



**NOTTINGHAM CITY COUNCIL**  
**AUDIT COMMITTEE**

**Date:** Friday, 18 January 2019

**Time:** 1.30 pm

**Place:** LB 31 - Loxley House, Station Street, Nottingham, NG2 3NG

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

**Corporate Director for Strategy and Resources**

**Governance Officer:** Zena West **Direct Dial:** 0115 876 4305

- |          |   |         |
|----------|---|---------|
| <b>1</b> | <b>APOLOGIES</b>  |         |
| <b>2</b> | <b>DECLARATIONS OF INTERESTS</b>  |         |
| <b>3</b> | <b>MINUTES</b>  | 3 - 10  |
|          | To confirm the minutes of the meeting held on 30 November 2018  |         |
| <b>4</b> | <b>NO DEAL BREXIT PLANNING</b>  | 11 - 20 |
|          | Report of the Corporate Director for Strategy and Resources, and the Director for Strategy and Policy |         |

IF YOU NEED ANY ADVICE ON DECLARING AN INTEREST IN ANY ITEM ON THE AGENDA, PLEASE CONTACT THE GOVERNANCE OFFICER SHOWN ABOVE, IF POSSIBLE BEFORE THE DAY OF THE MEETING

CITIZENS ATTENDING MEETINGS ARE ASKED TO ARRIVE AT LEAST 15 MINUTES BEFORE THE START OF THE MEETING TO BE ISSUED WITH VISITOR BADGES

CITIZENS ARE ADVISED THAT THIS MEETING MAY BE RECORDED 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](http://WWW.NOTTINGHAMCITY.GOV.UK). INDIVIDUALS INTENDING TO RECORD THE MEETING ARE ASKED TO NOTIFY THE GOVERNANCE OFFICER SHOWN ABOVE IN ADVANCE.

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**NOTTINGHAM CITY COUNCIL**

**AUDIT COMMITTEE**

**MINUTES of the meeting held at LB 31 - Loxley House, Station Street, Nottingham, NG2 3NG on 30 November 2018 from 10.47 am - 12.50 pm**

**Membership**

Present

Councillor Michael Edwards (Chair)

Councillor Steve Young (Vice Chair)

Councillor Leslie Ayoola

Councillor John Hartshorne

Councillor Anne Peach

Councillor Nick Raine

Councillor Andrew Rule

Councillor Adele Williams

Absent

Councillor Cheryl Barnard

**Colleagues, partners and others in attendance:**

- |                       |  |
|-----------------------|--|
| John Gregory          | - Grant Thornton External Auditors         |
| Shail Shah            | - Head of Audit and Risk                   |
| Glyn Daykin           | - Senior Accountant in Treasury Management |
| Sue Risdall           | - Finance Team Leader Technical Accounting |
| Paul Millward         | - Head of Resilience                       |
| Vicky Cook            | - Corporate Safety Adviser.                |
| Elaine Fox            | - Corporate Policy and Performance Officer |
| John Slater           | - Group Auditor                            |
| Jackie Handley        | - Insurance and Risk Manager               |
| Caroline Stevens      | - Principle Risk Specialist                |
| Catherine Ziane-Pryor | - Governance Officer                       |

**30 APOLOGIES FOR ABSENCE**

Councillor Cheryl Barnard – other Council business.

**31 DECLARATIONS OF INTEREST**

None.

**32 MINUTES**

The minutes of the meeting held on 28 September 2018 were confirmed as a true record and signed by the Chair.

**33 PARTNERSHIP GOVERNANCE FRAMEWORK AND ANNUAL HEALTH CHECK.**

Elaine Fox, Corporate Policy and Performance Officer, presented the detailed report which informs the committee the outcome of the annual health check undertaken on the City Council's significant partnerships.

Appendix 1 to the report identifies organisations considered as significant partnerships, appendix 2 provides the risk scoring for each organisation within different areas, appendix 3 provides the guidance and the health check question form, appendix 4 detailed recommendations for improvement for the Crime and Drugs Partnership and Midlands Engine, whilst appendix 5 provides verification schedule up to 2024.

The following points were highlighted and responses provided to committee members' questions:

- (a) Every year organisations which are considered significant partners are requested to complete a governance survey which enables the City Council to identify the risk in being connected with each partnership. Partners are requested to rate their compliance has excellent (rating 1), good (rating 2), some key areas for improvement (rating 3), or many key weaknesses (rating 4), on a range of areas including finance, accountability and performance;
- (b) Last year there were 11 organisations considered as significant partners, but since the N2 Skills and Employment Board has ceased to operate, there are now only 10. This year's survey includes an additional section with regard to GDPR at the request of the former Audit Committee Chair;
- (c) Where organisations rate themselves as 3 or 4, or are unable to assess the area requested, further information and/or a change in procedures may be requested. To ensure that rating interpretation is consistent, each organisation will undergo a full verification every 2 to 4 years;
- (d) The Green Nottingham Partnership is still developing some documents to which the ratings apply and was not able to wholly complete the survey but is due to be verified during 2019;
- (e) Nottingham City Safeguarding Children Board (NCSCB) had recognised concerns around future funding but is due to be replaced by a Strategic Management Board as of 1 April 2019;
- (f) Concerns have been raised with regard to the Crime and Drugs Partnership in that the decision-making structure of the organisation is not clear, particularly the role of the executive, and there is no formal recognition that the CDP does not meet the GDPR threshold for holding personal data and therefore does not have a specific GDPR policy. Whilst a risk log was maintained it had not been presented to the Board for formal recognition and there wasn't a schedule for regular revision. However, all requests for supporting documents were thoroughly fulfilled and the response to the questionnaire was very thorough;
- (g) With regard to Midlands Engine, some documents were not provided despite repeated requests, a clear record of Board decision making and performance reporting could not be provided, the website did not provide access to basic governance documents and information, and whilst a risk register was discussed and monitored at Board meetings, when requested it was not provided. Recommendations were issued in response to all identified concerns;
- (h) In response to a member's concerns that year after year the Green Nottingham Partnership's governance documentation appeared to consistently rate as

