

# Public Document Pack



**Nottingham  
City Council**

## **Nottingham City Council Audit Committee**

**Date:** Friday, 24 September 2021

**Time:** 10.30 am

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

Please see information at the bottom of this agenda front sheet about arrangements for ensuring Covid-safety.

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

**Director for Legal and Governance**

**Governance Officer:** Kate Morris

**Direct Dial:** 0115 876 4353

**1 Update in Membership**

To note the appointment of Councillor Ethan Radford to the Committee

**2 Apologies**

**3 Declarations of Interests**

**4 Minutes**

3 - 10

To confirm the minutes of the meeting held on 30 July 2021

**5 Work Programme and Action Log**

11 - 14

For noting

**6 Working Group Updates**

Verbal Report

Verbal update from the Chairs of each Working Group

**7 Audit Committee Annual Report 2020/2021**

15 - 32

Report of the Chair of Audit Committee

**8 Have Your Say Complaints Annual Assurance Report – Including Local Government Ombudsman Annual Letter 2020-21**

33 - 64

Report of the Interim Corporate Director of Finance and Resources

**9 Future meetings dates - Update**

To note that the meeting planned for October 2021 will be held later in the municipal year, date to be confirmed.

**10 Exclusion of the Public**

To consider excluding the public from the meeting during consideration of the remaining item(s) in accordance with Section 100A(4) of the Local Government Act 1972 on the basis that, having regard to all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

**11 East Midlands Shared Service Annual Report 2020-21**

65 - 82

Report of the Head of East Midlands Shared Services

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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In order to hold this meeting in as Covid-safe way as possible, all attendees are:

- 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.
- make use of the hand sanitiser available and, when moving about the building follow signs about traffic flows, lift capacities etc

## **Nottingham City Council**

### **Audit Committee**

**Minutes of the meeting held at Tea Room - at the Council House on 30 July 2021 from 10.30 am - 12.20 pm**

#### **Membership**

##### **Present**

Councillor Audra Wynter (Chair)  
Councillor Graham Chapman  
Councillor Michael Edwards  
Councillor Jane Lakey  
Councillor AJ Matsiko  
Councillor Anne Peach  
Councillor Andrew Rule

##### **Absent**

Councillor Sajid Mohammed

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

Beth Brown	- Head of Legal and Governance
Theresa Channell	- Head of Strategic Finance
Glyn Daykin	- Senior Accountant, Treasury Management
John Gregory	- Grant Thornton External Auditors
Sue Risdall	- Team Leader, Technical Finance
Shail Shah	- Head of Audit and Risk
Caroline Stevens	- Principal Risk Specialist
Kate Morris	- Governance Officer

### **18 Apologies**

Councillor Sajid Mohammed

### **19 Declarations of Interests**

None

### **20 Minutes**

The minutes of the meeting held on 28 May 2021 were confirmed as a true record and were signed by the Chair.

### **21 Work Programme and Action Log**

Committee Members noted the proposed work programme, and suggested that the Statement of Accounts should be brought to the November meeting prior to final sign off at the February 2022 meeting of this Committee.

### **22 Working Group updates**

The Chair invited updates from the Working Groups.

Councillor Michael Edwards updated the Committee on the Risk and Assurance Working Group, highlighting the following points:

- (a) The group continues to review the Corporate Risk and Assurance Register. Feedback on the format has been provided and the register has been considered by the Executive Panel in advance of being presented to Executive Board in September. An additional column for the register indicating velocity of risk is being considered for future versions of the document;
- (b) Officers have attended the Working Group to discuss the progress of the Recovery and Improvement Plan and provide a summary of the quarterly update report.

Councillor Andrew Rule provided an update from the Companies Working Group highlighting the following points:

- (c) The group has now met and the focus moving forward will be on the implementation and rollout of the Shareholder Unit. Specific focus will be on terms of engagement of Company Directors, internal audit, and training for directors of company boards;
- (d) The working group has suggested that the Shareholder Unit have a whistleblowing facility included within its process.

Councillor Jane Lakey provided an update from the Capital Working group confirming that the group has met and agreed its Terms of Reference. She highlighted the following points:

- (e) There are a handful of Capital Schemes material to Council accounts, including the Broadmarsh project. These will be looked at in more detail in coming months;
- (f) The group will have an ongoing piece of work reviewing asset rationalisation work and gateway reviews of major projects.

Councillor Graham Chapman provided an update from the Anti-Fraud Working Group highlighting the following points:

- (g) Staff have now moved back from work on Covid related business grants to revenue collection;
- (h) There is potentially more scope to recover further funds if this small team is given more resources;
- (i) The current focus of work is around Council Tax and Business rate fraud.

The Chair thanked committee members for their work on the Working Groups and the Committee agreed that as informal working groups they allowed more time to explore certain topics.

## **23 2019/20 Accounts update**

Theresa Channell, Head of Strategic Finance, introduced the report updating the Committee on the progress of the final Statement of Accounts for 2019/20. She

reminded the committee that the draft accounts were published by the statutory deadline in August 2020. She went on to highlight the following points:

- (a) The delay of the 18/19 accounts had had a knock on effect on the work done for the 19/20 accounts. The deadline for the final accounts publication was November 2020 but the external auditors were unable to conclude the work as there were issues outstanding as a result of the delay to the 18/19 accounts;
- (b) Outstanding issues include valuation of specialist assets. These are being produced by external valuers but due to enhanced requirements of auditing standards, many authorities are outsourcing this work. This is resulting in delays as a result of the demand and is an issue for authorities nationally;
- (c) External Auditors for Robin Hood Energy (RHE), MacIntyre and Hudson, have completed most of the work on the 19/20 accounts but there is no requirement for them to provide an opinion once the company had gone into administration. Discussions are ongoing between MacIntyre Hudson, Nottingham City Council and Grant Thornton to establish what assurances can be given around the RHE accounts;
- (d) A likely finish date for the 19/20 accounts is currently subject to ongoing discussions between external auditors and an update will be provided to Committee members as soon as is possible.

**Resolved to note the progress in respect of the 2019/20 Statement of Accounts and associated Audit.**

#### **24 Draft Statement of Accounts 2020/21 and Draft Annual Governance Statement 2020/21**

Theresa Channell, Head of Strategic Finance, introduced the report presenting the draft statement of accounts for 2020/21 for publication and updating the committee on outstanding issues. Shail Shah, Head of Audit and Risk provided information on the Draft Annual Governance Statement for 2020/21. Along with Susan Risdall, Team Leader – Technical Accounting they highlighted the following points:

- (a) Due to the Covid-19 pandemic the deadline for account publication of draft accounts has been extended to 31 July 2021. Deadline for completion of accounts has been moved to 30 September 2021;
- (b) The delay to the 18/19 accounts, and subsequently the 19/20 accounts will have a knock on effect for the 20/21 accounts. The outstanding issues are the same as for 19/20, requirement for valuation of specialist assets and the incomplete accounts of Robin Hood Energy (RHE);
- (c) The draft accounts have been prepared for publication by the deadline together with a statement that the accounts are not complete due to asset valuations and issues around RHE accounts. Once these two issues have been addressed, the accounts will be signed off by the S151 Officer and the Public Inspection period will begin. Discussions with the external auditors of Robin Hood Energy and with Grant Thornton are ongoing to establish the best way to present accounts information for Robin Hood Energy for 20/21;

- (d) An action plan has been created to address comments and issues raised by Committee members, these actions are mostly covered by the R&IP and associated action plan;

During discussion, the following information was highlighted:

- (e) A total of 75 specialist assets require further valuation. There is a very limited number of professionals in the country who are able to carry out the required work and they are in demand across the sector. There is no indication at present when they will be able to complete this work for Nottingham City Council. An update will be circulated to committee members once a timescale is established;
- (f) Nottingham City Council has been in discussion with Grant Thornton around the best way to present the incomplete account information from RHE for 20/21. Grant Thornton need to consult with their technical accounting team to ensure that the proposed strategy will be sufficient before Nottingham City Council considers engaging MacIntyre Hudson to complete further work on the RHE accounts;
- (g) The issues with the RHE accounts for 19/20 and 20/21 are slightly different. The 19/20 accounts are complete but were prepared on a going concern basis. The accounts for 20/21 are not complete as the company went into administration;
- (h) The issue for the Council is how to get assurance that the numbers in the 19/20 accounts are correct. MacIntyre Hudson have access to the accounts, but are not currently under any obligation to provide any assurances. The 20/21 accounts are incomplete as they were not prepared before the end of the accounting period before the company broke up;
- (i) To address this issue NCC Finance are putting together a proposal to move forward that will be considered by the technical accounting team at Grant Thornton, who will take advice from the accounting body and respond to NCC as soon as they have reached a conclusion;
- (j) NCC Finance have taken specialist advice on this matter from CIPFA. All parties recognise that this is a very unusual situation and that there is no precedent to follow. This comes as a result of the materiality of the company accounts for NCC group accounts and the timing of the company break up;
- (k) Other than the issue with specialist asset valuation and how to treat the RHE accounts within NCC Group accounts, the Draft Statement of Accounts is materially complete and will be published by the deadline of 31 July 2021;
- (l) Committee members commented that training on the Statement of Accounts was still outstanding. Finance colleagues confirmed that the plan was for this to take place closer to the publication of the final Statement so that it was fresh in Committee members minds when considering the final document;
- (m) Committee members asked that more acknowledgement of the impact of Covid-19 was included within the draft Annual Governance Statement,

alongside more information around Housing and the current waiting list for Council Housing and the impact of austerity;

- (n) Additional information was also requested on the StreetScene service, how standards have changed and staffing has been allocated following further cuts to services as a result of Government funding reduction;
- (o) Feedback has already been provided by some committee members in relation to the Annual Governance Statement to the Head of Audit around issues such as Broadmarsh project, the Car park and Central Library project and the completion of the College Hub;
- (p) Delivery of Transformation, as part of the Recovery and Improvement plan, is being managed and overseen across the Council following the recent appointment of a Programme Manager, who is developing a comprehensive programme of change. This will include deliverables and ensure that transformation is “cashable”;
- (q) The role of this Committee is to ensure that the correct processes are in place and that outcomes are delivered. It is essential that savings made through transformation are not absorbed into individual departments. Savings as a result of transformation work are clearly included within the Medium Term Financial Plan (MTFP). Further details of this work will be analysed by the Working Groups;
- (r) As Service Plans are updated and transformed, budgets are tracked through the Programme Board offering full transparency on savings made. This information is then fed back into MTFP.

**Resolved to:**

- (1) Note the progress of the draft 2020/21 Statement of Accounts; and**
- (2) Note draft 2020/21 Annual Governance Statement and the expectation of an updated Annual Governance Statement to be brought to a future committee meeting reflecting the suggestions of this committee, alongside the final statement of Accounts for 2020/21.**

**25 External Audit Update**

John Gregory, External Auditor – Grant Thornton, provided a verbal update on the progress of the external audits. During discussion the following points were raised:

- (a) Alongside the specialist asset valuation and Robin Hood Energy accounts discussed in minutes 23 and 24 above, external Auditors have been working on the Value for Money conclusions;
- (b) The work around transformation and generation of savings works is encouraging but the Council needs to remain realistic about timescales and scope of savings to be achieved;
- (c) Committee members commented that although there have been transformation agendas in the past, given the level of austerity and cuts to

funding from central Government this programme needs to be wide reaching and bring significant change to generate the savings required;

The committee noted the comments made by the External Auditor in his update.

## **26 Treasury Management 2020/21 Annual Report**

Glyn Daykin, Senior Accountant – Treasury Management, presented the Treasury Management 2020/21 Annual Report to the Committee highlighting the following points:

- (a) The Council has reduced external loan debt by £141.8million. This is a significant reduction in external debt with a corresponding increase in internal borrowing with no new long-term debt taken;
- (b) Average interest rates on debt portfolio have increased to 3.379% due to reduced element of short term loans;
- (c) There have been no breaches of the prudential indicators 2020/21;
- (d) CIPFA have released their proposed changes to the Prudential Code and Treasury Code for consultation and the Public Works Loan Board (PWLB) have released new lending arrangements, prohibit debt for yield.

