Fund Revenue Budget Use of EFS	41.024	41.024	0.000	0.000
Capital Receipts	25.200	25.200	0.000	0.000
Borrowing	15.824	15.824	0.000	0.000
Capital Financing Resource for EFS	41.024	41.024	0.000	0.000
Interest	0.664	0.664	0.000	0.000
MRP	0.185	0.000	(0.185)	(0.185)
Revenue Impact of EFS	0.849	0.664	(0.185)	(0.185)

5.6. Whilst Table 10 below (paragraph 8.3.3) is currently forecasting capital receipt shortfall of £7.335 m in 2024/25, if this position holds true or gets worse, the Council will be required to undertake additional temporary borrowing of same value for the EFS, which will have an impact on the General Fund revenue budget with regards to interest payment in 2024/25 and MRP in 2025/26. Work is on-going within the Asset Transformation Programme to identify assets for disposal and therefore currently it is too early to truly know and

quantify the actual level of capital receipt shortfall. This is being closely monitored with updates planned to be provided to the Executive, Corporate Leadership Team, and Capital Board as part of the monitoring process.

- 5.7. As set out in the '2025/26 Budget Strategy' report to the Executive Board in July 2024, the Council is faced with a significant budget gap over the MTFP of c£172m (2025/26 – 2027/28) with c£69m to be achieved in 2025/26. Due to the significant challenge the Council may require additional EFS flexibility in deliver a balanced budget over the medium-term.

6. 2024/25 General Fund Revenue Forecast

- 6.1. As set out above, it is expected that Corporate Directors will seek to take mitigating actions to contain expenditure within the approved budget. Where overspends cannot be contained within a single department, the Corporate Leadership Team will continue to explore the issues and refine where appropriate the Financial Intervention Strategy to manage pressures within the overall approved General Fund Budget for the Council.

- 6.2. Table 2 below summaries the gross General Fund overspend of £12.595m (3.53%) which is reduced to a net overspend of £2.822m (0.79%) following application of forecasted management and mitigating actions totalling £9.773m against the General Fund budget of c£357m.

Table 2: 2024/25 General Fund Revenue Forecast

Directorate	2024/25 Budget	Year to Date Actuals	Gross Forecast Period 4	Management and Mitigating Actions	Period 4 Net Forecast including Management Actions / Mitigations	Period 4 Net Variance under (-) / over (+) spend	Period 2 Net Variance under (-) / over (+) spend
	£m	£m	£m	£m	£m	£m	£m
Adults	89.714	43.809	98.990	(6.522)	92.468	2.754	1.803
Commissioning	2.922	1.394	2.802	0.000	2.802	(0.120)	(0.102)
Public Health	0.000	(16.344)	0.000	0.000	0.000	0.000	0.000
Adults and Public Health Subtotal	92.635	28.859	101.792	(6.522)	95.270	2.634	1.700
Children's	86.912	25.686	91.848	(1.788)	90.060	3.148	3.735
Education	4.241	12.127	4.012	0.000	4.012	(0.229)	(0.270)
Schools	0.004	(22.261)	0.004	0.000	0.004	0.000	0.000
Children's and Education Subtotal	91.157	15.552	95.865	(1.788)	94.077	2.919	3.464
Communities Environment and Resident Services	50.191	(30.863)	49.994	(1.334)	48.660	(1.531)	(0.451)
Growth & City Development	1.942	(21.942)	1.802	(0.129)	1.673	(0.269)	1.718
Finance & Resources	41.449	11.524	42.468	0.000	42.468	1.019	0.755
Chief Executive	10.882	4.033	10.338	0.000	10.338	(0.544)	(0.020)
Companies	0.576	0.000	0.576	0.000	0.576	0.000	0.000
Total Service Departments	288.834	7.163	302.834	(9.773)	293.061	4.228	7.167
Corporate	67.966	(13.240)	66.561	0.000	66.561	(1.406)	(1.348)
Total Net General Fund Budget	356.800	(6.077)	369.395	(9.773)	359.622	2.822	5.819

- 6.3. The Council currently holds a revenue budget contingency of c£4m held within the corporate budgets. The period 4 forecast assumes the full amount of the

contingency will be utilised during the year to support budget pressures. If all or part of the contingency is not required, then this will result in a reduction to the overall overspend.

- 6.4. The overspend is largely due to a combination of increased demand across adult social care placements that have exceeded the growth estimate, compounded by increased demand and complexity of need in children's social care placements. Continued efforts to reach ambitious savings goals through the Transformation Programme are creating added financial challenges especially across adult's programme who are reporting £6.885m of savings at risk on non-delivery (refer to section 7).
- 6.5. Within this difficult budgetary environment, Corporate Directors continue to actively work to manage 2024/25 expenditures and achieve a balanced budget by the end of the financial year, this has been reflected in the reduction in the forecast from Period 2 to Period 4 by c£3m while working closely with the finance team to enhance budget management processes and data quality. When a departmental overspend is predicted, the Corporate Leadership Team will determine the immediate actions and mitigations necessary to address the overspend in the current year, in line with the agreed Financial Strategy.
- 6.6. Additionally, the Corporate Leadership Team advocates for spending control measures, leading by example to alter spending habits within their departments and seeking short-term mitigations, all with the goal of cutting down and eliminating non-essential spending.
- 6.7. A number of virements were actioned between Period 2 and Period 4 which mainly relate to change in management structures, budget realignments with regards to previously approved savings and decisions. These are summarised in Appendix 4 and are reflected in the current budget.
- 6.8. Explanations for the significant overspends and underspends for directorates are set out below.
- 6.9. **Adults and Public Health**
- 6.10. Overall, the Adults and Public Health directorate is reporting a gross overspend of £9.156m (9.88%) against a net budget of £92.635m. A combination of one-off and recurring mitigating actions taken by management in Adult's service is forecast to reduce the overspend to £2.634m (2.84%).
- 6.11. At Period 4, a restructure of the Adults Service financial reporting hierarchy has commenced and in part implemented to align areas of management and budget responsibilities for each Head of Service. This revised structure was agreed by the Director of Adults to facilitate improved financial management and accountability across the service including budget monitoring and performance reporting. Work is continuing over the coming months to fully complete the realignment of budgets and actuals to the revised structure which will result in further budget movement between the various divisions across the directorate.
- 6.12. The following highlights the main variances and risks:

a) **Adult Social Care** – The current forecast is a gross overspend of £9.276m against a budget of £89.713m (10.34%). Through a combination of one-off and recurring mitigating actions by management, the overspend is reduced to £2.754m (3.07%). The service identified £3.600m of risk relating to loss of income from packages jointly funded by health which was excluded from the forecast at Period 2. Due to the significant nature of the pressure, £2.754m estimate has now been included in the forecast for this financial year with £0.846m currently identified as potential risk which has been excluded from the current forecast at this stage. It should also be noted that there have been reductions to the forecast for external care expenditure between Period 2 and Period 4 of £1.010m with a material driver being reductions in the forecast for un-provisioned services. The primary causes of the net overspend are set below:

- **Access & Prevention** - The current forecast is a net underspend of (£3.568m) against a budget of £63.598m (5.61%), primarily due to:
 - a net underspend of (£1.050m) on staffing, which is due to vacancies being held to achieve Duties & Powers "Review and Restructure" savings targets.
 - A net underspend of (£0.675m) on expenditure for care provision for the Older People and Younger Adults with Physical Disabilities.
 - As set out above, although there is an overall pressure relating to ICB funding, within this service area there is a net overachievement of (£1.842m) on income relating to joint health funded contributions towards cost of care provision.
 - This division should be considered alongside Mental Health & Whole Life Disabilities which is showing an overspend of £10.594m at Period 4. As set out above, there will be further budget movements between ASC divisions.

- **ASC Directorate** - The current forecast is a net underspend of (£2.724m) against a budget of (£45.040m) (6.05%), majority of which relates to Contain Outbreak Management Fund (£2.560m) used in full to support eligible care package spend in the period to the end of 30 September 2024.

- **Adult Social Care Provision** – The current forecast is a net underspend of (£1.396m) against a budget of £9.690m (14.40%).
 - (£0.942m) is due to the closure of the service at Jackdawe. This underspend will be offset across the wider ASC directorate by increased costs of externally commissioned care provision. This is due to commissioning alternative care provision for the clients who would previously have attended Jackdawe. Over the next few months, the service will reallocate the budget to cover the increased costs of external care, and it is expected that the underspend in this division will then reduce.
 - (£0.453m) is primarily due to other vacancies across the wider service which have arisen due to delays in recruitment.

- **Mental Health & Whole Life Disability** – The current forecast is a net overspend of £10.594m against a budget of £59.358m (17.85%), primarily due to:
 - A net overspend of £7.167m on expenditure for care provision for citizens with Learning Disabilities and Mental Health needs.
 - A net underachievement of £3.428m on income relating to joint funding contributions from the ICB towards costs of care provision. This includes an estimate of £2.7m for the in-year effect of reduced funding from the ICB arising from review of citizens' needs. This was previously included as a £3.6m risk.
 - This division should be considered alongside Access and Prevention which is showing an underspend of (£3.568m) at Period 4. As set out above, there will be further budget movements between ASC divisions.

- **Safeguarding & Quality Assurance** - The current forecast is an underspend of (£0.157m) against a budget of £2.043m (7.16%). (£0.091m) of this relates to staffing vacancies and (£0.067m) to re-profiling of Safeguarding Assessments.

b) **Commissioning** – a small net underspend of (£0.120m).

c) **Public Health** – is forecasting a break-even position with the budget fully funded from grant.

6.13. Children's and Education

6.13.1. Overall, the Children's and Education is reporting a gross overspend of £4.707m (5.16%) against a budget of £91.157m. One off mitigating actions taken by management in the Children's department are predicted to reduce the overspend to £2.919m (3.20%). The following highlight the main variances, risks, and opportunities.

a) **Children's** - the current forecast is a gross overspend of £4.936m (5.68%) against a net budget of £86.912m. Through one-off mitigating actions by management, the overspend is reduced to £3.148m (3.62%). The key drivers and risks are set out below:

- The main pressure for Children's Social Care is the Children in Care budget which is forecasting a gross overspend of £7.986m at Period 4. The gross pressure is broken down into £5.390m for external placements, mainly external residential placements and £2.596m pressure for unregistered provision.

During 2023/24, the transformation programme was successful in a steady reduction in the number of children in care from 732 on 1 April 2023 to 676 on 31 March 2024. The safe reduction of children in care has continued during the first two months of this year meaning that on 31 May 2024 there were 665 children in care. Our rate of children in care per 10,000 is nearing the rate of our statistical neighbour authorities where the average is 94.4 per 10,000. As of 31 May 2024,

Nottingham's rate per 10,000 of children in care was 99.1, this is set against a rate of 109.2 per 10,000 at our highest point in 2022/23.

The issue continuing to impact on the Council is the mix and profile of children placed in external residential and unregistered placements, this provision stands at over 17% of the current external and internal placement mix profile. The complexity and need of children in unregulated and residential placements are the reason for this reported overspend.

Currently there are 9 children placed in unregistered placements where the highest weekly cost is £21,349, most of the children in receipt of these care packages have substantial needs and require a high staffing ratio. The average cost for these 9 children is £12,262 per week. The cost of these placements may not significantly decrease when initially moved to a registered placement due to level of complex needs. The Medium-Term Financial Plan growth assumptions do not reflect the current profile mix of children and assumed a smaller number of children on average being placed within this provision type over a year.

- A shortfall in the ICB funding for jointly funded places is anticipated to be £0.594m, due to eligibility reviews by the ICB.
 - The external placement pressure is also offset by the in-house fostering services underspending particularly on fostering allowances. This is forecast as (£1.405m) underspend and due to difficulties in recruiting foster carers which is a national trend.
 - Staffing vacancies are currently reducing because of increasing the number of permanent staff recruited and ensuring that there are still manageable caseloads across the service. However, due to the pace of recruitment, agency workers have been employed in the short term within the Children in Care teams leading to an overall staffing overspend reported as £0.476m for Period 4.
 - The underspend for staffing across the other areas as at Period 4 is £1.788m across Early Help (£0.635m), Fieldwork Services (£0.665m), First Response (£0.056m) and Fostering Teams (£0.432m) due to various factors including skills gap and the uptake of suitable applicants through recruitment process.
 - There is a potential risk that the overall pressure across Children's could increase by c£2m due to the loss of joint health funding and the estimated staffing underspend not being fully realised. This will continue to be monitored closely by officers and where appropriate reflected in the forecast.
- b) **Education** – the current forecast is a net underspend of (£0.229m) (5.40%) against a net budget of £4.241m, which is mainly due to:

- Directorate non pay savings target within Curriculum Service not being achieved to be offset by underspends from staff vacancies - a mitigation plan is to be developed.
- Vacancies within the Education Psychology Service due to the shortage of workers nationally and delay in appointing locums, which has affected the service. We currently have a backlog of approximately 100 statutory assessments and no capacity to complete them and we still have more statutory assessments to complete each month.

6.14. **Communities Environment and Resident Services** – are reporting a forecast gross net underspend of (£0.197m) against a budget of £50.191m (0.39%). One off mitigating actions taken by management are predicted to increase the underspend to (£1.531m) (3.05%). The main variances are set out below.

a) **Communities** – a net underspend of (£0.598m) is forecast as at Period 4 (underspend of (£0.135m) in Period 2)

- **Sports and Leisure** – a net underspend of (£0.469m) due to an improvement in the income from leisure which is better-than-expected and a vacant Head of Service position. The underspend is mitigating some of the pressures across other service areas within the directorate.
- **Community Development and Uniformed Services** – a net underspend of (£0.312m) which is largely due to the service maintaining staff vacancies whilst the new Neighbourhood Safety Team is established. There has also been additional Anti-Social Behaviour Hotspots income received from the police in Period 4.
- **Environmental Health and Licencing** – a net underspend of (£0.191m) which mainly relates to employee underspends within Trading Standards and Safer Places.
- **Security Services** - a net underspend (£0.134m) mainly from utilising agency staff to cover overtime for mainly Broadmash car park which avoids an uplift in pay.
- **Community Centres** – a net overspend of £0.120m in this area is forecasted whilst implementation proposals of the savings are assessed following the delivery of an asset assessment report. This is being reviewed with Property alongside agreeing new leases, and additional service charges, with tenants.
- **Markets** - a net overspend of £0.187m relates to reduced income, mainly due to a reduction in the number of stallholders within Victoria Market.
- **Libraries' service** – a net overspend of £0.394m in relation to slippage in start date of libraries consultation following informal stakeholder engagement which ended on 19 August 2024. This shortfall in savings for this year will be met by one-off savings in Sports and Leisure.

- b) **Resident Services** – a net underspend of (£1.068m) is forecast as at Period 4 (underspend of (£0.425m) in Period 2)
- **Waste and Street Cleansing** – a net underspend of (£0.776m) predominantly for income generation and savings on staffing in the Waste and Street Cleansing department for; Waste Disposal (£0.225m), Commercial Waste (£0.250m), and for additional uptake of Garden Waste collections (£0.190m).
 - **Enviroenergy** – a net underspend of (£0.284m) forecast relating to vacant posts and additional income for increased demand relating to Renewable Obligation Certificates.
- c) **CERS Directorate** – a net overspend of £0.138m is forecast as at Period 4 (underspend of (£0.003m) in Period 2) which is mainly due to the Management Restructure savings which are being offset by vacancy savings within Communities. The overall savings target is forecast to be delivered.
- d) **Other** – a net underspend across various budget lines of (£0.004m) with no significant variances identified within Environment and Sustainability.

6.15. **Growth and City Development** – forecasting a net underspend of (£0.269m) against a budget of £1.942m (13.85%). The following highlight the main variances, risks, and opportunities.

- a) **Economic Development** – a gross overspend of £0.200m of which £0.322m relates to revenue costs associated with the Local Transport Plan (LTP) that cannot be funded from LTP capital grant in the current year. £0.122m of this pressure is partially offset by vacancies, leaving £0.200m unmitigated pressure. The remaining pressure of £0.383m is being fully mitigated from various funding carried forward previously through reserves including drawdown of UK Shared Prosperity Fund (UKSPF) of £0.400m. Once the reserves requested at P4 of £0.383m is drawdown, the budget pressure remains at £0.200m.
- b) **Strategic Assets & Property** – a net overspend of £0.219m against a budget of (£15.947m) (1.37%) mainly relating to holding costs of operational properties held pending review/disposal, however the implications from asset rationalisation are still under review and some re-basing exercises are still to take place.
- c) **Planning** – a net underspend of (£0.224m) against a budget of (£5.072m) (4.41%) which is mainly in relation to:
- Uncharacteristically the Council has seen low income from planning application submissions in the early months. This follows the national trend and caused by short term uncertainty from the general election, high borrowing/construction costs affecting development viability and introduction of new legislation/regulations. Management actions state budgeted income is achievable this year.

- Building control overspend is more structural following uncertainties created by new Building Safety Regulator (BSR) and requirement for additional staffing capacity/capability. £0.187m forecast pressure will be monitored closely and any opportunities to win work via BSR following successful accreditation of senior officers used to grow income share.
 - Parking is showing a net surplus of £0.369m which will be transferred to ring-fenced Special Parking Account.
- d) **Housing** – net underspend of (£0.837m) against a budget of £14.692m (5.70%) key drivers and risk include:
- The demand for temporary Bed and Breakfast demand along with the costs are showing an underspend of (£0.369m), mainly due to block bookings of nightly Paid Temporary Accommodation (NPTA), which secured multiple units at lower rates. Reduced B&B usage also contributed to a general price drop, further cutting costs. Block bookings have had a wider impact on bringing down the general prices for hotels. This is because prior to using block bookings NCC would book hotels on a nightly basis via Click Travel. This is a market responsive system so the more demand there is for nightly bookings the more the price rises. When we take hundreds of bookings out of this via a block booking contract, this not only makes the contract properties cheaper but the reduced nightly booking numbers result in prices being driven down via this route as well (due to less demand). These savings have offset the limited availability of temporary housing through Nottingham City Homes Ltd and its subsidiaries.
 - (£0.262m) underspend across other areas of which £0.200m relates to staff vacancies across Housing Solutions team.
- e) **FM & Building Services** – is forecasting a net overspend of £0.373m which is largely due to unachievable external income targets of £0.272m and unforeseen expenditure of £0.100m in Planned Maintenance due to leisure centre floating floor repairs. There is risk of potentially further in-year costs in relation to repair and maintenance against operational properties, but these are not yet known and therefore not included within the current forecast.
- 6.16. **Finance and Resources** - a net overspend of £1.019m, compared to the budget of £41.449m (2.45%). The following highlights key variances, risks, and opportunities.
- a) **Commercial and Procurement** - a net overspend of £1.133m is currently forecasted which largely relates to savings at risk of non-delivery, in respect of Procurement Transformation. An approach to how the savings will be identified has been approved by the Commercial Oversight Board recently. The saving will be monitored monthly through the board and progress reported through the bi-monthly monitoring reports.

- b) **Customer Services** – are reporting net overspend of £0.096m and are forecasting to be on track in delivering total savings of c£2.9m.
- c) **Human Resources** – a net underspend of (£0.296m) is being reported mainly driven by vacancy management across the service.
- d) **Legal & Governance** - a net overspend of £0.261m mainly relating to uncertainty surrounding conveyancing income and additional HRA recharges.
- e) **Audit and Risk** - a net underspend of (£0.177m) mainly relating to estimated contribution from HRA on planned audit activity.
- f) **Other** – IT and Finance are forecasting a small overspend of £0.002m.

6.17. **Chief Executive** – a net underspend of (£0.544m) against a budget of £10.882m (4.99%). The following highlights key variances, risks, and opportunities.

- a) **Strategy & Policy**- a net underspend of (£0.309m) is currently forecasted which largely relates to recharges to Adults and Children services for additional support which is being funded by Adults and Children's grants.
- b) **Comms & Marketing and others** (£0.234m) - a net underspend of (£0.271m) in Comms & Marketing mainly driven by vacancy management is offset by staff related expenditure in the Chief Executive's Office.

6.18. **Corporate** - a net underspend of (£1.406m) compared to the budget of £67.966m (2.06%). The following highlights the key variances.

- (£1.016m) underspend relating to estimated HRA and other contributions towards non-distributed pension fund contribution costs held centrally.
- (£0.390m) net underspend across treasury management due to combination of MRP on EFS and income earned from interest on cash balances which is driven by a combination of level of cash balances held and interest rates expected to stay higher for a longer period, offset by lower than budgeted income from loans to third party companies being achieved.

7. Savings Programme

7.1. The total savings approved to date, including by new savings approved by the Executive Board in February 2024, for the Medium-Term Financial Plan (MTFP) period 2024/25 to 2027/28 was £73.806m, of which, savings profiled for 2024/25, were £34.223m. Table 3 below provides an overview of savings approved including carry forward of non-delivered savings at the end of 2023/24.

Table 3: 2024/25 General Fund Approved Savings

Savings Overview	2023/24	2024/25	2025/26	2026/27	2027/28	Total MTFP	Total to Monitor
	£m	£m	£m	£m	£m	£m	£m
Previous Savings		(11.149)	(12.416)	(12.672)	(0.278)	(36.515)	(36.515)

Savings Overview	2023/24	2024/25	2025/26	2026/27	2027/28	Total MTFP	Total to Monitor
	£m	£m	£m	£m	£m	£m	£m
New Savings		(22.128)	(13.202)	(0.623)	(0.396)	(36.348)	(36.348)
Gross MTFP Savings		(33.277)	(25.618)	(13.295)	(0.674)	(72.863)	(72.863)
Unachieved 2023/24 Savings	(7.528)						(7.528)
Growth - Savings Written Off	1.175						1.175
2023/24 Unachieved savings	(6.353)						(6.353)
Gross MTFP position	(6.353)	(33.277)	(25.618)	(13.295)	(0.674)	(72.863)	(79.216)
Transformation - reprofile/write-off		(0.846)	(0.919)	0.692	0.190	(0.883)	(0.883)
Other - reprofile/write-off		(0.100)	0.040	0.000	0.000	(0.060)	(0.060)
Overall net position	(6.353)¹	(34.223)²	(26.497)	(12.603)	(0.483)	(73.806)	(80.159)

¹ The brought forward value has been adjusted to reflect other departmental savings delivered at the end of 2023/24

² The savings include reversal of previous one-off savings in Corporate of +£8.175m

7.2. 2024/25 Savings Programme Delivery

7.2.1. Savings programme delivery track the overall in-year actual cashable benefit that each programme has either delivered (blue), is on track for delivery (green), requires further activity to realise including opportunities to convert non-cashable to cashable savings (amber) or is at risk of non-delivery (red).

