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**Nottingham
City Council**

Nottingham City Council Overview and Scrutiny Committee

Date: Wednesday 8 September 2021

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

Senior Governance Officer: Laura Wilson

Direct Dial: 0115 876 64301

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|----------|---|---------|
| 1 | Apologies for absence | |
| 2 | Declarations of interests | |
| 3 | Minutes
To confirm the minutes of the meeting held on 7 July 2021 | 3 - 10 |
| 4 | Discussion with Sir Tony Redmond, Chair of the Improvement and Assurance Board
Report of the Head of Legal and Governance | 11 - 30 |
| 5 | Centre for Governance and Scrutiny Review of Scrutiny
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| 6 | Restructuring of the Council's Regulatory Services
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| 7 | Work Programme
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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.

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- asked to maintain a sensible level of social distancing from others as far as practically possible when moving around the building and when entering and leaving the meeting room. As far as possible, please remain seated and maintain distancing between seats throughout the meeting;
- strongly encouraged to wear a face covering when entering and leaving the meeting room and throughout the meeting, unless you need to remove it while speaking to enable others to hear you. This does not apply to anyone exempt from wearing a face covering;
- asked to make use of the hand sanitiser available and, when moving about the building, follow signs about traffic flows, lift capacities, etc.

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Nottingham City Council

Overview and Scrutiny Committee

Minutes of the meeting held at Dining Room - The Council House, Old Market Square, Nottingham, NG1 2DT on 7 July 2021 from 2.01 pm - 3.55 pm

Membership

Present

Councillor Anne Peach (Chair)
Councillor Carole McCulloch (Vice Chair)
Councillor Patience Uloma Ifediora
Councillor Gul Nawaz Khan
Councillor Jane Lakey
Councillor Sajid Mohammed
Councillor Toby Neal
Councillor Angharad Roberts
Councillor Andrew Rule

Absent

Councillor Georgia Power
Councillor Ethan Radford
Councillor Audra Wynter

Colleagues, partners and others in attendance:

Mel Barrett - Chief Executive
Richard Beckett - Head of Major Projects
Beth Brown - Head of Legal and Governance
Councillor Sally Longford - Deputy Leader, and Portfolio Holder for Energy, Environment and Waste Services
Kate Morris - Governance Officer
Ita O'Donovan - Interim Director of Strategy and Policy
James Rhodes - Strategic Insight Manager
Laura Wilson - Senior Governance Officer

15 Apologies for absence

Councillor Georgia Power – Personal
Councillor Ethan Radford – Leave
Councillor Audra Wynter – Other Council Business

Councillor David Mellen – Leader of the Council

16 Declarations of interests

None

17 Minutes

Committee members requested that additional wording be added to the minute 12 to include specific reference to grass trimming being an issue in a number of wards. They also indicated that specific reference to the question of whether resources devoted to the public realm should be recorded.

Subject to these amendments the Committee confirmed the minutes of the meeting held on 9 June 2021 as a correct record and they were signed by the Chair.

18 Council Strategic Plan 2021-2023

Councillor Sally Longford, Deputy Leader of the Council introduced the item detailing the work that has taken place to refresh the Councils Strategic Plan 2021-2023. Ita O'Donovan, Interim Director of Strategy and Policy, and James Rhodes, Head of Analysis and Insight provided a detailed presentation highlighting the following points:

- (a) Following on from the recommendations set out in the Non-Statutory Review the Council has begun to work on refreshing the Strategic Council Plan (SCP). Some elements have been retained, some reduced, others removed. For example the need to provide a new College Hub has been removed from the plan as this is already established. Some commitments have been reduced, as funding these is unrealistic given the change in financial situation, and economic expectation;
- (b) The review called for the statutory duties of the Council to feature within the plan to ensure that it is a more holistic document and reflects the whole work of the Council. A new performance management framework has been created to underpin the delivery the refreshed SCP. This will ensure a consistent approach is taken across the Authority to work towards delivery of the Plan;
- (c) One of the key elements of the Plan is establishing and maintaining financial stability through the development of the Medium Term Financial Strategy (MTFS). This will address the challenges facing the Council over the next few years, and will allow the Authority to address the long term funding gap;
- (d) A new way to present the vision for the Council has been developed, it highlights the 11 Headline Outcomes along with the 4 key actions, Do, Check, Act and Plan that will ensure targets are achieved and performance targets met with an emphasis on outcome based finance budgeting;
- (e) Each of the 11 Headline Outcomes has the same format, details about the ambition, work done to date and what the Council will do to achieve the targets. There is also detail around how improvement will be measured and key activities to support the outcome;
- (f) There are 4 key elements to ensuring that the SCP is embedded. The first is that the SCP is linked into the MTFS. The second is that this is then linked to the service planning process ensuring that it is deliverable within the current financial situation. The third element is linking performance appraisal with service plans, clearly articulating how individuals help to deliver outcomes. The fourth is performance management, understanding what needs to be measured, how it is effectively measured and how it can feed into the quarterly corporate reporting process;
- (g) To integrate these changes the Council is using a 3 phase approach. The first phase includes alignment of the SCP, service planning and the development of the MTFS. Public consultation and engagement with citizens is currently ongoing as is consultation with businesses and partner organisations. This will

all feed into the finalised SCP, which is due to go before the meeting of Full Council in September 2021 for approval;

- (h) The second phase includes ongoing work on service renewal and redesign and drafting the MTFs for consultation. Both involve ongoing public consultation with the public, partners, trade unions and Scrutiny committee;
- (i) The third phase will include review of the consultation responses and finalising 2022/23 Service Plans and the MTFP. The aim is for the MTFP to be agreed by the end of March 2022. This will allow the Council to demonstrate robust plans to address the funding gaps over the period of 2022/23 – 2025/26;

In response to questions from the Committee and in the subsequent discussion the following points were made:

- (j) The Council will continue to liaise with the citizens of Nottingham City to ensure that they are receiving the level of service delivery they need. There will be comparisons from previous customer service survey results to the most recent ones to ensure citizens are satisfied;
- (k) As part of standard monthly reporting Executive Councillors receive reports on performance within their portfolio remit, this lets them know that services are performing as expected. In addition to this feedback Ward Councillors will also be linking in with their communities and receiving feedback ensuring that, whilst a service may look and be delivered differently, the quality is maintained;
- (l) Throughout the process of streamlining services feedback will be welcomed and encouraged. There will be further opportunities to improve services through the use of technology and customer satisfaction will continue to be a high priority. Transformed services do equate to reduced quality;
- (m) Delivery of the Plan will be supported by a culture change programme for the organisation including new ways of managing performance and ensuring individual roles and performance targets are linked into delivery of the outcomes. The Non-Statutory Review called for better ways of working and a rewritten constitution to allow a reemphasis on outcomes and be better suited to purpose further supporting the delivery of the SCP;
- (n) The Public consultation has been advertised in the Evening post, and via all relevant channels. There was/is a Public consultation event on in June and a further piece on the consultation will be featured in the Arrow publication received by Nottingham City citizens;
- (o) Council staff have been very responsive to the new Plan. The formal performance management recording will be done electronically, but throughout the process there is a real emphasis on conversations. There have been engagement sessions with Staff, online videos and regular updates via the internal intranet site and a consultation process is underway. Managers have been encouraged to engage with teams around the new management structure and promote the consultation;

- (p) Eventually the background functions of the performance management process will be automated, so monthly reporting of Key Performance Indicators will happen automatically. This will ensure standardised reporting of performance to a directorate level;
- (q) During the early stages of development the 11 priorities became evident quickly. They all align with the need to create financial stability and fulfil statutory obligations;
- (r) The Covid 19 pandemic has caused additional financial pressure on local authorities across the country. Many are going through a similar process at present realigning plans within the available financial envelope and the development of the SCP allows the Council to demonstrate to the improvement board that it has a plan to achieve financial stability;
- (s) Performance of community groups that the Council commissions for services will also be managed and monitored with the method still being developed. There will be a focus on conversations as with staff performance management and local knowledge of service managers. Further development sessions are due to take place with service providers and partner organisations to establish the most effective method;

Committee members thanked staff for the hard work put into producing the revised SCP. The Chair urged committee members to get involved in the consultation process and to encourage others to do so.

Resolved to receive a written report updating this committee once the consultation has been completed and responses collated.