During discussion, the following points were highlighted:

- (e) The annual cost of servicing debt is £84.758million. The Council is reducing its debt levels, but initially this was mainly short term debt so there is less impact on cost of debt servicing. Further scheduled loan maturities will not be replaced with new loans, these maturities include loans with higher interest rates which will give reduction of this annual cost. No new borrowing will take place as part of the Voluntary Debt Reduction Policy;
- (f) The Council takes external expert advice on interest rates and live market information. Extensive modelling takes place to detail sensitivities within treasury management based on this external advice;
- (g) Loan rates and interest rates are comparable to other Core Cities, it is a daily task to monitor and form a view on future Interest rates;
- (h) Treasury Management staff worked incredibly hard at the start of the pandemic to ensure that the Council remained cash liquid with a number of short term loans to ensure liabilities could be met going forward;
- (i) Given the complexities of calculations and the regular changes it is difficult to quantify the revenue effect of in-year treasury decisions that result in movements in the average pool rate and lending rate to include within the report in future;

The Committee asked that their formal thanks be recorded within the minutes to Treasury Management staff, to celebrate their continued hard work.

**Resolved to note the performance information in relation to treasury management for 2020/21**

## **27 Internal Audit Annual Report and Opinion**

Shail Shah, Head of Audit and Risk, presented the annual Internal Audit Report and Opinion for 2020/21. He confirmed that throughout the year his independence and scope of work had not been compromised. During discussions and in response to comments and questions from Committee members the following points were highlighted:

- (a) The Opinion around governance and controls remains limited. Work taking place on these themes will develop over the next year and may improve the assessment of the opinion for next year;
- (b) Committee members highlighted that in some places there was a lack of consistency in the language used within the Statement, although in some instances it is not possible to retain control and justify the use of the word "ensure" when looking at fraud recovery;
- (c) Concerns were raised around the limited assurances for Cyber, and IT Security. Committee members requested that this topic be brought to a working group for in depth discussion with IT specialist;
- (d) Concerns were also raised around the limited assurances for Social care as a result of the impact of Covid-19 as highlighted by the CQC. The relevant teams are addressing these issues;
- (e) The Committee requested that executive summaries for all areas with limited assurance be produced and circulated to members so that a panel can assess them and a selection can come for further discussion at Committee later in the year;
- (f) These limited assurances all appear on departmental risk registered and are accelerated if necessary;

**Resolved to:**

- (1) Note the audit work completed during the year, including the use of other resources of assurance and reliance on those sources;**
- (2) Note the Head of Audit and Risk's Annual Opinion;**
- (3) Note the proposed Audit Plan for 2021/22;**
- (4) Approve the internal Audit Charter; and**
- (5) Note the Counter Fraud Strategy**

## **28 Exclusion of the Public**

The Committee decided to exclude the public from the meeting during consideration of this/ the remaining agenda item(s) in accordance with Section 100A(4) of the Local Government Act 1972 on the basis that, having regard to all the circumstances, the

public interest in maintaining the exemption outweighed the public interest in disclosing the information, as defined in Paragraph(s) 3 of Part 1 of Schedule 12A to the Act

## **29 Exempt Minutes**

The exempt minutes of the meeting held on 28 May 2021 were confirmed as a true record and were signed by the Chair.

## **Audit Committee Work Programme & Action Log**

### **Proposed Work Programme**

Key - Italicised items for noting, remainder for discussion

**2021**

**Sep**

Audit Committee Annual Report  
*Customer Experience/Complaints*  
*& Ombudsman Annual Assurance*  
*EMSS Annual Report*

**Nov**

*Council Plan & Corporate Performance Assurance*  
Recovery & Improvement Plan Process Update  
Companies Governance Sub-Committee Update  
Treasury Management Half Year Report  
Corporate Risk Update  
Culture & Ethics Update  
*Internal Audit Update*

**To be confirmed**

External Audit Report 2019-20  
Statement of Accounts 2019-20 & Final AGS 2019-20  
External Audit Report  
Statement of Accounts 2020-21 & Final AGS 2020-21

**Feb 2022**

Recovery & Improvement Plan Process Update  
Treasury Mgt Strategy & Capital Strategy  
AGS Process 2021-22  
Non-Executive Amendments to the Constitution  
SEND Annual Assurance Monitoring 2021/22  
*Annual Information Compliance Assurance*  
*Internal Audit Update*

*Review of Accounting Policies 2020/21*

**May 2022**

Corporate Risk Update  
Companies Update  
*Health & Safety Annual Assurance*  
*HR & EDI Assurance*  
*Internal Audit PSIAS Peer Review*

**Jul**

- Financial Accounts Training tbc  
Draft Statement of Accounts 2021-22 & Interim AGS 2021-22  
Treasury Management Annual Report  
*IA Annual Report & Opinion including Counter Fraud Strategy*

## Action Log

Date of meeting	Issue	Action taken	Target Date	RAG Rating
25 Sep 20	Training	Accounts training Jun tbc	tbc	
	2019-20 AGS	To be considered as part of finalisation process and final report	tbc	
26Feb21	Ombudsman / SEND	Audit committee to receive as a one-off in 21/22 SEND Annual Assurance Monitoring	February 2022	
28May21	Culture & Ethics	Audit Committee to receive update from Overview & Scrutiny, Standards Board and Executive Panel regarding Culture & Ethics	November	
30Jul21	Update from working groups	Include risk velocity on risk & assurance register	November	
	AGS	Delivery Options workstream to be reviewed at a working group	November	
	Treasury Management	Team will consider how they can present savings or quantitative value of the service	November	
	IA Annual Report	Dedicated session on IT Security at a working group	November	
		All limited assurance IA reports to be considered on directorate risk and assurance register	November	
		Consider limited assurance IA reports at working group	November	
		Counter Fraud Strategy & Fraud Annual Report to Fraud working group	October	

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Agenda Item 7  
Audit Committee – 24 September 2021

<b>Title of paper:</b>	<b>Audit Committee Annual Report 2020/2021</b>	
<b>Councillor:</b>	Councillor Audra Wynter Chair of the Audit Committee	<b>Wards affected:</b> All
<b>Report author(s) and contact details:</b>	Councillor Audra Wynter Chair of the Audit Committee Email: <a href="mailto:Audra.Wynter@nottinghamcity.gov.uk">Audra.Wynter@nottinghamcity.gov.uk</a>	
<b>Other colleagues who have provided input:</b>		
<b>Recommendation(s):</b>		
1	To note the work undertaken and approve the report at Appendix 1.	

## 1 Reasons for recommendations

- 1.1 This report outlines the work undertaken by the Audit Committee in 2020/21 and explains how the Committee has filled its designated role within the Constitution and how this work relates to its core responsibilities.

## 2 Background

- 2.1 The Committee is a key component of corporate governance. CIPFA guidance for audit committees states that :
- ‘The purpose of an audit committee is to provide to those charged with governance independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting and governance processes. By overseeing both internal and external audit it makes an important contribution to ensuring that effective assurance arrangements are in place.’
- Meaning that taking actions towards this purpose helps fulfil the statutory obligations of the Council under the Accounts and Audit Regulations 2015 and section 151 of the Local Government Act 1972

- 2.2 The overall aim of good governance is to ensure that:
- resources are directed in accordance with agreed policy and according to priorities
  - there is sound and inclusive decision making
  - there is clear accountability for the use of those resources in order to achieve desired outcomes for service users and communities.
- 2.3 The Audit Committee should play a key role in supporting the discharge of those responsibilities by providing a high-level focus on audit, assurance and reporting.
- 2.4 Whilst the Audit Committee exists partly to oversee proposed and actual changes to the council’s policies and procedures pertaining to governance, the executive and senior management have responsibility for implementing these arrangements. In order to support this the Committee has approved a strategy, clear frameworks and processes for managing risk.

- 2.5 Good governance maintains and increases public confidence in the objectivity and fairness of financial and other reporting, and service planning, delivery, and improvement. It is important that local authorities have independent assurance about the mechanisms underpinning these aspects of governance.
- 2.6 An effective Audit Committee both supports and challenges, and in doing so helps to raise the profile and effectiveness of internal control, risk management and financial reporting within the Council and should enhance public trust and confidence in the governance of the Council.
- 2.7 In order to demonstrate the effectiveness of the Committee and develop public trust, the Chair has produced this annual report in respect of its activities in 2020/21. It aims to develop the Council's commitment to improving corporate governance.
- 2.8 The report at Appendix 1 summarises the work undertaken by the Committee during 2020/21, shows the topics it discussed and uses its Terms of Reference to demonstrate how it met its objectives and responsibilities. The report recognises the positive contributions of councillors and colleagues in the deliberations of the Committee and the positive effect the Committee has had on the Council's governance arrangements. The report categorises the work under the broad themes below :
- Assurance Statements and Governance;
  - Risk Management;
  - Performance Management and Value for Money;
  - External Audit, Inspection and Assurance;
  - Internal Audit and Counter Fraud; and
  - Financial Reporting.

It also comments on the Committee's :

- Independence; and
- Training and Development.

- 2.9 The work undertaken is crosscutting, however, and the work covered in each theme is complimentary to that reported in the other themes.
- 2.10 CIPFA Guidance referred to in this paper and its Appendix is the guidance which was current in 2020/21 as shown below.

### **3 Background papers other than published works or those disclosing exempt or confidential information**

- 3.1 None.

### **4 Published documents referred to in compiling this report**

- Accounts and Audit Regulations 2015
- CIPFA Audit Committees Practical Guidance for Local Authorities and Police 2018
- CIPFA Delivering Good Governance In Local Government – Guidance Notes for English Authorities 2016 Edition

## **Appendix 1**

### **Audit Committee Annual Report 2020-21**

#### **Foreword by the Chair**

I am pleased to provide the Audit Committee's Annual Report for the municipal year 2020 / 2021. The Council is requested to take note of the work conducted by the Audit Committee in improving and further enhancing the governance arrangements throughout the Council. The report illustrates how the Audit Committee has continued to make a positive contribution to the Council's governance and control environments. These cover all aspects, such as internal control; risk management; internal audit; anti-fraud; external audit; and financial reporting. The Committee continues to be well supported by officers, providing a high standard of reports and presentations, and officers have taken on suggestions to make sure the benefits of this Committee are passed onto our citizens. I would like to thank the Internal Audit and the External Audit teams for their input. I should also like to take this opportunity to give my personal thanks to all the officers, and without exception, all fellow Committee members who have contributed and supported the work of the Committee in such a meaningful and positive way throughout the past year. Audit Committee Members have supported and challenged officers to ensure our risk, control and governance processes are effective, open, and transparent.

During 2020/21, the Council received two very significant reports which impacted the committee's activity:

- The external auditor's Report in the Public Interest.
- The Non-Statutory Review by Max Caller which was commissioned by the Secretary of State.

Taking these reports into account, this year has been unlike any other in more recent times. The capability of all our Council officers to make sure that services are continually delivered for the communities we serve shows the strength of the Council as a whole. I have welcomed the Audit Committee's continued support for officers and look forward to the work being carried out over the next 12 months. Going forward, 2021 / 2022 will continue to a testing time for all Councils with the resources available becoming more important. How we risk manage our priorities, resources and partnerships will be vital, notwithstanding the risk of fraud. The Audit Committee holds a distinctive position to challenge and scrutinise the activities of the Council, with the support of Officers and my fellow Councillors, long may this continue.