7.2.2. Going forward, the performance delivery 2024/25 will be compared to the overall savings figure of £42.398m which excludes the reversal of previous one-year saving (£34.223m + £8.175m).

7.2.3. Table 4 below summarises the performance of each directorate for 2024/25, at Period 4, with £36.002m (84.9%) of savings either delivered (blue) or on track to be delivered (green), an improvement to (83.1%) at period 2.

7.2.4. Savings that are either at risk of delivery (amber) or is at risk of non-delivery (red) total £6.397m (15%) with those in RAG rated Red reflected as pressures in the directorate General Fund position above.

Table 4: 2024/25 General Fund Approved Savings

Saving Category / Directorate	2024/25 Saving £m	P4 % On Track or Delivered	Blue – Delivered £m	Green – On Track £m	Amber – At Risk £m	Red – Non-Delivery £m	P2 % On Track or Delivered
Duties & Powers	(1.943)	99.7%	(0.901)	(1.035)	0.000	(0.007)	99.7%
Transformation	(5.681)	21.4%	(0.748)	(0.469)	0.000	(4.464)	21.9%
Other	(1.073)	93.7%	(0.953)	(0.052)	0.000	(0.067)	78.7%
Adults	(8.696)	47.8%	(2.602)	(1.556)	0.000	(4.539)	46.3%
Duties & Powers	(0.355)	100.0%	(0.355)	0.000	0.000	0.000	100.0%
Commissioning	(0.355)	100.0%	(0.355)	0.000	0.000	0.000	100.0%
Adult Social Care & Health	(9.051)	49.9%	(2.957)	(1.556)	0.000	(4.539)	48.4%
Duties & Powers	(1.269)	100.0%	0.000	(1.269)	0.000	0.000	100.0%
Transformation	(4.045)	100.0%	(1.779)	(2.265)	0.000	0.000	100.0%
Children	(5.313)	100.0%	(1.779)	(3.534)	0.000	0.000	100.0%
Duties & Powers	(0.902)	47.9%	0.000	(0.432)	(0.375)	(0.095)	47.9%
Other	(0.246)	87.8%	0.000	(0.216)	(0.030)	0.000	87.8%
Education	(1.148)	56.5%	0.000	(0.648)	(0.405)	(0.095)	56.5%
Children & Education Services	(6.461)	92.3%	(1.779)	(4.183)	(0.405)	(0.095)	92.3%
Duties & Powers	(10.347)	91.5%	(0.537)	(8.935)	(0.568)	(0.307)	84.5%

Saving Category / Directorate	2024/25 Saving £m	P4 % On Track or Delivered	Blue – Delivered £m	Green – On Track £m	Amber – At Risk £m	Red – Non-Delivery £m	P2 % On Track or Delivered
Transformation	(0.163)	100.0%	(0.130)	(0.033)	0.000	0.000	100.0%
Other	(0.459)	100.0%	(0.410)	(0.049)	0.000	0.000	100.0%
Communities, Environment & Resident Services	(10.969)	92.0%	(1.077)	(9.017)	(0.568)	(0.307)	85.4%
Duties & Powers	(4.209)	98.5%	(0.828)	(3.318)	(0.064)	0.000	100.0%
Transformation	(5.256)	99.9%	0.000	(5.250)	0.000	(0.006)	100.0%
Other	(1.212)	100.0%	(0.050)	(1.162)	0.000	0.000	100.0%
Growth & City Development	(10.678)	99.3%	(0.878)	(9.730)	(0.064)	(0.006)	100.0%
Duties & Powers	(2.498)	100.0%	(0.613)	(1.885)	0.000	0.000	100.0%
Transformation	(1.917)	78.4%	0.000	(1.503)	0.000	(0.414)	78.4%
Other	(0.250)	100.0%	0.000	(0.250)	0.000	0.000	100.0%
Finance & Resources	(4.664)	91.1%	(0.613)	(3.638)	0.000	(0.414)	91.1%
Duties & Powers	(0.605)	100.0%	0.000	(0.605)	0.000	0.000	100.0%
Other (adjustment of one-off saving)	0.030	100.0%	0.030	0.000	0.000	0.000	100.0%
Chief Executive	(0.575)	100.0%	0.030	(0.605)	0.000	0.000	100.0%
Total¹	(42.398)	84.9%	(7.273)	(28.729)	(1.037)	(5.360)	83.1%
% Overall			17.2%	67.8%	2.4%	12.6%	

¹2024/25 Savings total excludes reversal of previous one-off corporate savings of +£8.175m

7.2.5. As shown in Table 4 above, several Directorates are behind target and require remedial activity to provide mitigation plans to bring savings back on track or replacement plans where there is no prospect of delivery against the original saving.

7.2.6. Adult's savings programme is behind target (£4.539m), and there are no mitigations identified to manage the pressure in-year and to bring savings back on track.

7.2.7. Whilst the Growth and City Development Transformation is on track to deliver savings (RAG rated green), due to pressure funding allocated in 2024/25. It is imperative that the homelessness strategy is implemented in good time so that current and future savings targets can be secured.

7.2.8. The key drivers that have led to the in-year under-delivery of savings include conflicting priorities and/or over ambitious assumptions within original delivery plans, which has particularly affected Adults Transformation (£4.464m) and Finance and Resources Procurement Transformation (£0.414m).

7.2.9. In addition, several Duties and Powers savings are at risk with the larger value ones being as follows:

- Education: Seek additional funding for Children with Special Educational Needs and Disabilities (DPE 2403 £0.375m)
- Community, Environment and Resident Services:
 - Review of Community Centres (DPE 2409 £0.307m)
 - Review of Libraries (DPE 2410 £0.368m) which is being mitigated by one-off sport and leisure fees and charges.

7.3. Under-delivery of Savings 2023/24 Brought Forward

7.3.1. The provisional financial outturn 2023/24 reported under-delivery of savings totalling £7.528m (Transformation £6.765m, Other £0.763m). Savings proposals that had no prospect of delivery were provided with growth monies in the 2024/25 medium term financial plan (MTFP) totalling £1.175m resulting in net brought forward of adjusted under-delivered savings of £6.353m.

7.3.2. Table 5 below which summarises the performance of each directorate for 2024/25, at Period 4, shows savings delivered (blue) or on track for delivery (green) totalled £2.779m (43.7%) which is an improved position from (35%) at Period 2. £3.574m (56.3%) remain at risk of delivery (amber) or non-delivery (red) and are reflected as pressures in the directorate outturn positions above.

Table 5: Under-delivered 2023/24 Savings (adjusted by £0.05m write-offs of some previous proposals)

Directorate	2023/24 unachieved £m	P4 % On Track or Delivered	Blue – Delivered £m	Green – On Track £m	Amber – At Risk £m	Red – Non-Delivery £m	P2 % On Track or Delivered
Adults	(3.295)	28.8%	(0.089)	(0.859)	0.000	(2.346)	29.1%
Adult Social Care & Health	(3.295)	28.8%	(0.089)	(0.859)	0.000	(2.346)	29.1%
Children’s Education	(0.427)	100.0%	(0.427)	0.000	0.000	0.000	100.0%
Children & Education Services	(0.273)	4.1%	0.000	(0.011)	(0.030)	(0.232)	4.1%
Children & Education Services	(0.700)	62.6%	(0.427)	(0.011)	(0.030)	(0.232)	62.6%
Communities, Environment & Resident Services	(0.047)	100.0%	0.000	(0.047)	0.000	0.000	0.0%
Growth & City Development	(1.401)	81.1%	(0.125)	(1.012)	0.000	(0.265)	58.9%
Finance & Resources	(0.911)	22.9%	(0.209)	0.000	(0.040)	(0.662)	0.0%
Total	(6.353)	43.7%	(0.850)	(1.929)	(0.070)	(3.504)	35.0%
% Overall			13.4%	30.4%	1.1%	55.2%	

7.3.3. As shown in Table 5 above, several directorates are behind target (red and amber) and require remedial activity to provide mitigation plans to bring savings back on track or replacement plans where there is no prospect of delivery against the original saving.

7.3.4. Currently, Adults have a partial mitigation plan (£1.702m) for the Transformation undelivered saving 2023/24 (£2.346m) although most of it is non-recurrent. Although Procurement has an approach for delivering the council saving of c£1m (£0.662m 2023/24 and £0.441m 2024/25), the likelihood of securing the actions required in 2024/25 is low. Mitigation plans for delivering the introduction of residents parking permit (£0.207m) and Education curriculum service projects (£0.152m) are outstanding.

7.3.5. Corporate Directors submit mitigations as part of the financial intervention strategy, and they should ensure all mitigations submitted are robust and supported by realistic operational delivery plans to secure undelivered savings. The position will be reported to the next Transformation and Change Oversight Board (T&COB).

7.4. Overall Savings Programme Delivery

7.4.1. Appendix 1 details the financial performance, per directorate, for the approved savings over the MTFP period (2024-25 to 2027-28) including the 2023/24

under-delivered savings. Table 6 below summarises the performance of total savings of £88.335m (excluding reversal of previous one-off savings £8.175m) as at Period 4.

Table 6: Overall Savings Programme Dashboard

Financial Year	Blue – Delivered £m	Green – On Track £m	Amber – At Risk £m	Red – Non-Delivery £m	Total £m
2023/24 Unachieved	(0.850)	(1.929)	(0.070)	(3.504)	(6.353)
2024/25 MTFP	(7.273)	(28.729)	(1.037)	(5.360)	(42.398)
2024/25 Combined Total	(8.123)	(30.658)	(1.107)	(8.864)	(48.752)
2025/26 MTFP	(0.685)	(19.610)	(1.872)	(4.330)	(26.497)
2026/27 MTFP	(0.293)	(8.705)	0.000	(3.605)	(12.603)
2027/28 MTFP	0.000	(0.422)	0.000	(0.061)	(0.483)
Total₁	(9.102)	(59.394)	(2.979)	(16.860)	(88.335)

7.4.2. £68.496m (77.5%) of the savings across the MTFP period are shown as being delivered (blue) or on track for delivery (green). Whilst a significant amount of the savings are showing the right direction of travel, as at Period 4 £19.839m (22.5%) are at risk of delivery (amber) or non-delivery (red) which predominately relate to:

- Adults Transformation (£14.214m). £1.702m of mitigations (of which less than half are recurrent) have been identified as part of the overall mitigation action plan for the directorate which still requires further remedial activities to be identified to manage the pressure in-year and to bring savings back on track or replacement plans where there is no prospect of delivery against the original saving. The lack of potential for delivering the Adults Transformation Strengths Based Practice saving and how this could be resolved as part of the budget setting process was discussed at July T&COB.
- Finance and Resources Procurement Transformation (£1.390m)
- Duties and Powers savings:
 - Adult social care external placements (DPC 2401 £1.184m)
 - CERS – Review of community centres (DPE 2409 £0.613) CERS – Review of libraries (DPE 2410 £0.368m) which is being mitigated by non-recurrent sport and leisure fees and charges.
 - Education: Seek additional funding for Children with Special Educational Needs and Disabilities (DPE 2403 £0.375m)

7.4.3. Early intervention is key to improving savings delivery; therefore, it is imperative that robust operational plans are developed by Corporate Directors and shared with the CPMO as well as identifying and submitting robust mitigations submitted as part of the financial intervention strategy where savings delivery is at risk or there is no prospect of delivery so they can be reviewed, and any risks presented to T&COB.

8. Housing Revenue Account (HRA)

- 8.1. The HRA is reporting a net underspend of (£0.304m) (0.06%) against a budget £128.514m. (compared with £0.496m overspend at the end of Period 2). A comparison of forecast income and expenditure with the current budget is set out in the table below.

Table 7: 2024/25 Housing Revenue Account (HRA)

Housing Revenue Account	Revised Budget £m	Actual To Date £m	Period 4 Forecast £m	Period 4 Net Variance Under (-) / Over (+) spend £m	Period 2 Net Variance Under (-) / Over (+) spend £m
Dwelling Rents	(114.342)	(38.114)	(114.342)	0.000	0.000
Non-Dwelling Rents	(2.746)	(0.726)	(2.747)	(0.001)	(0.001)
Service Charges	(11.205)	(3.735)	(11.205)	0.000	0.000
Other Income	(0.222)	(0.203)	(0.422)	(0.200)	0.000
Total Income	(128.514)	(42.778)	(128.716)	(0.202)	(0.001)
Repairs & Maintenance	34.604	10.125	34.661	0.057	0.645
Management & Supervision	36.119	5.094	35.959	(0.160)	(0.146)
Depreciation & Amortisation	30.427	10.142	30.427	0.000	0.000
Provision for Bad & Debts	2.213	0.738	2.213	0.000	0.000
Direct Revenue Financing	7.200	2.843	7.200	0.000	0.000
Total Expenditure	110.562	28.943	110.460	(0.102)	0.498
Net Cost of Housing Services	(17.952)	(13.835)	(18.256)	(0.304)	0.497
Item 8 Interest Paid.	15.279	5.093	15.279	0.000	0.000
Item 8 Interest Received	(5.857)	(1.952)	(5.857)	0.000	0.000
Net Deficit/(Surplus)	(8.530)	(10.694)	(8.834)	(0.304)	0.497
Contribution (from)/to Reserves	8.530	10.694	8.834	0.304	(0.497)
Net (Surplus)/Deficit	0.000	0.000	0.000	0.000	0.000

- 8.2. There has been £0.800m favourable movement in the variance since period 2, the main reason for the variance is set out below along with the risks and opportunities:

- a) **Other Income** – The current forecast is an additional £0.200m in additional income compared with forecast at Period 2. This is due to a successful insurance claim following the collapse of the main contractor in Phase 1 of the Eastglade redevelopment project.
- b) **Repairs & Maintenance** – The current forecast is a net overspend of £0.037m (compared with a £0.645m overspend forecast at Period 2). This is due to an adjustment in some of the capital recharges budgets following a refresh of capital programme at year end.

The key risks in respect of the repairs and maintenance budget are the rising number of disrepair claims and the increasing demand for damp resolution works. Urgent work is necessary to tackle the backlog, and updates will be provided in subsequent reports.

However, the Council has a statutory duty to carry out this work as soon as possible and it is estimated that this will cost an additional £5.800m in the current year. Ongoing costs will be necessary, and these will be

included when the 30-year HRA business plan is refreshed and the 2025/26 HRA budget is approved.

Failure to do these works in a timely manner opens the Council to substantial expenditure, compensation, and legal fees. If not attended to immediately, this poses a significant danger to the tenants and the public. (Awaabs law)

- c) **Management & Supervision** – The current forecast is a net underspend of £0.637m (compared with a £0.146m underspend forecast at Period 2). This is due to the identification that in period 2 the national insurance and superannuation costs for the Rents Team had been duplicated.

9. Capital Programme

9.1. This section of the report provides an update on the Council's 2024/25 Capital Programme performance against the approved 2024/25 budget.

9.2. Approved Capital Programme

9.2.1. As part of the July Executive Board Budget Monitoring Report the Capital Programme set the period 2 capital budget for 2024/25 at £205.030m for Council Capital Schemes and £123.566m where the Council is acting as Accountable Body.

9.2.2. Since the Period 2 position the Capital Budget has increased by £0.086m in 2024/25 and £0.642m over the MTFP, the table below details the breakdown:

Table 8: Capital Programme Summary Movement

Capital Programme Budget Movement	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	Total £m
Budget at Period 4					
General Fund Capital Schemes	136.475	75.106	23.112	6.684	241.377
General Fund Accountable Body	123.566	0.467	0.000	0.000	124.033
HRA Capital Schemes	68.642	56.041	49.994	46.216	220.893
Total Budget at Period 4	328.683	131.614	73.106	52.9	586.303
Budget at Period 2					
General Fund Capital Schemes	136.389	74.861	22.877	6.608	240.735
General Fund Accountable Body	123.566	0.467	0.000	0.000	124.033
HRA Capital Schemes	68.642	56.041	49.994	46.216	220.893
Total Budget at Period 2	328.597	131.369	72.871	52.824	585.661
Budget movement Period 2 to Period 4					
General Fund Capital Schemes	0.086	0.245	0.235	0.076	0.642
General Fund Accountable Body	0.000	0.000	0.000	0.000	0.000
HRA Capital Schemes	0.000	0.000	0.000	0.000	0.000
Total Budget Movement	0.086	0.245	0.235	0.076	0.642

9.2.3. The revised capital programme reflects approved slippage from Period 2 and budgets incepted for which approval has been sought through the usual process (Executive Board and/or Officer Decision).

9.3. 2024/25 Capital Programme

9.3.1. A summary of the profiles capital programme budget for 2024/25 is set out in the table below, showing a net variance of (£1.926m) as at Period 4.

Table 9: 2024/25 Capital Programme Forecast

Directorate	Budget 2024/25 £m	Year to Date Actuals £m	Forecast at Period 4 £m	Variance £m	Net Slippage (-) / Acceleration (+) £m	Under (-) / Over (+) spend £m
Adult Services	2.245	0.432	2.245	0.000	0.000	0.000
subtotal: Adults and Public Health	2.245	0.432	2.245	0.000	0.000	0.000
Children's Services	0.169	0.000	0.169	0.000	0.000	0.000
Education	4.286	(0.060)	4.286	0.000	0.000	0.000
subtotal: Children's and Education	4.455	(0.060)	4.455	0.000	0.000	0.000
Community, Environment and Resident Services	16.142	1.822	16.071	(0.071)	(0.202)	0.131
Growth & City Development	62.707	7.521	62.263	(0.444)	(0.444)	0.000
Finance & Resources	1.684	0.058	1.609	(0.075)	0.000	(0.075)
Transformation	3.192	0.000	3.192	0.000	0.000	0.000
Exceptional Financial Support (EFS)	41.024	0.000	41.024	0.000	0.000	0.000
Total Council Capital Schemes Approved and Incepted	131.449	9.773	130.859	(0.590)	(0.646)	0.056
Planned Schemes	5.026	0.000	4.926	(0.100)	(0.100)	0.000
Total General Fund Approved Council Capital Schemes	136.475	9.773	135.785	(0.690)	(0.746)	0.056
HRA - Approved Programme	67.527	2.063	64.474	(3.053)	(2.955)	(0.098)
HRA - Planned Schemes	1.115	0.000	0.910	(0.205)	0.000	(0.205)
Total Council Capital Schemes	205.117	11.836	201.169	(3.948)	(3.701)	(0.247)
Midlands Net Zero Hub	92.922	2.472	94.477	1.555	0.000	1.555
Other Energy Schemes	8.053	0.382	8.053	0.000	0.000	0.000
Transforming Cities	21.591	12.454	21.591	0.000	0.000	0.000
Future Transport Zone	1.000	1.467	1.467	0.467	0.467	0.000
Total Accountable Body	123.566	16.775	125.588	2.022	0.467	1.555
TOTAL	328.683	28.611	326.757	(1.926)	(3.234)	1.308

9.3.2. The net variance of (£1.926m) relates to the following:

- **Net Slippage / Acceleration – (£3.234m)**
The net slippage relates to re-profiled Capital Programme budget. All schemes with a slippage of over £0.500m are detailed in Appendix 2.
- **Net Overspend - £1.308m**
Appendix 3 sets out the detail of the variances including the approval required to incept £1.997m within Accountable Bodies for MNZH Social Housing Decarbonisation Fund Wave 2.

9.4. Capital Receipt Forecast

9.4.1. At Period 4 the Council has secured receipts less 4% of fees of (£3.006m) since the reported Period 2 position, of these receipts (£1.629m) is ringfenced for investment within the Education Capital Programme. The below table details the Council has secured General Use Receipts of (£13.019m) and Ringfenced Receipts of (£2.148m).

Table 10: Capital Receipts Secured at Period 3 2024/25

Detail	General Use Receipts 2024/25 £m	Ringfenced Receipts 2024/25 £m	Total £m
Receipts carried forward from Provisional Capital Outturn Secured to Period 2 (Less 4% fees)	(8.098)	(0.584)	(8.682)
	(3.479)	0.000	(3.479)
Pervious Reported Position	(11.577)	(0.584)	(12.161)
Further Receipts Secured to P4 (Less 4% Fees)	(1.442)	(1.564)	(3.006)
Secured Receipts as at Period 4	(13.019)	(2.148)	(15.167)

9.4.2. All secured capital receipts are required to be applied in accordance with the capital receipts prioritisation methodology as defined in the approved Capital Strategy.

9.4.3. The table below provides the current forecast of capital receipts required for the approved General Fund programme over the MTFP period. Although over the period MTFP period the capital receipts forecasted will be in surplus by (£4.527m) this is an improvement of £0.870m since Period 2. The current 2024/25 forecast is a shortfall of £7.355m. The potential 2024/25 position has improved by £1.045m, if this position holds true or gets worse, the Council will be required to undertake additional temporary borrowing of the same for to fund EFS. This would have an impact on the General Fund revenue budget with regards to interest and MRP.

Table 11: Capital Receipt Requirement and Forecast over the MTFP 2024/25 – 2027/28

Capital Receipt Requirement for Approved General Fund Programme	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	Total £m
Exception Financial Support	25.200	15.824	0.000	0.000	41.024
Transformation	3.192	0.000	0.000	0.000	3.192
General Fund Capital Programme	5.061	4.180	0.859	0.245	10.345
Budgeted Capital Receipt Requirement	33.453	20.004	0.859	0.245	54.561
Total General Use Capital Receipts banked as at Period 4	(13.019)	0.000	0.000	0.000	(13.019)
Committed Ringfenced Receipts as at Period 4	(0.045)	(0.100)	0.000	0.000	(0.145)
Capital Receipt Shortfall (+) / Surplus (-) as at Period 4	20.389	19.904	0.859	0.245	41.397
Assets approved for disposal (in process - estimated unsecured receipts risk adjusted)	(13.034)	(22.962)	(9.928)	0.000	(45.924)
Net estimated shortfall (+) or surplus (-) Capital Receipt required against approved programme	7.355	(3.058)	(9.069)	0.245	(4.527)

9.4.4. Work is on-going with the Asset Transformation Programme to identify assets for disposal and therefore currently it is early to quantify the actual level of capital receipt shortfall. This is being closely monitored monthly to ascertain the impact.