19 Council Recovery and Improvement

Councillor Sally Longford introduced the item updating the Committee on the Council Recovery and Improvement following the recommendations set out in the report arising from the Non-Statutory Review. Mel Barrett, Chief Executive, and Richard Beckett, Head of Major Projects provided further details and the following points were highlighted:

- (a) Following the publication of the report from the Non Statutory Review the Improvement and Assurance Board was established to hold Nottingham City Council to account throughout its Improvement Programme;
- (b) The Recovery and Improvement Plan (R&IP) is a complex document and is split into eight sections, with different work streams taking place across the whole of the Council. There has already been significant progress towards the targets set by the Plan.
- (c) Throughout the lockdown the council has been focused on doing things differently that allowed services to be maintained. This transformation has resulted in more effective service delivery on a decreased budget;

- (d) Disposal of assets is also being used as a way to manage and maintain the capital programme and allow the delivery of key projects across the city;
- (e) In addition to these measures, there is also an ongoing review of all of the council owned companies and their governance structure. Decisions about their future are being made individually and where necessary, following external advice. A new "Shareholder" unit has been established and further additional training for Directors of the companies has been put in place to address this potential weakness highlighted by the Non-Statutory Review;
- (f) The Capital Programme and Capital Strategy has been reviewed, and a voluntary debt reduction policy has been approved. This has resulted in a grant award for work on the Broadmarsh development and the establishment of the advisory group being established;
- (g) A group of officers and members was created to facilitate the rewrite of the Constitution with a view to clarifying roles and responsibilities of officers and members. Portfolios were reviewed and member development has been considered by this group which has resulted in a new Councillor/Officer Protocol being agreed, along with refreshed Terms of Reference for Committees. This large piece of work is almost complete and will be taken to the September meeting of Council for approval;
- (h) There has also been a focus on the culture of the organisation. There has been a significant review of the structure and a new performance management programme established to be rolled out across the Council. Work has taken place with the Local Government Association and other Local Authorities around decision making process and new Key Performance Indicators have been agreed for the Performance management programme;
- (i) Progress is reported through the Improvement Board to the Secretary of State and published on their website. The Council has a strategic plan to ensure sustainability and is already moving forward, building on elements that are working well and addressing those that are in need of improvement. It is a challenge and complex but work is underway to improve;
- (j) The scale and pace of improvements is important. The Non-Statutory Review requires improvements to be made within certain timescales. A positive improvement plan is in place, but timescales are challenging. Making positive progress against the comprehensive plan will allow the Council to move forward. Large scale change programmes are difficult to run especially alongside the "business as usual" functions of the Council, however Officers have been responsive and open to the changes needed.

During questions and comments from committee members, the following additional information was highlighted:

- (k) The sale of some assets has slipped past the September 2021 timescale, the Improvement Board is aware of the slippages. The Non-Statutory Review suggests quick sales of assets to fund the capital programme, but advice has suggested a balance between speed of sale and achieving best value for

money for the Council. The Improvement Board are regularly updated and any asset sale is done transparently. Although no guarantees can be given that a debt cap will not be imposed on the Council, the Voluntary debt cap is in place and this is currently being maintained;

- (l) In order to best support the work programme the Overview and Scrutiny committee can look closely at some issues ensuring clear process and policy framework is in place. The timeliness of the work programme and financial stability are rich and helpful topics for the committee to examine. This committee along with others need to liaise to ensure that all topics are covered and that there is not overlap. Once the transformation work starts to embed the committee will need to be happy that changes are not affecting performance;
- (m) Each work stream and theme within the recovery and Improvement plan has its own risk register, and these are fed into the corporate risk register that is reviewed regularly by the Corporate Leadership Team. This has highlighted a number of complex interdependencies and the development of the interdependency matrix has allowed cross stream work to take place in a timely manner, and ensure a whole organisation approach to transformation;
- (n) The Recovery and Improvement plan runs for 3 years, however change and improvement will continue beyond this point. Following on from the initial change programme there will be a period of embedding new practices and new ways of working when the cultural change within the organisation becomes even more important to ensure sustained change and informant.
- (o) It is important that feedback from frontline staff, service users, partners and the public be taken into account. If suggestions cannot be used then it is important to explain why. In the past citizens have expressed feelings that consultation does not take on board their input, and that their contribution has not been listened to. Openness about consultation responses is important and the Council want to encourage citizens to participate in the system by being accountable to them;

20 Work Programme

The committee considered the Work Programme as set out in the published agenda. They agreed that a follow up on the Street Scene and ground maintenance item should be scheduled in as should an item on the commercial ventures of the Council.

They also asked for an annual update from the Crime and Drug Partnership (CDP) and suggested November 2021 for this item to allow for the head of the CDP to be invited to attend the committee meeting.

There was discussion around the possible need for working groups to cover the variety of items raised as part of the Recovery and Improvement Plan, however this is not currently something that could receive governance administrative support.

Overview and Scrutiny Committee - 7.07.21

The Chair of the Committee confirmed that she would liaise closely with the chairs of other scrutiny committees and the Chair of Audit Committee to ensure topics in need of scrutiny, receive it.

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**Overview and Scrutiny Committee
8 September 2021**

Discussion with Sir Tony Redmond, Chair of the Improvement and Assurance Board

Report of the Head of Legal and Governance

1 Purpose

- 1.1 To hear from Sir Tony Redmond, Chair of the Improvement and Assurance Board, on his views on the progress the Council is making in its recovery and improvement.

2 Action required

- 2.1 The Committee is asked to consider the information provided and use it to
- (a) inform questioning and discussion
 - (b) identify potential areas for future scrutiny for inclusion in the work programme.

3 Background information

- 3.1 As the Committee is aware, the Council has developed a Recovery and Improvement Plan to confirm and provide assurance to the Government that Nottingham's response to the Non-Statutory Review (NSR) of the Council is positive and being undertaken at pace, building on work already underway in response to the Public Interest Report on the Council's governance of Robin Hood Energy (PIR). It is also aware that an Improvement and Assurance Board has been established by the Ministry of Housing, Communities and Local Government (MHCLG) to provide external advice, challenge and expertise to Nottingham City Council in driving forward the development and delivery of its three-year Recovery and Improvement Plan. The Board is working with the Council over the next three years to help the Council to deliver the necessary changes at pace while providing assurance to Government.
- 3.2 The Improvement and Assurance Board is required to produce a quarterly report to Robert Jenrick, Secretary of State for the MHCLG on the Council's progress in delivering the Recovery and Improvement Plan, two of which have been submitted to date, with a third one in progress. The responses to the first two reports have been published, and are attached as appendices along with the reports.
- 3.3 At its meeting in on 9 June 2021, the Committee agreed to invite the Chair of the Improvement and Assurance Board, Sir Tony Redmond, to

attend a meeting of the Committee to discuss progress of recovery and improvement from an external perspective. Sir Tony Redmond, will be present at the meeting to give his views on the Council's progress to date.

- 3.4 Following the discussion with Sir Tony Redmond, the Committee should use the information acquired to make any relevant changes to the Work Programme later on the agenda.

4 List of attached information

- 4.1 The Improvement and Assurance Board reports and responses by the Secretary of State.

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 The Improvement and Assurance Board reports and responses by the Secretary of State

7 Wards affected

- 7.1 All.

8 Contact information

- 8.1 Laura Wilson
Senior Governance Officer
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REPORT OF THE IMPROVEMENT AND ASSURANCE BOARD

Nottingham City Council's Improvement and Recovery Plan 2021 -24

Introduction

The Improvement and Assurance Board has been appointed by the Secretary of State for Housing, Communities and Local government to fulfil the following roles:

To provide external advice, challenge and expertise to Nottingham City Council in driving forward the development and delivery of their three-year Recovery Plan.

To provide assurance to the Secretary of State on Nottingham City Council's progress in delivering this Plan.

This will involve:

Providing regular advice, challenge and support to the council on the full range of their improvement activities, and in particular on delivery of the recommendations in Max Caller's non-statutory review, and of the three year recovery plan to restore the financial viability of the council's capital programme and revenue budget.

Providing written commentaries on the Council's progress to the Secretary of State each quarter, including recommending the use of Best Value powers (such as the appointment of Commissioners) if the Council fails to demonstrate progress. These commentaries will be published.

The Improvement and Recovery Plan 2021 – 2024

The Authority's Recovery and Improvement Plan for 2021 -24 has been approved by the City Council and the Improvement and Assurance Board has considered its purpose, direction and contents in seeking to address the previously identified significant failings in governance, finance and commercial operations.

The Strategic Council Plan has taken account, in large part, the findings identified by Max Caller's team and the approach to recovery advocates a series of fundamental changes to the council's strategic planning, its constitution, financial resilience and the culture of the organisation.