The following report summarises the work performed over the year 2020-2021 and describes how the committee has contributed to the effectiveness of the Council by the work it has done including:

- Assurance Statements and Governance
  - Scrutinising non-executive amendments to the Constitution
  - Monitoring and approving the Annual Governance Statement and associated activity
  - Monitoring and approving Partnerships governance arrangements
  - Receiving and making recommendations in respect of Annual Assurance Reports from key corporate specialisms
- Risk Management
  - Reviewing the mechanisms for the assessment and management of risk and thereby developing the Council's ability to respond to known and emerging risks and considering key risks
  - Overseeing the Council's Treasury Management arrangements
- Performance Management, Quality Management and Value for Money
  - Reviewing assurances provided
- External Audit, Inspection and Assurance
  - Managing a good working relationship with the external auditor, ensuring appropriate action is taken on its recommendations
  - Receiving cross-cutting external inspections and assurance reports, ensuring appropriate action is taken on their recommendations
- Internal Audit and Counter Fraud
  - Approving arrangements and monitoring performance of Internal Audit and Counter Fraud
  - Ensuring internal audit independence and that findings are actioned by managers and consequently help to improve the Council's effectiveness and governance arrangements;
- Financial Reporting
  - Monitoring of, and contribution to, the development of the Council's Statement of Accounts

### **The Purpose of Audit Committees**

The Audit Committee operates in accordance with the "Audit Committees, Practical Guidance for Local Authorities" produced by the Chartered Institute of Public Finance and Accountancy (CIPFA) in 2018. The Guidance defines the purpose of an Audit Committee as follows:

1. Audit committees are a key component of an authority's governance framework. Their function is to provide an independent and high - level resource to support good governance and strong public financial management.
2. The purpose of an Audit Committee is to provide to those charged with governance independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting and annual governance processes. By overseeing internal and external audit it makes an important contribution to ensuring that effective assurance arrangements are in place.

By overseeing internal and external audit, it makes a significant contribution to ensuring that effective assurance arrangements are in place.

## **Terms of Reference**

The Council reviewed and updated the Audit Committee's terms of reference in 2021 as required by the Report in the Public Interest. As part of this process, CIPFA was engaged to review these terms of reference and suggest improvements. CIPFA provided the committee with assurance that the terms are appropriate and more extensive than comparator authorities, including detailed functions within them to support compliance with the Public Sector Internal Audit Standards. The Council has delegated some of its non-executive functions to the Audit Committee. These are defined in the committee's terms of reference.

Good governance is ultimately the responsibility of those charged with governance, as well as those with leadership roles and statutory responsibilities in the organisation, including the Chief Executive, Corporate Directors, the Chief Financial Officer and the Monitoring Officer. The Audit Committee plays a key role in supporting the discharge of those responsibilities by providing a high-level focus on audit, assurance and risk management and financial reporting.

Good corporate governance requires the Council to undertake its functions with integrity and in a way that is accountable to the people of Nottingham, transparent, effective and inclusive. My role as the Chair of the Audit Committee is to drive forward improvements on corporate governance. This means I must:

- Consider the reports of external audit and inspection agencies;
- Seek assurances that action is being taken on risk-related issues identified by auditors and inspectors and gain assurance that recommended improvements meet the needs identified and are being delivered to an appropriate timescale;
- Support the committee in reviewing the financial statements, external auditor's opinion and reports to councillors, and monitor management action in response to the issues raised by external audit;
- Support the committee in reviewing the Council's integrated planning and performance framework;
- Support consideration of the effectiveness of the Council's risk management arrangements, the control environment and associated anti-fraud and anti-corruption arrangements;
- Lead the committee to be satisfied that the authority's assurance statements, including the Annual Governance Statement, properly reflect the risk environment and any actions required to improve it;
- Lead approval of the Internal Audit's strategy, plan and monitor performance.
- Support Internal Audit and contribute to Peer Review
- Support the review of the summary Internal Audit reports and the main issues arising, and seek assurance that action has been taken where necessary;
- Ensure that there are effective relationships between external and internal audit, inspection agencies and other relevant bodies, and that the value of the audit process is actively promoted; and
- Lead the Audit committee in procuring external audit if required.

## **Committee Aims**

In summary, the committee's role is to challenge, assess and gather assurance from within the Council and from external agencies, on the level and quality of the internal control and risk management processes in place to ensure that Council objectives are met. As part of this role it approves Audit Plans, the Statement of Accounts, and Annual Governance Statement and monitors the robustness of performance management systems. The benefits gained from operating an effective committee are that it:

- contributes to the development of an effective control environment including arrangements for management of risk;
- increases stakeholder confidence in the objectivity and fairness of financial and other reporting by promoting transparency and accountability;
- reinforces the importance and independence of internal and external audit and any other similar review process (e.g. providing a view on the AGS) and the implementation of audit recommendations;
- advises on the adequacy of the assurance framework and considers whether assurance is deployed efficiently and effectively to give assurance that business objectives are met;
- helps the authority to implement the values of ethical governance, including effective arrangements for countering risks of fraud and corruption

## **Membership**

The Audit Committee was made up of 9 non-executive councillors appointed to reflect the political balance of the Council. The members of the committee for 2020/2021 were:

Councillor Audra Wynter (Chair)  
Councillor Leslie Ayoola (Vice Chair)  
Councillor Graham Chapman  
Councillor Michael Edwards  
Councillor Jay Hayes  
Councillor Jane Lakey  
Councillor Sajid Mohammed  
Councillor Anne Peach  
Councillor Andrew Rule

## **Work Undertaken**

The work is reflective of the committee's terms of reference shown at **Appendix A** which is addressed via an annual work programme endorsed by the committee and cross-referenced to the elements of the annual work programme. The analysis has been derived from the reports and presentations set before the committee in the period, which are shown in **Appendix B**.

### **Assurance Statements and Governance**

The Audit Committee Work Programme shown in **Appendix A** reflects the many subject areas and sources of information that the committee considers in its deliberations about corporate governance. The information assimilated allows

members of the committee to understand governance issues and determine their opinion about the overall state of corporate governance in the Council. In addition the Audit Committee formed informal working groups to help the committee to better understand and consider the following areas:

- Capital
- Companies
- Fraud (Anti-fraud, anti-bribery, and anti-corruption)
- Risk & Assurance

Reports on the following areas were considered by the committee during the year:

- Annual Governance Statement (AGS)
- Governance of Group Companies
- Information Technology and Information Governance (IT)
- Counter Fraud Strategy and Whistleblowing Policy
- Risk Management
- Annual Report of Health and Safety
- Annual Human Resources Assurance report.
- Report on Culture & Ethics
- Treasury Management
- Performance Management
- External Audit
- Local Government and Social Care Ombudsman – Complaints Annual Assurance 2018-19 & Public Interest Report
- Internal Audit and Counter Fraud
- Financial Reporting
- Statement of Accounts (SOA)
- Role of the Audit Committee and Annual Work Programme

### **Looking Forward**

The Audit Committee will amongst other activities

- continue to seek assurance on the implementation of the Recovery and Improvement Plan including theme milestones and outcomes
- monitor progress in bringing the Council's external audit's up to date and ensuring future external audit cycles progress smoothly and on time
- have oversight of the Corporate Risk Register and associated management assurance frameworks including examination of key risks as needed
- provide challenge to the executive and senior officers to encourage implementation of improvements and delivering best value

### **Independence**

The key criterion in assessing the independence of the committee is that its members are non-executives and their conduct on the committee is independent of

political allegiances. Councillors have sought advice from legal and governance officers to achieve this requirement, and made declarations or have left the meeting where a conflict of interest was apparent, as appropriate. We accept the observations of the external auditor about the conflicts of interest that arise when councillors act as directors on council owned companies and the Council continues to make appropriate arrangements including for councillors on the Audit Committee as part of the Constitution theme of its Recovery and Improvement Plan. The Audit Committee terms of reference now allow for 2 independent members.

### **Training & Development**

Training has been provided to committee members during the year on:

- the Role of the Audit Committee and its members (CIPFA – March 2021)
- Risk management (Zurich – March 2021)
- Financial statements (Director of Strategic Finance – September 2020)
- Treasury Management (Link Asset Management – November 2020)

### **Conclusion**

Having considered the available guidance, the terms of reference and duties of the Audit Committee, and the work undertaken over the period since the last annual report, it is my assessment that the committee has carried out its roles effectively during 2020/21, subject to the issues noted in the external auditor's Report in the Public Interest, and the Non-Statutory Review. The committee has made several changes to its activity during 2020/21 to improve its effectiveness and will aim to complete improvements during 2021/22.

## Appendix A - Analysis of Audit Committee Work Programme

Description	Report	Meeting				
<b>(a) Main Purposes:</b>						
1. The Audit Committee is a key component of Nottingham City Council's corporate governance. It provides an independent and high-level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards.	Annual Audit Committee Report		SEP			
2. Provide independent assurance to those charged with governance of the adequacy of the risk management framework and the internal control environment.	External Audit reports, Annual Audit Committee Report, Annual Governance Statement (AGS) reports	JUN	JUL	SEP	NOV	
			FEB	MAR	MAY	
3. Provide independent review of the Council's governance, risk management and control frameworks.	AGS & External Audit reports	JUN	JUL	SEP	NOV	
			FEB	MAR	MAY	
4. Oversee the financial reporting and annual governance processes.	Budget, Statement of Accounts, Accounting Policies & AGS reports		JUL	SEP		
			FEB	MAR		
5. Oversee internal audit and external audit, helping to ensure efficient and effective assurance arrangements are in place.	Annual IA Plan and updates & EA Updates	JUN	JUL	SEP	NOV	
			FEB	MAR		
6. Scrutinise the Council's financial and non-financial performance to the extent that it affects the Council's exposure to risk and weakens the control environment.	Budget, Statement of Accounts, EA Updates, IICSA, OFSTED, Ombudsman, Companies, Assurance & Corporate Risk reports and presentations	JUN	JUL	SEP	NOV	
			FEB	MAR	MAY	

Description	Report	Meeting			
		DEC	JUL	SEP	NOV
		FEB	MAR	MAY	
7. Oversee proposed and actual changes to the Council's policies and procedures pertaining to governance.	Audit Committee Terms of Reference, Public Interest Report, Companies Governance, Councillor Directors, Non-Statutory Review and Recovery & Improvement Plan, Interim AGS & Governance Updates connected to Action Plans				
<b>(B) Main Functions:</b>					
<b>Governance, Risk &amp; Control</b>					
1. Review the Council's corporate governance arrangements against the good governance framework, including the ethical framework and consider the local code of governance.	AGS reports		JUL	SEP	
				MAR	
2. Review the Annual Governance Statement prior to approval and consider whether it properly reflects the risk environment and supporting assurances, taking into account Internal Audit's opinion on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control.	AGS		JUL	SEP	
				MAR	
3. Consider the Council's arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.	Annual Audit Letter & VfM Report				
				MAR	MAY
4. Consider the Council's framework of assurance and ensure that it adequately addresses the risks and priorities of the council.	Assurance Reports (H&S, ITG, Complaints, HR)			SEP	
				MAR	MAY
5. Receive and consider the results of reports from external inspectors, Ombudsman and similar bodies and from statutory officers.	Budget, Annual summary of External Assurances, IICSA, OFSTED, Complaints & LG Ombudsman,	JUN	JUL	SEP	
			FEB		

Description	Report	Meeting			
6. Monitor the effective development and operation of risk management in the council.	Risk Management Reports, Brexit, Covid-19 & Emergency Planning	DEC	JUL	MAR	MAY
7. Monitor progress in addressing risk-related issues reported to the committee.	IICSA, Ofsted, Budget, Risk Management Updates, External Audit updates, Corporate Action Plans, Companies & Brexit	JUN	JUL	SEP	NOV
		DEC	FEB	MAR	MAY
8. Consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.	IA Progress Updates & Service presentations, Companies reports	JUN		SEP	
			FEB		MAY
9. Review the assessment of fraud risks and potential harm to the Council from fraud and corruption.	Annual IA Report & Annual Audit Letter			SEP	
					MAY
10. Monitor the counter fraud strategy, actions and resources.	Annual IA Report & progress update			SEP	
			FEB		
11. Review the governance and assurance arrangements for significant partnerships or collaborations, including the Partnership Governance Framework, annual health checks and the Register of Significant Partnerships.	Audit Committee Terms of Reference	JUN			
			FEB		MAY
12. Commission work from internal and external audit.	Culture & Ethics				
					MAY
13. Consider arrangements for and the merits of operating quality assurance and performance management processes.	Customer Experience, EMSS			SEP	
14. Consider the exercise of officers' statutory responsibilities and of functions delegated to officers.	e.g. S114A & S5A reports	Not applicable in 2020/21			
15. Effectively scrutinise, review and monitor treasury management strategies and policies in accordance with guidance issued to local authorities, and make appropriate recommendations to the responsible body.	TM 2019/20 Annual Report, TM Strategy and Capital Strategy, TM Half-Yearly update	JUL			
		FEB			