10. Other options considered in making recommendations

10.1. Not applicable.

11. Consideration of Risk

- 11.1. The Section 151 Officer is required to provide his statutory advice to Council on the robustness of the budget estimates and adequacy of reserves. More recently the Section 151 Officers' professional opinion was clearly set out in Appendix 1 of the budget report to City Council on 4 March 2024, setting out the risks and conditions for the 2024/25 budget, reasonably based on the best available information and assumptions at the time.
- 11.2. As set out in the 2025/26 Budget Strategy report presented to Executive Board in June 2024, the significance of the budget gap over the MTFP of c£172m combined with the need to rely on substantial amounts of EFS should not be underestimated. Although c£41m of EFS has allowed the Council to set a balanced budget in 2024/25, the Council has set itself a significantly higher hurdle for 2025/26 with an estimated budget gap of c£69m. The quantum of the financial challenge being faced by the Council alongside and the economic uncertainties over the medium to long term present a high risk to the Council in achieving a balanced budget, combination of which impact council's ability to respond and manage unforeseen financial risks and to achieving a financially sustainable budget over the MTFP. The MTFP will be refreshed to take account of revised growth and pressures and to review budget assumptions which may result in an increase in the overall MTFP budget gap.
- 11.3. As part of approving the budget both the Executive and City Council in February and March 2024 respectively, took into account the conditions upon which the Section 151 Officer provided their statutory statement on robustness of budget estimates. Those relevant to 2024/25 are restated below:
- The Council continuing to assess, learn, report, and respond appropriately at the earliest point to the existing and emerging financial pressures across all aspects of its operations and for Corporate Leadership Team leads to identify and formulate corrective and mitigating actions in managing any pressures from within their service areas.
 - A recognition in the medium-term planning approach that the level of reserves and corporate risk assessment need to be regularly reviewed in the light of changing circumstances and that it may not be possible to match the two at any single point in time. The Council needs to show a commitment to maintain reserves at a level which provides adequate cover for most identified risks during the planning period. This approach is pragmatic and shows a clear commitment to prudent contingency planning.
 - The 2024/25 budget is based on the current financial outturn forecast for 2023/24 and accounts yet to be audited for 2019/20 to 2022/23. Budget process for future years will need to reflect any impact of prior year accounting adjustments and 2023/24 outturn. The Government have proposed revised backstop dates for councils with audit opinions outstanding. These are 13 December 2024 for accounts up to 2022/23 and 28 February 2025 for 2023/24. The Council is assessing the implications of the proposed backstops dates on its draft Accounts with its external auditors and will continue to provide progress updates to Audit Committee.

- Executive Leads, Chief Executive, Corporate Directors, and managers not exceeding their cash limits for 2024/25.
 - No further calls on reserves other than for those risks that were identified as part of the MTFP, those risks that could not have reasonably been foreseen and cannot be dealt through management or policy actions. The exception to this is where the Section 151 Officer has approved otherwise, as it is not prudent to finance ongoing spending from one-off reserves.
 - Where there is a draw-down on reserves, which causes the approved Reserves Policy to be off target, that this is replenished as part of a revised MTFP.
 - That the Council has arrangements and resources in place to consider and assess value for money across the delivery of all its services and operations in preparation for future years' budgets.
- 11.4. As set out in section 3 above, Corporate Leadership Team have implemented a Financial Intervention Strategy to support in identifying and delivering in-year management and mitigating actions that support the Council in achieving a balanced budget in year. As such Corporate Leadership Team, are closely monitoring the interventions to exercise firm grip required to deliver effective financial management of 2024/25 budgets.
- 11.5. Given the unique operating context of Nottingham City Council, the following are most immediate risks which need to be considered alongside the forecast and risks set out within the directive forecast narrative in Section 6 above:
- Organisational ability to deliver:
 - 2024/25 in-year General Fund balance budget within the approved EFS of c£41m; and
 - the scale of change required in the coming year to both deliver approved savings and further develop saving proposals to minimise the need for EFS in 2024/25 and thereby the unfunded budget gap for the year after.
 - Delivery record on approved savings programmes to date
 - Likelihood of further variances (overspends) against approved budget in particular social care placement and temporary accommodation pressures, which continue to be partly mitigated by one-off spend controls and transformational cost reduction programmes which are closely monitored by Leadership and Corporate Leadership Team
 - As set out above in Table 2, the likelihood of the forecasted management actions identified through the Financial Intervention Strategy of c£10m fully being realised
 - Council ability to manage the current estimated risks of c£3m, excluded from Period 4 forecast if they are fully realised (paragraph 6.3)
 - The level of risks that have not been Subsidiary company risk - loans and risk of liabilities materialising
 - Additional pressures relating to loss of funding from Health with regards to joint funded packages across adults and children's social care
 - Prior year accounts and historic accounting treatments & practice corrections

- Assumptions regarding debt collection and impact on the collection fund
- Weakness in councils' system and data upon which financial forecast is produced by services.
- Economic factors such as inflation and interest rate environment
- Major project challenges and failure
- Capital receipts not being sufficient to meet existing capital obligations.
- Unfunded income loss pressures as a result of the long-term impact of the pandemic and cost of living crisis, particularly in relation to Council Tax and Business rates income.

11.6. Due to the uncertainties of the economic environment, impact of cost of living, inflation and interest rates, long-term impact of the pandemic and expenditure reductions of a significant scale required, there are inevitably significant risks involved in delivering balanced budgets over the medium term. Key strategic risks will continue to be.

- included in the Corporate Risk Register.
- regularly reported to Audit Committee; and
- reviewed through updated Budget and MTFP Strategy reports to the Executive Board.

12. **Best Value Considerations, including consideration of Make or Buy where appropriate**

12.1. The Best Value requirement to demonstrate the continued financial sustainability of the Council has been set out in the 2024/25 Budget and Council Tax Resolution report to City Council on 4 March 2024 and 2024/25 Budget and MTFP report to Executive Board on 13 February 2024.

12.2. Throughout the budget process the Council has taken a proactive and planned approach to delivering best value and financially sustainable services to its communities over the longer term. This will continue as the Council's agreed plans are delivered during 2024/25 and subsequent years.

12.3. Throughout the budget monitoring the Council will take a proactive and planned approach to delivering Best Value.

13. **Commissioner comments**

13.1. The Period 4 financial report is comprehensive setting out the position for the general fund revenue, capital and HRA budgets. The revenue budget position is of most concern. Although the net position is an improvement over the Period 2 position at the bottom line level, substantial mitigations have had to be identified. This is a positive move forward in terms of financial management. The extent of these mitigations amounts to £9.8m - it is not clear from the report though what the impact on services is. The Council is encouraged to consider this further at a corporate level.

13.2. The report also sets out a clear section on risks – the Council is encouraged to consider these further and identify any additional appropriate mitigations.

14. **Finance colleague comments (including implications and value for money/VAT)**

14.1. Finance comments are contained within the main body of the report and in the accompanying appendices.

15. **Legal colleague comments**

15.1. It is a legal requirement for a council to set an annual budget and for that budget to be 'balanced' or fully funded in accordance with the Local Government Finance Act 1992. This report sets out the Period 4 position and whilst shows an improving position from P2 there remains a forecasted overspend. Finance is whole Council responsibility, and the Council must continue to implement the mitigations to bring the forecasted spend back in line with approved budget. The main considerations are set out in the body of the report.

15.2. In accordance with 17.40 of the constitution it is for budget holders to provide a supporting narrative around material variances and planned remedial action. It is therefore, for budget holders to consider whether the proposed mitigation is managerial, operational or represents a budgetary and policy change and take the appropriate action to ensure that decisions relating to the mitigations are taken in the appropriate way and in accordance with constitutional requirements.

15.3. If the Council are unable to bring the forecasted spend back in line with the approved budget and the Chief Finance Officer considers that the expenditure of the authority incurred (including expenditure it proposes to incur) in a financial year is likely to exceed the resources (including sums borrowed) available to it to meet that expenditure he must issue a report under section 114(3) of the Local Government Finance Act 1988.

Beth Brown, Director of Legal and Governance, 9 September 2024

16. **Other relevant comments**

16.1. **Procurement comments**

Not applicable.

16.2. **HR**

Not applicable.

16.3. **IT**

Not applicable.

16.4. **Strategic Assets and Property**

Not applicable.

17. **Crime and Disorder Implications (If Applicable)**

17.1. Not applicable.

18. **Social value considerations (If Applicable)**

18.1. Not applicable.

19. **Regard to the NHS Constitution (If Applicable)**

19.1. Not applicable.

20. **Equality Impact Assessment (EIA)**

20.1. Has the equality impact of the proposals in this report been assessed?

No

An EIA is not required because EIAs are tools that help the Council make sure its policies, and the ways it carries out its functions, do what they are intended to do and for everybody. The report is presenting the Council with the financial position for 2024/25 and therefore at this time does not require for an EIA to be completed.

Yes

21. **Data Protection Impact Assessment (DPIA)**

21.1. Has the data protection impact of the proposals in this report been assessed?

No

A DPIA is not required because the report and appendices do not contain information which will subject to DPIA.

Yes

22. **Carbon Impact Assessment (CIA)**

22.1. Has the carbon impact of the proposals in this report been assessed?

No

A CIA is not required because the report and appendices do not contain information which will subject to CIA.

Yes

23. **List of background papers relied upon in writing this report (not including published documents or confidential or exempt information)**

23.1. Not applicable.

24. **Appendices**

- Appendix 1 – Savings Dashboard
- Appendix 2 – Capital Programme Slippage
- Appendix 3 – Capital Programme Under & Over Spends
- Appendix 4 – General Fund Revenue Budget Virement Summary

25. **Published documents referred to in this report**

City Council	
2024/25 Budget and Council Tax Resolution	4 March 2024
Executive Board	
Budget Monitoring Period 2 (2024/25)	16 July 2024
2023/24 Provisional Outturn	18 June 2024
2024/25 Budget and Medium-Term Financial Plan	13 February 2024

Appendix 1 - Savings Programme Dashboard by Directorate (Period 4)

Saving Delivery RAG rating Department/Directorate	23/24 Unachieved Savings £m	24/25 MTFP Savings £m	24/25 Combined Total £m	25/26 MTFP Savings £m	26/27 MTFP Savings £m	27/28 MTFP Savings £m
--	--------------------------------------	--------------------------------	----------------------------------	--------------------------------	--------------------------------	--------------------------------

Adults

Blue	(0.089)	(2.602)	(2.691)	(0.685)	(0.293)	0.000
Green	(0.859)	(1.556)	(2.415)	(4.718)	(0.527)	(0.313)
Amber	0.000	0.000	0.000	(1.184)	0.000	0.000
Red	(2.346)	(4.539)	(6.884)	(3.866)	(3.605)	(0.061)
Adults	(3.295)	(8.696)	(11.991)	(10.453)	(4.425)	(0.374)

Commissioning

Blue	0.000	(0.355)	(0.355)	0.000	0.000	0.000
Green	0.000	0.000	0.000	(0.095)	0.000	0.000
Amber	0.000	0.000	0.000	0.000	0.000	0.000
Red	0.000	0.000	0.000	0.000	0.000	0.000
Commissioning	0.000	(0.355)	(0.355)	(0.095)	0.000	0.000

Adult Social Care & Health Directorate

Green	(0.089)	(2.957)	(3.046)	(0.685)	(0.293)	0.000
Amber	(0.859)	(1.556)	(2.415)	(4.812)	(0.527)	(0.313)
Red	0.000	0.000	0.000	(1.184)	0.000	0.000
Public Health	(2.346)	(4.539)	(6.884)	(3.866)	(3.605)	(0.061)
ASC& Health	(3.295)	(9.051)	(12.346)	(10.548)	(4.425)	(0.374)

Children

Blue	(0.427)	(1.779)	(2.206)	0.000	0.000	0.000
Green	0.000	(3.534)	(3.534)	(4.742)	(0.309)	(0.278)
Amber	0.000	0.000	0.000	0.000	0.000	0.000
Red	0.000	0.000	0.000	0.000	0.000	0.000
Children	(0.427)	(5.313)	(5.740)	(4.742)	(0.309)	(0.278)

Education

Blue	0.000	0.000	0.000	0.000	0.000	0.000
Green	(0.011)	(0.648)	(0.659)	(0.377)	(0.089)	0.000
Amber	(0.030)	(0.405)	(0.435)	0.000	0.000	0.000
Red	(0.232)	(0.095)	(0.326)	0.000	0.000	0.000
Education	(0.273)	(1.148)	(1.421)	(0.377)	(0.089)	0.000

Children & Education Services Directorate

Blue	(0.427)	(1.779)	(2.206)	0.000	0.000	0.000
Green	(0.011)	(4.183)	(4.194)	(5.119)	(0.398)	(0.278)
Amber	(0.030)	(0.405)	(0.435)	0.000	0.000	0.000
Red	(0.232)	(0.095)	(0.326)	0.000	0.000	0.000
Children & Education Services	(0.700)	(6.461)	(7.161)	(5.119)	(0.398)	(0.278)

Saving Delivery RAG rating Department/Directorate	23/24 Unachieved Savings £m	24/25 MTFP Savings £m	24/25 Combined Total £m	25/26 MTFP Savings £m	26/27 MTFP Savings £m	27/28 MTFP Savings £m
--	--------------------------------------	--------------------------------	----------------------------------	--------------------------------	--------------------------------	--------------------------------

Communities, Environment & Resident Services

Blue	0.000	(1.077)	(1.077)	0.000	0.000	0.000
Green	(0.047)	(9.017)	(9.064)	(1.861)	0.000	0.000
Amber	0.000	(0.568)	(0.568)	(0.688)	0.000	0.000
Red	0.000	(0.307)	(0.307)	(0.150)	0.000	0.000
CE&RS	(0.047)	(10.969)	(11.015)	(2.699)	0.000	0.000

Growth & City Development

Blue	(0.125)	(0.878)	(1.003)	0.000	0.000	0.000
Green	(1.012)	(9.730)	(10.742)	(5.202)	(7.357)	0.190
Amber	0.000	(0.064)	(0.064)	0.000	0.000	0.000
Red	(0.265)	(0.006)	(0.271)	0.000	0.000	0.000
G&CD	(1.401)	(10.678)	(12.079)	(5.202)	(7.357)	0.190

Finance & Resources

Blue	(0.209)	(0.613)	(0.822)	0.000	0.000	0.000
Green	0.000	(3.638)	(3.638)	(2.449)	(0.423)	(0.021)
Amber	(0.040)	0.000	(0.040)	0.000	0.000	0.000
Red	(0.662)	(0.414)	(1.076)	(0.314)	0.000	0.000
F&R	(0.911)	(4.664)	(5.575)	(2.763)	(0.423)	(0.021)

Chief Executive

Blue	0.000	0.030	0.030	0.000	0.000	0.000
Green	0.000	(0.605)	(0.605)	(0.168)	0.000	0.000
Amber	0.000	0.000	0.000	0.000	0.000	0.000
Red	0.000	0.000	0.000	0.000	0.000	0.000
Chief Executive	0.000	(0.575)	(0.575)	(0.168)	0.000	0.000

Total Summary

Blue	(0.850)	(7.273)	(8.123)	(0.685)	(0.293)	0.000
Green	(1.929)	(28.729)	(30.658)	(19.610)	(8.705)	(0.422)
Amber	(0.070)	(1.037)	(1.107)	(1.872)	0.000	0.000
Red	(3.504)	(5.360)	(8.864)	(4.330)	(3.605)	(0.061)
Total	(6.353)	(42.398)	(48.752)	(26.497)	(12.603)	(0.483)

Appendix 1 – Capital Programme Net Slippage

Directorate	Project	Net Slippage (-) / Acceleration (+) £m
Community, Environment and Resident Services	Other Under £0.500m	(0.202)
Subtotal: Community, Environment and Resident Services		(0.202)
Growth & City Development	Area Capital / Streets for People Programme	(1.000)
Growth & City Development	Other Under £0.500m	0.556
Subtotal: Community, Environment and Resident Services		(0.444)
General Fund Planned Schemes	Other Schemes Under £.500m	(0.100)
Subtotal: General Fund Planned Schemes		(0.100)
HRA	Colwick Woods Court (Social Housing Decarb)	(0.758)
HRA	Eastglade New Build	(1.186)
HRA	Other Under £0.500m	(1.011)
Subtotal: HRA		(2.955)
Total Council Capital Schemes		(3.701)
Accountable Body - Growth & City Development	Future Transport Zone - Derby Programme	0.467
Subtotal: Accountable Body		0.467
Capital Programme Net Slippage		(3.234)

This page is intentionally left blank

Appendix 3 – Capital Programme Under / Over Spends

Directorate	Project	Over (+) / Underspend (-) 2024/25 £m	Details
Community, Environment and Resident Services	Demolition and Rebuild waste transfer station	0.051	Reversal of underspend declared in prior monitoring period
Community, Environment and Resident Services	Victoria Embankment Delivery	0.080	Reversal of underspend declared in prior monitoring period
Subtotal: Community, Environment and Resident		0.131	
Finance & Resources	IT - Income Management System	(0.075)	Scheme removed from Capital Programme, further decision pending
Subtotal: Finance & Resources		(0.075)	
Total General Fund Approved Council Capital Schemes		0.056	
HRA	Programme Management Fee (Existing Dwellings)	(0.012)	Scheme underspend declared
HRA	Southchurch Court (garages) - new build	(0.011)	Scheme underspend declared
HRA	Bespoke Accommodation	(0.055)	Scheme underspend declared
HRA	Management Fee - Regeneration Prog	(0.020)	Scheme underspend declared
Subtotal: HRA		(0.098)	
HRA - Planned Schemes	Heating Interface Replacement Prog	(0.205)	Scheme underspend declared
Subtotal: HRA - Planned Schemes		(0.205)	
Total Council Capital Schemes		(0.247)	
Accountable Body - CERS	MNZH - HUG1 New	(0.002)	Scheme complete
Accountable Body - CERS	MNZH - Social Housing Decarbonisation	(0.440)	Scheme complete
Subtotal: Accountable Body - Community, Environment and Resident Services		(0.442)	
TOTAL		(0.689)	

Directorate	Project	Over (+) / Underspend (-) 2024/25 £m	Details
Accountable Body - CERS	MNZH Social Housing Decarbonisation Fund Wave 2	1.997	Approval from DLUHC to use previously reported underspend
Subtotal: Accountable Body - Community, Environment and Resident Services		1.997	
TOTAL		1.997	

This page is intentionally left blank

Appendix 4 – Budget Virement Summary

2024/25 Budget Virement Summary

Summarised below is the net movement between the Original and Current Budget.

Directorate	Original Budget 2024/2025 £m	Net Movement £m	Revised Budget at Period 04 £m
Adults	88.900	0.813	89.714
Commissioning	2.922	0.000	2.922
Public Health	0.000	0.000	0.000
Adults & Public Health Subtotal	91.822	0.813	92.635
Children's	86.665	0.247	86.912
Education	3.711	0.530	4.241
Schools	0.000	0.004	0.004
Children's & Education Subtotal	90.376	0.781	91.157
Communities Environment and Resident Services	50.506	(0.315)	50.191
Growth & City Development	6.782	(4.840)	1.942
Finance & Resources	44.847	(3.398)	41.449
Chief Executive	4.119	6.764	10.882
Companies	0.576	0.000	0.576
Total Departments	289.027	(0.194)	288.834
Corporate	67.773	0.194	67.966
Total	356.800	0.000	356.800

Appendix 4 – Budget Virement Summary

Virement Reason	Adults & Public Health £m	Children's & Education £m	Communities Environment and Resident Services £m	Growth & City Development £m	Finance & Resources £m	Chief Executive £m	Companies £m	Corporate £m	Total General Fund £m
No Decision Required - For Information ¹	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Budget Realignment	0.813	0.781	(0.315)	1.787	(3.398)	0.177	0.000	0.154	0.000
Change in Management	0.000	0.000	0.000	(6.587)	0.000	6.587	0.000	0.000	0.000
Technical Accounting Adjustment	0.000	0.000	0.000	(0.040)	0.000	0.000	0.000	0.040	0.000
Requiring Approval	0.813	0.781	(0.315)	(4.840)	(3.398)	6.764	0.000	0.194	0.000
Total Budget Movements in Year	0.813	0.781	(0.315)	(4.840)	(3.398)	6.764	0.000	0.194	0.000

¹ Included here is summary of all budget adjustments which are below the approval threshold for Executive Board or where separate decisions through Officer, DDM and/or Executive Board have led to the budget change.

Corporate Scrutiny Committee

09 October 2024

Nottingham City Council Improvement Plan

Report of the Statutory Scrutiny Officer

1 Purpose

- 1.1 To provide an overview of the arrangements put in place to ensure delivery of the Council's Improvement Plan which was approved at Full Council on 5 August 2024.

2 Action required

- 2.1 The Committee is asked to note the arrangements and provide comments or recommendations regarding the information presented.

3 Background information

Overview

- 3.1 The Council received Directions from the Secretary of State for Levelling Up, Housing and Communities on 22 February 2024, which included the appointment of Commissioners to oversee the next phase of its improvement journey.
- 3.2 The Directions included a requirement for the Council to develop and agree an Improvement Plan to the satisfaction of the Commissioners, and to report on the delivery of the Plan at six monthly intervals or at such intervals the Commissioners may direct.
- 3.3 Since Directions were issued the Council has undertaken work at pace to develop and agree an Improvement Plan Direction and put in place relevant and proportionate arrangements to ensure delivery of the Plan.

Development and agreement of an Improvement Plan

- 3.4 Throughout its improvement journey to date the Council has used improvement plans to collate, prioritise and direct its activity. This was first articulated as the Recovery and Improvement Plan (approved at Executive Board in January 2021) which evolved into the Together for Nottingham Plan (approved at Full Council in October 2022 and refreshed in March 2023).
- 3.5 The Council has now created a successor Improvement Plan, building on the improvement journey set out in the previous plans. The Improvement Plan was developed in close liaison with Commissioners

and agreed with them on 8th July 2024. The Plan has also received political support and approval at the Council's Executive Board on 16th July 2024. At an Extraordinary Meeting of City Council on 5th August 2024, councillors formally approved the Plan as the Council's overarching improvement plan in response to the Commissioner-led intervention.

- 3.6 The new Improvement Plan sets out how the Council will address the issues and challenges that have led to the current intervention and respond to the actions required by Commissioners. It is built around three aims of enabling and supporting the Council to become:
- (1) A council that delivers with clear direction and purpose
 - (2) A council that is financially sustainable
 - (3) A council that is well-run with effective people, processes and systems
- 3.7 Extensive engagement with the Council's leadership informed the development of the Improvement Plan. This included workshops with the Council's Corporate Leadership Team and Directors and workshops with Executive Members. This approach has allowed for a realistic and pragmatic Plan to be developed, based on eleven key programmes of activity.
- 3.8 The Improvement Plan provides a clear statement of intent that the Council must change at pace to respond to the challenges it is facing. The future Council must look, feel and operate significantly differently to the Council of today. It needs to be clear on its role and purpose, realistic about what it can deliver, effective and efficient in how it operates, and focussed on consistently getting the basics right so that the City's residents and partners know what they can expect from their Council. The Plan provides the basis for further transformation, change and improvement activity to be developed, resourced and delivered.