'improvement needed' without progressing, it is noted that there have been improvements since last year, but that recent staffing and support issues have impacted on its rating. Although Green Nottingham Partnership does not receive funding from City Council, there is still an element of risk to the Councils reputation through the partnership so a further verification will be undertaken in 2019;

- (i) With regard to the Midlands Engine, Nottingham City Council is an accountable body and should be able to access documents without meeting resistance so this issue has been escalated to Chris Henning, the Corporate Director of Development and Growth, to address. If members of the Audit Committee would like access to these documents once they are provided, then this can be arranged;
- (j) The questionnaire provides examples of good governance, but if members of the Audit Committee feel that a more detailed framework of expectations including the provision of documents when requested is required, then this can be provided to the partnerships in future.

Concerned at the resistance of some partnerships to provide documents and therefore assurance, members requested that confirmation, or otherwise, of the receipt of the required documents is provided by the committee's February meeting. If by then the Midlands Engine is not able to complete the survey and provide requested documents without valid explanation and assurance, its verification is repeated next year.

## **RESOLVED**

- (1) to note the key findings from the partnership governance health checks and register of significant partnerships;**
- (2) to note the findings and recommendations following verification of governance documentation of two of the partnerships;**
- (3) to provide the Committee with assurance at the Audit Committee meeting on 22 February 2019, the Director of Strategy and Policy is requested to:**
  - (a) to provide an update regarding the documents requested from partnerships which are outstanding, and if necessary, what further action is to be taken;**
  - (b) to request and confirm that the CDP defines clearly within the organisation and on its website, the relationship between and respective roles of its Executive and Board;**
- (4) in future, where risk ratings are considered to be consistently poor by Policy and Performance team following the review, that Policy and Performance team request the partnership concerned to provide evidence of what action has been or will be taken to mitigate those risks, and that this information is provided to the Audit Committee. Audit Committee can then ask a representative of the partnership concerned to attend the Committee and account for the continued poor performance in relation to their governance documentation and their plans to improve.**

### **34 ANNUAL REPORT OF HEALTH AND SAFETY WITHIN THE COUNCIL**

Paul Millward, Head of Resilience, presented the Annual Report of Health and Safety within the Council, and was accompanied by Vicky Cook, Corporate Safety Adviser.

It is the Resilience Team's responsibility to write the corporate procedures and policies for departmental managers to follow to ensure a safe environment for citizens and colleagues. Following a review by Internal Audit, it was noted that there was no mechanism to inform councillors of health and safety within the council, so this report will be submitted annually to the Audit Committee.

The following points were highlighted and members' questions responded to:

- (a) The internal audit found that there were several areas in which improvements were required, including:
  - o demonstrating that managers are trained in health and safety within their service;
  - o asbestos management by managers;
  - o completion of corporate safety advice issued within the audit recommendations;
  - o formal completion of investigations into accidents/ near misses/ violence;The report provides an update on progress to address these points with the support of SLMG ensuring that non-compliance is highlighted;
- (b) 299 service level audits have taken place and when non-compliance is found it is challenged at every relevant level and reported to the responsible Corporate Director. It is expected that once the corporate safety audit recommendations are met, managers will update the register. However, it is understood that whilst some service areas are compliant, the register has not been updated, and therefore, that presents a risk to the Council;
- (c) In the past three years there have been two interventions by the Health and Safety Executive, as outlined in the report along with the cost implications. Previously the Health and Safety Executive (HSE) could investigate an incident without charging but there is now a fee if it is required to 'intervene' and investigate an incident;
- (d) Asbestos is carefully monitored and mandatory training in place for any member of staff and managers who may come into contact with it;
- (e) Where an incident or near miss occurs it is investigated with a view to ensuring that such instances can be prevented in future. The investigation needs to be proportionate to the incident;
- (f) The Corporate Health Social and Welfare Panel is a consultation meeting with the joint trade unions where information around health and safety policies and procedures is shared with the joint objective of preventing or mitigating health and safety incidents;
- (g) With regard to stress and well-being, there are packages to help managers manage stress both personally and within the team and HR policies and procedures are in place for stress management. In addition the Occupational Health and Well-being Team are able to offer advice. Reported incidents of stress are closely monitored by Human Resources with regard to corporate health. It is recognised that where staff are

absence from work due to stress, in addition to the human cost, there is a cost to the Council and, therefore, prevention will provide savings and benefit the wellbeing of staff;

- (h) It is understood that in the past some staff did not report violent incidents (which relate to citizens attacking or abusing staff), but staff are strongly encouraged and supported to report these incidents. Possibly as a result, the number of recorded incidents has risen and continues to be monitored to identify any trends which can be addressed;
- (i) With regard to mandatory training, it is believed that there are instances whereby the training has been completed but not recorded as such in the departmental registers, but it is vital that all registers are maintained in real time to ensure effective monitoring and compliance management.