Description	Report	Meeting			
16. Consider any appeals made by an employee against decisions made by the Appointments and Conditions of Service Committee relating to a grievance made against the Chief Executive. Members involved in considering these will not be able to participate in any further consideration of the matter at other committees.	[Audit Committee will be advised by officers if/when it is required to carry out this role]	Not applicable in 2020/21			
<b>Financial Reporting</b>					
17. Review the Annual Statement of Accounts. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the Council.	Statement of Accounts	JUL	SEP		MAR
18. Consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts.	Audit Findings Report, Auditor's Report to members of NCC (both with Statement of Accounts), Public Interest Report	JUL	SEP		MAR
19. Approve the Council's Statement of Accounts and associated governance and accounting policy documents	Accounting Policies, Statement of Accounts, external audit outcome and Public Interest reports & Annual Governance reports	JUL	SEP		FEB
<b>External Audit</b>					
20. Support the independence of external audit through consideration of the external auditor's annual assessment of its independence and review of any issues raised by PSAA or the authority's auditor panel as appropriate.	Annual Audit Letter	JUL			MAR
21. Consider the external auditor's annual letter, relevant reports and the report to those charged with governance.	Annual Audit Letter	JUN	JUL	SEP	NOV
			FEB	MAR	MAY

Description	Report	Meeting			
		JUN	JUL	SEP	NOV
		FEB	MAR	MAY	
22. Consider specific reports as agreed with the external auditor.	Public Interest Report			SEP	
23. Comment on the scope and depth of external audit work and to ensure it gives value for money.	EA reports	JUN	JUL	SEP	NOV
		FEB	MAR	MAY	
24. Advise and recommend on the effectiveness of relationships between external and internal audit and other inspection agencies or relevant bodies.	Annual Audit Committee Report			SEP	
<b>Internal Audit</b>					
25. Undertake the duties of the Board mandated by PSIAS as identified in Appendix 2.	PSIAS duties are listed below			SEP	
26. Consider reports from the head of internal audit on internal audit's performance during the year, including the performance of external providers of internal audit services.	IA Progress Reports			SEP	
		FEB			
27. Consider the head of internal audit's annual report.	Annual IA Report			SEP	
28. Consider summaries of specific internal audit reports as requested.	IA Progress Reports			SEP	
		FEB			
<b>Accountability Arrangements</b>					
29. Report to those charged with governance on the committee's findings, conclusions and recommendations concerning the adequacy and effectiveness of their governance, risk management and internal control frameworks, financial reporting arrangements, and internal and external audit functions.	Annual Audit Committee Report			SEP	
30. Report to full council on a regular basis on the committee's performance in relation to the terms of reference and the effectiveness of the committee in meeting its purpose.	Annual Audit Committee Report			SEP	

Description	Report	Meeting			
		SEP			
31. Publish an annual report on the work of the committee.	Annual Audit Committee Report			SEP	
<b>PSIAS Duty of the Board</b>					
1. Approve the Internal Audit Charter	Annual IA Report		SEP		
2. Approve the risk-based internal audit plan, including internal audit's resource requirements, including any significant changes, the approach to using other sources of assurance and any work required to place reliance upon those other sources.	Annual IA Report		SEP		
3. Approve decisions relating to the appointment and removal of the Chief Audit Executive	[If required the S151 Officer will provide a report]	Not applicable in 2020/21			
4. Receive an annual confirmation from the Chief Audit Executive with regard to the organisational independence of the internal audit activity	Annual IA Report		SEP		
5. Make appropriate enquiries of the management and the Chief Audit Executive to determine whether there are inappropriate scope or resource limitations	Annual IA Report		SEP		
6. The Chair to provide feedback for the Chief Audit Executive's performance appraisal	Annual Audit Committee Report		SEP		
7. Provide free and unfettered access to the Audit Committee Chair for the head of internal audit, including the opportunity for a private meeting with the committee.	Annual IA Report		SEP		
8. Consider any impairments to independence or objectivity arising from additional roles or responsibilities outside of internal auditing of the head of internal audit. To approve and periodically review safeguards to limit such impairments.	Annual IA Report		SEP		
9. Approve significant additional consulting services agreed during the year and not already included in the audit plan, before the engagement is accepted	IA Progress Reports		SEP		
		FEB			

Description	Report	Meeting			
10. Contribute to the QAIP and in particular, to oversee the external quality assessment of internal audit that takes place at least once every five years.	Annual IA Report			SEP	
11. Receive the results of the Quality Assurance and Improvement Programme from the Chief Audit Executive	Annual IA Report			SEP	
12. Receive communications from the Chief Audit Executive on internal audit's audit plan and resource requirements including the approach to using other sources of assurance, the impact of any resource limitations and other matters	Annual IA Report				
13. Receive communications from the Chief Audit Executive on the internal audit activity's purpose, authority, responsibility and performance relative to its plan. Reporting must also include significant risk exposures and control issues, including fraud risks, governance issues and other matters needed or requested by senior management and the board.	Annual IA Report			SEP	
			FEB		
14. Receive reports outlining the action taken where the head of internal audit has concluded that management has accepted a level of risk that may be unacceptable to the authority or there are concerns about progress with the implementation of agreed actions.	Annual IA Report			SEP	

## **Appendix B – List of Reports to Audit Committee by Date**

### **26 Jun 2020**

Independent Inquiry into Child Sexual Abuse  
Report of the Corporate Director for People

Children's Integrated Services Ofsted Focussed Visit and Improvement Programme  
Report of the Corporate Director for People

Audit Committee Terms of Reference and Annual Work Programme  
Report of the Director of Strategic Finance

External Audit Plan Update  
Report of the External Auditor

### **31 Jul 2020**

Budget Update  
Report of the Strategic Director of Finance

Treasury Management 2019/20 Annual Report  
Report of the Strategic Director of Finance

Statement of Accounts 2018/19  
Report of the Strategic Director of Finance

External Audit report 2018/19  
Report of the External Auditor

Annual Governance Statement 2018/19  
Report of the Interim Chief Executive

Risk Management and Corporate Risk Register Update  
Report of the Interim Chief Executive

Work Programme  
Report of the Director of Strategic Finance

### **25 Sep 2020**

Draft Statement of Accounts 2019/20  
Update by the Head of Strategic Finance

Draft Annual Governance Statement 2019/20  
Report of the Chief Executive

External Audit Reports

Public Interest Report  
Report of the Director of Legal and Governance

Audit Committee Annual Report 2019/2020  
Report of the Chair of the Audit Committee

Internal Audit Annual Report 2019/20  
Report of the Head of Audit and Risk

Customer Experience/Complaints and Ombudsman Annual Assurance 2020  
Report of the Director of HR & Customer

East Midlands Shared Services Annual Report 2019/20  
Report of the Head of East Midlands Shared Services

### **30 Nov 2020**

Update on Report in the Public Interest Action Plan  
MHCLG Non Statutory Review

External Audit update

Audit Committee Working Groups

Companies Risk Management Review

Report of the Strategic Director of Finance

### 18 Dec 2020

'No Deal' Brexit Planning (End of the EU Transition Period)

Report in the Public Interest - Appointment of Councillor Directors

Report of the Director of Legal and Governance

### 26 Feb 2021

Local Government Ombudsman's Report in the Public Interest following Investigation Reference 18 018 188

Report of the Corporate Director for People

Treasury Management Strategy 2021/22 & Capital and Investment Strategy 2021/22, and Treasury Management

Report of the Strategic Director of Finance

Review of Accounting Policies 2020/21

Report of the Strategic Director of Finance

Audit Committee Terms of Reference

Report of the Strategic Director of Finance

External Audit Update

Verbal update from Grant Thornton, External Auditors

Internal Audit Progress Report Q1-Q3 2020/21

Report of the Strategic Director of Finance

Control Environment and key risks for City Council controlled companies

Presentation by the Strategic Advisor on Companies

### 26 Mar 2021

Recovery and Improvement Plan Implementation – Process and Controls

Report of the Strategic Director of Finance

Statement of Accounts 2018/19 and Addendum to Annual

Governance Statement

Report of the Strategic Director of Finance

Annual Governance Statement - Process for Producing 2020/21 Statement

Report of the Strategic Director of Finance

Risk Management and Corporate Risk Register Update

Report of the Chief Executive and Strategic Director for Resources

Information Compliance Annual Assurance Report

Report of the Director of Legal and Governance

### 28 May 2021

Annual Audit Letter 2018/19

Report from Grant Thornton , External Auditors

External Audit Update 2019/20

Verbal update from Grant Thornton , External Auditors

Annual Report of Health & Safety

Report of the Director of Legal & Governance

Covid-19 and Emergency Planning

Report of the Director of Legal & Governance

Culture & Ethics

Report of the Interim Corporate Director Finance & Resources

HR Annual Assurance

Report of the Interim Corporate Director Finance & Resources

Report of the Strategic Director of Finance

Audit Committee Terms of Reference

Report of the Interim Corporate Director Finance & Resources

Companies Governance Update

Report of the Interim Corporate Director Finance & Resources

## Audit Committee – 24 September 2021

<b>Title of paper:</b>	Have Your Say Complaints Annual Assurance Report – Including Local Government Ombudsman Annual Letter 2020-21	
<b>Director(s)/ Corporate Director(s):</b>	Clive Heaphy, Interim Corporate Director of Finance and Resources	<b>Wards affected:</b> All
<b>Report author(s) and contact details:</b>	Vanessa Jenkins – Customer Experience Lead <a href="mailto:vanessa.jenkins@nottinghamcity.gov.uk">vanessa.jenkins@nottinghamcity.gov.uk</a> 0115 87 61527	
<b>Other colleagues who have provided input:</b>	Dominic O'Melia – Customer Experience Manager Patrick Skeete – Social Care Complaints and Representations Manager	
<b>Recommendation(s):</b>		
1	To note the contents of this report	

### 1. Reasons for report and recommendations

- 1.1 This report provides a reflection on the complaints received
- under the Have Your Say (HYS) process
  - under the statutory Social Care complaints process
  - about the School Admissions appeals process

and the decisions made on these complaints about Nottingham City Council by:

- Nottingham City Council (NCC)
- the Local Government and Social Care Ombudsman (LGSCO or LGO)

for the period of 1<sup>st</sup> April 2020 to 31<sup>st</sup> March 2021. The information is taken from NCC records and the LGO Annual Review Letter, which is issued to all Councils and is published on the Ombudsman's website.

- 1.2 Capturing customer experience and learning from complaints is important, it enables the Council to reflect on feedback about its services and facilitate service improvements and innovation. An outcome of an upheld complaint could be identifying a recommendation for a service or process improvement, which is welcomed as another source of reflection and learning for the organisation. The Council's Customer Charter promises that we will use customer feedback to improve our services, and the Have Your Say feedback plays a vital role in achieving this.
- 1.3 Whilst it is important to capture customer experience, we also need to be mindful that each complaint represents time which the officer investigating and responding could have used on other activities. This is particularly relevant as the Council's resources are shrinking. The Have Your Say team therefore aim to support colleagues to achieve lower complaint rates, by acting on insight and increase productivity, to help services get things right the first time and in keeping with the Council's Customer Charter. This report helps to identify the level of success in achieving this aim within Council services.
- 1.4 We also note that a citizen's opinion of Council services in general can be affected by their experiences with an individual service, so by providing a satisfactory service (and in some cases by effective communication of a well-organised, complete, and timely complaint investigation), colleagues can improve the Council's reputation and future contact with citizens.