Staff engagement and involvement to deliver improvement

- 3.9 The Improvement Plan recognises that improvement is everyone's responsibility, and its development and delivery is supported by an internal communications programme including a range of opportunities for officers to be informed and involved in the delivery of the Plan. This commenced with all-staff and all councillor briefings on the Improvement Plan and builds on the engagement undertaken with the Corporate Leadership Team, Directors Forum and Senior Leadership Forum.
- 3.10 A 'Change Community' has been established which provides an array of opportunities for staff to have their say on improvement, put forward ideas for consideration (budget savings and service improvement), and participate in the delivery of the Improvement Plan programmes through focus groups, completing surveys, or being part of a sounding board. Initial response and interest from the organisation in the Community has

been extremely positive and there are currently more than 600 officers signed up to participate.

Strengthening governance and assurance

- 3.11 Informed by the learning from previous experience – including a lack of pace in delivering other improvement plans - relevant governance and assurance arrangements have been put in place to monitor and manage the delivery of the Improvement Plan. Arrangements will ensure clear accountability and responsibility. Corporate Directors have been appointed as Senior Accountable Officers (SAOs) and accountable for the delivery of the improvement programmes assigned to them. Reporting to SAOs, Responsible Delivery Leads (RDLs) (normally Director level) have responsibility for day-to-day delivery of programmes, including putting in place project teams and resources, checking and managing processes and escalating risks.
- 3.12 The remit of the Transformation and Change Oversight Board (TCOB), was extended in June 2024 to include oversight of the Improvement Plan delivery and specific programmes in it, including the delivery of budget savings and development of further savings proposals. Chaired by the Chief Executive, the TCOB holds Senior Accountable Officers (SAOs) to account for delivery, identifies mitigations for activity that is identified as being off-track, and agrees resourcing required to support delivery.
- 3.13 A Corporate Performance Management Office (CPMO) has been formed to strengthen delivery oversight and management, and provide independent and transparent reporting to the TCOB, which is supplemented by assurance reviews on key projects. CPMO reporting on the Improvement Plan to the TCOB is currently being mobilised and is expected to commence in September.
- 3.14 The TCOB meeting provides visibility of progress on key initiatives at a high level within the organisation, and the opportunity for the Chief Executive to hold Corporate Directors to account on progress and provide a clearing house for unblocking issues and / or collectively working together to complement performance. It also provides an opportunity for Commissioners to question and challenge progress and mitigations being discussed.
- 3.15 To ensure an element of elected Member oversight scrutiny, the Deputy Leader is also a member of the TCOB, and Executive Members are briefed regularly on the delivery of programmes relevant to their portfolios. It is envisaged that a six-monthly report be presented to Full Council.

Delivery Progress

- 3.17 The Council is fully committed to delivering the Improvement Plan at pace with strong support from the Executive leadership and Corporate

Leadership of the council. Effective implementation of the Improvement Plan will lead to the Council exiting the Commissioner-led intervention over two years. Many of the activities contained in the Plan have already begun, while some activities have actively been given a later start date due to dependency on the prior completion of other deliverables, due to resource planning, or where further engagement and scoping is still to be undertaken.

- 3.18 The TCOB will regularly monitor delivery of the Improvement Plan and specific programmes within it, including the delivery of budget savings and development of further savings proposals.

4 List of attached information

- 4.1 Nottingham City Council Improvement Plan

5 Background papers, other than published works or those disclosing exempt or confidential information

- 5.1 N/A

6 Published documents referred to in compiling this report

- 6.1 [Together for Nottingham Plan](#)

- 6.2 [Secretary of State's Intervention in Nottingham City Council](#)

7 Wards affected

- 7.1 All

8 Contact information

- 8.1 Paul Clarke, Assistant Chief Executive,
paul.clarke4@nottinghamcity.gov.uk

City Council - 5 August 2024

Report of the Leader of the Council

Corporate Director/ Director:

Mel Barrett, Chief Executive

Report Author and Contact Details:

Paul Clarke, Assistant Chief Executive / Director of Policy, Performance and Communications

paul.clarke4@nottinghamcity.gov.uk

Title: Nottingham City Council Improvement Plan

Does the report form part of the Budget or Policy Framework?

Yes No

Commissioner Consideration

Has this report been shared with the Commissioners' Office? Yes No

Any comments the Commissioners wish to provide are listed below.

Does this report contain any information that is exempt from publication?

No

Relevant Council Plan Key Outcome:

Green, Clean and Connected Communities	<input type="checkbox"/>
Keeping Nottingham Working	<input type="checkbox"/>
Carbon Neutral by 2028	<input type="checkbox"/>
Safer Nottingham	<input type="checkbox"/>
Child-Friendly Nottingham	<input type="checkbox"/>
Living Well in our Communities	<input type="checkbox"/>
Keeping Nottingham Moving	<input type="checkbox"/>
Improve the City Centre	<input type="checkbox"/>
Better Housing	<input type="checkbox"/>
Serving People Well	<input checked="" type="checkbox"/>

1. Summary

- 1.1 Nottingham City Council (NCC) saw Commissioners appointed in February 2024 under Section 15(5) of the Local Government Act 1999. As a part of this intervention, the Secretary of State directed the Council to develop and agree an Improvement Plan to the satisfaction of the Commissioners.
- 1.2 The Nottingham City Council Improvement Plan, attached at Appendix 1, sets out how NCC will address the issues and challenges that have led to the current Commissioner-led intervention and respond to the actions required by Commissioners.
- 1.3 The Improvement Plan is intended to be an overarching framework that holds our improvement programmes and activities together. It seeks to address our immediate challenges while setting out the improvement priorities that enable and support NCC to be:

1. A Council that delivers for Nottingham with a clear direction and purpose
2. A Council that is financially sustainable
3. A Council that is well run with effective people, processes and systems

1.4 The Improvement Plan has been developed and agreed with Commissioners and was agreed and endorsed by Executive Board on 16 July 2024. Executive Board recommended approval of the Plan by Full Council. This report therefore seeks Full Council's approval of the Improvement Plan.

2. Recommendations

2.1 That Full Council approves the Nottingham City Council Improvement Plan (Appendix 1) as the Council's overarching improvement plan in response to the Commissioner-led Intervention.

3. Reasons for recommendations

3.1 A number of significant challenges and issues have been the catalyst for the current Commissioner-led intervention, and the Council must respond robustly and decisively to these.

3.2 On 22 February 2024, the Secretary of State for Levelling Up, Housing and Communities made Directions in relation to Nottingham City Council under section 15(5) of the Local Government Act 1999. These Directions require the Council to develop and agree an Improvement Plan to the satisfaction of the Commissioners within 3 months. Following correspondence between the Chief Executive and civil servants regarding the delay in the appointment of the third Commissioner the three-month deadline was extended and has subsequently been confirmed by the Lead Commissioner as 8 July 2024.

3.3 The draft Improvement Plan, developed and agreed with Commissioners, is attached at Appendix 1 for Full Council's consideration.

3.4 The Improvement Plan is clear that the Council must change significantly and at pace to respond to the challenges it is facing. The future Council must look, feel and operate significantly differently to the Council of today. It needs to be clear on its role and purpose, realistic about what it can deliver, effective and efficient in how it operates, and focussed on consistently getting the basics right so that the City's residents and partners know what they can expect from their Council.

3.5 Delivering the Improvement Plan will reform the delivery of the services and outcomes the City and its citizens need. The Improvement Plan provides the basis for transformation, change and improvement activity the Council must develop, resource and deliver through eleven key programmes.

3.6 Those programmes include existing programmes in addition to proposed new activity. They address the most immediate and significant challenges the Council faces, including its financial sustainability, which will be achieved through a programme of further budget savings, a continued asset sales programme and the strengthening of its financial management practice and culture.

4. Other options considered in making recommendations

4.1 None. The Intervention Directions require the Council to agree and appraise the Improvement Plan.

5. Consideration of Risk

5.1 A number of overarching risks to the delivery of the Improvement Plan are identified at Appendix A3 (of the Plan). Five key risks are identified and the mitigations described alongside these. The key risks cover:

- Capacity and pace
- Resources
- Delivery
- Citizen and partner perceptions
- Interdependencies and sequencing

6. Best Value Considerations

6.1 Best Value is a key component of the draft Improvement Plan with Government's intervention and the appointment of Commissioners predicated on the Secretary of State's assessment that the Council is failing to comply with its Best Value duty.

7. Background

Overview – Aims, Outcomes and Priorities

7.1 The Plan sets out three high-level aims that enable and support the Council to be:

1. A Council that delivers for Nottingham with a clear direction and purpose
2. A Council that is financially sustainable
3. A Council that is well run with effective people, processes and systems

7.2 These aims are each underpinned by a clear set of outcomes and eleven programmes of key activities to deliver robust, whole Council change:

Aims	Focus	Priority Programmes
A Council that delivers for Nottingham with a clear direction and purpose	The Council needs to look, feel and operate differently. It needs a clear vision and purpose that guides the transformation of the organisation, its budget strategy, workforce development, and future priorities for the city and its residents; and clearly explain how the council will deliver, enable and influence others to achieve those priorities.	1. Future Council: Vision, purpose and approach 2. Review and develop the Transformation Programme 3. Manage and monitor delivery
A Council that is financially sustainable	The Council needs to 'live within its means' and be able to deliver a balanced budget and sustainable financial plan. This will be attained through the delivery of credible savings plans, robust financial management, improved commercial practice, and a	4. Continuous financial sustainability 5. Strengthen financial management 6. Review Council companies and traded

	programme of capital assets disposal.	services 7. Corporate landlord and assets sales programme
A Council that is well run with effective people, processes and systems	The Council needs to continue to modernise how it operates and improve its productivity and operational efficiency so it can deliver to the best of its ability. This includes strengthening governance, making sure roles and responsibilities are clearly understood, and looking at how service delivery is supported and enabled by business processes and systems.	8. Improve governance 9. Engaged, effective and empowered workforce 10. Strengthen internal controls and assurance 11. Improve enabling and support systems and processes

7.3 The Improvement Plan has been developed collaboratively with Commissioners and responds to the actions they see as necessary for them to exit from the Council.

Relationship with other Plans

7.4 The Improvement Plan builds on and supersedes the Together for Nottingham Plan and the Improvement and Assurance Board's Instructions, incorporating elements of those where appropriate to ensure a continued journey of improvement.

7.5 Significant improvement work has been undertaken in recent years, with progress acknowledged by the Improvement and Assurance Board in areas such as the Council's approach to its companies. The Improvement Plan does, however, represent an accelerated pace of improvement.

7.6 With its focus on financial sustainability and emphasis on a well-run Council, the Plan also supports delivery of the Budget Strategy (approved by the Executive Board on 18 June 2024) which provides a framework for developing proposals to deliver further savings, efficiencies or income to achieve a balanced budget and medium-term financial sustainability.

7.7 The draft Improvement Plan does not set out new policy. The Strategic Council Plan (as refreshed in March 2024 and subject to future updates to ensure ongoing alignment with the Medium-Term Financial Plan and the requirements of Commissioners) sets out the Council's Policy Framework and the priorities which the Council aims to deliver, however it is inevitable that progressing the programmes contained in the Improvement Plan will require policy choices to be made in due course. The Improvement Plan will improve how the Council operates so that the Policy Framework can be delivered more efficiently, effectively and economically.

Delivery of the Improvement Plan

7.8 Robust governance and assurance arrangements have been put in place to ensure delivery of the Improvement Plan. Section 4 of the Plan summarises these. Corporate Directors will act as Senior Accountable Officers (SAOs) and be accountable for the delivery of the improvement programmes assigned to them. Reporting to SAOs, Responsible Delivery Leads (RDLs) will have responsibility for day-to-day delivery of

programmes, including putting in place project teams, checking and managing processes and escalating risks.

- 7.9 A Transformation and Change Oversight Board (TCOB) meets monthly and acts as the top of the governance structure. It will hold SAOs to account for delivery, identify mitigations for activity that is identified as being off-track, and agree resourcing required to support delivery. A Corporate Performance Management Office (CPMO) provides independent and transparent reporting to the Transformation and Change Oversight Board.
- 7.10 To ensure appropriate elected Member scrutiny, the Deputy Leader is a member of the Transformation and Change Oversight Board. Executive Members will be briefed regularly on the delivery of programmes relevant to their portfolios. The Overview and Scrutiny Committee will periodically review the plan, while Audit Committee will consider risk management and the wider control environment.
- 7.11 There are elements of the Improvement Plan that are likely to require additional resources and capacity to support delivery, particularly the programme of budget savings and transformation that is likely to be required to deliver those savings. At their meeting on 16th July 2024, the Executive Board noted the intention to develop an investment and resourcing plan to support the Improvement Plan delivery.

Key Performance Indicators

- 7.12 A small set of Key Performance Indicators (KPIs) are included at Appendix A2 to the Plan. Progress against these KPIs will demonstrate achievement of the Improvement Plan outcomes and will be incorporated into the regular reporting of organisational health indicators.

8. Commissioner comments

- 8.1 The Commissioners have actively participated in the process leading to this report and are pleased to support its progression.

9. Finance colleague comments (including implications and value for money)

- 9.1 Delivering financial stability¹ is one of the three overarching aims of the Council's Improvement Plan which compliments the 2025/26 Budget Strategy approved by the Executive Board in June 2024.
- 9.2 The delivery of a balanced budget over the coming medium-term (2025/26 – 2028/29) is not just a key priority for the delivery of the Improvement Plan but paramount to the long-term financial resilience of the Council.
- 9.3 Achieving a balanced budget over the next three years will require budget savings and income opportunities in the region of c£172m. This can only be achieved through significant change that improves the way the Council operates and how it delivers services. The significance of the budget gap of c£172m over the next 3-years combined with the need to rely on substantial amounts of Exceptional Financial

¹ Aim 2: A Council that is financially sustainable: The Council needs to 'live within its means' and be able to deliver a balanced budget and sustainable financial plan. This will be attained through the delivery of credible savings plans, robust financial management, improved commercial practice, and a programme of capital assets disposal

Support (EFS) should not be underestimated; and although the EFS has allowed the Council to set a balanced budget in 2024/25, the Council has set itself a significantly higher hurdle of c£69m to achieve in 2025/26. Therefore, it is essential that the Council looks to have in place an Improvement Plan which supports the Council in achieving a financially sustainable budget over the medium-term and in particular in meeting the conditions of the EFS and Commissioners' requirements.

- 9.4 The scale and pace of change warranted across the organisation to set a balanced budget and close the budget gap of c£172m over the next 3 years will require significant and sustained investment. Without directing the right resources to deliver the eleven programmes as set out within the Improvement Plan, the Council will not be able to achieve the necessary change or deliver a balanced budget. While most improvement activities will be funded from within existing directorate budgets, the delivery of some of the programmes within the Improvement Plan and in particular the 2025/26 and 2026/27 budget proposals, will require capacity and expertise over and above existing resources and budgets.
- 9.5 Outside of what has already been approved through a combination of previously approved decisions and the 2024/25 Budget and Medium-Term Financial Plan report to the Executive in February 2024, the additional cost of funding the Improvement Plan have yet to be quantified. Where possible any additional funding requirement will in the first instance need to be met from either external income, repurposing of existing budgets and/or reserves, with capital receipts and revenue growth to only be considered once all other options have been exhausted. Where capital receipts are to be considered, then an impact assessment against the EFS requirement, asset rationalisation programme and the current/future commitments through the capital programme will need to be undertaken to ensure that any application is in accordance with the Capital Strategy, in particular the capital receipts prioritisation framework.
- 9.6 Corporate Leadership Team will be developing an investment and resource plan for the delivery of the Improvement Plan in accordance with the 2025/26 budget strategy objectives and principles to flow back to the Executive and/or City Council (as appropriate) for approval alongside either 2025/26 budget proposals, budget strategy and/or Improvement Plan update through the year.

10. **Legal colleague comments**

- 10.1 On 22 February 2024 the Secretary of State for Levelling Up, Housing and Communities made Directions under section 15(5) of the Local Government Act 1999 in relation to the Council. The Directions replaced the Improvement and Assurance Board and implemented a two year intervention package which included the appointment of Commissioners. The Commissioners are accountable to the Secretary of State and have been granted powers to exercise wide ranging functions, the extent of which is set out in the letter.
- 10.2 The Directions require the Council to take certain actions, the first of which is;
- 10.3 "In the first three months to agree and appraise the Nottingham City Council Improvement Plan, to the satisfaction of Commissioners (which may include or draw upon improvement or action plans prepared in response to any recommendations issued by the Nottingham City Council Improvement and Assurance Board before the date of these Directions), and as a minimum, the following components:

- 10.3.1 a) Actions to ensure that a strategic and systematic approach to risk management, coupled with the appropriate scrutiny and governance of decision-making processes and procedures, is adopted and embedded across the Authority.
- 10.3.2 b) Actions to deliver financial stability in the Authority, including investigation to establish accuracy and suitability of current financial accounts and management controls, rapid and sustainable improvements to its scrutiny function, financial and risk management, strengthening accounting processes and reporting arrangements.
- 10.3.3 c) Actions to secure continuous improvement in all services.”

10.4 Once approved the Council are required by virtue of the second action;

10.5 “To report to the Secretary of State on the delivery of the Nottingham City Council Improvement Plan at six monthly intervals, or at such intervals as the Commissioners may direct and adopt any recommendations of the Commissioners with respect to the Improvement Plan and its implementation.”

10.6 The draft Improvement Plan at Appendix 1 has been developed in response to the Commissioner’s requirements and has been shared with Commissioners in accordance with the first action required to be taken by the authority (as set out above).

10.7 The original deadline for the draft Improvement Plan was extended to the 8 July by the Commissioners appointed by the Secretary of State.

Beth Brown, Director of Legal and Governance, 17 July 2024

11. **Other relevant comments**

11.1 Relevant advice will be sought in relation to the individual activities contained within the Improvement Plan.

12. **Crime and Disorder Implications (If Applicable)**

12.1 Not applicable.

13. **Social value considerations (If Applicable)**

13.1 Not applicable.

14. **Regard to the NHS Constitution (If Applicable)**

14.1 Not applicable.

15. **Equality Impact Assessment (EIA)**

15.1 Has the equality impact of the proposals in this report been assessed?

No



An EIA is not required because the individual activities contained within the Improvement Plan will be subject to an EIA as applicable.

16. Data Protection Impact Assessment (DPIA)

16.1 Has the data protection impact of the proposals in this report been assessed?

No



A DPIA is not required because the activity contained within the Improvement Plan does not include any data which is not already in the public domain, or is not suitable for publication

17. Carbon Impact Assessment (CIA)

17.1 Has the carbon impact of the proposals in this report been assessed?

No



A CIA is not required because the individual activities contained within the Improvement Plan will be considered alongside the Council's Carbon Neutral 2028 Action Plan as required.

18. List of background papers relied upon in writing this report (not including published documents or confidential or exempt information)

18.1 N/A

19. Published documents referred to in this report

19.1 [Together for Nottingham Plan](#)

19.2 [Secretary of State's Intervention in Nottingham City Council](#)

19.3 [Strategic Council Plan](#)

**Councillor Neghat Khan
Leader of the Council**

Nottingham City Council Improvement Plan

Our Plan to become a financially sustainable and well-run
Council with a clear direction and purpose



Foreword from the Leader and Deputy Leader

Nottingham City Council will always work hard for the people it serves. Our ambition for our citizens will never change. We will strive to provide the best services, protect those most in need, and ensure the City can continue to thrive.

In recent years, this has become increasingly challenging. We no longer have the money to deliver the services people need or to support them in the way we would like; demand is overwhelming us; and the landscape in which we operate is changing and we have sometimes been slow to adapt to deliver services in different ways or by working with partners.

We are now at a critical moment in our Council's history.

We are clear that we must change – and accept that we must do this quickly. Put simply, the next three years will make or break the Council. That is why we have drawn up our Improvement Plan, a roadmap that recognises the urgency of the task ahead and sets out how we can move from crisis to stability, to get back on track to deliver for the people Nottingham.

This won't be easy. There are services we currently provide that we will have to reduce; there are other services that must change to be more efficient; and there are some things we will simply have to stop doing and look at new ways of working with our partners to deliver them.

We serve a diverse City with significant deprivation, so it is important that our commitment to equality, inclusivity and protecting our most vulnerable people remains steadfast.

However, following our issuing of a Section 114(3) Report and the appointment of Government Commissioners, we know that the Council must restore and rebuild trust with the people of Nottingham. We are committed to making this happen and will not shy away from the challenge ahead of us.

Our Improvement Plan recognises that we must learn from the mistakes of the past and overcome the barriers that have slowed our improvement progress. This includes:

- **Having fewer, clearer priorities:** while much of the Council's role is legally defined, we will consider different options for delivering services by partnering with others.
- **Making quicker decisions:** officers and Councillors will work more effectively together, ensuring our decisions are based on evidence, along with better monitoring of our performance.

- **Reducing our costs:** we will make the most of our income and maximise the value of every penny of taxpayers' money. The biggest cost to the Council is supporting vulnerable children and adults, and so significant innovation will be needed here.
- **Making the most of our people:** our biggest resource is our hard-working and dedicated officers and Councillors. We will continue to build our training and development programmes to drive forward the changes we need.

As the new Leaders of the City Council, we are committed to an Improvement Plan that looks at the whole Council rather than just changing small parts of it. We are confident in our ability to implement the actions in this plan with the necessary urgency and pace. We believe that we can build a sustainable and resilient Council and work towards a brighter future for Nottingham.



**Cllr Neghat Khan
Leader of the Council**



**Cllr Ethan Radford
Deputy Leader of the Council**

Contents

Section	Purpose	Page
1. Introduction	This section explains the purpose of the Improvement Plan and sets out the context for the Council's improvement including the need to change and improve, and the challenges that have led to Government intervention. This section also explains the relationship of the Improvement Plan with other strategic documents.	4
2. Our Future Council	This section summarises how the Council will need to look, feel and operate differently in the future. A vision for the future Council is provided as context for further improvement and development across the organisation.	8
3. Improvement aims, outcomes and priorities	This section sets out the overall aims, priorities and structure used to organise the improvement programmes, projects and activities in the Improvement Plan. The overall outcomes that will be achieved by the delivery of the Plan are also listed.	11
4. Ensuring and enabling delivery	This section provides a summary of the arrangements being developed and strengthened for governance, assurance reporting, resourcing and supporting delivery of the Improvement Plan.	16
Appendix 1: Priority programme activity summaries (Plans on a page)	Provides a summary of the programme activity for each of the priority improvement programmes and projects. It includes key milestones and the accountable and responsible officers.	21
Appendix 2: Key Performance Indicators (KPIs)	Lists the Key Performance Indicators (KPIs) that will help measure and demonstrate progress towards the overall aims and outcomes.	38
Appendix 3: Risk and dependency management	Provides a list of the key risks to delivery of the Improvement Plan.	39

Section 1: Introduction

Page 68

Section 1: Introduction

Purpose of this Plan

This Improvement Plan sets out how Nottingham City Council will respond to the significant governance and financial challenges that have led to intervention by the Government. It responds to the statutory Intervention Directions issued under Section 15 of the Local Government Act 1999 which require the Council to develop and agree a Council Improvement Plan with Commissioners.