The Plan provides a detailed exposition of how the local authority is developing and implementing its recovery:

A new Strategic Plan

A revised Constitution and a new governance framework

A balanced budget approach over a three year period (MTFS)

Review of commercialisation and scrutiny of all company interests

Consideration of Council debt levels and reserves

Undertaking an asset disposal exercise as appropriate

Skills training for members and officers

Continuing to create a new culture for the organisation

Emphasis on service delivery and the prioritisation of key services

The Council's commitment to fundamental change is illustrated, in part, in the tone and content of the plan. There is an acknowledgement of the significant shortcomings and failures by the council identified in the Caller report and a desire to rectify these very serious weaknesses in structure, finance and in some parts of service delivery. The scale of the challenge must be addressed including, in particular, the delivery of the Plan.

Implementation of the Plan

Whilst the Board sees this Plan as a positive step forward in effecting the Authority's recovery over the next three years it wishes to draw attention to the following as key to the successful implementation of the Plan.

1. The Strategic Plan, itself, should be clearly stated as one of the deliverables as the highest priority.
2. "Transformation" is key to the success of the plan and this must be given specific emphasis in the delivery of the Improvement Plan.
3. Arrangements should be put in place to accommodate the management of the transition from current ways of working to the new approach bearing in mind the City Council will continue to operate in a difficult environment whilst delivering essential services to its residents. Capacity to achieve this outcome represents a major challenge across the whole organisation.
4. The improvement Plan acknowledges the need for a culture change programme but to effect such a fundamental shift in approach will require a strengthened corporate capacity in order to dissect the delivery of an organisational development strategy, management of behaviours alongside visible leadership at officer and member level.

5. The training and development of the workforce, incorporating cultural change, is an urgent requirement if the council is to embrace new ways of working.
6. The review of governance to include the delineation of the respective roles and responsibilities of the officer and member teams, and clarity of decision making and accountability must be in place at the outset including a programme of coaching to support practical implementation of change.
7. Prudent and consistent financial administration and control is critical to the success of the Plan including prudent policies relating to reserves and debt ratios with a strong budget discipline in terms of both capital and revenue. The evaluation and management of financial risk is a critical consideration in examining the realism of each financial proposal.
8. There is a need to align the MTFs with the Strategic Plan production process.
9. The savings exercises, yet to be evaluated, implicit in the balanced budget approach over a three year period must be practicable, deliverable and achievable in the set time scales. The savings plan should also incorporate the review of the organisational structure, given the proportion of the budget relating to staff, and training may be required in the achievement of planned savings.
10. Whilst asset disposals are to assist in the funding of the capital programme, market considerations should be taken in account regarding the timing of such sales.
11. The plan for reconfiguring the mixed economy in the provision of services should be further developed as soon as is possible including a review of the commissioning strategy and the arrangements for outsourcing.

12. A considerable amount of attention is devoted to tackling the current concern about the commercialisation programme of the Council but this should be underpinned by an extensive training familiarisation exercise for all key personnel if knowledge and expertise is not to be lacking as the council addresses the current portfolio of companies.

13. Reviewing and delivering change, in the Council's interests in the companies will be a substantial piece of work. Nottingham City Council needs to ensure adequate capacity, know-how and process is in place to make good strategic decisions. Stricter prioritisation of activities may be required, focusing on companies that represent a material financial or service delivery risk. This is in addition to taking steps to reducing duplication and increasing simplification.

14. There is evidence in the plan of a performance monitoring regime at both member and officer level but this must be supplemented by a clear articulation of how the council would address failure and underperformance to ensure the plan remains robust. Strong and effective political leadership is key. The respective responsibilities and accountability of members and officers must be prominent here.

15. The plan illustrates the virtue of citizen and community engagements in the progress towards a new configuration of service provision but more information on how this will be achieved would demonstrate the transparency and accountability of the Authority.

16. There must be much greater concentration on key essential services in planning and service delivery including Adult Care and Children's Services.

Conclusion

These observations are not presented in any way to undermine the progress that the council has made in seeking to produce a radical and fundamental reform in the structure, organisation, resourcing and delivery of change.

However, they point to the substantial challenges ahead if Nottingham City Council is to achieve success in fulfilling the plan's objectives over the next three years whilst securing and maintaining financial resilience throughout that period and beyond. The detailed specifics of plans and budgets have yet to be determined and these will be scrutinised by the Board to test whether they are achievable and meet the underlying requirements of the quality of service delivery consistent with managed risk and sound governance. Political and managerial strong leadership underpins the achievement of an effective and successful delivery of the plan.



Ministry of Housing,
Communities &
Local Government

Rt Hon Robert Jenrick MP

*Secretary of State for Housing, Communities and
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March 2021

Sir Tony Redmond

Dear Sir Tony

NOTTINGHAM CITY COUNCIL – IMPROVEMENT AND ASSURANCE BOARD

I am writing in response to your recent submission of the first report from the Nottingham City Council Improvement and Assurance Board. I would like to extend my thanks to you and the Board for producing the report in such a short space of time.

I agree with your assessment that the Council have taken on board, in the main, Max Caller CBE's Rapid Review recommendations within their three-year recovery plan. Whilst the plan seeks to address the significant failings in governance, finance and commercial operations that have been identified, the scale of the challenge cannot be under-estimated and I share your concerns around it's delivery and effectiveness.

I attach a copy of the Government's response to the Council's request for Exceptional Financial Support. In it, you will note the key and continuing role that the Board will have both in supporting and challenging the Council as it seeks to make improvements and in providing assurance to me of their progress. I am already conscious of the important impact that the Board's advice has had in helping the Council to make progress.

Of course, in the event of a failure by the Council to demonstrate sufficient progress in their recovery, I will consider whether it is appropriate to use the Best Value powers available to me, including the appointment of Commissioners.

I have confidence that you will continue to scrutinise the delivery of the Council's recovery plan to ensure that they are working at pace to deliver the scale of change that is required. My officials will continue to work with you as together with the Council, you identify future deliverables and milestones for Nottingham City to keep their recovery on track. I look forward to receiving your next report in May.

RT HON ROBERT JENRICK MP

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2nd Improvement and Assurance Board Report

Introduction

The first quarterly report of the Board in January 2021 provided an initial assessment of Nottingham City Council's response to the Caller report. In that analysis the Board was able to recognise that the Council had acknowledged its shortcomings as well as, illustrating, through its three-year Recovery Plan, how it sought to address these failings. However, the Board expressed a number of concerns about the practicability of many of these improvement measures, given that there remained uncertainty about the capacity to deliver such a fundamental change.

This second report seeks to demonstrate how the Council has responded to the sixteen points of concern set out in the January report. However, in addition, the Board report accommodates what now seem to be the continuing challenges facing the authority as it pursues transformational change, whilst delivering key essential services through a period of major transition. The Board is also very aware of the impact Covid 19 has had, and is having, on the Council's planning, resourcing and service delivery whilst seeking to effect fundamental change. Improvement must match the Best Value criteria, together with putting in place sustainable finance, sound governance and quality services delivered by a skilled and competent workforce. These principles are examined in this report through the following principal challenges to the Council that the Board has presented:

Strategy

Culture

Governance

Finance

Commercial

Service Delivery

Communication

Strategy

The Strategic Council Plan is currently under serious consideration with the intention of it being completed by no later than September this year. This will be developed in conjunction with the draft MTFP Process for 2022/23 and beyond. Strategic direction is key to delivering the change programme contained in the Recovery Plan and there must be no slippage here. The concept of transformation has still to be articulated in practical terms and fully embedded in the organisation and this, too, requires urgent attention. There is a keen awareness of the need to construct the plan in such a way as to highlight the key decisions that must be made in prioritising services and the decisions that must be made to enable these to be delivered within current financial constraints. The Council is creating a plan which puts at its centre a vision for its residents which emphasises the importance of outcomes, demonstrating the intention to deliver a healthy, prosperous and stable environment, with a vibrant local economy, alongside satisfying the needs of a diverse population. We will monitor the completion and delivery of this strategic plan paying particular attention to the service planning and prioritisation yet to be articulated. The high level nature of the Strategic Council Plan must be underpinned by a clear demonstration of the key service priorities identified and how they are to be financed.

Finance

The Council has approved a one year budget with the intention of finalising the MTFP for 2021/24 by September in accordance with the timetable for the Strategic Council Plan. The Board acknowledged the Council's difficulty, given the time available, in producing this plan alongside the annual budget by March 2021. The annual budget for 2021/2022, itself, is assisted by the capitalisation approved by the Secretary of State. The need to reduce, further, the underlying level of spend must be addressed when determining the MTFP. Whilst there is clear understanding by the Council Leadership and Senior Management of the need to make very difficult decisions to ensure the Council lives within its means, there is more to be done to instil this way of thinking across the whole organisation. In particular, by putting in place practical medium term business/service planning guidelines for all service managers, focusing on the efficiency and effectiveness of achieving desired outcomes, linked to a new strategic plan but also realistic resource assumptions – to enable sustainable service level and service design options to come forward.