- 1.5 We continue to maintain a good working relationship with the LGO Assessment and Investigation teams. The Customer Experience Lead acts as a Link Officer between the LGO and NCC to liaise with Council services and ensure deadlines are met.
- 1.6 It is important to note in this year's report that the COVID-19 crisis has had an impact on Council services and the complaints we have received this year. The LGO also paused their casework and did not accept new complaints for three months between March and June 2020. The COVID-19 pandemic has resulted in different levels and types of complaints coming to us which therefore makes year on year comparisons of complaints difficult during the 2020-21 period.

## **2. Background**

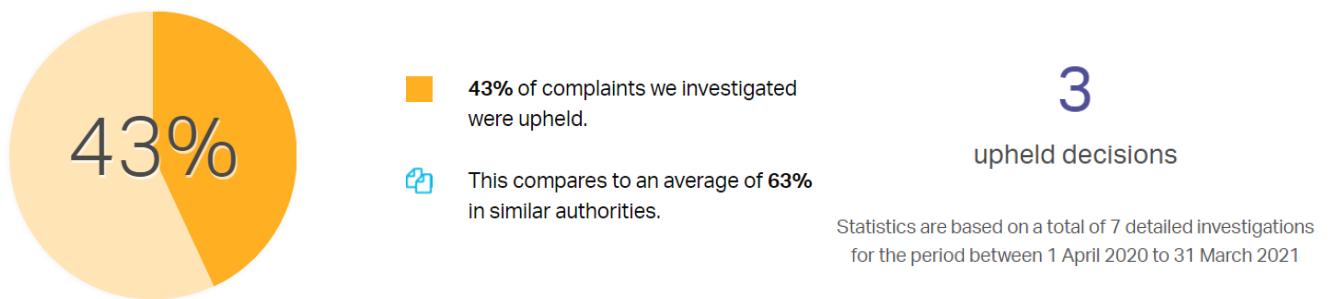
- 2.1 To enable Nottingham City Council to deliver high quality services it is important that we record and listen to feedback from people using Council services. Through the Have Your Say (HYS) process, we aim to handle comments, complaints and compliments in a fair and consistent way, maintaining openness and transparency. Complaints can help us identify any trends in service failures and make improvements by learning from root cause analysis.
- 2.2 There are currently two complaints teams within Nottingham City Council. One team handles the statutory complaints in relation to Children and Adults Social Care Services, and the HYS team handles the complaints and feedback for all other Council services. There are some areas that cannot be dealt with by the HYS complaints process as they are covered by another process or legal procedure. These exemptions include:
  - Appeals against refusal of planning permission or against conditions placed on a grant of planning permission
  - A complaint about social care services (children and adults)
  - A school admission or exclusion appeal
  - A complaint about a school
  - A complaint from a City Council employee about an employment matter
  - An appeal against the issue of a penalty charge notice by the parking enforcement team and the recovery process which follows
  - Dispute a fixed penalty for environmental crimes (including dog-fouling)
  - Dispute a penalty charge notice for Bus Lane Contravention
  - Any appeal against the exercise of a police power
  - A complaint about the refusal of disabled badges for parking exemption
  - A complaint about the independent Rent Officer
  - A complaint about Anti-Social Behaviour
  - A complaint about Nottingham City Homes
  - Appeals regarding Resident Permits/Dispensation Access Permits
- 2.3 The LGO oversee some but not all of the HYS exemptions. This includes Social Care complaints and School Admissions appeals. They do not oversee the exemptions where there is a right to appeal or take legal action, such as Housing Benefit tribunals.
- 2.4 Refreshed in 2016, the HYS service operates a two-stage complaints handling process. At Stage 1, the customer's feedback is triaged to the appropriate service for investigation and response/remedy. If the customer remains dissatisfied once the complaint has completed the first stage of the process, they can request a review of the complaint handling at Stage 2, which is carried out by the Customer Experience Lead. Prior to 2016, there was a lengthier 4 stage complaints handling process, which was reviewed and replaced with the current 2 stage model,

which enables the Council to act on customer insight and improve the outcomes for citizens through analysing feedback.

- 2.5 The following analysis is reported by volume of complaints so that Councillors can understand better the experience of customers.

### 3. The Local Government Annual Review

- 3.1 On 29th July 2021 the LGO launched their annual review of local government and social care complaints for 2020-21. They have provided data to show how they are helping to improve local services and reporting on data for compliance with recommendations they have made, and the number of cases where each authority has provided a satisfactory remedy before the complaint reached the LGO. This section looks at the overall LGO data compiled in these years Annual Review Letter, and further sections give further context of how overall, this data is a very small percentage of the actual complaint handling dealt with by Nottingham City Council.
- 3.2 Nationally the LGO received 11,830 complaints and enquiries about councils in England (it does not cover Scotland or Wales). Of those complaints 3,144 had detailed investigations and 67% were upheld. This compares to 17,019 complaints and enquires received in 2019-20, of which 4,217 had detailed investigations and 61% were upheld.
- 3.3 This year's LGO Annual Review statistics tells us that nationally complaints about Education and Children's Services continue to dominate their casework, being two fifths of their reports. The highest proportion of complaints they investigated relate to Adult Social Care and Education and Children's Services and the fewest complaints investigated were about Highways and Transport and 'Other'.
- 3.4 The LGO publishes the information for the Annual Review on an interactive map, which is called 'Your Council's Performance.' This tool, which was implemented in 2019, gives a snapshot of the service improvement recommendations and highlights the key statistics and how they compare to similar authorities.
- 3.5 The link to the council performance interactive map is as follows:  
<https://www.lgo.org.uk/your-councils-performance/nottingham-city-council/statistics>
- 3.6 The snapshot data published on the interactive map for NCC is shown as:



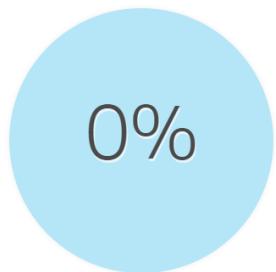
This is an improvement to last year where there were a higher number of detailed investigations of 19 cases, and 63% of these were upheld.



Statistics are based on a total of 4 compliance outcomes for the period between 1 April 2020 to 31 March 2021

- █ In **100%** of cases we were satisfied the Council had successfully implemented our recommendations.
- 🔗 This compares to an average of **99%** in similar authorities.

Nottingham City Council also achieved 100% satisfactory compliance outcomes last year on 11 compliance outcomes.



- █ In **0%** of upheld cases we found the Council had provided a satisfactory remedy before the complaint reached the Ombudsman.
  - 🔗 This compares to an average of **10%** in similar authorities.
- 0**  
satisfactory remedy decisions
- Statistics are based on a total of 7 detailed investigations for the period between 1 April 2020 to 31 March 2021

Last year Nottingham City Council had provided a satisfactory remedy in 8% of cases before the complaint had reached the LGO and received 1 satisfactory remedy decision.

- 3.7 The following key facts and figures will provide an in-depth analysis of the LGO's data published for NCC so that Councillors can identify areas that are performing well and areas for improvement considerations as well as see the root causes for these trends.

#### 4. LGO Review Letter – Key facts and figures

- 4.1 The LGO Annual Review Letter shows that they received 52 complaints and enquiries about NCC for the 1st April 2020 to 31st March 2021 period and 43 were assessed and issued with decisions. 13 were treated as premature, 5 were requests for advice, 2 were either incomplete or invalid and 16 were closed after initial enquiries. 7 complaints involved detailed investigations by the LGO and 3 of these were upheld.
- 4.2 This data shows a decrease in upheld complaints from last year. The table below outlines the results of the LGO Annual Review for 2020 in comparison to the previous three years:

Annual Letter	2018	2019	2020	2021
<b>Received</b>	103	104	75	52
<b>Decided</b>	98	98	86	43
<b>Upheld</b>	4	18	12	3
<b>Not Upheld</b>	11	8	7	4
<b>Closed</b>	83	72	67	36
<b>Uphold Rate</b>	27%	69%	67%	43%

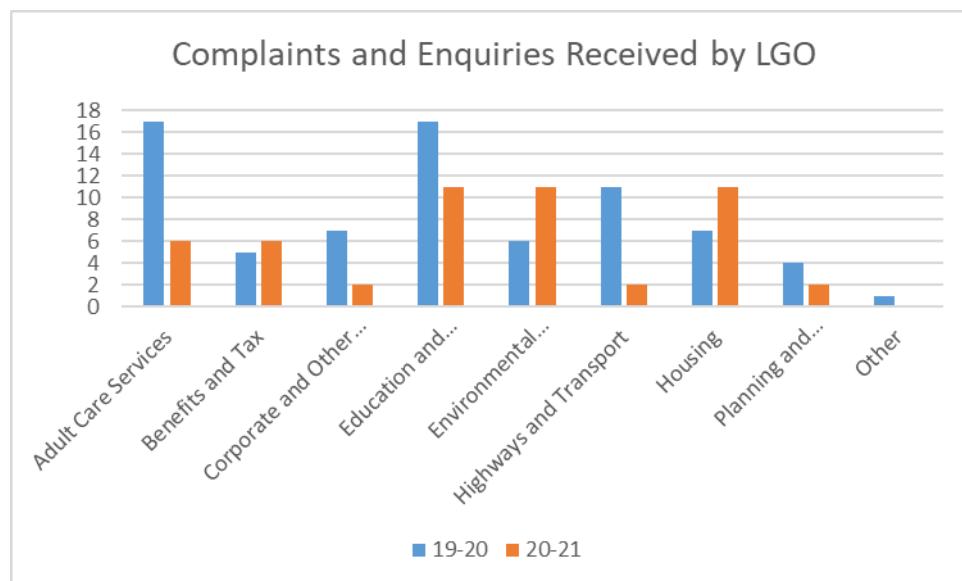
- 4.3 It is worth noting that in order to allow authorities to respond to the Covid-19 pandemic, the LGO did not accept new complaints and stopped investigating existing cases between March

and June 2020. This reduced the number of complaints they received and decided in the 2020-21 year. This needs to be considered this when comparing data from previous years.

- 4.4 We recognise that the 7 cases investigated is a very small sample of all complaints dealt with by NCC and that statistically it may not be representative of our complaints process. However we have attempted to identify any learning applicable.
- 4.5 The LGO categorise the complaints they receive. Looking at the 2021 Review data in more detail, a breakdown of the information published in by the LGO in their given categories is shown as follows:

Service Category	Received	Decided	Upheld	Not Upheld	Premature/Closed/Incomplete/Invalid
Adult Care Services	6	7	0	2	5
Benefits and Tax	6	3	0	0	3
Corporate and Other Services	2	2	0	0	2
Education and Children's Services	11	12	2	1	9
Environmental Services and Public Protection and Regulation	11	9	0	9	0
Highways and Transport	2	0	0	0	0
Housing	12	7	0	0	7
Planning and Development	2	3	1	1	1
Other	0	0	0	0	0
<b>Total</b>	<b>52</b>	<b>43</b>	<b>3</b>	<b>4</b>	<b>36</b>

- 4.6 This compares to last year's annual review as follows:



- 4.7 It is important to note that the categories defined in the LGO review data do not always accurately reflect the department and service area that the complaint would relate to within NCC.
- 4.8 To better understand the areas for focus from the LGO statistics, it is important to look at the complaints decision statements and public reports in more detail in order to establish which service area that it falls within at NCC.