The Plan provides the basis for the improvement required over the period of the statutory intervention. It has been developed in liaison with Commissioners and delivering it will demonstrate the improvement necessary to support their exit from the Council.

The Improvement Plan is the overarching framework that holds our improvement activity together. It addresses the challenges we face while setting out the aims we will work towards to achieve longer term change and become a Council that has a clear purpose and direction, is financially sustainable and is well run. The future Council will need to be leaner and focused on getting the basics right while responding more effectively to the evolving needs of the City.

Delivering the Improvement Plan will provide assurance to citizens, Councillors, officers, partners and Commissioners that we are improving the way we operate so as a Council we deliver, enable, and influence better outcomes for the City in the most effective, efficient and economical way.

The need for improvement and change

To ensure we are fit for the future, Nottingham City Council (NCC) must change. We will become a smaller and more efficient organisation that delivers outcomes for the City and citizens differently.

The Council must become an organisation that consistently delivers services our citizens can trust and rely on. We are committed to achieving this through the delivery of our Improvement Plan.

The Council understands the implications of statutory intervention and the need for further improvement and change. After issuing a Section 114(3) Report (under the Local Government Finance Act 1988) in late 2023 and the appointment of Commissioners in February 2024, the Council recognises that it has reached a point of crisis.

The context for intervention

Over the last decade, new libraries, tram lines, a new leisure centre and investment in public spaces have brought positive changes to the City. We have continued to take bold decisions to improve Nottingham's neighbourhoods and the City Centre.

But the level of financial risk has not always been considered systematically and governance of some schemes has not always been robust enough.

Nottingham is a City with huge potential and the Council must continue to improve to play a full and active role in supporting the City's continued prosperity and to tackle existing inequalities.

That will require difficult decisions, including the need to consider how income from all sources such as grant funding, fees, charges and Council Tax can be applied to ensure the Council's future sustainability. We will need to deliver transformation, change and improvement at a pace quicker than we have previously.

A series of events, reviews and judgements highlight the financial and governance challenges we must address:

- In September 2015, the Council established Robin Hood Energy, a not-for-profit provider of gas and electricity, with the aim of tackling fuel poverty and providing affordable energy to customers. The company failed to turn a profit and accumulated losses exceeding £34 million by 2019, leading to its closure in 2020. A Public Interest Report by Grant Thornton in August 2020 criticised the management of Robin Hood Energy and the Council's risk management and governance.
- In response, a rapid review led by (Government appointed) Max Caller identified the issues facing the Council and made recommendations for action. The recommendations included the establishment of an Improvement and Assurance Board (IAB) to oversee the implementation of reforms and submit quarterly reports to the Government on progress made.

- The *Together for Nottingham Plan* formed the heart of the Council's response. Approved in 2021 and refreshed in 2022, it sought to address the 67 changes and improvements required by the IAB.
- In December 2021, a serious issue was brought to light, involving the misappropriation of £15.86 million from the Council's Housing Revenue Account, which had been incorrectly credited to the General Fund since 2014/15. In response, the IAB was placed on a statutory footing.
- The IAB's quarterly reports highlighted some noteworthy improvements particularly in the Council's control of its various companies. However, the substantial breaches of Housing Revenue Account regulations were described as a significant setback and the pace of improvement at the Council was deemed to be lacking.
- In November 2023, a Section 114(3) Report was issued by the Council's Chief Finance Officer on the basis that the expenditure of the Council exceeded resources available to meet that expenditure.
- In February 2024, Commissioners were appointed by the Government under Section 15(5) and (6) of the Local Government Act 1999 to oversee the Council's recovery and improvement over the next two years.

The intervention comes with a set of Directions, including the requirement to produce an Improvement Plan to the satisfaction of Commissioners. The Council has been working closely and cooperatively with Commissioners, including in the production of this Plan.

Our improvement journey

Our improvement journey as a Council is already underway. It does not start with this Improvement Plan. Responses to the IAB's statement of requirements and statutory Instructions have resulted in several of the programmes, projects and initiatives contained within the *Together for Nottingham Plan*.

This Plan builds on and enhances this existing work, as well as initiating new projects and programmes in response to the Intervention Directions. It supersedes the *Together for Nottingham Plan* and the IAB's Instructions. It sets out how the Council will improve and develop at a greater pace, while putting citizens, communities and partners first.

The Plan will be regularly reviewed and refreshed. It will continue to evolve as our improvement journey progresses, activity is delivered, and the Commissioners' requirements are met. It will be updated to reflect engagement and consultation, and any changes in priorities and new requirements.

Our improvement needs to be about both immediate recovery and building a Council that is resilient and able to respond to future changes in ambitions and priorities.

Delivery of this Improvement Plan will provide a basis for the Council to demonstrate its improvement to Commissioners, Councillors, citizens and other stakeholders, providing assurance that change is happening.

Relationships with other plans

This Improvement Plan sits alongside other plans (see Figure 1) to provide an overall framework for the continued improvement and evolution of the Council:

- The *Improvement Plan* sets out the key improvement activity which responds to the issues cited in the Intervention Directions, while supporting the development of the Council to realise its vision for its future role and purpose.
- The related *Budget Strategy* provides a framework for developing proposals that will deliver further savings, efficiencies or income to achieve financial sustainability.
- The *Strategic Council Plan* sets out the Council's strategic policy priorities for the City and citizens, which guide delivery; align resources, delivery plans, strategies, operational activity and partnership working with these priorities.
- The *Medium-Term Financial Plan* summarises the Council's financial income and expenditure for 2024/25 to 2028/29 and how the Council intends to manage and deploy its financial resources to deliver priorities and improvement activity.

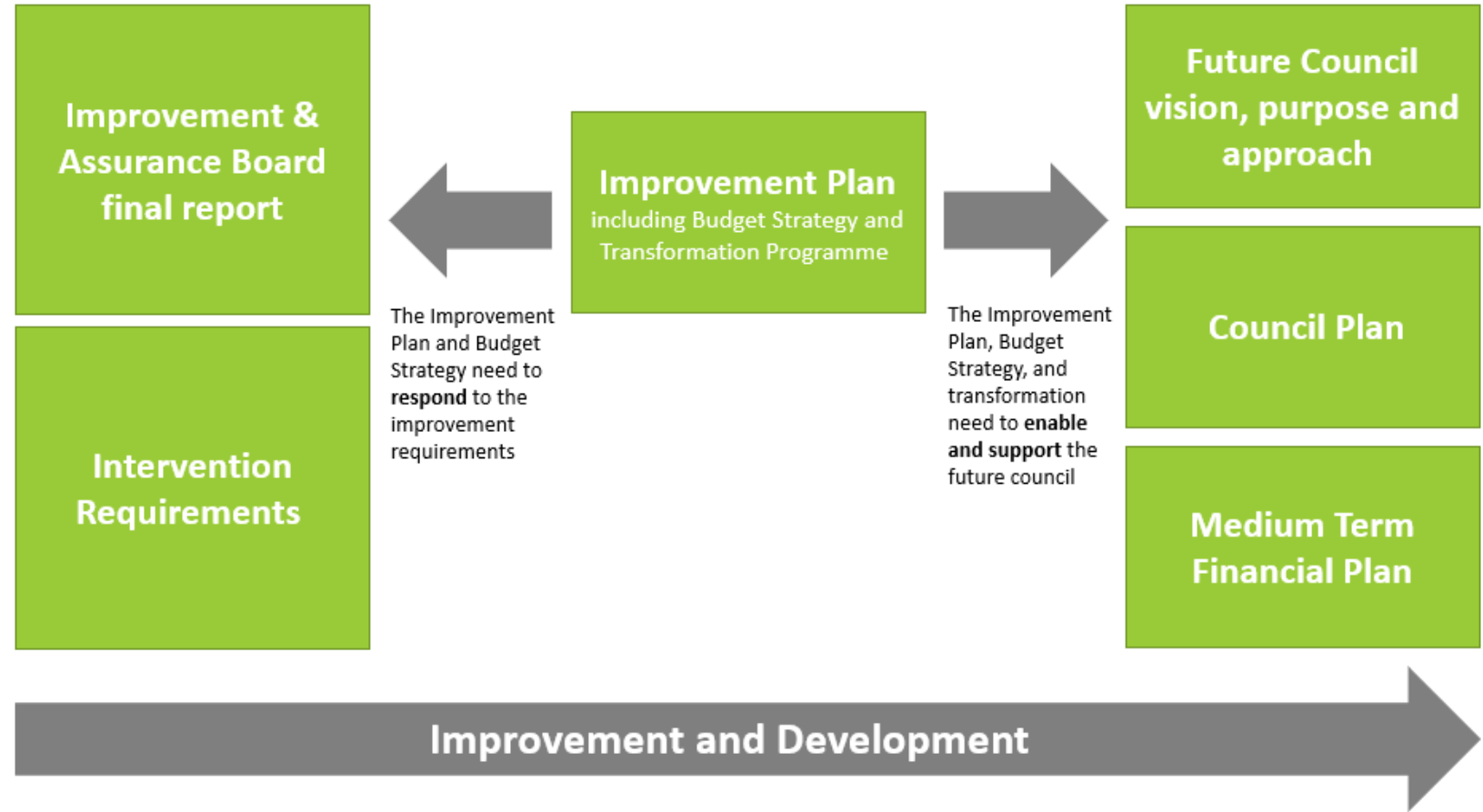


Figure 1: Relationship between key plans

Section 2: Our Future Council

Section 2: Our Future Council

The Council will look, feel and operate differently in the future.

Our Strategic Council Plan sets out the commitments made to our People, Neighbourhoods and City. Our Improvement Plan will ensure the Council plays its role in achieving those as effectively and productively as possible. This will require significant change and transformation, including our support for vulnerable children and adults where we spend a large proportion of our budget.

We need to become a resilient organisation that is operationally efficient and effective, able to support and enable the delivery of policy and delivery priorities as they change over time.

As the Council prioritises its resources for the benefit of citizens, some of our services will transform, some will reduce in size, and some may cease completely.

We will continue to have a realistic conversation with citizens and partners about our shared ambitions for the future, ensuring our priorities are informed by what is most important to them. We will learn from other councils about how they have improved and what they do differently.

Role and purpose

We need to be honest about the role and purpose of the Council in achieving priorities – being clear on our offer, and where we will deliver services, commission providers, or look to enable, support or influence others to deliver services.

This will help achieve best value and utilise our resources in the most productive way. The potential for increased community and neighbourhood working, early intervention and demand prevention and co-production and collaboration will be key considerations.

We will listen to what our customers want from us. We will better define what we can achieve (our 'core offer') so that citizens and partners understand the role and responsibilities of the Council, our service standards and customer expectations. We are likely to commission and procure some services on behalf of citizens rather than deliver them ourselves.

Whether it is delivering, enabling, or influencing outcomes, the Council will:

- Provide a consistent and positive experience, delivering the basics well and providing the right support at the right time.
- Deliver value for money through continuous improvement and effective financial control mechanisms.
- Ensure our workforce is offered support and development, flexibility and care, enabling the attraction and retention of talented and dedicated staff.
- Adopt a clear 'One Council' approach to our role, prioritising joined up partnership working.

Whole Council change

Achieving whole Council change will require both changes in organisational culture and improvements in policy and practice.

A consistent and positive culture, with clear roles, responsibilities and expectations of Councillors and staff, will be vital to the Council being Councillor-led, officer-run and citizen focused.

To support culture change, we will improve performance management, programme delivery, technological systems and processes so we operate more efficiently and effectively.

These are reflected in several of the Improvement Plan priority programmes that focus on being a Well-Run Council, including:

- An engaged, effective and empowered workforce
- Improving enabling and support systems and processes
- Managing and monitoring our delivery
- Improving governance

Clear direction

It is critical that the Council has a clear direction for its future. A key aim of the Improvement Plan is to ensure the Council has a clear vision for its further transformation, budget strategy and future delivery and policy priorities.

This Plan proposes a key programme of work that will further develop the vision and purpose of the future Council (see Figure 2), and ensures this is translated into how the Council operates and behaves – including:

- Development of a ‘Future Council’ approach and framework for how services are led, managed and delivered by the Council.
- Development of a new model for engagement with the City and its partners and citizens, ensuring there is citizen and partner input to the Council’s strategic thinking and how we work together effectively.

We will review, refresh and re-position our transformation programme so it aligns with our vision for the future and is driven by our budget strategy.



Figure 2: Future Council vision, role & purpose, with the levers for change and delivery

Section 3: Improvement aims, outcomes and priorities

Section 3: Improvement aims, outcomes and priorities

Our Improvement Plan sets out clearly what we will achieve to address immediate challenges, such as delivery of budget savings, while ensuring a focus on the future and how the Council will need to operate to best serve the needs of the City and its citizens.

Our improvement aims

To achieve this, our three overall aims are to be:

- 1. A Council that delivers for Nottingham with clear direction and purpose:** through enabling and influencing others and delivering Council services that reflect priorities and resources, are affordable, represent value for money, have clear standards and are continuously improved so they are designed around, or alongside, their customers and citizens.
- 2. A Council that is financially sustainable:** through the achievement of a balanced budget which will be attained through credible savings plans, robust financial management, improved commercial practice and a programme of capital assets disposal.
- 3. A Council that is well-run with effective people, processes and systems:** improved productivity and operational efficiency, stronger and clearer governance and the development of the organisation's culture so there is an engaged, effective and empowered workforce, and further clarity on roles and responsibilities.

Improvement priorities and programmes

To achieve these aims, the Improvement Plan is focused on an initial set of 11 Priority Programmes of Action (see Figure 3). These build on the progress we have made under the oversight of the Improvement and Assurance Board (IAB) and delivery of our *Together for Nottingham* Plan.

Some of the programmes are in place already and are fully formed and resourced. These will continue to be delivered (e.g. Assets Sales Programme and Review of Companies). Some programmes (e.g. Improving governance) are being initiated to ensure we are responding to the issues referenced in the Intervention Directions and the requirements and expectations of Commissioners. They will need to be further developed in terms of scope, activity and resources required to support delivery of them.

It is likely that these programmes and projects will change over time. There will be further programmes arising from some. For example, the review and refresh of the transformation programme will result in new programmes that are driven by our budget strategy and future Council vision.

Although programmes and projects are primarily aligned to a single Improvement Plan aim, most are interdependent, and the outcomes will be cross-cutting and contribute to all three Improvement Plan aims. All programmes aim to drive behavioural change, continuous improvement and the ambition to seize the opportunity to deliver better outcomes at lower costs.

List of Improvement Programmes:

1. Future Council: Vision, purpose and approach
2. Review and develop the Transformation Programme
3. Manage and monitor our delivery
4. Continuous financial sustainability
5. Strengthen financial management
6. Corporate landlord and assets sales
7. Council companies and traded services
8. Improve governance
9. An engaged, effective and empowered workforce
10. Strengthen internal controls and assurance
11. Improve enabling processes and systems

Figure 3: List of Improvement Programmes

Aim 1: A Council that delivers for Nottingham with clear direction and purpose

The Council needs to look, feel and operate differently. It needs a clear vision and purpose that guides the transformation of the organisation, its budget strategy, workforce development and future priorities for the City and its citizens, and clearly explains how the Council will deliver, enable and influence others to achieve those priorities.

The focus of this aim is:

Creating and communicating the future role and purpose of the Council, so it can work more effectively, efficiently and economically to achieve priorities and be clear on how the organisation needs to change and transform to do that.

Outcomes (the things that tell us we have achieved our aim) are:

- A clear vision, purpose and priorities that guide how the Council operates
- A clear, consistent and effective customer experience and improved satisfaction
- Clear service offer and standards
- A transformation programme aligned to the future vision and purpose

The key programmes of activity that will deliver this improvement and change are:

Programme	Description and Purpose
<p>Page 77</p> <p>1. Future Council: Vision, purpose and approach</p>	<p>This programme will create a shared vision for the future of the Council to help everyone understand the Council's future role and purpose. It will consider the relationship with the City's communities, the role of partners and the role of the Council in the delivery of strategic priorities and outcomes. The vision and purpose will direct which services we prioritise, be translated into a framework that embeds good practice characteristics and principles into how services are led, managed and delivered, and develops a new model of engagement that meets the needs of Nottingham's diverse communities. These will be key elements of a new operating model for the Council.</p>
<p>2. Review and develop the Transformation Programme</p>	<p>This programme will review the Council's current Transformation Programme to ensure it is aligned with the future direction and need to deliver savings, through fundamentally enhancing services, systems, processes and technology across the Council, to achieve measurable improvements in efficiency, effectiveness and priority outcomes for residents within our reduced financial resources.</p>
<p>3. Manage and monitor our delivery</p>	<p>This programme will strengthen the Council's ability to monitor and manage the delivery of its priorities. It will focus on the development and implementation of a corporate performance management framework and approach that will ensure regular reporting of performance and delivery against Council priorities, transformation and budget savings, proactively identifying risks and the mitigations needed. The continued strengthening of the Corporate Programme Management Office (CPMO) and alignment of it to a refreshed Transformation Plan/Programme will also be a component of the programme. Alongside the programmes designed to 'Strengthen financial management' and 'Strengthen internal controls and assurance' it will ensure the Council has a tighter grip on its delivery, performance and risk management.</p>

Aim 2: A Council that is financially sustainable

The Council needs to 'live within its means' and be able to deliver a balanced budget and sustainable financial plan. This will be attained through the delivery of credible savings plans, robust financial management, improved commercial practice, and a programme of capital assets disposal.

The focus of this aim is:

Strengthening financial management, the delivery of savings and other activity to improve the current financial position of the Council and its longer-term sustainability

Outcomes (the things that tell us we have achieved our aim) are:

- Delivery of a balanced budget and sustainable medium-term financial plan
- Robust and credible savings plans delivered
- Robust financial monitoring, management and accountability
- A prioritised capital assets programme

The key programmes of activity that will deliver this improvement and change are:

Programme	Description and Purpose
4. Continuous financial sustainability	The programme focusses on the delivery of budget savings in 2024/25 and the development of further credible and approved budget savings proposals to be delivered in 2025/26 and beyond. It will ensure the Council sets a legally balanced budget annually and help enable the Council to live within its means over the longer term.
5. Strengthen financial management	The programme will ensure there is consistent financial compliance across the organisation by continuing to implement the Finance Improvement Plan which will strengthen practice and approaches to monitoring, compliance and forecasting.
6. Council companies and traded services	The programme will simplify and streamline the Council's portfolio of owned or affiliated companies, aiming for a sustainable, well-governed and viable set of Council Owned Entities (COEs).
7. Corporate landlord and assets sales	The Programme will centralise property management for the Council's operational, commercial and community properties to reduce duplication, ensure safety compliance and deliver cost-efficient services, supporting a leaner, more efficient organisation. It will identify opportunities for asset disposal, which will feed into an Asset Sales Programme that is reviewing all capital assets to identify opportunities for generating capital receipts to help balance the near-term budget while maintaining acceptable income levels and ensuring the Council's property estate meets current and future needs.

Aim 3: A Council that is well run with effective people, processes and systems

The Council needs to continue to modernise how it operates and improve its productivity and operational efficiency so it can deliver to the best of its ability. This includes strengthening governance, making sure roles and responsibilities are clearly understood and looking at how service delivery is supported and enabled by business processes and systems.

The focus of this aim is:

Improving how the Council is run, so it can become more efficient and productive, supported by good governance, good business processes and an organisation with an engaged, effective and empowered workforce.

Outcomes (the things that tell us we have achieved our aim) are:

- An engaged, effective and confident workforce that feels empowered
- Effective governance that enables timely and transparent decision making
- Effective management of performance and risk
- Clear roles and responsibilities and effective working relationships including inter-directorate working
- Efficient and effective systems and processes

The key programmes of activity that will deliver this improvement and change are:

Programme	Description and Purpose
Page 79 Improve governance	<p>The programme will lead to better governance, clearer accountability, stronger working relationships and improved decision-making, through:</p> <ul style="list-style-type: none"> • A review and refresh of the scheme of delegation, standing orders, financial regulations, Elected Member/Officer protocol. • A review and evaluation of the informal processes that support our formal decision-making. <p>The programme will also develop and deliver activities to improve understanding between Members and officers, strengthen our culture of collaboration and ensure effective teamwork and relationships across the Council. It will include a Member and Officer development programme focusing on respective roles and responsibilities in leadership, decision-making, scrutiny, audit, regulatory roles, partnerships and engaging with local communities.</p>
9. An engaged, effective and empowered workforce	The programme aims to improve the officer structures, workforce culture and the management of employee performance to deliver the Council's priorities in an efficient, effective and economical way. It will focus on organisational culture, structures, performance management and employee engagement, including an all-staff survey to inform baselining and programme activity.
10. Strengthen internal controls and assurance	The programme will strengthen key elements of the Council's internal controls – focussing on an assessment and improvement of the Council's risk management approach and a review of the Internal Audit function to identify and deliver appropriate improvement actions. Alongside the programmes focussing on 'Strengthening financial management' and 'Managing and monitoring delivery' it will ensure the Council has a tighter grip on its delivery, performance and risk management.
11. Improve our enabling and support systems and processes	The programme builds on the Council's digital transformation journey, ensuring business processes and systems are designed with and for the customer, both internally and externally. It will start with an organisation wide process review to identify the systems and processes most in need of improvement.

Section 4: Ensuring and enabling delivery



Ensuring delivery: Principles and approach

Clear governance, monitoring and assurance reporting arrangements will be put in place to ensure the Improvement Plan is delivered. The following principles and arrangements will be adopted and used to guide our approach (Figure 4).

The Corporate Programme Management Office

A Corporate Programme Management Office (CPMO) was established in April 2024 to oversee transformation and budget savings activities. Its remit is anticipated to incorporate the monitoring and reporting on the Improvement Plan delivery.

The CPMO's functions fall into two broad categories:

1. **Monitoring and assurance:** the CPMO ensure that monitoring happens, reviews, and challenges the outputs from each monitoring round and provides the papers and analysis required by Transformation and Change Oversight Board (TCOB) to allow it to function effectively.
2. **Supporting delivery:** the CPMO includes a 'Change Academy' which manages and deploys corporate project management, business analyst and change consultant capability to support the delivery of the Council's transformation activity.

Taken together these two functions provide a rounded assurance and delivery vehicle that will support the Council in the achievement of the Improvement Plan.