In light of the good health and safety relationship with the trades unions, members of the committee suggested that members of staff are encouraged to undertake training offered by the trades union as this is beneficial to all parties.

Members of the Committee welcomed the good work being undertaken by the Corporate Safety Team.

## **RESOLVED**

- (1) to note the number of HSE interventions in the Council in the past three years;**
- (2) for all Corporate Directors to undertake and ensure that the following actions are completed by Friday 25<sup>th</sup> January 2019, with the outcome to be reported the Audit Committee at its meeting 22 February 2019:**
  - (a) to ensure their departmental colleagues can demonstrate up to date training in the mandatory health and safety courses, and, where appropriate, asbestos management;**
  - (b) that all outstanding Accident/Violence/Audit recommendations are completed and recorded on the corporate system;**
- (3) for the Head of Resilience to provide information to enable a comparison of Nottingham City Council's Health and Safety Performance against other Local Authorities in the next annual report;**
- (4) for future annual health and safety reports to provide tracking information on reported violent incident trends, including what action, if any has been taken to address those trends.**

## **35 EXTERNAL AUDITOR - AUDIT PROGRESS REPORT AND SECTOR UPDATE**

John Gregory, Engagement Lead for the external auditors Grant Thornton, was welcomed to the meeting by the Chair and invited to present the 'Audit Progress Report and Sector Update'.

The following points were highlighted and responses given to member's questions:

- (a) Grant Thornton (GT) currently audits 40% of all Local Authorities and associated bodies across the country;
- (b) John Gregory was previously involved in external audits by the Audit Commission of the City Council between 1997 and 2001, and will be assisted by Helen Lillington, both have gained a range of experience in working with Local Authorities and it is unlikely that there will be any significant changes to the collaborative working methods seen with the former External Auditors KPMG. The handover from KPMG is on track and John and Helen have already met the Chief Executive, Corporate Directors and the Chief Finance Officer and Head of Audit & Risk;
- (c) The format of the Grant Thornton report can be altered if the Committee prefer. A key area of focus will be on Private Finance Initiatives and the overall financial position of the City Council;
- (d) GT aims to provide collaborative support to help the City Council ensure that no undue risks are undertaken, whilst ensuring that citizens can be confident that all funds held by the Council can be demonstrated to be used and managed appropriately and recorded as such whilst demonstrating value for money;
- (e) Further to the comments raised during the Annual Health Check of Partnerships item, it is unusual for partnerships not to respond and it will be worth investigating if there is any CIPFA guidance on such issues;
- (f) Although councillors can raise any concerns with and ask questions of the Committee Chair, they are also welcome to approach John independently, however, any additional work would be subject to a further Grant Thornton fee. Previously citizens have approached the External Auditor to raise concerns as they have been unsure of who else to talk to;

**RESOLVED to welcome John Gregory and note the report, and that as part of the external audit, Grant Thornton will review a series of potential indicators which may denote financial difficulties.**

### **36 INTERNAL AUDIT HALF YEARLY REPORT 2018/19**

Shail Shah, Head of Audit and Risk, introduced the Half Yearly Report which provides assurance to the committee and citizens of the Council's probity within a framework which gauges and responds to risk.

The following points were highlighted:

- (a) The Internal Audit Annual Plan is on track and an executive summary is provided as Appendix 1 to the report. Internal Audit has adequate resources to carry out the plan;
- (b) Councillor's queries regarding their own experience of IT updates and whether this should be automated by IT will be raised with IT and a response provided to committee members;
- (c) There are cyber security risks linked to the launch of the new Oracle system and this has been discussed at the Information Compliance Board, where the majority of

business relates to IT security. Simon Salmon, Head of IT, is also a cyber security specialist and trainer so the City Council is well served in this respect;

- (d) Council Tax systems are reviewed every year by Internal Audit, including the controls in place to prevent fraud. The Counter Fraud Team are involved in specific pro-active campaigns to identify fraud and error and enable rectification by the Revenues Service;
- (e) EMSS has processes in place to identify duplicate invoices so that they are not paid. Compliance with the corporate process will support this objective;
- (f) Capital accounting, although given limited assurance, continues to improve. Some recommendations from previous audits are still outstanding. One such recommendation relates to Capital Strategy, which could not be implemented because of the funding settlement provided by DCLG was on a year to year basis due to austerity measures;

The Chair requested that for future reports all outstanding high priority recommendations are reviewed and a detailed explanation provided by the client service.