- 4.9 In some cases the LGO will not publish the decision statement for an investigation. Only 19 decision statements are available for their NCC casework for 2020-21 and we also do not have all data on complaints to the LGO that were incomplete/invalid or premature. Therefore this report will reflect in more detail on the decisions that were published for the upheld and not upheld outcomes.
- 4.10 After reviewing each individual case's decision statement summaries, the complaints have been identified as follows:

NCC Service	Upheld	Not Upheld
Adult Social Care	0	2
Children's Integrated Service	1	0
Education Strategy	1	1
Planning	1	1
<b>Total</b>	<b>3</b>	<b>4</b>

- 4.11 This breakdown of the data gives a clearer picture about which Council service the upheld and not upheld LGO complaint outcomes relate to, and allow us to accurately identify service failures and improvements by carrying out root cause analysis.
- 4.12 Of the 3 upheld complaints, one relates to school transport and one was adoptions, neither of which fall under the Have Your Say complaints process. The other related to the Planning service and was handled outside of the complaints process initially before the LGO became involved.
- 4.13 Since April 2018, it is reported the Council has agreed to make improvements to services following an investigation from the LGO on 14 cases. These are highlighted on the Council's performance page on the LGO website here:  
<https://www.lgo.org.uk/your-councils-performance/nottingham-city-council/serviceimprovements>
- 4.14 In the last five years the LGO have published 2 Public Interest Reports against Nottingham City Council. These relate to a 2018 complaint investigation concerning a Schools Admissions Appeal and a 2020 complaint concerning Schools Transport. The full reports can be viewed here:  
<https://www.lgo.org.uk/information-centre/news/2020/dec/mum-left-in-debt-after-council-stopped-autistic-son-s-school-transport>  
<https://www.lgo.org.uk/information-centre/news/2018/jul/city-council-told-to-reconsider-school-admission-appeal-after-ombudsman-investigation>
- 4.15 A closer look at the complaints data held by NCC will help us to understand the complaints trends and address where things have gone wrong. This will be broken into the HYS complaints, Social Care complaints and School Admissions complaints.

## 5. Have Your Say complaints – Key facts and figures

- 5.1 Here at Nottingham City Council we work very hard to deliver a huge range of services to high standards, but inevitably in a city of 300,000 residents, we won't always get it right or meet everyone's expectations.
- 5.2 The Have Your Say complaints process focuses on early resolution and as such the vast majority of issues are resolved in this way. We have helped to minimise the number of cases being referred to and upheld by the Local Government Ombudsman by also offering people

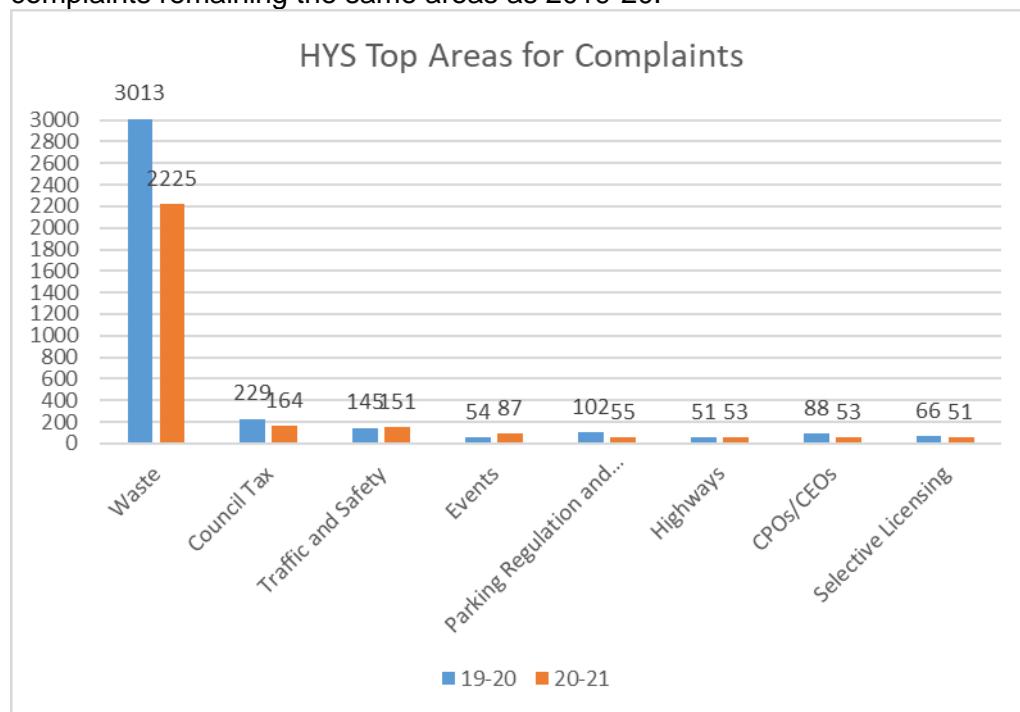
who remain unsatisfied an independent review to resolve things, before involving the Ombudsman.

- 5.3 From April 1<sup>st</sup> 2020 to 31<sup>st</sup> March 2021 the HYS service have processed 4157 Stage 1 complaints and 102 Stage 2 complaint reviews.

- 5.4 The top ten areas for complaints dealt with by HYS were:

• Waste	2225
• Council Tax	164
• Traffic and Safety	151
• Events	87
• Parking Regulation & Compliance	55
• Highways	53
• CPOs/CEOs	53
• Trees	52
• Selective Licensing	51
• Transport Strategy (Wind Scooters)	50

- 5.5 This is comparable to the previous year's reporting, with eight of the top ten areas for complaints remaining the same areas as 2019-20.



- 5.6 Comparing with last year's figures, we can see there has been a decrease in the volume of complaints dealt with by HYS from 5163 Stage 1's in 2019-20 to 4157 in 2020-21. The volume of stage 2 Complaint Reviews remain on a consistent level with 102 in 2020-21 from 99 in 2019-20.
- 5.7 Looking at the top areas for complaints we can see that the level of complaints have remained on par with last year in most areas, including complaints regarding Waste (Neighbourhood Services) being the dominant area citizens contact NCC to make a complaint about.
- 5.8 The high volume of HYS complaints for waste are primarily residents complaining about issues with their bin collection such as complaints about frequently missed collections, the Assisted Pull Out service and replacement bins. For 2020-21 the highest volume of complaints were in relation to replacement bins and missed domestic bin collections.

- 5.9 We can identify from the HYS data that the primary reason for complaints over the last three years continues to be around service delivery by Neighbourhood Services. However as there were no detailed investigations by the LGO for complaints within this service area, it is evident that the complaints were resolved at stage 1 or stage 2 within the HYS process.
- 5.10 The Have Your Say team provides monthly reports to Heads of Services regarding customer feedback statistics, to highlight any trends in complaints and assist with root cause analysis.
- 5.11 Of the 4157 Stage 1 complaints handled through the HYS process, 102 were reviewed by the Customer Experience Lead at Stage 2. With only 2.5% of the total complaints progressing to Stage 2, this demonstrates that an overwhelming majority of complaints were resolved at the early stages and that the HYS quality assurance of complaint responses is an effective process.
- 5.12 There was 1 upheld decision for LGO complaints that was covered by the HYS process. This is a good indicator that the HYS two-stage complaint handling process ensures most complaints are remedied at the early stages. Only a very small percentage (0.2%) of the total complaints dealt with have been investigated and upheld by the LGO.

## 6. Social Care Complaints – Key facts and figures

- 6.1 The Social Care Complaints Service manages the statutory social care complaints procedure for both Children and Adult services. The statutory processes are different for both service areas.

### Children's integrated Services

- 6.2 In 2020/2021 a total of 280 new complaints were received and considered about Children's Integrated Services. This is an increase compared with the previous reporting period when 240 complaints were received.
- 6.3 The children's statutory social care procedure has three distinct stages; local resolution, investigation and independent review.
- 6.4 At the first stage, (local resolution) the Social Care Complaints Service refers complaints onto operational managers in order for them to consider and respond to the complaint. The Social Care Complaints Service records and monitors these responses. As with previous years, 87% of complaints were resolved at this stage.
- 6.5 At stage 2 the Social Care Complaints Service allocates an independent investigator to investigate the complaint. There were 22 stage 2 investigation requests received during the last reporting period, compared with 8 in the previous year. For four consecutive years 100% of investigations were completed within the statutory timescale; however in the last reporting period one investigation was concluded 2 days outside of the timescale.
- 6.6 The final stage is an Independent Complaints Review Panel comprising of three Independent People. There were 7 stage 3 panel requests during the last reporting period. The panels were held via Zoom, due to COVID restrictions; all the panels agreed with the Independent Investigators' findings and recommendations.

### Resolutions offered

- 6.7 **Stage 1:** Stage one complaints received a written explanation and where a complaint was upheld or partly upheld an apology was also provided. New or review assessments were undertaken in some instances.

**Stage 2:** Of the 8 stage two investigations where an element of the complaint was partly upheld, all were offered an apology.

**Stage 3:** The panels accepted the investigators' findings, and two panels made additional recommendations.

### **Local Government Ombudsman investigations**

- 6.8 Complainants can make a complaint to the Ombudsman at any time but the Ombudsman will usually ask complainants to complete the local authority complaints process before considering complaints himself.
- 6.9 The Ombudsman considered nine new complaints, of which only one was investigated. This case was reported in the previous year's report, but the decision was delayed due to COVID, and was only issued during this reporting period. There was no finding of fault against the council in any of the new complaints reviewed by the Ombudsman.

### **Adult Services**

- 6.10 In 2020/2021 a total of 128 complaints were considered about adult social care services, which is a marked reduction from 213 in the previous year. However, the last twelve months have been unlike any other year, as the country wrestled with the COVID pandemic. With relatives unable to visit loved ones in hospitals and care homes, and often unable to visit relatives who were isolating in their own homes, these factors may help to explain why there has been a reduction in complaints about the care provided.
- 6.11 The Adult procedure has a one-stage process, which allows flexibility within the management of a complaint. The Complaints Team usually refers complaints in the first instance to operational managers or commissioned services for their consideration and response. Where the complaint has potentially serious implications for either an individual or the Department or it is complex, it may be necessary to undertake/commission an investigation.

<b>Category of Complaint</b>	<b>Number</b>
Unwelcome or disputed decision	29 (74)
Concern about the quality or appropriateness of the service	32 (55)
Delay in Decision Making	4 (8)
Delivery or non-delivery of services including complaints procedures	1 (7)
Quantity, frequency, change or cost of a service	5 (2)
Attitude or behaviour of staff	21 (22)
Application of eligibility and assessment criteria	0 (0)
Impact on an individual of a local authority policy and Assessment, care management and review	1 (1)
Not Recorded	35 (39)

**Note: Previous reporting period's figures in brackets**

- 6.12 Complaints about unwelcome decisions and the quality and/or appropriateness of a service continue to be the most common complaints.

- 6.13 The breakdown of complaints was broadly similar to that of the previous reporting period. Where the category of complaint was “not recorded” it is because these were mostly out of jurisdiction complaints, including complaints made by professionals; complaints about other agencies e.g. the NHS or another council; complaints where a citizen’s consent was not forthcoming; and complaints made by those who lacked the sufficiency of interest to be able to make a complaint on someone else’s behalf etc.
- 6.14 20% of complaints about Adult Social Care were either fully or mostly upheld, which is slightly less than in previous years.
- 6.15 Complaints are often resolved by way of a written response, an investigation or mediation, except for 5 that were considered by the Ombudsman, which is a marked reduction from 16 that were considered by the Ombudsman during the previous year. The Ombudsman investigated 3 of the 5 complaints he received, but he did not find fault or maladministration, and so these complaints were not upheld.

## **7. School Admissions – Public Interest Report 2018**

- 7.1 School Admissions appeals are covered by a separate process not covered by HYS or Social Care complaints. However, it is mentioned within this report due to the volume of complaints about this appeals process investigated by the LGO.
- 7.2 On 5<sup>th</sup> July 2018 the LGO published a Public Report dated 17<sup>th</sup> May 2018 further to a complaint investigation about a schools admissions appeal. (See paragraph 4.13).
- 7.3 Further to this report, and other LGO investigations about this service area, the School Admissions team have reviewed their Appeals process and made changes which reflect the recommendations set out by the LGO. The report was also brought before Audit Committee and discussed in closed session in July 2018.
- 7.4 The LGO have been provided with the evidence that the remedies have been carried out which is reflected in NCC’s 100% compliance with LGO recommendations.