Principle	Arrangements
Accountability and Responsibility for delivery	<p>Senior Accountable Officer (SAO): Corporate Directors will act as the accountable officer for the delivery of Improvement Plan programmes assigned to them. They are ultimately accountable for ensuring that the outcomes of the programmes are met, whilst making sure that there is timely engagement with key stakeholders including elected Members.</p> <p>Responsible Delivery Lead (RDL): Whilst Corporate Directors are accountable for delivery, they may assign the overall responsibility for the day-to-day delivery of this work to a colleague, in the capacity of a delivery lead. This activity is likely to include putting project teams in place, checking and managing process and escalating any key risks and / or blockages where these can't be dealt with at a project level.</p>
Governance structures	<p>To ensure timely and accurate reporting and decision making the <i>Transformation and Change Oversight Board (TCOB)</i> will act at the top of the governance structure and meet monthly. This Board is made up of senior officers (Chief Executive and Corporate Directors), the Deputy Leader and the Transformation Commissioner. It will hold Corporate Directors to account for delivery and also act as a forum through which escalations are made, significant changes to projects agreed and additional resources provisionally allocated.</p> <p>Corporate Directors, as Senior Accountable Officers, will determine their own governance arrangements below this Board, in the context of the transformation and savings activities they are accountable for.</p>
Monitoring and Assurance	<p>Reporting against the activity in the Improvement Plan will take place in a standardised form monthly to ensure that there is a timely, consistent and accurate picture against delivery of the Plan. Reporting will be supplemented, as appropriate, by periodic reviews on delivery to give assurance that activity is well scoped, resourced and on track for to be delivered</p>
Transparency	<p>Assurance reporting will operate a 'one version of the truth' approach that is understood by key stakeholders to provide them with confidence that progress is being made. Progress will be reported monthly through the <i>Corporate Programme Management Office (CPMO)</i> on a consistent basis to the <i>Transformation and Change Oversight Board (TCOB)</i>.</p>
Member Scrutiny	<p>Executive Members will be briefed regularly on the delivery against relevant Improvement Plan programmes within their portfolios. The Improvement Plan will be periodically reviewed by the Council's Overview and Scrutiny Committees, whilst Audit Committee will also be involved in ensuring that there is appropriate risk management and controls within the improvement programme.</p>

Figure 4: Governance and assurance principles and arrangements

Section 4: Ensuring and enabling delivery

Figure 5 below summarises the governance arrangements and reporting

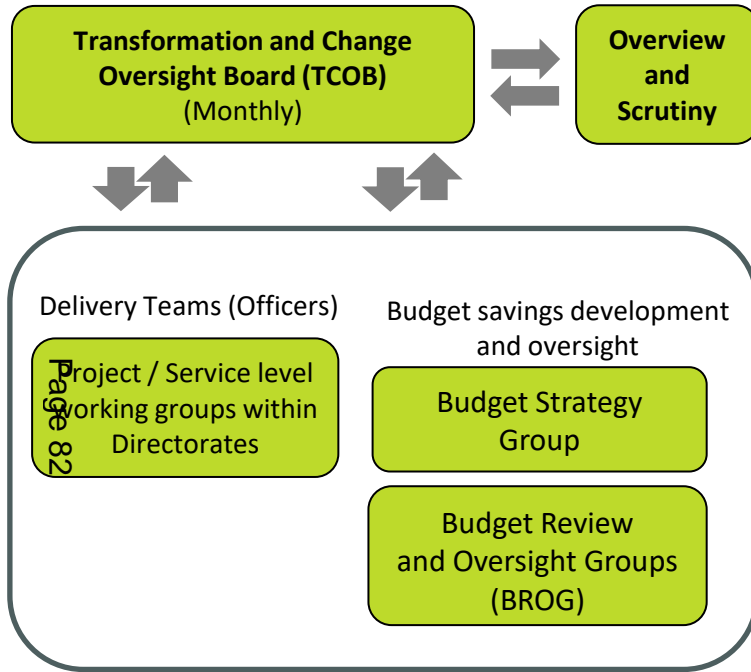


Figure 5: Improvement Plan governance

Resourcing the Plan

For existing programmes, such as the Asset Sales Programme and Review of Companies, there is already resource secured, deployed and in place to support delivery that is well underway.

For other programmes, resource requirements will be defined as the programme is fully scoped. SAOs and RDLs are responsible for considering how business-as-usual capacity can be re-prioritised and redeployed, and assessing additional resource requirements.

There will also be exploration with various partners and providers about how they can support programmes, e.g. Local Government Association (LGA) and Centre for Governance and Scrutiny (CfGS).

The Corporate Portfolio Management Office (CPMO) will provide an overview of the whole Council’s requirements for transformation and will inform decisions about the deployment of resources.

Figure 6 summarises the resourcing strategy and approach.

Component	Approach
Internal Council resource	A refocussing of internal resources (e.g. Change Academy) to support the development and delivery of transformation and budget savings proposals. Identification of capacity from across the organisation that can potentially be redirected and/or deployed to support Improvement Plan delivery.
Interim external capacity	Short-term capacity and technical expertise to support development and delivery of budget and transformation proposals. Support from agencies such as the LGA (as the sector’s membership body and improvement agency) to some elements of the Plan, including the Improve Governance programme.
Transformation partners	Engagement of external partners where necessary to support the delivery of transformation programmes and budget savings initiatives. This may include specialist capability to support improvement in specific areas.

Figure 6: Resourcing approach

Improvement Plan Performance Framework

Each aim of the Improvement Plan is broken down into a series of outcomes. To demonstrate progress towards, and achievement of, these outcomes, a small set of Key Performance Indicators (KPIs) are proposed. Appendix 2 provides a more detailed summary of this, listing the KPIs.

Engagement and involvement

Engagement has taken place at different levels and through different forums throughout the process of developing the Improvement Plan. This has ensured that it has been developed collaboratively and that plans have been continuously iterated using peer review, challenge and feedback. As the Council's improvement journey continues, we will continue to engage and communicate on our plans and progress to our citizens, Members, staff, partners, businesses and stakeholders. Listening to and learning from them and adjusting and updating the plan in line with new and emerging priorities.

Risks to the delivery of the Plan

Alongside the risks and dependencies identified within individual improvement programmes and projects, there are several key overarching risks and dependencies to delivery of the Improvement Plan which need to be considered and mitigated against. These are set out in the tables in Appendix A3. This table is not an exhaustive list, and the risks and mitigations will be kept under review.

Appendices

Page 21	A1 - Priority programme activity summaries
Page 38	A2 - Key Performance Indicators
Page 39	A3 - Risk and dependency management

Appendix A1: Priority programme activity summaries

Aim	Improvement Programmes:	Page
A Council that delivers for Nottingham with a clear direction and purpose	1. Future Council: Vision, purpose and approach	22
	2. Review and develop the Transformation Programme	24
	3. Manage and monitor delivery	25
A Council that is financially sustainable	4. Continuous financial sustainability	26
	5. Strengthen financial management	27
	6. Corporate landlord and assets sales	29
	7. Council companies and traded services	30
A Council that is well run with effective people, processes and systems	8. Improve governance	31
	9. Engaged, effective and empowered workforce	33
	10. Strengthen internal controls and assurance	35
	11. Improve enabling and support systems and processes	36

Page 85



Programme 1	Purpose and description	SAO / RDL Lead Member	Key Activities	Start	End
<p>Future Council: Vision, purpose and approach</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 86</p>	<p>The purpose of this programme is to ensure the Council has a clear direction for its further organisational development, transformation and future delivery and policy priorities. It will create a shared vision for the future of the Council to help everyone understand the Council's role and purpose.</p>	<p>SAO: Corporate Director (Growth & City Development)</p> <p>RDL: Assistant Chief Executive</p>	<p>1.1 Strategic statement of intent: Develop and present a clear statement of intent that summarises key priorities for the future Council and how the organisation needs to change including a greater commissioning and procurement role, and informs a new Strategic Council Plan</p>	July 2024	August 2024
	<p>The programme will consider the Council's relationship with the City's communities and residents and the role of partners in the delivery of strategic priorities and shared outcomes so the Council is clearer on its role and can operate in a financially sustainable way, focus on essential services, protecting vulnerable groups and being responsive to local needs.</p>	<p>Lead Member: Leader of the Council</p>	<p>1.2 Define a set of 'Future Council' operating principles that underpin the way we will work as a Council and guide improvement and transformation, informed by engagement with Members and senior officers and other stakeholders – including:</p> <ul style="list-style-type: none"> • Senior Leaders Forum (Directors and Heads of Service) • Executive Member workshops 	July 2024	Sept 2024
			<p>1.3 Develop a 'Future Council' framework for service delivery to translate the future Council vision and operating principles into good practice and best value practice and characteristics of service management and delivery, including:</p>	July 2024	Nov 2024
			a) Establish a steering group of Directors and Heads of Service to provide leadership, challenge and input	July 2024	July 2024
			b) Co-production of a framework through steering group and reality checking via a sounding board of staff	July 2024	Nov 2024
			c) Embed the vision, operating principles and Future Council framework into service planning guidance	Oct 2024	Nov 2024
			d) Develop proposals for embedding the framework as a basis for wider improvement activity including service reviews, self-assessments, manager training, etc	Nov 2024	Dec 2024
		e) Build organisational capacity, guidance, support for each of the elements of the Future Council framework	Dec 2024	Dec 2025	

Programme 1 continued	Purpose and description	SAO / RDL Lead Member	Key Activities	Start	End
<p style="text-align: center; transform: rotate(-90deg);">Page 87</p>			<p>1.4 Develop an approach and programme to engage stakeholders – including residents, workforce and partners about priorities and shape of the Future Council</p> <p>a) Evaluate recent engagement: To identify strengths and areas for improvement.</p> <p>b) Partnerships and stakeholder mapping: To identify key networks and gaps especially in harder-to-reach communities.</p> <p>c) Development of a Consultation and Engagement Framework: based on using customer insight, data and lived experience research proportionate to service complexity</p> <p>d) Trial and roll-out of a partner and community perception tracker to monitor the perceptions of NCC and our progress in changing how the Council operates as a system leader and partner.</p> <p>e) Develop proposal and implement a programme of listening exercises and events including residents, workforce and partners</p>	July 2024	Jan 2025
			July 2024	August 2024	
			July 2024	August 2024	
			July 2024	Sept 2024	
			August 2024	Oct 2024	
			August 2024	Oct 2024	
			<p>1.5 Refresh Strategic Council Plan - driven by the strategic statement of intent (1.1) to reflect new priorities and context, ways of working, aligned with the budget and medium-term financial plan and informed by stakeholder engagement, elected Member priorities and statutory requirements</p>	August 2024	March 2025

Programme 2	Purpose and description	SAO / RDL Lead Member	Key Activities	Start	End
<p data-bbox="7 104 254 285">Review and develop the Transformation Programme</p> <p data-bbox="89 649 140 771" style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 88</p>	<p data-bbox="336 104 1054 364">The programme will review the current Transformation Programme (including Childrens and Adults) to ensure transformation activities have better alignment with the future direction and the need to deliver savings and achieve financial sustainability, helping to deliver and enable priority outcomes for residents within reduced financial resources.</p> <p data-bbox="336 406 1054 592">This includes ensuring there are clear benefits articulated at the outset, including cost reductions, impacts and outcomes on service users and residents and ensuring that practice from other local authorities informs our thinking</p> <p data-bbox="336 635 1054 821">The programme will review current transformation and change activity, agree new programmes (which will be informed by the budget strategy) and ensure there are robust programme management and support arrangements in place.</p>	<p data-bbox="1075 104 1294 178">SAO: Chief Executive</p> <p data-bbox="1075 221 1294 321">RDL: Assistant Chief Executive</p> <p data-bbox="1075 364 1294 435">Lead Member: Deputy Leader</p>	<p data-bbox="1314 104 2130 178">2.1 Develop, resource and deliver a new 'Future Council' fully costed corporate transformation plan - including:</p>	<p data-bbox="2150 104 2283 135">June 2024</p>	<p data-bbox="2333 104 2466 135">Oct 2024</p>
			<p data-bbox="1314 218 2130 249">2.2 A rapid review of existing activity</p> <ul data-bbox="1314 257 2130 514" style="list-style-type: none"> a) Conduct initial assurance reviews on selected transformation projects including Childrens and Adults which are the biggest areas of spend for the Council b) Perform in-depth reviews on metrics, benchmarking and deliverability, ensuring financial targets are achievable. c) Address under-delivery with business cases reviewed by Finance and CPMO. 	<p data-bbox="2150 218 2283 249">June 2024</p>	<p data-bbox="2333 218 2507 249">August 2024</p>
			<p data-bbox="1314 561 2130 706">2.3 Develop and agree new transformation proposals, informed by the budget strategy and other improvement priorities and through engagement with senior managers and Executive Members – including CLT, TCOB and Executive Panel.</p>	<p data-bbox="2150 561 2283 592">June 2024</p>	<p data-bbox="2333 561 2466 592">Sept 2024</p>
			<p data-bbox="1314 768 2130 913">2.4 Development of robust business cases and programme plans for transformation programmes, so that proposals (where relevant) can be included as part of budget setting for 2025/26</p>	<p data-bbox="2150 768 2283 799">July 2024</p>	<p data-bbox="2333 768 2466 799">Ongoing</p>
			<p data-bbox="1314 975 2130 1078">2.5 Introduce a co-ordinated approach to learning from other local authorities - including practice visits and learning conversations</p>	<p data-bbox="2150 975 2283 1006">July 2024</p>	<p data-bbox="2333 975 2466 1006">Oct 2024</p>
			<p data-bbox="1314 1139 2130 1213">2.6. Embed Integrated Delivery Plans (IDPs) to maintain oversight of Directorates' improvement and change activity:</p> <ul data-bbox="1314 1220 2130 1363" style="list-style-type: none"> a) Develop integrated delivery plans (savings, transformation and improvement) for each Directorate b) Plans approved and integrated into automated dashboards. c) Regular review and update plans 	<p data-bbox="2150 1139 2283 1170">June 2024</p>	<p data-bbox="2333 1139 2466 1170">Ongoing</p>

Programme 3	Purpose and description	SAO / RDL Lead Member	Key Activities	Start	End
<p data-bbox="0 107 326 228">Manage and monitor our delivery</p> <p data-bbox="0 278 326 392">(Programme and Performance Management)</p> <p data-bbox="89 649 140 778" style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 89</p>	<p data-bbox="326 107 1065 364">This programme will strengthen the Council’s ability to monitor and manage the delivery of its priorities. It will focus on the development and implementation of a corporate performance management framework. Key Performance Indicators will be benchmarked against other local authorities to proactively compare our performance and drive continuous improvement.</p> <p data-bbox="326 406 1065 549">The approach will ensure regular reporting of performance and delivery against Council priorities, transformation and budget savings, proactively identifying risks and mitigations needed.</p> <p data-bbox="326 592 1065 892">The continued strengthening of the Corporate Programme Management Office (CPMO) and alignment of it to a refreshed Transformation Plan/Programme will also be a component of the programme. Alongside the programmes designed to ‘Strengthen financial management’ and ‘Strengthen internal controls and assurance’ it will ensure the Council has a tighter grip on its delivery, performance and risk management.</p>	<p data-bbox="1065 107 1304 178">SAO: Chief Executive</p> <p data-bbox="1065 221 1304 321">RDL: Assistant Chief Executive</p> <p data-bbox="1065 364 1304 435">Lead Member: Deputy Leader</p>	<p data-bbox="1304 107 2140 164">3.1 Develop a refreshed Council performance framework – including:</p> <ul style="list-style-type: none"> <li data-bbox="1304 171 2140 271">a) A hierarchy of strategic plans so there is a 'golden thread' between the Council Plan, Improvement Plan, Transformation Programme and Medium-Term Financial Plan <li data-bbox="1304 278 2140 406">b) A set of KPIs aligned to the Council priorities covering service delivery, improvement and organisational health, (benchmarked and including cost of service information where possible) and supported by 'real-time' data where relevant and available <li data-bbox="1304 414 2140 514">c) Specific objectives for the delivery of the Council's Purpose and Intent that guides business/service planning across the Council to ensure proportionate ambitions within available resources. <li data-bbox="1304 521 2140 692">d) A clear and concise reporting cycle and products for performance monitoring, enabling CLT, Executive and Scrutiny to review performance against objectives and others, to identify areas of underperformance, risk (reputational, compliance and financial) and opportunities for improvement. <li data-bbox="1304 699 2140 828">e) Develop and implement a standard approach to Directorate performance informed by consistent Directorate performance dashboards and supported by Directorate Business and Performance Managers <p data-bbox="1304 871 2140 928">3.2 Further embed the arrangements for oversight of transformation, improvement and change – including:</p> <ul style="list-style-type: none"> <li data-bbox="1304 935 2140 1006">a) Implementation of a new Monitoring Framework with quality assurance by the CPMO and reports to TCOB <li data-bbox="1304 1013 2140 1078">b) Automate monitoring and integrate into dashboards for all transformation, change and savings <li data-bbox="1304 1085 2140 1149">c) Implement a rolling programme of reviews to identify areas for improvement in the next planning cycle <p data-bbox="1304 1185 2140 1213">3.3. Further strengthen the CPMO</p> <ul style="list-style-type: none"> <li data-bbox="1304 1220 2140 1285">a) Finalise temporary recruitment into the CPMO and ensure new programmes are resourced. <li data-bbox="1304 1292 2140 1392">b) Review ongoing CPMO activity in light of transformation programme and agree future resourcing model beyond March 2025. 	<p data-bbox="2140 107 2328 135">June 2024</p> <p data-bbox="2140 178 2328 207">July 2024</p> <p data-bbox="2140 278 2328 307">July 2024</p> <p data-bbox="2140 414 2328 442">July 2024</p> <p data-bbox="2140 521 2328 549">Sept 2024</p> <p data-bbox="2140 699 2328 728">Sept 2024</p> <p data-bbox="2140 942 2328 971">June 2024</p> <p data-bbox="2140 1013 2328 1042">July 2024</p> <p data-bbox="2140 1085 2328 1113">Sept 2024</p> <p data-bbox="2140 1220 2328 1249">May 2024</p> <p data-bbox="2140 1292 2328 1320">July 2024</p>	<p data-bbox="2328 107 2540 135">Oct 2024</p> <p data-bbox="2328 178 2540 207">August 2024</p> <p data-bbox="2328 278 2540 307">August 2024</p> <p data-bbox="2328 414 2540 442">Oct 2024</p> <p data-bbox="2328 521 2540 592">Oct 2024 (and ongoing)</p> <p data-bbox="2328 699 2540 771">Oct 2024 (and ongoing)</p> <p data-bbox="2328 942 2540 971">Ongoing</p> <p data-bbox="2328 1013 2540 1042">August 2024</p> <p data-bbox="2328 1085 2540 1113">March 2025</p> <p data-bbox="2328 1220 2540 1249">August 2024</p> <p data-bbox="2328 1292 2540 1320">Nov 2024</p>

Programme 4	Purpose and description	SAO / RDL Lead Member	Key Activities	Start	End
<p>Continuous financial sustainability</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 90</p>	<p>The programme focusses on the delivery of budget savings in 2024/25 and the development of further credible and approved budget savings proposals to be delivered in 2025/26 and beyond. It will ensure the Council sets a legally balanced budget annually and help enable the Council to live within its means over the longer term.</p>	<p>SAO: Corporate Director (Finance & Resources and s151 Officer)</p> <p>RDL: Director of Finance (Deputy s151 Officer)</p> <p>Lead Member: Executive Member for Finance and Resources</p>	<p>4.1. Ensuring delivery of 2024/25 savings programme through robust monitoring and mitigation – including where any savings have been identified in-year as being at risk, CLT to develop and implement corrective action(s) including:</p> <ul style="list-style-type: none"> • Monthly Transformation and Change Oversight Board (TCOB) meetings • Budget Review and Oversight Group (BROG) meetings 	<p>April 2024</p>	<p>March 2025</p>
			<p>4.2. Implement the budget strategy for 2025/26 to develop a programme of work that deliver required savings and income over a 4-year period (2025/26 – 2028/29) to close budget gaps and link to the Improvement Plan and Strategic Council Plan – including:</p> <p>a) The development of robust and credible investment and saving plans based on:</p> <ul style="list-style-type: none"> • Service redesign • Income and debt • Asset rationalisation • Transformation and change • Asset rationalisation • Efficiency and technical review <p>b) A robust review of proposed savings proposals using a rigorous business case approach which sets out the rationale and evidence for the proposed savings and the plan for delivery taking into account risks</p> <p>c) Check and challenge of proposals – including ‘star chamber’ process involving political challenge</p>	<p>April 2024</p>	<p>Sept 2024 (and ongoing)</p>
			<p>4.3. Exceptional Financial Support (EFS): Continuous engagement with DLUHC in consultation with Commissioners on future requirements for EFS including Council Tax increase above referendum levels.</p>	<p>June 2024</p>	<p>Feb 2025</p>

Programme 5	Purpose and description	SAO / RDL Lead Member	Key Activities	Start	End
<p>Strengthen financial management</p>	<p>This programme aims to ensure there is consistent financial compliance across the organisation by continuing to implement the Financial Improvement Plan which will strengthen practice and approaches to monitoring, compliance and forecasting.</p>	<p>SAO: Corporate Director (Finance & Resources and s151 Officer)</p> <p>RDL: Director of Finance (Deputy s151 Officer)</p> <p>Lead Member: Executive Member for Finance and Resources</p>	<p>5.1. Review and update current Financial Improvement Plan deliverables and programme objectives – to include:</p> <ul style="list-style-type: none"> • A training programme which reinforces the supportive and enabling culture of the Finance function • A culture change project in financial management which embeds the principles of the Accountability Framework • Process and practice improvement 	Ongoing	Ongoing
			<p>5.2 Implement monthly budget monitoring and reporting including:</p> <ul style="list-style-type: none"> • An exercise to determine reporting needs • Monthly reporting to be shared with Executive Members 	April 2024	Ongoing
			<p>5.3 Continue to work with East Midlands Shared Services partnership and managers to review financial management information and where possible to improve accessibility and ensure value for money.</p>	Ongoing	Ongoing
			<p>5.4 Training and Development: Develop and deliver a refreshed programme of financial management training and guidance for relevant officers and Members to ensure all have the required skills aligned to the Financial Accountability Framework - including forecasting tools to assist budget holders in the management of their budgets, particularly those with volatile budgets.</p>	April 2024	March 2026
			<p>5.5. Strengthen ownership and accountability through:</p> <ol style="list-style-type: none"> Engagement on the Financial Accountability Framework to improve genuine buy-in from across the Council Financial accountability statements issued and-signed off by Corporate Directors and budget managers 	May 2024	June 2024