With regard to the lack of a capital strategy with medium and long term views, a risk register must be created as a fundamental element of the City Council's culture, reviewed and reported to managers on a regular basis. It is vital that managers and decision makers are fully aware of all responsibilities and so are able to plan ahead. Gateway reviews do not work to the extent necessary and further clarity is required.

## **RESOLVED**

- (1) to note the report;**
- (2) that managers of areas which have outstanding recommendations following internal audits are asked to provide an update in future reports on the implementation of those recommendations;**
- (3) for the Head of Audit and Risk, to request the Head of IT contact Councillor Young with reference to IT security and updates;**
- (4) at the request of the Chair, for a meeting between members of the committee and Capital Accountants be set up to discuss capital accounting and strategy.**

## **37 TREASURY MANAGEMENT 2018/19 HALF YEARLY UPDATE**

Glyn Daykin, Senior Accountant in Treasury Management, presented the report which updates the Committee on the on the treasury management actions taken by the Chief Finance Officer in the first half of the financial year 2018/19 up to 30 September 2018.

A short presentation was delivered on the Treasury Risk Management Plan, a copy of which is circulated with the initial publication of the minutes.

The following points were highlighted and responses provided to members' questions:

- (a) With regard to the debt portfolio, the balance of external debt has increased by £46.9m to £912.5m (excluding PFI), the long-term debt that was taken in the first 6 months was at an average rate of 2.31%;
- (b) The investment portfolio provided a yield of 0.59% which is broadly in line with market rates;
- (c) None of the Performance Indicator figures have been breached;
- (d) New CIPFA guidance has been issued which and the City Council will be able to meet as required during 2019/20;
- (e) There are 8 headline risks in the Risk Management Plan, with an overall rating of unlikely /minor, but with 3 rated as intermediate risks;
- (f) There is uncertainty around Brexit but this is closely monitored and controls and risk mitigations are in place and so is planned for as best it can be;
- (g) In February Audit Committee and the Executive Board will receive a report and be required to consider Treasury Management Strategy for the next financial year which will then need to be approved at the March 2019 Full Council meeting.

## **RESOLVED**

- (1) to note the report;**
- (2) for the Treasury Management Risk Register to be linked to the fuller Risk Register which will be presented to the 22 February 2019 meeting of the Committee.**

## **38 AUDIT COMMITTEE ANNUAL WORK PROGRAMME**

**RESOLVED to endorse the outline work programme and committee terms of reference.**

## **39 RESOLUTION OF COUNCIL 12 NOVEMBER 2018 - BREXIT**

**RESOLVED for an additional meeting of the Audit Committee to be held on 18 January at 1.30pm in Loxley House to consider the review of service and project plans with regard to Brexit, and the status of Emergency Planning with regard to Brexit.**

**AUDIT COMMITTEE – 18<sup>th</sup> January 2019**

<b>Title of paper:</b>	'No Deal' Brexit Planning	
<b>Director(s)/ Corporate Director(s):</b>	Candida Brudenell, Corporate Director for Strategy and Resources Colin Monckton, Director for Strategy and Policy	<b>Wards affected:</b> All
<b>Report author(s) and contact details:</b>	James Rhodes, Head of Analysis and Insight <a href="mailto:James.rhodes@nottinghamcity.gov.uk">James.rhodes@nottinghamcity.gov.uk</a> (0115 876 5726)	
<b>Other colleagues who have provided input:</b>	Catherine Underwood, Director for Adults Social Care John Matravers, Service Manager Safeguarding (Children's) Toni Price, Head of Community Engagement Paul Seddon, Director of Planning and Regeneration Paul Millward, Head of Resilience Ruby Bhattal, Head of Communications and Marketing Paul Haigh, Head of Social Care Provision (Adults)	
<b>Recommendation(s):</b>		
<b>1</b>	To note and comment on the risks and mitigating action identified in the event of a 'no deal' brexit.	
<b>2</b>	To note and comment on the status of emergency planning with regard to brexit.	

**1 REASONS FOR RECOMMENDATIONS**

- 1.1 There is increased uncertainty around securing a planned Brexit as we approach the anticipated departure date (29<sup>th</sup> March 2019 at 11pm). As such it is necessary to ensure that the City Council understands the potential risks and that planning is underway to mitigate those risks where required. This paper seeks to present those risks for note and comment by Audit Committee.

**2 BACKGROUND**

- 2.1 Full Council considered a Brexit update in November 2018, which highlighted the potential implications in light of a 'no deal' scenario. It was agreed that service areas and projects be assessed to ensure that relevant risks are understood and that mitigating actions are in place.
- 2.2 The relevant recommendations from the Council report are that:
- i) *Council asks that all service and project plans are reviewed with regard to (a 'no deal') Brexit and that assurances of progress are reported to the Audit Committee.*
  - ii) *Council asks that a report of the status of our emergency planning with regard to Brexit is presented to the Audit Committee in the new-year.*

**National Context**

- 2.3 The changing and uncertain nature of Brexit presents a challenge in regards to assessing and planning for the risks which are contingent on the potential outcomes of the subsequent vote in Parliament (scheduled for w/c 14<sup>th</sup> Jan 2019). The government states that 'no deal' is not its policy position but there is a duty to prepare for all