The Board will closely monitor the development of this alongside the Council's work on its new Strategic Plan and the 'Service Delivery' theme of its Recovery Plan. With regard to the Council's Capital Investment Plan the programme is based largely on already committed schemes, but there remains an issue as to whether the asset disposals programme is realistic. The Council has been asked to look critically at the means by which these potential capital resources might be achieved in a proper risk assessed way with due regard to being paid to achieving best consideration based on an efficient and suitably skilled process. There is a Council undertaking that involves a continuous risk assessment of the timing of capital receipts, and a reaffirmation of confidence in the 'voluntary cap'. A draft action plan has been produced to examine how existing shortcomings in the management of the asset rationalisation programme can be rectified.

The Board recognises that the Council has set in train a number of initiatives to counter recent failings in financial administration and control. Realistic budget planning and robust financial control remain fundamental to the City achieving financial resilience in the medium to long-term. The reserves position and debt profile are also key indicators of financial health and the recent Capitalisation allowance has made a positive difference to the former. The Council is very much aware of these challenges and some progress has been made in achieving these goals. However, the financial plan for 2021-24 must now incorporate specific actions to reduce the level of revenue spending and future pressures which will effect permanent and sustainable reductions in service costs to match underlying resources going forward. These must be consistent with fulfilling the Authority's statutory responsibilities in line with permitted council tax levels.

Governance

In the first quarterly report the board identified the potential lack of clarity between officer and member roles as an issue. The Council has adopted a revised member/officer protocol and sought support from the Centre for Governance and Scrutiny as well as the LGA. There has also been a major review of member portfolio roles which seeks to emphasise clarity in roles and responsibilities. It is acknowledged that the revised protocol will require behavioural change. More work may need to be done to ensure that detailed operational matters fall within the

scheme of delegation to officers. Clarity is key here. The associated point is one of ensuring that the discharge of roles and responsibilities within the government scheme is fulfilled by those with the required knowledge, skills and experience. This point extends to ensuring that those who Chair Committees, Panels, Boards and Working Parties have received the necessary induction and training to enable them to deliver these functions effectively. The Council is conscious of these challenges and will seek to incorporate the necessary improvements in the revised constitution which is currently being considered.

The Council's Recovery Plan does include proposals to strengthen its overall approach to risk. It is also recognised that there is change of mindset in parts of the Council through learning lessons from the Robin Hood Energy failure. The non-statutory review identified a significant weakness in the Council's approach to risk. In response, the Council has strengthened risk management focus, in particular through attention given to the directive risk registers, with this issue also being highlighted and addressed by the corporate leadership team, leadership and executive panel and with greater coverage, also, at the audit committee. More, however, needs to be done to review the Council's risk policy, appetite and tolerance together with robust procedures for risk management and accountability. This is also very relevant to the commercial activities of the council. Responsibility and accountability for risk must also be embedded in management systems and procedures.

Commercial

The issues relating to the failure of Robin Hood Energy are well documented and Board Members have been seeking to establish what lessons the Council has learnt from this event which may be of relevance to other commercial activities. A new Interim Companies' Lead has been appointed by the Council with considerable experience in local authority trading companies. A plan is in place to improve companies' commercial guidelines and governance. In addition, companies are subject to review and the Council plans no new ventures. A commercial strategy needs to be developed together with procurement, commissioning and contract management; processes which are to be reviewed by the Director of Finance and Resources. The changes in approach currently being contemplated by the Council,

particularly in terms of ownership and accountability are fundamental and the Board looks to see how their practical application will reinforce the need to put the Council's commercialisation programme in a proper context. A very substantial portfolio of companies owned, or part owned, by the council may expose the city and its residents to unnecessary risk. It is understood that the current review will seek to address this significant challenge.

Culture

The council has approved a new management structure which seeks to offer greater clarity and simplification for the most senior management. This encompasses a new Strategic Leadership Team supported by a service leadership group of heads of service and senior managers. Importantly, this is underpinned by a planned change in the culture of the organisation, paying particular attention to vision, strategy, change and innovation and collaboration whilst reinforcing equality, diversity and inclusion. However, the Council is aware that achieving a fundamental change in culture, with new behavioural expectations, is not straightforward and additional resources will therefore need to be dedicated to this task if the scale of change required is to be achieved. The Board recognises the progress made so far and will monitor the way in which cultural change is introduced and embedded across the organisation. Training and development of the workforce, where appropriate, must also follow.

Service Provision and Delivery

Attention is given in the Recovery Plan to delivering quality, sustainable and cost-effective services to meet the Council's statutory responsibilities within the resources available. Whilst savings exercises to date have sought to protect priorities, the focus has been short term and there remains a concern regarding whether there has been a concerted attempt to improve the efficiency and effectiveness of service delivery in the context of "best value". Short termism will not suffice if the Council is to achieve financial sustainability in the medium to long term. As noted under 'Finance' above, effective service review and design is also key to achieving a sustainable MTFP and the need to put in place practical planning guidelines for all service managers applies here equally. The leadership is aware of this and is seeking to put in place that necessary planning framework alongside the completion of its new Strategic Plan.

An illustration of the Council's Strategic intent is the reduction of approximately 500 in the workforce of the Authority.

The delivery of the Recovery Plan is underpinned by a performance management framework which seeks to track progress against a defined timeline. This focus on performance is important in that any early indications of failure to achieve deadlines set may be symptomatic of a wider problem. The metrics in place do identify key indicators of how output can be measured but the Board would wish to see a process where the performance management is more sensitive to variations which can then be acted upon immediately. There is already evidence that the Recovery Plan will need to be changed in the light of recent experience and, while such flexibility in approach may be necessary, the underlying thrust and purpose of the Plan must be preserved.

Communication

Cultural change will, of course, require a carefully designed internal communications plan to complement the training and support provided for the Council's workforce. Initially, information has been supplied to all staff about the outcome of the Caller Review, the role of the Improvement and Assurance Board and the Recovery Plan that is in place. Engagement with this messaging and resultant feedback has been low, in large part below 50%, although the impact of Covid in preventing 'face to face' contact must be recognised here. This is an area which clearly requires improvement and the Board will look to the Council to increase this level of engagement significantly.

With regard to external communications, the Board awaits the plan for engaging with citizens, stakeholders, partners and the media. It is understood that the Council would wish to conclude its thinking on what it seeks to achieve and how it is to be implemented before putting such information in the public domain. However, the Board is eager to see this engagement commence soon if the public is going to be in a position to be consulted and, therefore, able to comment on changes proposed in the plan.

Conclusion

The first report highlighted a number of key concerns about the delivery of the Recovery Plan. In the past three months Nottingham City Council has made good progress in a number of areas referred to in that previous report. The Board, however, sees a number of other areas which require early attention. This report accepts progress in approving the annual budget, finalising a new top management structure and laying the foundation for a significant shift in the culture of the organisation. It also acknowledges advances in strategic thinking, some progress on governance and first steps to addressing the commercial/company challenges. What is now needed is the completion of an appropriate Strategic Plan with coherent Council wide medium term business/service planning guidelines covering sustainable service options. This should be complemented by a robust performance management process to track delivery effectively. The medium term financial planning process over the three/four year period must be completed expeditiously alongside a credible asset disposal programme. A continuing shift in culture and fully established governance arrangements must also be reflected in the Council's Constitution. The Council is seeking to address these issues within its Recovery Plan.

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Ministry of Housing,
Communities &
Local Government

Rt Hon Robert Jenrick MP

*Secretary of State for Housing, Communities and
Local Government*

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Sir Tony Redmond
Chair
Nottingham City Council Improvement and
Assurance Board

NOTTINGHAM CITY COUNCIL – IMPROVEMENT AND ASSURANCE BOARD

I am writing in response to your second report, received on 6 May, updating me on the Improvement and Assurance Board's assessment of Nottingham City Council's progress since February. I would like to extend my thanks to you and your fellow Board members for producing a well-balanced and helpful report.

Your report recognises the progress the Council has made in implementing their Recovery Plan and addressing the issues previously identified. I am encouraged by the commitment of the executive team and the Council leadership to delivering the Plan. I fully agree with your assessment that we now need to see an increase in pace and delivery by the Council over the next quarter. This is especially so given the Council's stated intent to complete their Medium Term Financial Plan for 2022 and beyond by September. Progress against the Council's voluntary debt reduction programme, a credible and deliverable asset disposal programme, and continuing culture change, embedded in the Council's Constitution, will be essential to success. Progress in these areas will inform my decisions on our involvement with the Council and on its financial arrangements, and my final decision later in the year on any additional capitalisation support. In particular, given the clear recommendation in the non-statutory review on the need to limit the Council's borrowing, if there is any indication that the voluntary plan on debt is not delivering the required change I will need to strongly consider the need for statutory action to limit the Council's debt.