Programme 5 Continued	Purpose and description	SAO / RDL Lead Member	Key Activities	Start	End
<p data-bbox="0 111 359 201">Strengthen financial management</p>			<p data-bbox="1312 154 2107 307">5.6 Credible in-year forecasts: To be completed by services to support effective management and monitoring of budgets and allow the Corporate Leadership Team to take early action to manage in-year budget pressures.</p>	<p data-bbox="2107 154 2321 189">April 2024</p>	<p data-bbox="2321 154 2548 189">March 2025</p>
			<p data-bbox="1312 349 2107 471">5.7. Monitoring adherence and reporting non-compliance of financial management processes: such as ‘No PO No Pay’ across the organisation.</p>	<p data-bbox="2107 349 2321 385">July 2024</p>	<p data-bbox="2321 349 2548 385">Ongoing</p>
			<p data-bbox="1312 499 2107 571">5.8 Complete the accounts for 2019/20 in accordance with the guidance and as soon as possible.</p>	<p data-bbox="2107 499 2321 535">Started</p>	<p data-bbox="2321 499 2548 571">As soon as possible</p>

Programme 6	Purpose and description	SAO / RDL Lead Member	Key Activities	Start	End
<p data-bbox="0 97 351 197">Corporate landlord and assets sales</p> <p data-bbox="96 654 132 773" style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 93</p>	<p data-bbox="351 97 1039 611">The Programme will centralise property management for the Council’s operational, commercial and community properties to reduce duplication, ensure safety compliance and deliver cost-efficient services, supporting a leaner, more efficient organisation. It will identify opportunities for asset disposal, which will feed into an Asset Sales Programme that is reviewing all capital assets to identify opportunities for generating capital receipts to help balance the near-term budget while maintaining acceptable income levels and ensuring the Council’s property estate meets current and future needs.</p> <p data-bbox="351 611 1039 839">The asset sales programme will help close the gap between expected capital receipts and the requirement to repay Exceptional Financial Support, borrowings and reinvest in the capital programme. This involves increasing both the number and pace of property sales.</p>	<p data-bbox="1039 97 1304 254">SAO: Corporate Director (Growth & City Development)</p> <p data-bbox="1039 297 1304 482">RDL: Director of Economic Development and Property</p> <p data-bbox="1039 525 1304 668">Lead Member: Executive Member for Finance & Resources</p>	<p data-bbox="1304 97 2104 182">6.1. Consolidate operational assets into a unified portfolio with centralised budgets</p> <p data-bbox="1304 211 2104 311">6.2 Establish a Corporate Landlord structure and operating model with improved void management and streamlined commissioning models.</p> <p data-bbox="1304 339 2104 411">6.3 Develop governance guidelines for decision-making within the Corporate Landlord framework.</p> <p data-bbox="1304 439 2104 511">6.4 Create a single asset list and property system for easy access to relevant property information.</p> <p data-bbox="1304 539 2104 654">6.5 Review and rationalise the operational portfolio in line with revised service operating models, identifying opportunities for estate optimisation and disposals</p> <p data-bbox="1304 682 2104 753">6.6 Assess and maximise occupancy of office estates, identifying disposal opportunities</p> <p data-bbox="1304 782 2104 868">6.7. Formulate a Corporate Asset Management plan which outlines how the Council’s assets will be maintained.</p> <p data-bbox="1304 896 2104 939">6.8 Conduct surveys for repairs and maintenance planning.</p> <p data-bbox="1304 968 2104 1039">6.9 Establish timely and efficient asset disposal and governance processes in line with legislative requirements.</p> <p data-bbox="1304 1068 2104 1153">6.10 Develop timed disposal plans to bridge any gaps between capital receipts and Exceptional Financial Support.</p> <p data-bbox="1304 1182 2104 1296">6.11 Execute the Asset Disposal Programme to ensure that Exceptional Financial Support can be funded in full, avoiding any additional revenue budget pressure where possible</p>	<p data-bbox="2104 97 2336 197">May 2024</p> <p data-bbox="2104 197 2336 297">May 2024</p> <p data-bbox="2104 297 2336 396">June 2024</p> <p data-bbox="2104 396 2336 496">Sept 2024</p> <p data-bbox="2104 496 2336 596">May 2024</p> <p data-bbox="2104 596 2336 696">June 2024</p> <p data-bbox="2104 696 2336 796">Sept 2024</p> <p data-bbox="2104 796 2336 896">Dec 2024</p> <p data-bbox="2104 896 2336 996">Dec 2024</p> <p data-bbox="2104 996 2336 1096">Sep 2024</p> <p data-bbox="2104 1096 2336 1196">Jun 2024</p> <p data-bbox="2104 1196 2336 1296">May 2024</p>	<p data-bbox="2336 97 2540 197">Sept 2024</p> <p data-bbox="2336 197 2540 297">Dec 2024</p> <p data-bbox="2336 297 2540 396">July 2024</p> <p data-bbox="2336 396 2540 496">Dec 2024</p> <p data-bbox="2336 496 2540 596">March 2026</p> <p data-bbox="2336 596 2540 696">Sept 2024</p> <p data-bbox="2336 696 2540 796">Dec 2024</p> <p data-bbox="2336 796 2540 896">Mar 2025</p> <p data-bbox="2336 896 2540 996">Dec 2024</p> <p data-bbox="2336 996 2540 1096">Jun 2024</p> <p data-bbox="2336 1096 2540 1296">May 2026</p>

Programme 7	Purpose and description	SAO / RDL Lead Member	Key Activities	Start	End
<p>Council companies and traded services</p>	<p>Simplify and streamline the Council's portfolio of owned or affiliated companies, aiming for a sustainable, well-governed and viable set of Council Owned Entities (COEs).</p>	<p>SAO: Corporate Director (Finance & Resources)</p>	<p>7.1. Review the list of all commercial ventures in which the City Council is involved, to include the development of processes to create new entities where necessary</p>	<p>July 2024</p>	<p>Dec 2024</p>
	<p>Aligning each company's objectives to the Council's strategic priorities and enhancing governance practices to ensure its interests in each company are appropriately managed.</p>	<p>RDL: Director of Commercial and Procurement</p>	<p>7.2. Complete the liquidation of companies that have been closed</p>	<p>Started</p>	<p>Mar 2025</p>
	<p>Develop capacity, policies and processes within the Council to make strategic decisions focusing on companies with significant financial or service delivery risks, while mitigating emerging risks in all companies.</p>	<p>Lead Member: Executive Member for Finance and Resources</p>	<p>7.3 Complete Strategic Reviews of all COEs in which there is a continuing interest and implement recommendations</p>	<p>June 2025</p>	<p>July 2025</p>
			<p>7.4. Review the Companies' Governance Handbook to ensure compliance with latest guidance and best practice and ensure compliance through: A) Annual business planning processes. B) Board effectiveness reviews. C) Risk management.</p>	<p>Started</p>	<p>Mar 2025</p>
			<p>7.5 Development of shareholder engagement with COEs:</p> <ul style="list-style-type: none"> • Succession planning for Council appointed NEDs • Clarify the role of the shareholder representatives • Develop a learning and development plan for shareholder representatives • Carry out an evaluation of the Shareholder Unit 	<p>Started</p>	<p>Mar 2025</p>
			<p>7.6 Review all commercial traded service activities in which the City Council is involved, building on work already done.</p> <ul style="list-style-type: none"> • Ensure work links to Fees and Charges review • Conduct annual survey of customers of traded services • Ensure service plans for traded services link to MTFP • Clarify the Commercial Board and the Director of Commercial and Procurement's input into the process 	<p>Started</p>	<p>Dec 2024</p>
			<p>7.7. Develop new commercial and procurement strategy, ensuring financial accountability framework cross-references to this work and is not a separate process</p>	<p>Started</p>	<p>Dec 2025</p>

Programme 8	Purpose and description	SAO / RDL	Key Activities	Start	End
<p>Improve governance</p> <p style="text-align: center;">Page 95</p>	<p>This programme will lead to better governance, clearer accountability, stronger working relationships and improved, more transparent, decision-making. The programme focuses on:</p> <p>The constitution: ensuring we continue to have a fit for purpose, modern, constitution including an updated scheme of delegation</p> <p>Formal and informal decisions: effective and timely informal processes that support our formal decision-making</p> <p>Effective working relationships: activities to improve understanding, trust and respect between Members and officers, strengthening our culture of collaboration and teamwork</p> <p>Development and support to Members and officers: to ensure they can confidently fulfil their respective roles and responsibilities including leadership, decision-making, scrutiny, audit, regulatory roles, partnerships and engaging with local communities.</p>	<p>Lead Member</p> <p>SAO: Corporate Director (Finance & Resources)</p> <p>RDL: Director of Legal & Governance (Monitoring Officer)</p> <p>Lead Member: Deputy Leader</p>	<p>8.1 Maintain, enhance and embed the Constitution: Re-introduce the Standards & Governance working group to:</p> <ul style="list-style-type: none"> a) Consider proposals from Members, officers and Commissioners that identify areas for review b) Propose changes for consideration by Full Council c) Consider activity needed to raise awareness and understanding of the constitution d) Review the Member/officer protocol <p>8.2 Review and refresh the Scheme of Delegation:</p> <ul style="list-style-type: none"> a) Desktop review of current Scheme, informed by levels of delegations from other local authorities and with input from all chief officers b) Publish the new Scheme listing delegated responsibilities c) Launch a new Delegated Decision System and review the replacement of the Reports Management System and re-issue and reiterate clear procedures to ensure finance, legal and HR sign-off for Member and officer delegated decisions is obtained d) Ensure that all Members and officers understand and are accountable for their delegations <p>8.3. Review and improve committee and decision processes</p> <ul style="list-style-type: none"> a) Review committees and meetings that support informed decision-making to identify efficiency and effectiveness improvements b) Evaluate formal decision-making processes and report formats and propose improvements c) Agree process and expectations for Member briefings and engagement d) Consider options and develop proposal for webcasting Full Council, Executive Board and other committee meetings to be introduced and implemented as soon as possible 	<p>July 2024</p> <p>July 2024</p> <p>Oct 2024</p> <p>Oct 2024</p> <p>June 2024</p> <p>June 2024</p>	<p>Ongoing</p> <p>Oct 2024</p> <p>Oct 2024</p> <p>Nov 2024</p> <p>Oct 2024 (ongoing)</p> <p>Aug 2024</p>

Programme 8 continued	Purpose and description	SAO / RDL Lead Member	Key Activities	Start	End
			<p>8.4 Member and officer development:</p> <p>a) Re-launch the Councillor Development Steering Group to advise on improved development and support for elected Members (and relevant officers) - including:</p> <ul style="list-style-type: none"> • Member induction programme • Member development offer • Role development and support • Information and communications <p>b) Undertake and analyse an elected Member survey to inform development and support requirements and baseline perceptions on relationships and levels of trust</p> <p>c) Work with Executive Members and Chief Officers to:</p> <ul style="list-style-type: none"> • build accountability, ownership, trust and support effective ways of working to develop a One Council approach • develop shared activities that promote working relationships • develop and agree a set of collective and individual expectations for Member / Chief Officer interaction <p>8.5 Strengthening audit and scrutiny role:</p> <p>a) Progress the Audit Committee Improvement Programme to CIPFA standards</p> <p>b) Further develop Overview and Scrutiny to Centre for Government Studies (CFGs) standards</p> <p>(This activity will be supported by Programme 10: Strengthen internal controls and assurance (Risk Management and Internal Audit))</p>	<p>July 2024</p> <p>August 2024</p> <p>Ongoing</p> <p>Ongoing</p>	<p>Ongoing</p> <p>October 2024</p>

Programme 9	Purpose and description	SAO / RDL Lead Member	Key Activities	Start	End
<p>An engaged, effective and empowered workforce</p> <p style="text-align: center;">Page 97</p>	<p>This programme aims to improve the officer structure, workforce culture and the management of performance to deliver the Council’s priorities in an efficient and effective way. The focus of the programme is on:</p> <p>Engaged Workforce: Creating an engaged and committed workforce with a clear vision and purpose, who feel supported and empowered to embrace change and improvement.</p> <p>Effective People and Technology: Creating workforce efficiencies through supporting employees to maximise the uptake of technology, reduce duplication and streamline processes.</p> <p>Effective Structures: Reviewing the spans and tiers of senior management, attracting and retaining talent and ensuring that workforce plans meet the needs of the organisation.</p> <p>Effective Performance Management: Ensuring a high support and high challenge culture of accountability to deliver the Council's goals, using evidence and feedback to support performance reviews.</p>	<p>SAO: Corporate Director (Finance & Resources)</p> <p>RDL: Strategic Director of HR & EDI</p> <p>Lead Member: Executive Member for Finance and Resources</p>	<p>9.1 Implement HR Improvement Plan: To enhance policies, processes, systems and practices, to empower the workforce to be efficient and effective.</p> <p>9.2 Complete recruitment to key leadership roles and ensure relevant interim capacity/arrangements in place – including appointments of:</p> <ul style="list-style-type: none"> • Chief Executive • Director of Children’s Services • Director of Adult Social Care • Monitoring Officer 	June 2024	June 2025
				<p>9.3 Re-assess and map organisation culture: to monitor progress and promote behaviour change and continuous improvement in relation to leadership, accountability, delivery and performance:</p> <ol style="list-style-type: none"> a) Undertake and analyse survey b) Develop and agree recommendations / actions 	May 2024
			<p>9.4 Embed leadership and performance standards:</p> <ol style="list-style-type: none"> a) Continue embedding the Council’s leadership framework and behavioural expectations, clearly defining what ‘good’ looks like, with a focus on professional and management literacy. b) Focus a learning culture that promotes innovation whilst strengthening accountability, ensuring decisions are made in a timely way at the appropriate level. 	June 2024	Sept 2024
			<p>9.5 Increase and improve employee engagement – including:</p> <ol style="list-style-type: none"> a) Commissioning Staff Survey and other engagement interventions to understand and baseline staff perceptions b) Co-produce action plans with teams to address areas for improvement c) Review corporate, directorate and service level employee engagement to ensure a consistent approach is embedded. 	June 2024	March 2026
			<p>9.5 Increase and improve employee engagement – including:</p> <ol style="list-style-type: none"> a) Commissioning Staff Survey and other engagement interventions to understand and baseline staff perceptions b) Co-produce action plans with teams to address areas for improvement c) Review corporate, directorate and service level employee engagement to ensure a consistent approach is embedded. 	October 2024	January 2025

Programme 9 continued	Purpose and description	SAO / RDL Lead Member	Key Activities	Start	End
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 98</p>		<p>SAO: Corporate Director (Finance & Resources)</p>	<p>9.6. New Organisational Structure Design aligned to the Future Council vision, purpose and future operating model – including:</p> <ul style="list-style-type: none"> a) Development of consistent organisational design principles b) Application of principles to rationalise structures and drive efficiencies 	July 2024	April 2025
		<p>RDL: Strategic Director of HR and EDI</p>			
		<p>Lead Member: Executive Member for Finance and Resources</p>	<p>9.7 Develop Strategic Workforce Planning - including:</p> <ul style="list-style-type: none"> a) A comprehensive workforce planning and skills analysis b) Improving attraction and retention c) Building internal development pathways d) Aligning business strategy with workforce capacity and capability requirements. 	June 2024	Dec 2025
			<p>9.8 Strengthen Employee Performance Management - including:</p> <ul style="list-style-type: none"> a) Review and develop proposals to strengthen the Individual Performance Reviews (IPR) process - Including using data, evidence and insights to drive improvement b) Ensure alignment to the Future Council Framework, helping to embed consistent standards and approaches in service leadership, management and delivery c) Ensure key objectives identified by the Council’s leadership are cascaded into the IPR Objectives of Corporate Directors 	June 2024	Feb 2026
			<p>9.9 Review hybrid working policy: to reflect the needs of the business and enhance the visibility and accessibility of senior leaders across the Council and develop methods for testing consistency and compliance.</p>	March 2025	August 2025

Programme 10	Purpose and description	SAO / RDL	Key Activities	Start	End
<p>Strengthen internal controls and assurance</p> <p>(Risk management and Internal Audit)</p>	<p>The programme focuses on developing a systematic, informed and disciplined approach to evaluating and improving the effectiveness of risk management and audit services, delivering independent, objective and value-added assurance that shape the Council’s control and governance processes</p> <p>It focusses on 2 main areas:</p> <ul style="list-style-type: none"> • Risk management: Transforming the Council’s management of risk through delivery of a structured, proportionate and consistent approach across all levels of the Council that achieves more risk-aware and accountable behaviours and places risk consideration at the heart of effective decision making and governance. • Audit: Ensuring the delivery of an effective PSIAS compliant audit function that supports achieving the Council’s objectives and facilitates proportionate governance, risk management and control processes to reduce the probability of significant errors, fraud, or non-compliance. 	<p>Lead Member</p> <p>SAO: Corporate Director (Finance & Resources)</p> <p>RDL: Head of Internal Audit, Risk and Insurance</p> <p>Lead Member: Executive Member for Finance and Resources</p>	<p>10.1 Develop, agree and implement risk improvement plan</p> <p>10.2 Align risk management framework and strategy to ISO31000</p> <p>10.3 Refresh risk register to consider risks at strategic (corporate) level and operational (service) level – including engagement with CLT and Directors Forum</p> <p>10.4 Develop and agree suite of proportionate, timely and measurable mitigations that are regularly reviewed and updated</p> <p>10.5 Establish and define accountability using RACI approach and develop risk leads within each division through training and support (consistency in reporting and quality)</p> <p>10.6 Update decision making approach to better articulate the management of risk in all plans, projects and decisions</p> <p>10.7 Conduct a review of behaviours to identify improvement focus and training needs with the objective of embedding risk management across the organisation</p> <p>10.8 Commission digital tools to report against Risk</p> <p>10.9 Revise the Internal Audit Charter to clearly outline the roles and responsibilities aligned to the established RACI framework and accountability principles</p> <p>10.10 Develop proposals for operating model redesign</p> <p>10.11 Revise Internal Audit methodology and develop, and agree, Council wide assurance map</p> <p>10.12 Commission risk based annual audit plan focused on audit of high risk/priority areas</p> <p>10.13 Establish development plans for teams based on comprehensive competency assessment</p> <p>10.14 Expand use of data analytics to inform Internal Audit activity and focus</p>	<p>June 2024</p> <p>June 2024</p> <p>July 2024</p> <p>Sept 2024</p> <p>June 2024</p> <p>Sept 2024</p> <p>Sept 2024</p> <p>July 2024</p> <p>July 2024</p> <p>August 2024</p> <p>July 2024</p> <p>August 2024</p> <p>Sept 2024</p> <p>Oct 2024</p> <p>Oct 2024</p>	<p>July 2024 (and ongoing)</p> <p>July 2024</p> <p>Sept 2024</p> <p>Ongoing</p> <p>Sept 2024 (and ongoing)</p> <p>Nov 2024 (and ongoing)</p> <p>Nov 2024 (and ongoing)</p> <p>Oct 2024</p> <p>July 2024</p> <p>Dec 2024</p> <p>Sept 2024</p> <p>Sept 2024</p> <p>Oct 2024 (and ongoing)</p> <p>Ongoing</p>

Programme 11	Purpose and description	SAO / RDL	Key Activities	Start	End
<p>Improve enabling processes and systems</p>	<p>This programme builds on the Council’s digital transformation journey and will undertake a whole Council review of key enabling services to identify opportunities to improve and increase efficiency, clarity and purposefulness. It will help to ensure that processes and systems are designed with and for the customer, are fit for purpose and embrace a ‘digital first’ approach.</p>	<p>Lead Member</p> <p>SAO: Corporate Director (Finance and Resources)</p> <p>RDL: Director of Customer Services</p> <p>Lead Member: Executive Member for Finance & Resources</p>	<p>11.1 Establish current baseline position and potential for improvement through:</p> <ul style="list-style-type: none"> a) workshops/surveys designed to identify the barriers/blockers to effective processes and systems and identify ‘bottlenecks’ b) review existing improvement programmes such as the Finance Improvement Plan and HR Improvement Plan. c) Learn from best practice case studies from elsewhere 	<p>July 2024</p>	<p>Sept 2024</p>
			<p>11.2 Develop proposals to build intuitive processes and establish accessible navigation of our systems.</p> <ul style="list-style-type: none"> a) Establish any quick/medium term fixes to help colleagues as quickly as possible. b) Establish a longer-term improvement strategy aligning with the dates contracts for our current systems expire and need replacing. 	<p>July 2024</p>	<p>Sept 2024</p>
			<p>11.3 Establish the principles that underpin a consistent operating model for enabling services – aligning with:</p> <ul style="list-style-type: none"> a) DLUHC’s Local Digital Declaration framework b) Future Council Vision, Purpose and Framework being developed (Programme 1) 	<p>Jul 2024</p>	<p>Sept 2024</p>
			<p>11.4 Establish a phased Corporate Improvement Programme, that is prioritised and appropriately project managed, with a commitment to User Acceptability Testing and clear communication of progress, milestones and ongoing continuous improvement – including:</p>	<p>July 2024</p>	<p>Sept 2026</p>
			<ul style="list-style-type: none"> a) Review the website to ensure a clear customer journey without jargon and clear information about how to access services and what the Council does and doesn’t provide with integrated signposting to other suppliers/partners. 	<p>July 2024</p>	<p>Sept 2024</p>

Programme 11 continued	Purpose and description	SAO / RDL Lead Member	Key Activities	Start	End
			b) Agree and adopt a right first-time approach and work across other workstreams to adopt a principle of 'picking up' at the front door so customers aren't passed around.	July 2024	Sept 2024
			c) Establish a consistent corporate customer insight strategy to ensure complaints and feedback are acted upon and fed into performance framework.	July 2024	March 2025
			d) To design and deliver a consistent model of accessing Council services through appropriate use of technologies – AI/Digital/RPA and roll out across the organisation with appropriate focus on safeguarding and Equalities, Diversity and Inclusion.	July 2024	March 2025
			<p>11.5 Review the Council's IT software, infrastructure and strategy to ensure it is fit for purpose; based on a default of off-the-shelf systems that are commissioned by IT services.</p> <p>Review to include:</p> <ul style="list-style-type: none"> a) Determination of an IT Policy and strategy b) How the ownership of systems and software is managed c) Review of software to identify duplications d) Identify opportunities to use new software to deliver efficiencies e) Identify opportunities for systems to 'talk to each other' for example Finance and HR data, Finance and Social Care data 	July 2024	March 2025