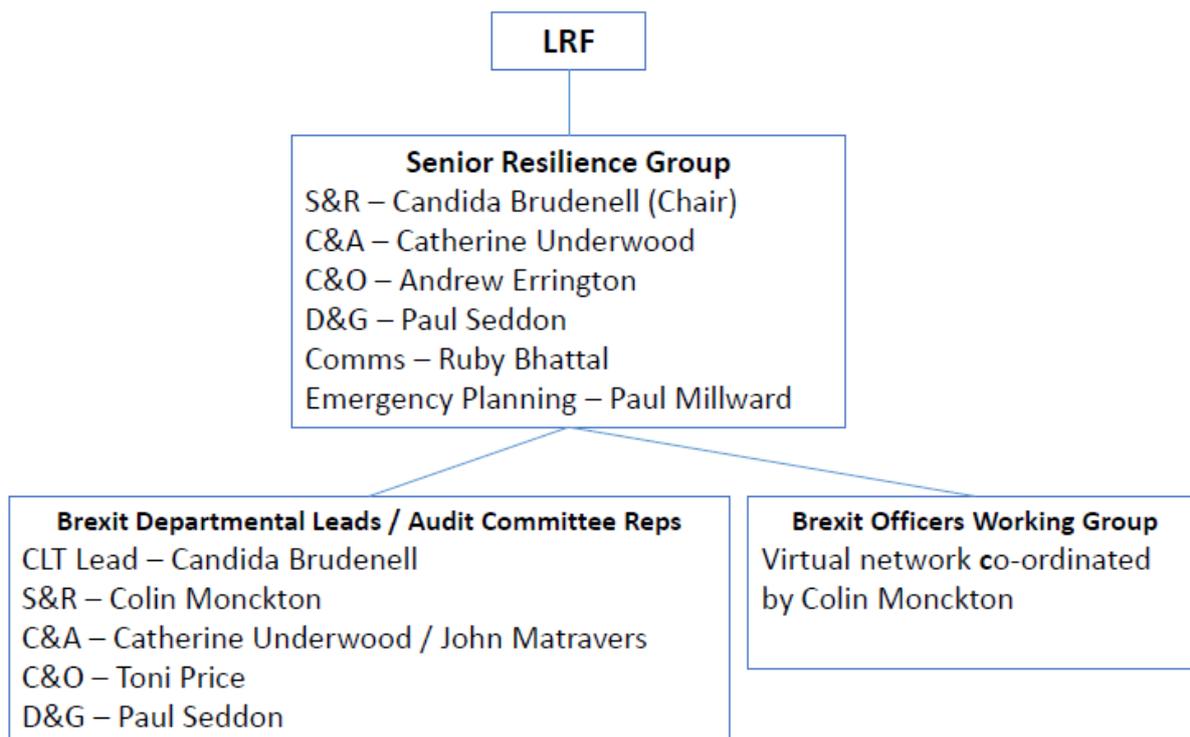
scenarios. With under three months remaining until exit day, Government departments have reached the point where they are ramping up 'no deal' preparations. This means that all government departments are now enacting the remaining elements of their 'no deal' plans. These plans include additional resource to the Home Office to employ more Border Force officers, funding to Defra to focus on ensuring trade in fish, food products and chemicals remains uninterrupted and additional resource to HMRC to employ 3,000 new staff to handle increased customs activity.

- 2.5 The EU have also published plans, which include measures that cover legislation to ensure some continuity (e.g. flights from the UK into and overflying the EU to be allowed 12 months, hauliers to carry freight by road into the EU for a nine-month period without having to apply for permits etc).
- 2.6 Within the UK, EU law and regulation underpins many council services (such as waste and environmental standards). The Withdrawal Act 2018 provided for all EU law to be brought into UK law to ensure that there was legal certainty for businesses and residents. The Withdrawal Act is now law and this legal certainty remains in place under 'No Deal'.
- 2.7 However, many UK laws refer to EU regulations or to EU agencies. The Withdrawal Act gives Ministers the ability to amend such laws where EU institutions or processes are mentioned. The principle that the Government is working to is that of continuity (at least in short-medium term) and naming UK successor agencies to EU regulators.
- 2.8 Under No Deal, all these legal changes to UK law need to be in place by 29<sup>th</sup> March 2019 and relevant information communicated to the sector by Government. The Government will also have to pass legislation for many of the areas covered in its technical notices. Much of this will be 'secondary legislation' under the EU Withdrawal Act. The Leader of the Commons, Andrea Leadsom, told Parliament that the Government does not expect any difficulty in passing the required secondary legislation before exit day. Nonetheless, it is expected any changes to governing institutions or processes pertaining to local government will be communicated directly from the relevant Government department.
- 2.9 Delivering the deal remains the Government's top priority and is the best 'no deal' mitigation. But in line with the Government's principal operational focus on national 'no deal' planning, actions must now be taken locally to manage the risks of a 'no deal' exit. As such Council Departments have undertaken an exercise to consider the potential impacts and mitigations should a 'no deal' scenario become reality.

## **Methodology and Governance Structure**

- 2.10 In order to comprehensively assess the departmental risks and ensure coordination and oversight, a governance structure has been put in place to link relevant officers and ensure visibility at the Local Resilience Forum level (LRF) (Figure 1).