I am keen that the Board's ongoing work to monitor and scrutinise the Council's progress provides the challenge and assurance to help inform my decisions later in the year. I will be seeking reassurance in your next report that the Council has developed a credible strategy for long term transformation. Similarly, I will look for evidence that all Council staff are engaging with the improvement programme and the need for whole Council transformation. I would be grateful if the Board could continue to work with my officials to support these goals.

The Board's role in supporting and challenging the Council as it seeks to make progress continues to be of vital importance. I am pleased to read of the cooperation and support that you have received from the Council. Any faltering in this area would be of considerable concern and could lead to a reconsideration as to whether a more statutory approach might be appropriate to secure the improvements that are necessary.

I am most grateful to you for your continuing work with the Council and look forward to receiving your next report in August.

RT HON ROBERT JENRICK MP

**Overview and Scrutiny Committee
8 September 2021**

Centre for Governance and Scrutiny Review of Scrutiny

Report of the Head of Legal and Governance

1 Purpose

- 1.1 To consider the report from the Centre for Governance Scrutiny resulting from its recent review of scrutiny at Nottingham City Council.

2 Action required

- 2.1 The Committee is asked to
- (a) endorse the report and recommend it to Council for approval
 - (b) agree that a working group comprising the Chair of the Overview and Scrutiny Committee, the Chair of the Health Scrutiny Committee, the Chair of the Children and Young People Scrutiny Committee, the Head of Legal and Governance, and the Senior Governance Officers responsible for scrutiny, be established to develop an action plan to respond to the recommendations in the report
 - (c) agree that the action plan is submitted to the October meeting of the Committee for approval.

3 Background information

- 3.1 In August 2020, the Council's external auditor issued a Report in the Public Interest (PIR) on Nottingham City Council's governance arrangements for Robin Hood Energy Ltd. In response to this Report, Full Council agreed an Action Plan at an extraordinary meeting held on 27 August 2020. Following the publication of the report a Rapid Non-Statutory Review of Nottingham City Council was commissioned by the Ministry for Housing, Communities and Local Government (MHCLG), with the review findings being published in December 2020. Both reports recommended reviews of Overview and Scrutiny in order to strengthen the function enabling it to provide effective challenge and support to the Council, and in response the Centre for Governance and Scrutiny was commissioned to carry out a review of the Council's scrutiny function.
- 3.2 The review also took into account the 2019 MHCLG Statutory Guidance on Overview and Scrutiny in Local and Combined Authorities to advise on how Overview and Scrutiny in Nottingham can best adopt the practices outlined within it.

- 3.3 The objectives of the review were to
- a) analyse the current structure, roles, culture and ways of working of Overview and Scrutiny, in light of the statutory guidance,
 - b) identify areas for improvement, and
 - c) produce recommendations on how those improvements might be made with limited resources.
- 3.4 The Centre for Governance and Scrutiny's report is attached for consideration.

4 List of attached information

- 4.1 Centre for Governance and Scrutiny Review of Scrutiny.

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 None.

7 Wards affected

- 7.1 All.

8 Contact information

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The Impact of Scrutiny at Nottingham City Council An Expert Assessment

June 2021

Background to the review

The Centre for Governance and Scrutiny (CfGS) were invited by Nottingham City Council to carry out a review of scrutiny following the publication of the Public Interest Report.

In response to this Report, the Council agreed an Action Plan at an extraordinary meeting held on 27 August 2020. Following the publication of the report, a Rapid Non-Statutory Review of Nottingham City Council was commissioned by the Ministry for Housing, Communities and Local Government, with the review findings being published in December 2020. Both reports recommended a review of Overview and Scrutiny in order to strengthen the function enabling it to provide effective challenge and support to the Council.

Our brief was therefore as follows:

- Take the 2019 MHCLG Statutory Guidance on Overview and Scrutiny in Local and Combined Authorities into account and advise on how Overview and Scrutiny in Nottingham can best adopt the practices outlined within it.
- Take into account the level of direct support available to Overview and Scrutiny in any recommendations.

The objectives of the review were to:

- a) analyse the current structure, roles, culture and ways of working of Overview and Scrutiny, in light of the statutory guidance;
- b) identify areas for improvement;
- c) produce recommendations on how those improvements might be made with limited resources.

Our review was carried out during 22nd - 24th March 2021 and conversations and observations were arranged online due to Covid restrictions in place at this time.

CfGS bring a wealth of expertise, experience and research which informs the scrutiny review framework, and our intention is to work closely with Members and the Council to provide a realistic improvement plan.

Scope & Methodology

The CfGS model for this review focused on:

- **Structure** - How scrutiny is structured and whether it is appropriate, agile and effective;
- **Culture** - The mindset and mentality underpinning the operation of the overview and scrutiny process. This will involve a focus on the Council's corporate approach to scrutiny;
- **Information** - How information is prepared, shared, accessed and used in the service of the scrutiny function;
- **Impact** - Ways to ensure that scrutiny is effective, that it makes a tangible difference to the lives of local people.

The review framework therefore consisted of:

- **Desktop work** - CfGS carried out a general sense-check of the Council's constitution and rules of procedure insofar as they relate to scrutiny, and of recent work plans and scrutiny scopes and review reports. This provided an evidence base for the rest of the work;
- **Scrutiny Conversations** - The review took evidence from across the council including frontline Members and Members of Overview and Scrutiny. It also included the Council Leader, leading Members in Scrutiny (Chair, Vice Chairs) and Opposition Group Leaders. From an officer perspective the review conversations included; the Chief Executive, Monitoring Officer, Finance (s151) Officer, senior officers who attend scrutiny and Scrutiny Support Officers. The option existed to interview those who are subject to scrutiny – service officers – and partner organisations or people who have given evidence to scrutiny;
- **Observation** - This is a common theme of the evaluation task and was programmed in as practical timescales allowed. Live and recordings of committee meetings were used as attendance was not a viable option.

Review Findings Summary

The review found that scrutiny Members were engaged and committed to delivering effective scrutiny, and passionate about improving the lives of residents in the city. Overall, there was a recognition that the scrutiny function needed to significantly improve to add value to decision-making by holding to account and providing oversight in Nottingham City.

The review identified a number of areas of concern in relation to the focus and purpose of scrutiny as well as culture, relationships, trust, communication and use of information. There were also weaknesses in the way scrutiny selects and prioritises its work, and in the skills of Members which are in need of updating. Scrutiny is currently not performing effectively or delivering what the Council, or its residents need, particularly at this time when urgent improvement is necessary.

To deliver the required pace of change, we have made ten recommendations for improvement, we are also recommending that scrutiny operates on a 'recovery footing' for twelve months to deliver these outcomes:

1. To repurpose and prioritise scrutiny so that it concentrates its focus on the delivery of the Council's recovery plan.
2. To encourage greater trust and challenge between Scrutiny and the Executive.
3. To upskill and develop Members to give them the capacity and capability to take on this challenge.

Review key findings

1. Members of Scrutiny committees are committed to their city and show a good understanding of place and residents' needs. Many Members are keen to engage with scrutiny and to build greater understanding of their role and purpose. There were some examples of effective scrutiny practice, particularly in the health committee and Members who are passionate about ensuring that vulnerable people receive the care and support they need, and that the Council's fulfils its Council plan commitments. These values and ambitions are often apparent in scrutiny.
2. Scrutiny is however not seen as operating as a strategic function forming a valued part of governance activities and making an impact. The Max Caller Rapid Review report specifically called for '*a simplified decision-making process as part of the recovery plan for the duration of the recovery period to support implementation of the recovery plan and ensure it is delivered at pace*'. Scrutiny needs to be firmly integrated into this structure and capable of supporting effective and efficient decision-making.
3. Scrutiny itself is essentially disconnected from the extraordinary challenge that the Council now faces and has largely been absent in its duty to challenge the activities, decisions and events which have led it to the point of crisis. Scrutiny appears to be operating in a business-as-usual way, primarily focused on service operational issues and an external focus through health scrutiny, detached from the corporate challenges which the Leader and Improvement and Assurance Board are addressing.
4. The council's constitution sets the first purpose of Overview and Scrutiny (O&S) to:

Hold local decision-makers, including the Council's Executive and the Boards of the Council's group of companies, to account for their decisions, actions, performance and management of risk.