Appendix A2: Key Performance Indicators

Aim	Metric
A Council that delivers with clear direction and purpose	£ spend on services per head of population (benchmarked)
	Number of Have Your Say complaints
	% Have Your Say comments, compliments and complaints resolved
	% of ombudsman complaints upheld (OFLOG and annual letter)
	% compliance with ombudsman recommendations (annual letter) and the % outstanding or overdue
	% ombudsman cases that were upheld which had satisfactory remedies in place before the complaint reached the ombudsman
A Council that is financially sustainable	Planned Savings Achieved £% (Global Figure)
	Non-ringfenced reserves as a % of net revenue expenditure
	Performance against budget - Budget Monitoring
	Council tax collection rate %
	Housing rents collection rate %
	Business rates collection rate %
	% supplier invoices paid on time (within payment terms)
	Value of capital receipts generated (£) from asset sales against target
A Council that is well run with effective people, processes and systems	Staff survey - staff satisfaction
	% of staff receiving an end of year review and objective setting in the past 12 months
	% staff who have completed / commenced training courses (mandatory and other) in the next 12 months
	Survey - Member / Officer relationships
	% of corporate KPIs on target / % of corporate KPIs showing improvement over 2+ report periods
	Agency Staff proportion – various functions
	Agency Staff Cost – Various functions
	Citizen / Customer Satisfaction

Appendix A3: Risk and dependency management

	Risk Title	Risk Description	Mitigation
1	Capacity and Pace	The Improvement Plan calls for significant, rapid and wide-ranging changes to how the Council operates across a number of key functions. Though building on the changes that have occurred to date through the Together for Nottingham Plan and other efforts, it is clear that the pace of change must increase in order to meet the goals of the current intervention. At the same time the Council is becoming a leaner organisation as budgets reduce, lack of capacity to implement the change required at the necessary pace in a cohesive way is a clear risk.	<ul style="list-style-type: none"> • A considered approach to resourcing which weighs competing aims and reprioritises existing resource towards delivery of this plan. • Clear leadership which sets out the aims and priorities of the change required. • Governance that will reduce and eliminate ‘siloed’ working. • Robust accountability and transparent performance reporting
Page 103	Resources	The Council has been undertaking improvement work for some years and the November 2023 Section 114(3) Report records that the Council’s resources were inadequate for its planned expenditure. In this context, the capacity to allocate and repurpose the necessary resources to deliver the Improvement Plan is a risk.	<p>A clear approach to delivery of the Improvement Plan will bring together the Financial Improvement Plan and the delivery of the MTFP as the strategic framework within which improvement activity will be delivered.</p> <p>The Strategic Council Plan will be refreshed or redrafted as required to reprioritise as necessary and ensure that the Council’s ambitions remain within its means within the context of the required improvement.</p>
	Delivery	The Improvement Plan must be delivered effectively in order for the Council to change. If the Improvement Plan is not delivered the financial sustainability of the Council will continue to be at risk.	<ul style="list-style-type: none"> • The Governance of the Improvement Plan is set out in section 4. This will ensure that delivery is given due weight across the organisation as it acts as one Council to identify issues and barriers, escalating and dealing with these immediately. • The Assurance Framework set out at Section 4 will provide clear governance, monitoring and assurance reporting arrangements via the CPMO alongside Member scrutiny to ensure delivery. • Continuous improvements to culture, practice and processes will be identified and embedded via robust accountability.
4	Citizen and Partner Perceptions	As the pace of change is increased there is a risk that in the short-term the Council’s performance may be seen to get worse rather than better by Citizens and partners with a subsequent loss of trust in the Council.	External communications and engagement will describe the process the Council is going through with open and honest descriptions of current progress while setting out the rationale for change and the ultimate destination of a more effective, efficient and economic Council in the future.
5	Inter-dependencies and Sequencing	The Improvement Plan sees a wide range of interdependencies between the various change programmes. These range from the strategic and overarching down to the specific. Without appropriate management of interdependencies and the sequencing between these, there is a risk that delivery of the Improvement Plan could be negatively impacted, or some programmes could become unviable.	<ul style="list-style-type: none"> • The need for direct communications between SAOs responsible for the programmes of action has been identified early. • Interdependencies between the programmes have been identified and shared. • Changes in the performance or scope of change programmes will be communicated via the proposed governance structure. • Clear leadership will set out the aims and priorities of the change required. • Strengthened Corporate Project Management Office (CPMO)



Corporate Scrutiny Committee Recommendation/Action Tracker 2024/2025

Dates/Deadlines	Recommendation/Action	Response
<p>Date of Meeting: 29 May 2024</p> <p>Date recommendations were issued: 31 May 2024</p> <p>Deadline for response: 31 July 2024</p>	<p><u>Workforce Analytics</u></p> <ol style="list-style-type: none"> 1. That when fully functional, the HR dashboard is shared with the Chairs of the Council’s Overview and Scrutiny Committees on an informal basis. (A) 2. That the Corporate Scrutiny Committee receives an update on workforce analytics annually as part of its work programme. (A) 3. That when available the Committee receives a report on the number of vacant posts within the Organisation. (A) 4. That the Committee receive further information on how the trends within the sickness absence data will be used to support staff who are experiencing high levels of sickness absence. (A) 	<ol style="list-style-type: none"> 1. HR dashboards for Q1 24/25 are currently being produced for each directorate. These will be shared with Scrutiny Chairs on an informal basis in October. 2. HR agree to bring back an annual workforce analytics update. 3. Establishment data is currently being reviewed by HR in conjunction with Finance and Budget Managers. A report will be shared with the Committee in October to provide an update on vacant posts in the Council. 4. Following completion of the Q1 HR analytics reports, information will be included on how staff are supported prior to and during periods of sickness absence. This information will also be included in the annual workforce analytics update to Corporate Scrutiny.
<p>Date of Meeting: 29 May 2024</p> <p>Date recommendations were issued: 31 May 2024</p> <p>Deadline for response: 31 July 2024</p>	<p><u>EDI Strategy</u></p> <ol style="list-style-type: none"> 1. To share the draft EDI Strategy with staff networks and Trade Unions as soon as possible so that they can be involved in the development of the Strategy. (A) 2. That the action plan as part of the Council’s response to the Inclusive Employers Report be shared with the Committee. (A) 	<ol style="list-style-type: none"> 1. The EDI Strategy will be shared with Staff Networks and Trade Unions following Scrutiny Committee on 24/07/24 and then a subsequent discussion and endorsement from CLT 2. The response to the Inclusive Employers Report is included in the Culture Change Programme and the updated EDI Strategy and associated Action Plans, as shared with Scrutiny Committee on 24/07/24.

Corporate Scrutiny Committee Recommendation/Action Tracker 2024/2025

	<ol style="list-style-type: none"> 3. That the distinctions in the Strategy between what the Council is doing currently and what actions it plans to take in the future are refined. (R) 4. That the metrics outlining the equalities data in the Strategy be expanded, including a breakdown of staff pay bands. (R) 5. That the Committee views the action plans that underpin the Strategy at its July meeting. (A) 6. That the references to poverty are cross referenced and expanded on within the Strategy. (R) 7. That 'culture development' is included as part of the Strategy, and specific interventions are included. (R) 8. That a specific officer has responsibility for developing good organisational culture in regards to equality, diversity and inclusion to ensure accountability. (R) 9. That inclusive employers conduct a follow up report 12 months after the Strategy has been implemented. (R) 	<ol style="list-style-type: none"> 3. The EDI Strategy has now been updated and refined to ensure that all actions under the four respective outcomes are future focused. 4. Having explored the option to expand the equalities data to include a breakdown of staff pay bands, it was established that this would create a risk to individuals being identified, a potential GDPR breach, therefore is not feasible at this time. The Pay Gap Reports present this information in a way that does not identify individuals, by using four pay quartiles, so we recommend this is used instead. 5. All draft Action Plans were made available to review and scrutinise at the Scrutiny Committee held on 24/07/24. 6. The EDI Strategy has now been updated and expanded to include references to poverty on pages 3, 11 and 15. The Action Plans will also be updated accordingly. 7. A dedicated section on culture development has now been included in the EDI Strategy on page 5 and 6, including a list of specific interventions as recommended. 8. Accountable officer is Lee Mann (HR & EDI Director) and responsible officers reporting to Lee are Gareth Sayers (D&C Manager) and Rebecca Dennis (Interim EDI Lead). 9. Options for independent review, including the use of external specialist resource, will be taken at the time including best value considerations.
--	--	--

Corporate Scrutiny Committee Recommendation/Action Tracker 2024/2025

	<p><u>Recommendations re-issued from the November meeting:</u></p> <ol style="list-style-type: none"> 1. That the Council combine the EDI and HR portfolios under one strand/directorate to ensure consistency in approach and easier accountability. (R) 2. That the equalities board is included in the Council's constitutional arrangements so that it has more formal footing in regards to governance and accountability. (R) 3. That the committee views the Council's Whistleblowing Policy and figures on grievances be broken down by protected characteristics. (R) 4. That the committee views the draft workforce strategy and HR improvement strategy. (A) 	<ol style="list-style-type: none"> 1. The current portfolio arrangements for HR and internal EDI sit with the Executive Member for Finance and Resources. External focus for sits with the Executive Member for Communities, Waste and Equalities. There are currently no plans to review these arrangements. 2. Following the wider review of Committee arrangements arising from the saving proposal relating to Committee Administration, there is currently no capacity to stand up an additional committee. It is instead proposed to bring regular progress reviews through to Corporate Scrutiny Committee. 3. The Whistleblowing Policy is available to review on the intranet and was circulated to Committee Members via email on 01/10/24. As part of the review of HR data and reporting, employee relations case data will be included in reports to ensure transparency and accountability of actions to address any identified disproportionate impacts. 4. Both the Workforce Strategy and the HR Improvement Plan are currently under review in line with Duties and Powers savings proposals and the new corporate Improvement Plan. This will ensure they are still viable and deliverable, and they will be shared once that review has taken place.
--	--	--

Corporate Scrutiny Committee Recommendation/Action Tracker 2024/2025

<p>Date of meeting: 24 July 2024</p> <p>Date recommendations were issued: 25 July 2024</p> <p>Deadline for response: 25 September 2024</p>	<p><u>Budget Strategy</u></p> <p>1. That a more detailed and methodical approach to the budget strategy be developed so that progress can be monitored throughout the year. Alternatively, the Committee request that assurance is provided in writing that the strategy is sufficient enough to balance the budget and forecast accurately. (R)</p>	<p>The Budget Strategy approved by the Executive in July 2024 provides the framework including objectives underpinned by budget principles the Council will undertake in addressing the budget gap.</p> <p>The Budget Strategy approved by the Executive in July 2024 is a key part of the Council’s policy and budget framework and financial planning process. The purpose of the Budget Strategy is to provide a strategic framework to meet corporate priorities within councils’ financial resources.</p> <p>It is important to understand that the Budget Strategy does not constitute a formal budget. It provides the framework within which budget and service planning should take place, to ensure the council sets a balanced budget. The main reasons for why a Council is unable to set a balanced budget are detailed in Appendix 1 and Appendix 3 (sections 3 and 4) of the 2024/25 Budget report to City Council in March 2024.</p> <p>The 2025/26 budget strategy include the key elements that aim to provide a robust framework for financial planning and monitoring:</p> <ul style="list-style-type: none"> a) Medium Term Financial Plan (Section 6) provides previously latest estimate MTFP (as at March 2024) and associated assumptions that form the basis of the budget gap. b) Budget Strategy Objectives and Principles (paragraph 4.4) <ul style="list-style-type: none"> • The strategy is built around seven key objectives, including setting and delivering a balanced budget, establishing financial resilience, and ensuring
--	--	--

		<p>effective early intervention and prevention across all service areas.</p> <ul style="list-style-type: none"> • Five principles underpin these objectives, such as minimal reliance on Exceptional Financial Support, adopting a longer-term view, and prioritising resources appropriately. <p>c) Budget Themes and Tools (Section 5 and Appendix 1)</p> <ul style="list-style-type: none"> • The strategy focuses on several budget themes, including service redesign, income and debt management, asset utilisation, and transformation and change. • Various budget tools will support these themes, such as organizational redesign, benchmarking, zero-based budgeting, and business process reengineering. <p>d) Monitoring and Reporting (Section 7)</p> <ul style="list-style-type: none"> • The budget strategy includes a detailed timetable for budget preparation and monitoring, with regular updates to the Executive Board and engagement with key stakeholders. • The strategy emphasizes the need for continuous review and adjustment to reflect changing circumstances and updated financial assumptions. <p>Given these elements, Scrutiny can be assured that the current budget strategy is designed to balance the budget over the MTFP. However, to further enhance transparency and accountability, the budget timetable reflects an update to the Committee in at two additional points prior to Council approving the budget and updated MTFP in March 2025.</p>
--	--	--

Corporate Scrutiny Committee Recommendation/Action Tracker 2024/2025

	<p>2. That a long term decision is taken on annual council tax increases and that it be incorporated it into the Medium Term Financial Plan (MTFP). (R)</p>	<p>The government has not yet published any policy with regards to Local Government Finance including increases to council tax/social care precept which is expected to be published alongside the provisional settlement in December 2024.</p> <p>The impact of proposed council tax increases is detailed in paragraph 6.5 of the report to the Executive in June 2024, illustrating the financial implications of a 1%, 4.99%, or 9.99% increase.</p> <p>As confirmed at the last Scrutiny meeting, the Council does not incorporate council tax increases into the MTFP for the following reasons:</p> <ul style="list-style-type: none"> • The Council cannot determine the permissible increase for council tax and the adult social care precept until the provisional Local Government Finance Settlement is published. • The decision to increase council tax is made by Members, not Officers, and is typically decided by Full Council alongside the approval of the Annual Budget in March 2024. <p>Therefore, Officers will continue to exclude council tax increases from the overall MTFP and will provide the potential impact of any increase on the cumulative budget gap.</p>
<p>Date of meeting: 24 July 2024</p> <p>Date recommendations were issued:</p>	<p><u>EDI Strategy – Action Plans</u></p> <p>1. That as part of the consultation process the public are consulted on the Strategy. (R)</p>	

Corporate Scrutiny Committee Recommendation/Action Tracker 2024/2025

<p>25 July 2024</p> <p>Deadline for response: 25 September 2024</p>	<p>2. That prior to publication, assurance is provided from services in the City that they can meet the needs of Nottingham residents and that expectations from those service provisions align with the Strategy. (R)</p>	
---	--	--

This page is intentionally left blank

**Corporate Scrutiny Committee
09 October 2024**

Work Programme

Report of the Statutory Scrutiny Officer

1 Purpose

- 1.1 To consider the Committee's Work Programme for 2024/25 based on areas of work identified by the Committee at previous Committee meetings, the informal meeting of the Committee to scope its work programme for the year ahead and any further suggestions raised at this meeting.

2 Action required

- 2.1 The Committee is asked to note the work that is currently planned for the municipal year 2024/25 and make amendments to this programme as appropriate.

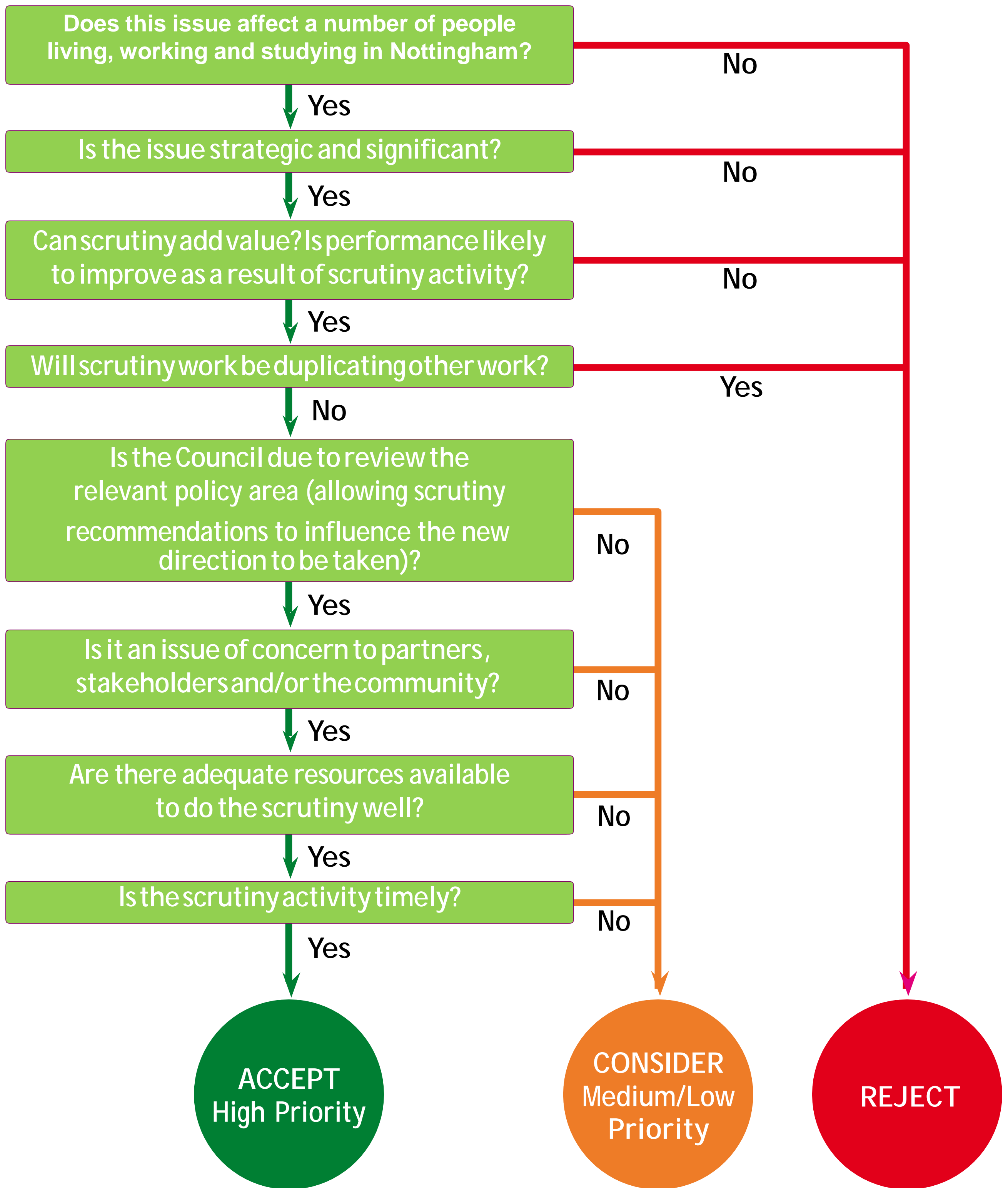
3 Background information

- 3.1 The Corporate Scrutiny Committee has been established to carry out the statutory overview and scrutiny functions in relation to corporate matters. This includes the Council's finances and resources such as IT, customer services, commercial strategy, procurement and financial management; and corporate and cross-cutting matters that affect each directorate such as development of and delivery of the Strategic Council Plan, budget, transformation and improvement.
- 3.2 The Committee is responsible for setting and managing its own work programme.
- 3.3 In setting a programme for scrutiny activity, the Committee should aim for an outcome-focused work programme that has clear priorities and a clear link to its roles and responsibilities. The work programme needs to be flexible so that issues which arise as the year progresses can be considered appropriately.
- 3.4 Where there are a number of potential items that could be scrutinised in a given year, consideration of what represents the highest priority or area of risk will assist with work programme planning. The Scrutiny Prioritisation Process has been attached to assist Members on those considerations with the Committee advised to focus on two items per meeting so that due consideration can be given.
- 3.5 The current Work Programme for the municipal year 2024/25 is attached.

4 List of attached information

- 4.1 Scrutiny Prioritisation Process
- 4.2 Corporate Scrutiny Committee Work Programme 2024/25
- 5 Background papers, other than published works or those disclosing exempt or confidential information**
- 5.1 None
- 6 Published documents referred to in compiling this report**
- 6.1 Nottingham City Council Constitution
- 7 Wards affected**
- 7.1 All
- 8 Contact information**
- 8.1 Damon Stanton, Scrutiny & Audit Support Officer
E: damon.stanton@nottinghamcity.gov.uk
T: 0115 87 64345

Nottingham City Council Scrutiny Prioritisation Process



This page is intentionally left blank

Corporate Scrutiny Committee 2024/25 Work Programme

Chair: Councillor Sam Gardiner

Vice Chair: Councillor Angela Kandola

Wednesday at 9.30am

Date	Items
29 May 2024	<ul style="list-style-type: none">• Appointment of Vice-Chair• Committee Terms of Reference• Report of Human Resources – Workforce Analytics Led by Lee Mann To be updated on a range of employee related issues including workforce planning, sickness absence, EDI, caseloads, and benchmarking• Equality, Diversity and Inclusion (EDI) Strategy 2024-28 Led by Cllr Coral Jenkins, Lee Mann To assess the final draft version of the Council’s Equality, Diversity and Inclusion Strategy
24 July 2024	<ul style="list-style-type: none">• Budget Strategy Led by Cllr Linda Woodings, Shabana Kausar To scrutinise the Council’s budget strategy and methodology, including composition and changes• EDI Strategy - Action Plans Led by Cllr Coral Jenkins, Cllr Linda Woodings, Lee Mann To scrutinise the action plans that underpin the Strategy
09 October 2024	<ul style="list-style-type: none">• Budget Monitoring Led by Cllr Linda Woodings, Ross Brown, Shabana Kausar, Corporate Directors To assess and review the 2024/25 budget mid-year

Date	Items
	<ul style="list-style-type: none"> • Transformation Performance 24/25 Led by Cllr Neghat Khan, Sajeeda Rose, Paul Clarke To scrutinise the Council's Corporate Transformation performance • NCC Improvement Plan Led by Cllr Neghat Khan, Sajeeda Rose, Paul Clarke To scrutinise the Improvement Plan approved by Commissioners and City Council
27 November 2024	<ul style="list-style-type: none"> • Performance Management Led by Cllr Neghat Khan, Paul Clarke To assess the performance of the Strategic Council Plan (SCP) • Public Budget Consultation Led by Cllr Linda Woodings and Paul Clarke To receive further information on how the public budget consultation for 2025/26 will be conducted, including methodology
29 January 2025 (Budget)	<ul style="list-style-type: none"> • Budget Consultation Led by Cllr Neghat Khan, Cllr Linda Woodings, Ross Brown, Shabana Kausar The Committee to assess the proposed budget and respond as a consultee
12 February 2025 (Budget)	<ul style="list-style-type: none"> • Budget Led by Cllr Neghat Khan, Cllr Linda Woodings, Ross Brown, Shabana Kausar The Committee to assess the final budget being recommended to Council by the Executive following consultation
26 March 2025	<ul style="list-style-type: none"> • TBC

STANDING ITEMS

- Workforce analytics – May
- Budget Strategy – July
- Budget Monitoring – September
- Budget Consultation and Final Budget – January/February (depending on budget timetable)

- Performance Management – July

NOTES

WORK PROGRAMME 2024/25

COMPLETED ON

SIGNED (CHAIR OF THE COMMITTEE)

This page is intentionally left blank