**Figure 1: Nottingham City Council Brexit Risk Governance**



2.11 Departmental Leads were tasked with assessing the risks across relevant service areas and projects using the standard five by five risk assessment tool based on likelihood and impact (figure 2). Priority risks are presented below.

**Figure 2: Risk Assessment Tool**

		Impact				
		Negligible (1)	Minor (2)	Moderate (3)	Major (4)	Catastrophic (5)
Likelihood	Remote (1)	1	2	3	4	5
	Unlikely (2)	2	4	6	8	10
	Possible (3)	3	6	9	12	15
	Likely (4)	4	8	12	16	20
	Almost certain (5)	5	10	15	20	25

**Priority ‘No Deal’ Risks by Department**

2.12 The highest priority risks are presented below:

The Risk	Action Taken	Score	Dept.
<b>Recruitment and retention issues within Adult Social Care (ASC):</b> Negligible direct reliance on EU workers within the NCC workforce but potential risk that improved T&Cs in other sectors dependent on EU workers (retail, hospitality etc) will exacerbate the challenge of recruiting: <ul style="list-style-type: none"> <li>- NCC employed staff (internal services);</li> <li>and,</li> <li>- Staff employed by commissioned (external)</li> </ul>	Internal services: Work already underway to develop an action plan to attract more adult social care workers at all grades. This includes consideration of recruitment marketing campaigns, market supplements, golden hello’s introductory payments.	16	C&A/ S&R

<p>services within the health and social care sector.</p> <p>The commissioned sector represents the majority of the workforce to deliver social care to citizens in Nottingham. The main risk is with Home Care and a reduction in capacity will have an impact across the whole health and social care system.</p>	<p>External services: Work is underway with care providers to understand the risk. Action Plan is in place to progress issues. Local Home Care recruitment campaign in preparation for mid-January with national campaign January/February.</p>		
<p><b>Medicine management in Adult and Children's Social Care:</b> Risk is that citizens may not have access to essential medicines as prescribed.</p> <p>Similar risk in regards to <b>substance misuse treatment:</b> Citizens may quickly become unwell/relapse and put additional pressure on services</p>	<p>Government advice is that there will be a 6 week stockpile of medicines and that flow of medicines and medical supplies will be prioritised in the event of delays at points of entry. ASC and NCC commissioning to escalate any issues should it become known medicines are not available to the NHS system.</p>	12	C&A  S&R
<p><b>Increase in demand and complexity of cases (Adult Social Care):</b> NHS have significant reliance on EU workforce and there is a risk that shortage of NHS capacity will lead to increased demand and complexity in adult social care, including discharges from hospital.</p>	<p>ASC and NCC commissioning to escalate concerns / patterns of concerns to the NHS system immediately.</p>	12	C&A
<p><b>Confidence in the council:</b> Reduction in confidence in the Council's ability to maintain effective services.</p>	<p>Communications and Marketing input required to inform and explain Council's role and action being taken.</p>	12	S&R
<p><b>Council workforce unaware of the activity/response to 'no deal':</b> There is a risk that council colleagues are unaware of the potential impact of Brexit on the council and fail to take necessary action/response.</p>	<p>Communication plan to be informed by planning work.</p>	12	S&R
<p><b>Personal data transfers to/from the EU:</b> EU based organisations will be unable (without breaching the GDPR) to transfer personal data to organisations in the UK. If a council system transfers personal data to/from the EU, potentially they are at risk of having to temporarily cease/shut down. Members of the public may suffer physical and/or financial hardship if systems are suspended due to personal data processing problems.</p>	<p>Central government / the UK regulator (the Information Commissioner's Office - ICO) needs to secure from the EU an adequacy notice in respect of the UK. This will signify the level of personal data protection in the UK is equivalent to that in the EU data. And will mean data transference can proceed. In the absence of an adequacy notice NCC needs to review all systems/processes to identify those that involve data flowing to/from the EU. Continuation of data exchange will require appropriate 'safeguards' as defined by the GDPR.</p>	12	S&R
<p><b>Project funding risk -</b> Delays to transport programme funding announcements. Delays to</p>	<p>Co-development with DfT</p>	12	D&G