Our review found that overall, this was not the focus of O&S. Scrutiny of the Executive and Council companies was superficial and inadequate, this is partially due to scrutiny having no clearly understood role and the lack of a suitable information to base its scrutiny upon. We also note that some of the councillor-board roles and positions were potentially in conflict or might contribute to the weakened input of scrutiny oversight and challenge. We recognise that commercial confidentiality can often become the reason for the

exclusion of scrutiny and if such reasons are allowed to persist it can affect how businesses are held to account or allowed to fail without questions being asked.

5. In exploring the reasons for this situation, the impact of a legacy culture of dominant party/ group loyalty must be acknowledged. Although such loyalties are a familiar aspect of politics and democracy, the adherence to this code overtime has resulted in any public challenge being seen as 'disloyalty'. With the majority of decision-making review and challenge happening in group meetings, scrutiny's formal role has been eroded and resulted in them keeping their focus within 'safe territory' and avoiding public challenge of the Executive. This has meant scrutiny fails to align with the strategic goals and challenges of the council, especially in those crucial areas which can lead to failure. and has negatively impacted on transparency and public democratic accountability. The Council Leader and Deputy Leader are aware of this and said they want to be more open to challenge and public scrutiny.
6. Scrutiny's focus and practice, particularly that of the main scrutiny committee, is significantly different from its terms of reference within the Council's constitution. In our opinion it is not performing to good practice guidelines. However, this is not the fault of scrutiny itself, or the very capable officers who support it. Scrutiny is a whole-Council responsibility and to improve it will need to be elevated and supported to allow it to perform to its best ability. The scrutiny work programme is a mix of repetitive reporting and Member issue topics, with limited reference or alignment to Executive decision-making and the corporate plan and improvement objectives. Scrutiny meetings mainly focus on the scrutiny of officers and officer reports, and lack strategic oversight or enabling democratic accountability of Executive decisions. Where Executive Members are involved in scrutiny meetings this is usually a showcasing event rather than an exploration of current and live policy, or decisions where scrutiny can play a valuable role in shaping and improving.
7. Finance and budgets receive only superficial scrutiny and there is little in-depth analytical challenge of the budget-making process or the Council's financial performance. Oversight of the budget and corporate services are described as being the responsibility of the Audit Committee, leaving the main scrutiny committee to focus primarily on 'place related' service delivery such as highways services. This leaves corporate decision-making subject only to an audit rather than scrutiny review. Audit itself is viewed positively by the Council but is managing a large work programme which would benefit from rebalancing.
8. Across all committees there was limited interest and involvement in budget performance or achieving outcomes with reduced resources. Perhaps more worryingly, committees do not seem sufficiently sighted on the implications that the corporate financial challenge may have upon the future design and delivery of services. Scrutiny is not asking the key questions about the potential impact that the recovery plan will have, or how service transformation will meet the future needs of the Council and residents. Overall, there is a lack of clear direction for scrutiny. We also noted that the Chair of O&S sits on the Council's Audit Committee and the Audit Chair sits on scrutiny. We recognise that this may be designed to support stronger liaison, but we would suggest that the two roles (Scrutiny and Audit) are kept separate, particularly at this time, and co-ordination takes place outside of committees. This approach is supported by CIPFA.

9. Scrutiny Chairs do a great job in advocacy and raising awareness of issues and there are some examples of effective practice, but overall there is insufficient strategic level challenge, where the questions and lines of enquiry are around policy, key decisions, major change, risk etc. Chairs do not necessarily view their role as the crucial leaders of robust, constructive challenge - acting as a vital check and balance, shaper and improver. Instead, Chairs lead their committee to focus on issues, which may be understandably important to Members, but not essential to the current urgent mission of recovery and creating a sustainable platform.
10. Members and Committee Chairs can often lack sufficient core knowledge about the specific areas they are asked to scrutinise, which can lead to the level of questioning and debate being elementary. Committees rarely request for additional briefing or expert involvement to assist them in becoming more capable to develop questioning strategies that will deliver high-impact and value-adding scrutiny. Member development is not meeting the existing gaps in the capacity of Members to perform at a strategic level. Many Members are unable to clearly articulate their role, purpose or more importantly, their impact.
11. There are some positive signs and examples of useful work by Scrutiny where it has selected key issues to scrutinise and to explore, but these often fall short of what is required. There is a need to select the right information and evidence, to prepare and build sufficient core knowledge and to develop appropriate key lines of enquiry. Drawing these elements together into a strong questioning strategy will provide the level of scrutiny input which is now necessary for the Council.
12. The legacy operating culture has also inevitably affected the Officer-Scrutiny relationship. We found that senior officers retain a cautious approach to sharing information, especially if there are negative implications. There are also examples of where the scrutiny officers could be more assertive and directive in their support to the Chair and Committee Members. Whilst it is noted that officers now have a more open political environment which is starting to encourage challenge and constructive criticism - this new approach needs to take on a faster pace.
13. Scrutiny committees are well supported by a dedicated team, who are very experienced in the purpose and role of scrutiny and the Council has a history of good scrutiny practice. The team has however been reduced over recent years from a dedicated team with a head of scrutiny and three officers, to the equivalent of 0.8 FTE, with some short-term interim support which ends in July. We believe this has negatively impacted on the capacity and ability of the team to support effective scrutiny and could continue to hold back the pace of improvement.

A comparison based on data from CfGS' recent annual scrutiny surveys (below) demonstrates how other similar sized local authorities tend to have a higher level of scrutiny resourcing, and an average of 2.53 FTE. It is also worth noting however that not all authorities have dedicated scrutiny resource, many have democratic services staff working across the executive, scrutiny and other committees. Others also draw on policy or directorate-based resources.

CfGS research demonstrates that the presence of dedicated scrutiny support in councils tends to make scrutiny more effective. Dedicated officer resource provides the best opportunity for robust, high-quality support to members, and greater capacity for scrutiny to deliver change. We have also found that in councils with limited dedicated officer resourcing there tends to be a heavier reliance on, and increased workload for, democratic services officers and senior officers from other service departments.

As Nottingham enters a period of intense activity to raise scrutiny standards, sufficient dedicated officer support will be crucial to supporting the transition work and embedding new practices.

Name	Population	Type	FTE scrutiny resource
Croydon	386,710	London borough	2
Leicester	354,224	Unitary authority	3
Wakefield	348,312	Metropolitan borough	2
East Riding of Yorkshire	341,173	Unitary authority	3.5
Enfield	333,794	London borough	2.5
Nottingham	332,900	Unitary authority	0.8
Sandwell	328,450	Metropolitan borough	3
Northumberland	322,434	Unitary authority	2
Southwark	318,830	London borough	3
Lewisham	305,842	London borough	3.5
			2.53
			Average

14. In our view, scrutiny at Nottingham City Council is underachieving and is lacking any potency as an essential check and balance. The vital role of holding the Executive to account, testing the assessment of risk, challenging under-performance, shaping and improving policy and decisions – as well as the crucial task of supporting the recovery and future sustainability of the Council is some way off.

Recommendations for improvement

The majority of the recommendations can be delivered over the next twelve months if the organisational commitment and resource to deliver at pace is agreed, although the overall recovery is likely to take two civic calendars. The table at Appendix A provides a summary with indicative timescales.

Following feedback from the Members and the Improvement Board, a full action plan should be developed. The recommendations for improvement are:

1. Repurpose Scrutiny

To be effective, Scrutiny needs to be put on a recovery footing to fully align and integrate into the corporate plans for recovery. This should last for twelve months, then subject to further review. We believe this recovery can be achieved within the existing scrutiny structure of three committees. It will however require a refresh of scrutiny's purpose and role. This should entail a twelve month focus on financial, and commercial challenges confronting the Council, service delivery within a tighter financial envelope and the risks involved achieving this at pace. It will also require a realignment between Audit and Scrutiny.

2. Openness to Scrutiny

The current fault lines within Scrutiny include culture and behaviour, governance and structure, capacity and capability. These all need to be addressed as a whole Council matter. Change needs to impact further on culture and behaviours. Officers and Members need to be completely confident that sharing information in an open and transparent way, or challenge and constructive criticism is accepted and without reproach. This may be helped by a new protocol that sets out expectations and norms, including access to information.

3. Prioritisation

Scrutiny work programmes need to be refocused almost exclusively on topics that address and support the Council's recovery plan. For the foreseeable future we would recommend that the Scrutiny work programme focuses on finance, the improvement plan and service transformation. Additional items should only be added where the Members are confident of scrutiny making an impact through their recommendations. Whilst maintaining Scrutiny's independence, work programmes should not entirely reflect Member preference, but be designed in consultation with the wider Council. For transparency and to provide further oversight, we recommend that the work programme is shared with the I&A Board, during the period that the Board is in place.