## **8. School Transport – Public Interest Report 2020**

- 8.1 School Transport appeals are covered by a separate process not covered by HYS or Social Care complaints. However, it is mentioned within this report due to a public interest report being the outcome of the LGO’s investigation into this particular complaint.
- 8.2 On 3<sup>rd</sup> December 2020 the LGO published a Public Report dated 10<sup>th</sup> November 2020 further to a complaint investigation about a schools transport provision. (See paragraph 4.13).
- 8.3 Further to this report, the School Transport team agreed to review its procedures to ensure decisions on school transport, and appeals against those decisions, are dealt with properly. The report was also brought before Audit Committee and discussed in closed session on 26<sup>th</sup> February 2021.
- 8.4 The LGO have been provided with the evidence that the remedies have been carried out which is reflected in NCC’s 100% compliance with LGO recommendations.
- 8.5 The Ombudsman has given the following statement in the LGO’s Annual Review Letter:

“I am pleased the Council unreservedly accepted our recommendations that it apologise to the family and make a payment of £8,311 to reflect the boy’s loss of schooling, the family’s distress and time and trouble, and costs incurred in getting him to school. I was also pleased to note that, having already carried out procedural and policy changes in response to earlier

investigations, the Council has agreed and implemented further procedural changes, which will help avoid replicating the circumstances that led to this case.”

## **9. National Comparisons**

- 9.1 Although there are many differences in how local authorities across England will deliver their services, and in the varying demographic of customers they serve, it is still important to consider how we compare to other city councils.
- 9.2 Comparisons for complaints as whole are currently available. We will continue to seek to source this data.
- 9.3 Nottingham is 1 of 10 core cities in the UK (8 in England). Due to the low numbers of complaints investigated for each core city, the variation year on year in upheld rate can be significant and a city can go from best to worst performing on this statistic or vice versa in successive years, without the underlying performance of the systems concerned being responsible. The table below shows a comparison of Nottingham City Council's LGO statistics against the other core city authorities of Birmingham, Bristol, Manchester, Liverpool, Leeds, Sheffield and Newcastle:

	<b>Nottingham City Council</b>	Birmingham City Council	Bristol City Council	Manchester City Council	Leeds City Council	Sheffield City Council	Newcastle upon Tyne City Council	Liverpool City Council
<b>Total LGO Investigations</b>	7	130	23	22	33	24	14	27
<b>Total Upheld Decisions</b>	3	107	19	14	25	17	10	20
<b>% Upheld</b>	43%	82%	83%	64%	76%	71%	71%	74%

- 9.4 As reflected in the Annual LGO Letter and Council Performance Map, Nottingham City Council has performed comparably well to authorities deemed similar.

## **10. Summary and Action**

- 10.1 The information compiled in this report aims to provide a clearer understanding of the published LGO statistics for Nottingham City Council in 2020-21. It is important to remember, when looking at the figures, that the Annual Review should form the start of the conversation about measuring corporate health, and low/high volumes do not solely indicate good or bad performance.
- 10.2 On reflection of the key facts and figures, it is clear that actually NCC resolve the vast majority of the complaints it receives at the early stages. Although the LGO statistics show a complaint as upheld it may have already been resolved by the Council. The Customer Experience Lead previously raised this with the LGO who provided comment in 2019:

‘A complaint is upheld where there is evidence of maladministration, this is normally following a detailed investigation. However, there are cases where an authority will have already accepted fault and without needing to carry out a detailed investigation we decide the authority has done all it can to put things right. We still mark these cases as upheld, because fault has been identified in a complaint that has come to us. The decision statement, your annual statistics and our interactive map all reflect these cases in a positive light. While the complaint was upheld, the authority provided a satisfactory remedy before the complainant reached the Ombudsman. If an authority has 10 upheld complaints, but has satisfactorily remedied 8, we see that as a positive message where the authority is putting things right early. By then using the learning

from upheld complaints, the authority can continue to improve its local services to prevent the same thing happening again.'

- 10.3 The Customer Charter commits to Citizens that we will listen to them and use their feedback to improve services across the Council, work together as one Council, and aim to get it right first time. It is important we utilise the Have Your Say data to effectively deliver those commitments and continuously improve Council services. Looking at the areas of high complaints, such as those in Waste, Customer Service is actively engaging with Service Heads to identify complaint trends and root causes to improve the customer experience and reduce complaint figures for the next reporting period.
- 10.4 The Customer Experience Lead has attended the LGO open course on Effective Complaint Handling and has worked to develop a complaint handling training course for Nottingham City Council. This will aim to increase colleague understanding of the HYS process and to develop a more consistent approach to complaint handling across all council services. The e-learning course on the Council's complaint handling and HYS process went live in July 2020 and is available on the intranet for all Council employees. The Customer Services Management team also helped develop and deliver a new and improved face to face Customer Service training session to both new starters and current employees across all service areas. Support and Information is available on the Intranet to all colleagues and the Have Your Say team continues to support services with complaint handling processes.
- 10.5 Customer Services are in the process of reviewing how HYS captures data about the comments, compliments and complaints in order to develop more efficient methods to analyse and identify trends.
- 10.6 Due to the COVID-19 pandemic, the period of 2020-21 was an extremely challenging year for Council services. Despite there being a 3 month period where LGO casework paused, NCC have continued to maintain effective complaints handling which is reflected in the figures presented in this report.

## **11. Published Documents**

- 11.1 The published documents referred to in this report are:

- The Local Government & Social Care Ombudsman Annual Review Letter 2021  
*Published 28<sup>th</sup> July 2020*
- The Local Government & Social Care Ombudsman Review of Local Government Complaints 2020-21  
*Published 28<sup>th</sup> July 2020*

# Local Government & Social Care **OMBUDSMAN**

21 July 2021

*By email*

Mr Barrett  
Chief Executive  
Nottingham City Council

Dear Mr Barrett

## **Annual Review letter 2021**

I write to you with our annual summary of statistics on the decisions made by the Local Government and Social Care Ombudsman about your authority for the year ending 31 March 2021. At the end of a challenging year, we maintain that good public administration is more important than ever and I hope this feedback provides you with both the opportunity to reflect on your Council's performance and plan for the future.

You will be aware that, at the end of March 2020 we took the unprecedented step of temporarily stopping our casework, in the wider public interest, to allow authorities to concentrate efforts on vital frontline services during the first wave of the Covid-19 outbreak. We restarted casework in late June 2020, after a three month pause.

We listened to your feedback and decided it was unnecessary to pause our casework again during further waves of the pandemic. Instead, we have encouraged authorities to talk to us on an individual basis about difficulties responding to any stage of an investigation, including implementing our recommendations. We continue this approach and urge you to maintain clear communication with us.

### **Complaint statistics**

This year, we continue to focus on the outcomes of complaints and what can be learned from them. We want to provide you with the most insightful information we can and have focused statistics on three key areas:

**Complaints upheld** - We uphold complaints when we find some form of fault in an authority's actions, including where the authority accepted fault before we investigated.

**Compliance with recommendations** - We recommend ways for authorities to put things right when faults have caused injustice and monitor their compliance with our recommendations. Failure to comply is rare and a compliance rate below 100% is a cause for concern.

**Satisfactory remedy provided by the authority** - In these cases, the authority upheld the complaint and we agreed with how it offered to put things right. We encourage the early resolution of complaints and credit authorities that accept fault and find appropriate ways to put things right.

Finally, we compare the three key annual statistics for your authority with similar types of authorities to work out an average level of performance. We do this for County Councils, District Councils, Metropolitan Boroughs, Unitary Councils, and London Boroughs.

Your annual data will be uploaded to our interactive map, [Your council's performance](#), along with a copy of this letter on 28 July 2021. This useful tool places all our data and information about councils in one place. You can find the decisions we have made about your Council, public reports we have issued, and the service improvements your Council has agreed to make as a result of our investigations, as well as previous annual review letters.

I would encourage you to share the resource with colleagues and elected members; the information can provide valuable insights into service areas, early warning signs of problems and is a key source of information for governance, audit, risk and scrutiny functions.

As you would expect, data has been impacted by the pause to casework in the first quarter of the year. This should be considered when making comparisons with previous year's data.

This year, we issued a public report about your Council's refusal to provide home to school transport for a boy who has difficulty walking long distances and diagnoses related to behaviour and communication challenges. We found that, when withdrawing his transport provision and when considering his appeals to reinstate it, the Council failed to give proper weight to supporting evidence, or to the disruption that withdrawing transport might cause him. We found that, on balance, had the Council considered matters properly, it would have continued to provide transport. By not doing so, we concluded the family endured financial hardship and the boy lost around 11 months schooling.

I am pleased the Council unreservedly accepted our recommendations that it apologise to the family and make a payment of £8,311 to reflect the boy's loss of schooling, the family's distress and time and trouble, and costs incurred in getting him to school. I was also pleased to note that, having already carried out procedural and policy changes in response to earlier investigations, the Council has agreed and implemented further procedural changes, which will help avoid replicating the circumstances that led to this case.

### **Supporting complaint and service improvement**

I am increasingly concerned about the evidence I see of the erosion of effective complaint functions in local authorities. While no doubt the result of considerable and prolonged budget and demand pressures, the Covid-19 pandemic appears to have amplified the problems and my concerns. With much greater frequency, we find poor local complaint handling practices when investigating substantive service issues and see evidence of reductions in the overall capacity, status and visibility of local redress systems.

With this context in mind, we are developing a new programme of work that will utilise complaints to drive improvements in both local complaint systems and services. We want to use the rich evidence of our casework to better identify authorities that need support to improve their complaint handling and target specific support to them. We are at the start of this ambitious work and there will be opportunities for local authorities to shape it over the coming months and years.

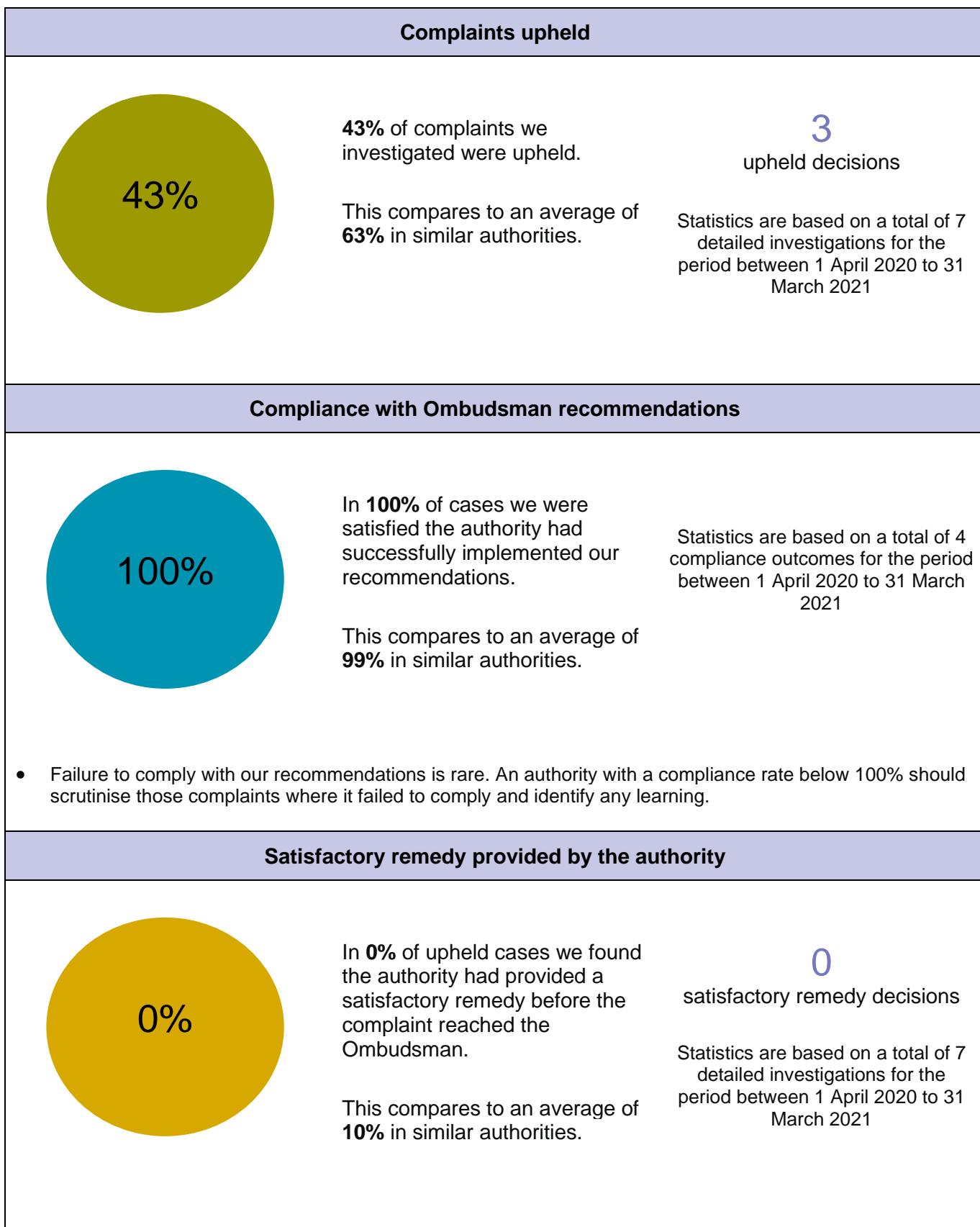
An already established tool we have for supporting improvements in local complaint handling is our successful training programme. During the year, we successfully adapted our