delivery of smart bus corridor and cycle and walking delivery programmes. Potential impact on in-house delivery team financial returns.			
<b>Customs/travel/ supply chain impact on construction projects:</b> Delays in construction which could impact on the delivery of any construction project.	Maintain dialogue with construction sector. Flexibility through planning process for alternatives. Developers aware and will seek to mitigate	12	D&G
<b>Increases in inflation and impact on Private Finance Initiatives (PFI):</b> Most PFI contracts are inflated annually by RPIx (inflation), however grants are not. D&G have six PFI contracts that are jointly funded through government grants and by the Council. Any increases in inflation at key times will lead to an increased payment to the contractor. Any significant inflationary increase will create a funding gap that will need to be met from council budgets. This will cause an additional financial pressure within the Council, which will also be in effect locked in and compounded for the duration of the contract.	Cannot be mitigated through the PFI contracts.	12	D&G
<b>Increase in demand for asylum support and increase in homelessness:</b> Increased demand for assessment and housing. In addition, economic downturn, may ultimately lead to increased homelessness. Some landlords and tenants will illegally sub-let, or exploit tenants unable to secure legal tenancies, we know these arrangements are often first noticed through ASB, poor waste management and fly tipping.	On-going analysis and assessment of intelligence to assess impact. Increased role for Safer Housing preventing exploitation of renters and associated ASB and vulnerabilities.	12	C&O
<b>Civil unrest in response to effects of a 'no deal':</b> Range of risks from public demonstrations one end of the spectrum to more serious disorder based on perceived shortages of supplies/food etc. Government advises that there will not be a shortage of food but likely a restriction in choice. There could, however, be price increases for certain items.	On-going analysis and assessment of intelligence to assess impact. Work with Police and Partners to monitor the situation utilising national networks.	12	C&O
<b>Reduced community cohesion and increase in hate crime</b>	Maintain watching brief. On-going analysis and assessment of intelligence to assess impact. Work with Police and Partners to monitor the situation. Nottinghamshire Police are hosting a session in the new year on hate crime resilience. Support communities to be clear on a sense of place and engage citizens in shaping services	12	C&O

## **Status of Emergency Planning with regard to Brexit**

- 2.13 The second recommendation from the Council report relates to Emergency Planning and how our departmental assessments link into that mechanism.
- 2.14 Planning for a No Deal Brexit from an emergency planning perspective is occurring both within (i) the council (inward looking) and, (ii) with partners within the Local Resilience Forum framework (outward looking). Both approaches to planning are designed to fit in with Government expectations for information, reporting and dissemination of advice, and 'command, control and coordination (C3)'.

### **(i) Emergency planning within the Council**

- 2.15 The Council's Senior Resilience Group (SRG), chaired by Candida Brudenell and consisting of a Director from each directorate, held a Brexit focused session on 4th December where a wide-ranging discussion as to issues relating to a No Deal Brexit and the council's response occurred. Representatives from Analysis and Insight, Communication and Marketing and Emergency Planning also attended.
- 2.16 The Group discussed the intention that all service areas/project leads could demonstrate assurance that the risks of exiting the EU were understood alongside the national mitigation that may be contained in the technical notice or local mitigations.
- 2.17 The Group were keen to ensure that there were clear lines of responsibility both at a corporate and departmental levels for the 'planning' and 'response' phases. The Group were aware of the importance of instigating a clear corporate structure, with clear reporting and briefing mechanisms, to ensure a 'one Council approach' was achieved. It was agreed that:
- The Corporate Director of Strategy and Resources would be the strategic corporate lead in both the 'planning' and the 'response' phases and the council's Strategic lead within the LRF
  - The Director of Strategy and Policy would be the tactical corporate lead in both the 'planning' and 'response' phases and the council's Tactical lead within the LRF
  - The Senior Resilience Group Director representatives would be accountable for overseeing Brexit arrangements within their Departments and would become the departmental contact unless an alternative is identified
  - Additional special Brexit meetings of the Senior Resilience Group would be held monthly to drive forward the council's Brexit work, consisting of SRG members, Brexit Departmental Leads (if different) and other colleagues as appropriate.
  - Each Department would report the state of their departmental preparations fortnightly throughout Jan and Feb, weekly throughout March, and then weekly April onwards until considered unnecessary by Strategic corporate lead. These reports would feed into the LRF 'SitReps' required by Government.
  - All arrangements/approaches would need to be scalable and flexible as events unfold.
  - An 'exercise' or 'facilitated discussion' for Directors and others would take place in February to test the council's preparations against a range of scenarios, based on council, local and national risk factors.

- Communications and Marketing would ensure colleagues in the council were informed of any appropriate issues.

## **(ii) Emergency planning with the Local Resilience Forum**

- 2.18 The Local Resilience Forum is the county-wide body that is charged with the responsibility for emergency planning within Nottingham and Nottinghamshire, in line with the duties set out in the Civil Contingencies Act 2004. It consists of all the major public sector organisation that may have a role in responding to a wide range of major emergencies, notably, all local authorities, NHS England (including all hospitals, Acute trusts etc.), Environment Agency, Emergency Services, Highways Agency, Ministry of Housing, Communities and Local Government, HM Coroner, Met Office, together with all the major Utilities, Voluntary organisations, Military etc. The LRF is administered by the City Council and the council also chairs the main Resilience Working Group (RWG) for the LRF Executive.
- 2.19 The City Council is represented at the LRF Executive by Candida Brudenell or Malcolm Townroe. Paul Millward, Head of Resilience, chairs the RWG and acts as the LRF Director/Secretariat
- 2.20 There are two distinct phases to a No deal Brexit for the LRF but with an overall requirement for reporting to Government during both phases. The two phases are a) Before 29<sup>th</sup> March (the 'Planning phase') when the LRF will play a 'watching, advising, coordinating and reporting role' but with individual organisations taking the lead in preparing their own organisation for the effects of a No Deal, and b) After 29<sup>th</sup> March (the 'Response phase') when the LRF network and structures will be used to co-ordinate county-wide (and regional or national) responses to issues which require a multi-agency approach. Whilst Brexit is not considered by the Government to be a 'Civil Contingencies' emergency, the structures and partnerships that have been developed to deal with natural and person-made emergencies are considered by Government to be the best way of addressing No Deal Brexit issues. The proposed structures and forms of reporting are, therefore, modelled on existing LRF arrangements and techniques.
- 2.21 The LRF considered the issue of a No Deal Brexit at its meeting on 20<sup>th</sup> November 2018. The LRF agreed that, whilst the LRF structures forms a very useful way for Government to engage organisations in preparing for a no deal Brexit, it is primarily for each organisation to consider the Technical Notices and, largely, make their own business continuity preparations for the consequences of a no deal. However, it also agreed that if any organisation in the LRF partnership considered that a multi-agency approach was required by their organisation in preparation for a No Deal Brexit, they should advise the LRF Secretariat accordingly or use the informal network of partners established by the LRF.