4. Meeting Agendas

Scrutiny committee agendas (across all committees) should be limited to two substantive items with recovery and service transformation as the focus – informed by a clear understanding of the Council's current financial situation and ongoing plans. This requires a change of emphasis and 'parking' many of the current issues. This is particularly important for areas of high spend and high risk, such as health and care, children and oversight of external commercial interests. To accommodate this, health scrutiny needs to gain a greater focus on social care and a stricter prioritisation of health-related scrutiny topics.

5. Parity of Esteem

We suggest that Scrutiny needs to be elevated in its role and should be led by Scrutiny Chairs having greater authority within the council. This could partially be achieved through a rebalancing of SRAs between Executive Members and Scrutiny Chairs to signal a change in recognised parity. This would give a clear indication that Scrutiny is an equal partner in the governance process. It would diminish the often-held view that scrutiny is inferior to Executive positions.

6. Democratic Accountability

Committee meetings should comprise mainly of holding Executive Members, or where appropriate, the Leader to account, supported by officers. The emphasis is therefore on a strategic holding to account for progress and executive decisions that are driving essential change and recovery. Scrutiny's motive needs to be focused on helping to drive and improve, or to test the management of risk and quality of intended outcomes. Care will need to be taken that this political accountability does not become a space for generalised questioning – preparation and focus is essential.

7. Chair and Member skills

Scrutiny Members needs to be upskilled and have greater confidence to challenge, explore and intercede. We recommend that a job description is prepared for the Chair, Vice Chair and Committee Member roles and that Chairs receive specialised 1-2-1 coaching and mentoring to build skills, experience, confidence and capacity in leading Scrutiny. For all Committee Members, there should be mandatory development and training. The aim should be for Scrutiny to be a credible, sought after position, particularly from Members with the necessary skills and ambition. The significant improvements within the Audit Committee, led by the new Chair, demonstrates the impact that this leadership role can have.

8. Executive and Officer Skills

Executive Members would also benefit from additional training and support regarding their role in working with Scrutiny, opening themselves to scrutiny and getting the best out of the scrutiny and accountability experience. Reinforcing the whole council approach to scrutiny, training and briefings should also be considered for officers.

9. Information and expertise

Scrutiny needs to build greater expertise and insight, especially on the more technical aspects of finance, commercial activities and transformation. We suggest Scrutiny makes greater use of independent experts and more officer 'masterclass' style events to build Member knowledge, expertise and confidence. It might also extend its capacity through the managed use of a wider range of scrutiny methods, such as task groups and single-issue inquiry style sessions. To ensure satisfactory access to information, there may need to be a refresh of scrutiny's powers.

10. Scrutiny Support Capacity

Scrutiny relies on effective support from officers, particularly as investment is made to repurpose and raise standards. Currently there are inherent risks in the size of the officer core and the Council should consider increasing officer capacity and considering if training and development is needed.

Thank you and acknowledgements

We would like to thank the Chairs and Vice Chairs and Members of the council's Scrutiny Committees, the Leader, Executive Members, Chief Executive and officers who took part in interviews for their time, insights and open views. We would also like to thank Nancy Barnard, Jane Garrard, Laura Wilson, Kim Pocock and Beth Brown for their help and support in organising this review.

Review team

Jacqui McKinlay – CfGS Chief Executive

Kate Grigg – CfGS Senior Research Officer

Ian Parry – CfGS Head of Consultancy (Review lead)

Summary of recommendations – 12 month suggested timeline

Recommendation	Rationale	Timescale
<p>1. Repurpose Scrutiny</p>	<p>To be effective, Scrutiny needs to be put on a recovery footing to fully align and integrate into the corporate plans for recovery. This should last for twelve months, then subject to further review. We believe this recovery can be achieved within the existing scrutiny structure of three committees. It will however require a refresh of scrutiny's purpose and role. This should entail a twelve month focus on financial, and commercial challenges confronting the Council, service delivery within a tighter financial envelope and the risks involved achieving this at pace. It will also require a realignment between Audit and Scrutiny.</p>	<p>Immediate – agree and implement within a month and apply for 12 months, then review</p>
<p>2. Openness to Scrutiny</p>	<p>The current fault lines within Scrutiny include culture and behaviour, governance and structure, capacity and capability. These all need to be addressed as a whole Council matter. Change needs to impact further on culture and behaviours. Officers and Members need to be completely confident that sharing information in an open and transparent way, or challenge and constructive criticism is accepted and without reproach. This may be helped by a new protocol that sets out expectations and norms, including access to information.</p>	<p>Agree protocol within three months and ongoing application</p>
<p>3. Prioritisation</p>	<p>Scrutiny work programmes need to be refocused almost exclusively on topics that address and support the Council's recovery plan. For the foreseeable future we would recommend that the Scrutiny work programme focuses on finance, the improvement plan and service transformation. Additional items should only be added where the Members are confident of scrutiny making an impact through their recommendations. Whilst maintaining Scrutiny's independence, work programmes should not entirely reflect Member preference, but be designed in consultation with the Council. For transparency and to provide further oversight, we recommend that the work programme is shared with the I&A Board, during the period that the Board is in place.</p>	<p>Immediate – review and implement new work programme within a month</p>

<p>4. Meeting Agendas</p>	<p>Scrutiny committee agendas (across all committees) should be limited to two substantive items with recovery and service transformation as the focus – informed by a clear understanding of the Council’s current financial situation and ongoing plans. This requires a change of emphasis and ‘parking’ many of the current issues. This is particularly important for areas of high spend and high risk, such as health and care, children and oversight of external commercial interests. To accommodate this, health scrutiny needs to gain a greater focus on social care and a stricter prioritisation of health-related scrutiny topics.</p>	<p>Apply to first cycle of meetings</p>
<p>5. Parity of Esteem</p>	<p>We suggest that Scrutiny needs to be elevated in its role and should be led by Scrutiny Chairs having greater authority within the council. This could partially be achieved through a rebalancing of SRAs between Executive Members and Scrutiny Chairs to signal a change in recognised parity. This would give a clear indication that Scrutiny is an equal partner in the governance process. It would diminish the often-held view that scrutiny is inferior to Executive positions.</p>	<p>Review within six months</p>
<p>6. Democratic Accountability</p>	<p>Committee meetings should comprise mainly of holding Executive Members, or where appropriate, the Leader to account, supported by officers. The emphasis is therefore on a strategic holding to account for progress and executive decisions that are driving essential change and recovery. Scrutiny’s motive needs to be focused on helping to drive and improve, or to test the management of risk and quality of intended outcomes. Care will need to be taken that this political accountability does not become a space for generalised questioning – preparation and focus is essential.</p>	<p>Immediately</p>
<p>7. Chair and Member skills</p>	<p>Scrutiny Members needs to be upskilled and have greater confidence to challenge, explore and intercede. We recommend that a job description is prepared for the Chair, Vice Chair and Committee Member roles and that Chairs receive specialised 1-2-1 coaching and mentoring to build skills, experience, confidence and capacity in leading Scrutiny. For all Committee Members, there should be mandatory development and training. The aim should be for scrutiny to be a credible, sought after position, particularly from Members with the necessary</p>	<p>Within three months, and ongoing support for Chairs</p>

	skills and ambition. The significant improvements within the Audit Committee, led by the new Chair, demonstrates the impact that this leadership role can have.	
8. Executive and Officer Skills	Executive Members would also benefit from additional training and support regarding their role in working with Scrutiny, opening themselves to scrutiny and getting the best out of the scrutiny and accountability experience. Reinforcing the whole council approach to scrutiny, training and briefings should also be considered for officers.	Within three months
9. Information and expertise	Scrutiny needs to build greater expertise and insight, especially on the more technical aspects of finance, commercial activities and transformation. We suggest Scrutiny makes greater use of independent experts and more officer 'masterclass' style events to build Member knowledge, expertise and confidence. It might also extend its capacity through the managed use of a wider range of scrutiny methods, such as task groups and single-issue inquiry style sessions. To ensure satisfactory access to information, there may need to be a refresh of scrutiny's powers.	Ongoing
10. Scrutiny Support Capacity	Scrutiny relies on effective support from officers, particularly as investment is made to repurpose and raise standards. Currently there are inherent risks in the size of the officer core and the Council should consider increasing officer capacity and considering if training and development is needed.	Within three months

**Overview and Scrutiny Committee
8 September 2021**

Restructuring of the Council's Regulatory Services

Report of the Head of Legal and Governance

1 Purpose

- 1.1 To consider the Council's Regulatory Services in the context of Council service provision, restructuring and savings as it works towards recovery and improvement.

2 Action required

- 2.1 The Committee is asked to
- (a) use the information received at the meeting to inform questioning and discussion to establish whether the services are moving in the right direction, both in terms of use of resources and the services provided to citizens
 - (b) make recommendations for improvements if required.

3 Background information

- 3.1 The Council's Regulatory Services encompass Community Protection, Neighbourhood working, Environmental Services and Trading Standards, Public Safety Officers, etc.
- 3.2 The services are currently being restructured.
- 3.3 In previous meetings, members of the Committee have expressed particular interest in the following in relation to Regulatory Services:
- the appropriate deployment of Council resources;
 - the impact of current financial constraints;
 - the restructuring proposals; and
 - how services are contributing towards delivery of the Council's improvement and recovery agenda.
- 3.4 The Portfolio Holder and colleagues responsible for Regulatory Services will attend the meeting to provide a presentation to the Committee to cover the issues identified in paragraph 3.3, followed by questioning and discussion.
- 3.5 A briefing note covering some of the issues identified will be circulated prior to the meeting.

4 List of attached information

4.1 None.

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 The Overview and Scrutiny Committee Work Programme.

7 Wards affected

7.1 All.

8 Contact information

8.1 Laura Wilson
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**Overview and Scrutiny Committee
8 September 2021**

Work Programme 2021/22

Report of the Head of Legal and Governance

1 Purpose

- 1.1 To consider the Committee's work programme for 2021/22.

2 Action required

- 2.1 The Committee is asked to consider the work programme for the remainder of the municipal year and make any amendments as required.

3 Background information

- 3.1 The purpose of the Overview and Scrutiny Committee is to ensure all statutory and other roles and responsibilities are fulfilled to the required standard, covering review and development of key strategic issues, policies and strategies relevant to Nottingham and its residents, and adding value through the examination of issues of local importance and concern.
- 3.2 The Committee is responsible for setting and managing its own work programme to fulfil this role.
- 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. Changes and/or additions to the work programme will need to take account of the resources available to the Committee.
- 3.5 The Committee has agreed to focus much of its scrutiny in 2021/22 on the Council's recovery and improvement, including implementation of the recommendations from the Report in the Public Interest concerning the Council's governance arrangements for Robin Hood Energy Ltd (PIR) and the Non-Statutory Review of Nottingham City Council (NSR), both of which took place in 2020. In order to ensure that scrutiny is timely and relevant, the Committee will need to regularly consider its scheduling of recovery and improvement items for scrutiny at future meetings.
- 3.6 The Committee's current work programme is included at Appendix 1.

4 List of attached information

4.1 Overview and Scrutiny Committee Work Programme 2021/22.

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 Report to and discussion at the Overview and Scrutiny Meeting on 7 July 2021.

7 Wards affected

7.1 All.

8 Contact information

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Overview and Scrutiny Committee Work Programme 2021-22

Date	Items
6 October 2021	<ul style="list-style-type: none"> • Recovery and Improvement 10-15-minute update from the Leader on priorities in relation to Recovery and Improvement • Streetscene, Grounds Maintenance (including parks and open spaces) and Tree Services <ul style="list-style-type: none"> (a) how resources will be prioritised, invested and directed to achieve the culture shift required to reach the ambitious objective to be the cleanest big city in England and to keep neighbourhoods as clean as the city centre; (b) what lessons have been learnt in relation to Streetscene as a result of the way resources were deployed during the pandemic; (c) how work is being carried out with other departments delivering community, housing and protection services to ensure that enforcement is appropriately and robustly applied where necessary to maintain cleanliness in the city centre and neighbourhoods; and (d) Is the contract for the garden assistance scheme with NCH fit for purpose? (e) to consider the approach to management of tree planting and maintenance, to include the management of canopies in densely occupied areas, the impact of root damage to pavements and on accessibility and how future planning takes account of tree growth • The Council's Commercial Ventures To consider the effectiveness of the Council's commercial ventures in the light of changes required by the PIR and their contribution towards the Council, especially in the context of its recovery • 2021-22 Work Programme
3 November 2021	<ul style="list-style-type: none"> • Recovery and Improvement – Medium Term Financial Strategy/ Plan and Budget Focus for scrutiny to be agreed • Crime and Drugs Partnership To consider information on the current work of the Crime and Drugs Partnership (focus to be agreed; suggestion is ASB, including domestic violence and neighbourhood disputes and impact on community policing and protection) and performance against the Crime and Drugs Partnership Plan • 2021-22 Work Programme
8 December 2021	<ul style="list-style-type: none"> • Recovery and Improvement Focus to be agreed

Date	Items
	<ul style="list-style-type: none"> • Employment Services in the City To consider how the range of services to support employment work together, the resources available and their effectiveness, especially in the context of pandemic recovery and the Council's financial constraints. • 2021-22 Work Programme
5 January 2022	<ul style="list-style-type: none"> • Recovery and Improvement 10-15-minute update from the Leader on priorities in relation to Recovery and Improvement • Recovery and Improvement Focus to be agreed – possibly Medium Term Financial Strategy/ Plan and Budget • Digital Access of Nottingham Households <u>Referral from CYSPC</u> To look at current digital access across the city; how this impacts on access to services particularly given the likelihood that there will be continued emphasis on virtual/ online provision for the foreseeable future; and what can be done to address these issues • 2021-22 Work Programme
9 February 2022	<ul style="list-style-type: none"> • Recovery and Improvement 10-15-minute update from the Leader on priorities in relation to Recovery and Improvement • Recovery and Improvement Focus to be agreed • Nottingham's Carbon Neutral Policy To explore the impact of the budget, delays because of COVID, schemes/ engagement with other bodies and partners on achievement of carbon neutral targets • 2021-22 Work Programme
9 March 2022	<ul style="list-style-type: none"> • Recovery and Improvement 10-15-minute update from the Leader on priorities in relation to Recovery and Improvement • Recovery and Improvement Focus to be agreed

Date	Items
	<ul style="list-style-type: none"> • 2021-22 Work Programme
6 April 2022	<ul style="list-style-type: none"> • Recovery and Improvement 10-15-minute update from the Leader on priorities in relation to Recovery and Improvement • Recovery and Improvement Focus to be agreed • 2021-22 Work Programme

Space has been left in the work programme to retain flexibility in order to accommodate timely scrutiny of issues in relation to recovery and improvement, ie items scheduled may need to be moved to later meeting dates to facilitate this. The items below may be scheduled if there are gaps in the work programme or if they become priorities.

Items still to be considered for work programme/ Reserve items
<ul style="list-style-type: none"> • Workforce Reorganisation and Restructure To consider workforce reorganisation and restructure in the light of the need to achieve recovery and the impact on policy and essential services; and in the light of the impact of Covid and reinstatement of the workforce.
<ul style="list-style-type: none"> • Governance To consider the impact of constitutional and other governance changes introduced in response to recommendations for improvement and recovery
<ul style="list-style-type: none"> • Planning Enforcement To consider the effectiveness of the Planning Enforcement process, including resourcing (finance and workforce arrangements), with particular reference to retrospective planning applications, especially in student areas.
<ul style="list-style-type: none"> • Citizenship/ immigration service provision and support Focus to be determined
<ul style="list-style-type: none"> • Houses of Multiple Occupation and selective licensing Focus to be determined
<ul style="list-style-type: none"> • Student Accommodation To consider whether the number of developments meet demand and free up family housing
<ul style="list-style-type: none"> • Scooter Pilot To consider the success of the wind scooter trial, including the illegal use of scooters and enforcement, measures of success, evaluation and plans for the future

Improvement and Recovery Themes and Portfolio Holder Leads for Reference

<p><u>Theme 1: Medium Term Financial Strategy</u> Cllr Sam Webster Lead Officer: Clive Heaphy</p>	<p><u>Theme 5: Constitution</u> Cllr Sally Longford, supported by cross-party member working group Lead Officer: Malcolm Townroe</p>
<p><u>Theme 2: Asset Management</u> Cllr David Mellen, advised by the Asset Rationalisation Board</p>	<p><u>Theme 6: Organisation & Culture</u> Cllr Eunice Campbell-Clark and Cllr Cheryl Barnard Lead Officer: Richard Henderson</p>
<p><u>Theme 3: Companies</u> Cllr Neghat Khan and Cllr Linda Woodings Lead Officer: Clive Heaphy</p>	<p><u>Theme 7: Delivery options</u> Cllr Rebecca Langton and Cllr Adele Williams: Lead Officers: Clive Heaphy and Catherine Underwood</p>
<p><u>Theme 4: Capital Programme</u> Cllr David Mellen, in conjunction with Cllr Sam Webster, advised by Capital Board</p>	<p><u>Theme 8: Council Plan</u> Cllr Sally Longford, in partnership with whole Executive Lead Officer: James Rhodes</p>