### **'Reporting regime' and 'command and control'**

- 2.22 The Government have indicated, via the Local Resilience Forum network, that it will expect a 'reporting regime' before and after 29th March as to the overall local situation. The LRF, at its meeting on 20th November, approved a draft reporting regime which is designed to give a county-wide view of issues faced by all the major public organisations throughout Nottingham and Nottinghamshire. The Cabinet Office have subsequently provided a template and guidance as to the types, and frequency of information they require from the LRF. Our LRF has developed its own bespoke reporting mechanism that will provide the information that we need locally to assess

and manage any impacts, as well as meeting the needs of Government to understand the local position. Government have asked that all reporting be done through 'Resilience Direct', a Government web portal designed for Emergency Planners. The City Council will be responsible, on behalf of the LRF, for the collation, assessment and reporting to Government of impacts and requests for further information.

- 2.23 **Before 29<sup>th</sup> March:** Each of the LRF partners will be required, at pre-agreed intervals, to submit "Agency reports" as to the progress and status of their No Deal planning to the LRF secretariat (City Council) and these will form overall "Situational Reports" which will be sent to Cabinet Office. Government will advise on the type and categories of information it requires from the LRF as a whole individually from its partners. An assessment will be made by the LRF Secretariat (City Council) from each SitRep as to whether any additional action locally is required by the LRF network collectively. This process would not exclude any other form of collaboration between organisations in progressing No Deal planning.
- 2.24 In order to ensure that there is strategic, county-wide assessments of the state of preparation for a No Deal Brexit, a series of high level teleconferences have been arranged over the next four months so that all partners can understand the county-wide picture in both preparation and response phases and to offer, if necessary, assistance to other partners. Preparations have also been made for 'tactical' level meetings and teleconferences should LRF partners need to act on an issue quickly. As the impacts of a No Deal Brexit will most likely be felt across multiple local authority and LRF boundaries, arrangements for a 'Response Co-ordination Group' (ResCG), a multi LRF group, are in place if needed.
- 2.25 It is likely that some organisations within the LRF will be required to report both to their 'home' Government department as well as to the LRF locally (e.g. NHS England bodies in Nottinghamshire will be required to report to the Department of Health and Social Care and to the Nottingham and Nottinghamshire LRF), although this will be kept to a minimum.
- 2.26 The LRF Executive was already scheduled to meet on 29<sup>th</sup> March and this business meeting will now also consider Brexit issues. It has also been proposed that a regional teleconference of LRF Chairs be held that day.
- 2.27 **After 29<sup>th</sup> March:** Cabinet Office have indicated that the above reporting regime will continue for up to 12 weeks after the 29<sup>th</sup> March possibly, depending on the local situation, again, possibly on a 24/7 basis. During this period the LRF would operate in Response, rather than Planning, mode. The LRF has tried and tested structures and procedures to deal with multi-agency co-ordination of major incidents and these will be used if needed.

#### **LRF 'Exercise'**

- 2.28 The Cabinet Office have indicated that they wish LRFs to hold a 'facilitated discussion' on the state of preparation amongst partners, arrangements for command, control and co-ordination, and to test these elements against the Cabinet Office's Reasonable Worst Case Scenarios. This is currently being organised.

### **Concurrent Risks**

- 2.29 Clearly, managing the possible effects of Brexit over a 12-24 week period, maybe on a 24/7 basis, will require significant colleague resources. There is, of course, the possibility of a another emergency occurring during the Brexit period (e.g. flooding, severe weather, health crisis etc.) and these incidents will also need to be dealt with, often potentially using the same resources that are currently working on Brexit. Emergency Planners call such incidents as Concurrent Risks. To ensure that the council is prepared to deal with concurrent risks, the Emergency Planning team have, over the past few years, trained many SLMG colleagues to undertake a variety of roles that would be required at both Strategic and Tactical levels to deal with such emergencies. This builds in a good level of resilience into the council and should enable it to deal with both a 24/7 Brexit scenario and other concurrent risks (within reason).

### **3 BACKGROUND PAPERS OTHER THAN PUBLISHED WORKS OR THOSE DISCLOSING EXEMPT OR CONFIDENTIAL INFORMATION**

- 3.1 None.

### **4 PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT**

- 4.1 Brexit Update, Report of the Chair of Audit Committee, Nottingham City Council, 12<sup>th</sup> Nov 2018

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