face-to-face courses for online delivery. We provided 79 online workshops during the year, reaching more than 1,100 people. To find out more visit [www.lgo.org.uk/training](http://www.lgo.org.uk/training).

Yours sincerely,



Michael King  
Local Government and Social Care Ombudsman  
Chair, Commission for Local Administration in England



**NOTE:** To allow authorities to respond to the Covid-19 pandemic, we did not accept new complaints and stopped investigating existing cases between March and June 2020. This reduced the number of complaints we received and decided in the 20-21 year. Please consider this when comparing data from previous years.

# *Review of Local Government Complaints* **2020-21**

# Contents

Ombudsman's foreword	3
Putting things right	5
Compliance with recommendations	6
Learning from complaints	7
Decisions and reports	8
The impact of a single complaint	10
Raising the profile of complaints	14
Assessing performance	14
How elected officials can use our data to hold authorities to account	15

# Ombudsman's foreword



I am pleased to present our Review of Local Government Complaints for 2020-21 – an opportunity to reflect on a challenging year for both the sector and our wider communities.

While we are just beginning to evaluate the impact of the COVID-19 pandemic on our casework, a more immediate impact has been on the statistics we publish today. To allow authorities to respond to the first wave of the outbreak, we stopped taking new complaints and paused our existing investigations. We restarted casework in late June 2020, after a three month pause, and, after listening to your feedback, decided it was unnecessary to pause our casework again as we entered further lockdowns. Quite simply, as a result, the number of complaints we received and decided during the year is lower than in previous years.

Our complaint statistics for 2020-21 tell us:

- We are finding fault more often: we upheld 67% of complaints we investigated, up from 61% last year
- The uphold rate increased across all categories of complaint, except Environmental Services. We continue to uphold the highest proportion of complaints about Education and Children's Services (77%)

- We recommended 1,488 service improvements, up 2% on the previous year (as a proportion of all recommendations made)
- Compliance with our recommendations remains high at 99.5%

We published 40 public interest reports during the year. These reports allow us to share the lessons from the cases we investigate, as well as holding authorities to account. While the breadth of our casework is represented, complaints about Education and Children's Services continue to dominate, being the subject matter in two fifths of our reports.

It is encouraging that compliance with the recommendations we make remains high; there were no formal incidents of non-compliance during the year or further reports issued. However, a handful of councils failed to implement recommendations they had agreed to, resulting in new complaints being opened. While it is unfortunate that we need to take this action, we do so to maintain public confidence in complaints systems and hold councils to account for their actions.

Pleasingly, many councils demonstrate a willingness to put things right for individuals and commit to often significant wider reviews and service changes to ensure others are not similarly affected by the faults our investigations uncover. I commend this approach and have detailed some case examples in this report. I hope others can learn from the added value these councils are gaining from their complaints.

***I am concerned about the general erosion to the visibility, capacity, and status of complaint functions within councils. These concerns are not new and cannot be wholly attributed to the trials of the pandemic.***

While the impact and response of councils to the pandemic is only beginning to play out in our casework, we have seen evidence of councils struggling to implement new policies at short notice and failing to properly take account of personal hardships caused by the pandemic when assessing people's circumstances. Encouragingly, there have also been many examples of councils performing well under pressure. We are paying close attention to this area of our casework and intend to publish our early experiences and findings later in the year.

More generally, the challenges of the past year have served to heighten my concerns about the pressures on complaint handling functions in councils. Our investigations regularly highlight local complaint systems that are failing to respond properly to those that raise concerns. While I do not underestimate the challenges councils are facing, nor the impact of the past 15 months, I am concerned about the general erosion to the visibility, capacity, and status of complaint functions within councils. These concerns are not new and cannot be wholly attributed to the trials of the pandemic.

Our view and advice to councils remains the same: good public administration is more important than ever and managing complaints effectively is not simply a transactional process. The public experience of local services provides unique insight that can be harnessed as a key driver for learning and improvement.

It is this view that drives our new programme of work; we want to use the rich evidence of our casework to better identify authorities that need support to improve their complaint handling and target specific support to them. We also want to look at how we can be more explicit and set out firmer expectations of the standards we expect. There will be opportunities for authorities to get involved in this work and we will share more with you as it progresses, however, I know its success will rely on all councils committing to high quality, responsive complaint handling, and the operation of effective governance and accountability systems. I look forward to working with the sector on this ambition.

Alongside this report, we publish our complaints data at local authority level, and upload annual data to the [your council's performance map](#). Now with three years' worth of data on councils' complaint outcomes and commitments to improve, I encourage you to take a look at how your authority is performing.



**Michael King**  
Local Government and Social Care Ombudsman  
July 2021

# Putting things right

**1,726**

cases with  
recommendations to  
put things right



**11,830**

complaints and  
enquiries  
received

66,99

**1,488**

recommendations  
to improve services  
for others\*

**11%**

upheld cases where  
we agreed with the  
authority's remedy



**3,104**

recommendations  
to remedy  
personal injustice\*



\* In many cases, we will recommend more than one type of remedy. For example, we may recommend an authority makes an apology, pays a sum of money, and reviews a policy or procedure.

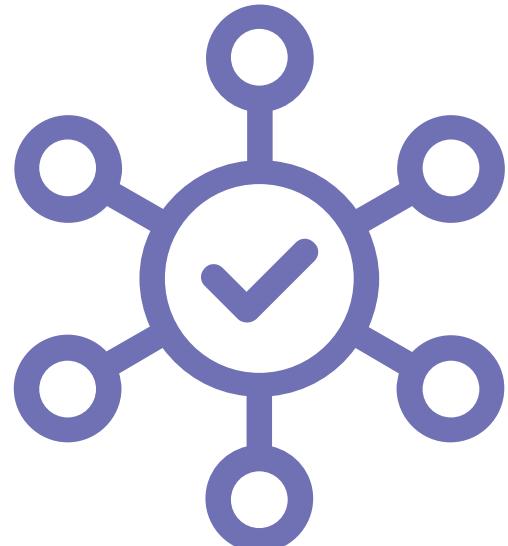
# Compliance with recommendations



While our recommendations to put things right are non-binding, in most cases authorities agree to comply with our remedies.

- We were satisfied with authorities' compliance with our recommendations in 99.5% of cases. But, in 18% of cases, compliance was not within the agreed timescales and was late.
- In nine cases we were not satisfied that the authority had complied with our recommendations.

When an authority fails to implement our recommendations, we can consider a range of actions, including issuing a public interest report and opening a new investigation into the authority's failure to provide the agreed remedy.



# Learning from complaints

Our casework provides a unique insight into the concerns of people who use local services. Where we identify recurrent problems across authorities, we will publish a [focus report](#) to feed back the learning from the complaints we investigate to the sector. These reports highlight concerning issues and help authorities to learn from others' mistakes and improve services. The reports also act as a useful tool for elected members; we include [suggested questions](#) councillors can use as part of their role to scrutinise services.

In addition, our guidance notes for practitioners set out what we expect from local complaint handling and how we will approach investigations about common areas of complaint.

These were the topics we commented on during the year:

## Home truths: how well are councils implementing the Homelessness Reduction Act?



This [report](#) shares the learning from our first 50 detailed investigations about the Homelessness Reduction Act, giving practical advice to councils from our early findings. The Act, introduced in 2018, gave people new rights when homeless or threatened with homelessness, aiming to help people earlier and prevent them becoming homeless. We have found delays in the process and difficulties in how the newly required Personalised Housing Plans are administered. We call on all councils with homelessness responsibilities to read the report and review their practices in light of our good practice advice.

## Careless: helping to improve council services to children in care



This [report](#) highlights the stories from the complaints we receive from children and young people in the care of their local authority. 'Looked after children' are statistically much more likely to have poorer outcomes

than children living with their parents – making councils' decisions about them even more critical. We share case studies from our investigations and offer good practice suggestions, including actively promoting to children in care how to raise concerns or make a complaint, and the importance of having effective policies on exercising discretion to investigate historical complaints.

We issued two guides for practitioners aimed at helping authorities to get things right before cases get escalated to us:

## Guide on the Children's Statutory Complaints Procedure



Being the area about which we receive most enquiries from councils, we published our [guide](#) on managing the statutory children's complaints procedure. It sets out what we expect from councils and how they should apply the government guidance, while answering the common queries we receive based on the learning from our cases. We also stress our position, that the regulations and statutory guidance must be followed as set out in law regardless of any concerns about the effectiveness of the process councils may have.

## Guidance on Effective Complaint Handling for Local Authorities



A relaunch of our long-standing [guidance](#), this practical guide offers advice on how to run a complaints system that is effective, fair and helps to drive service improvement within local authorities. It runs through the steps authorities need to take to ensure complaints are properly identified, investigated, and put right where necessary.

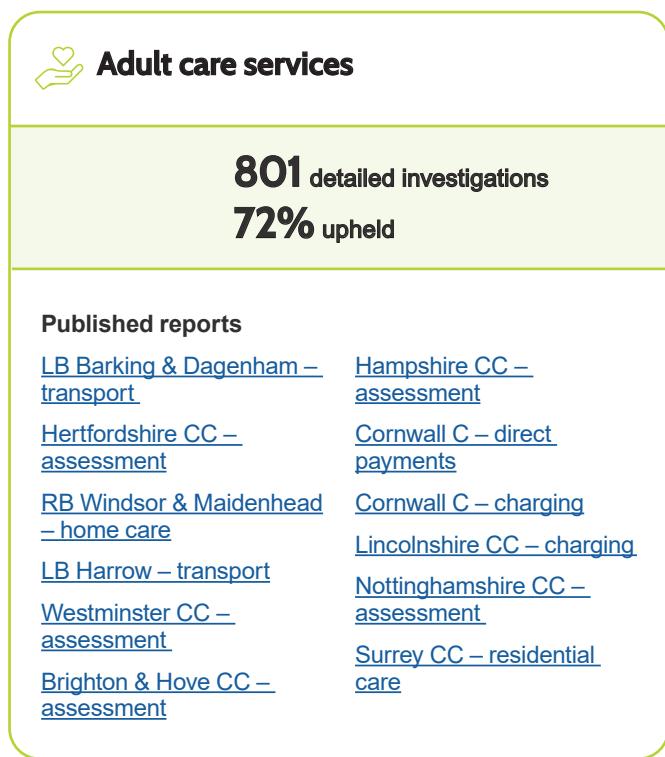
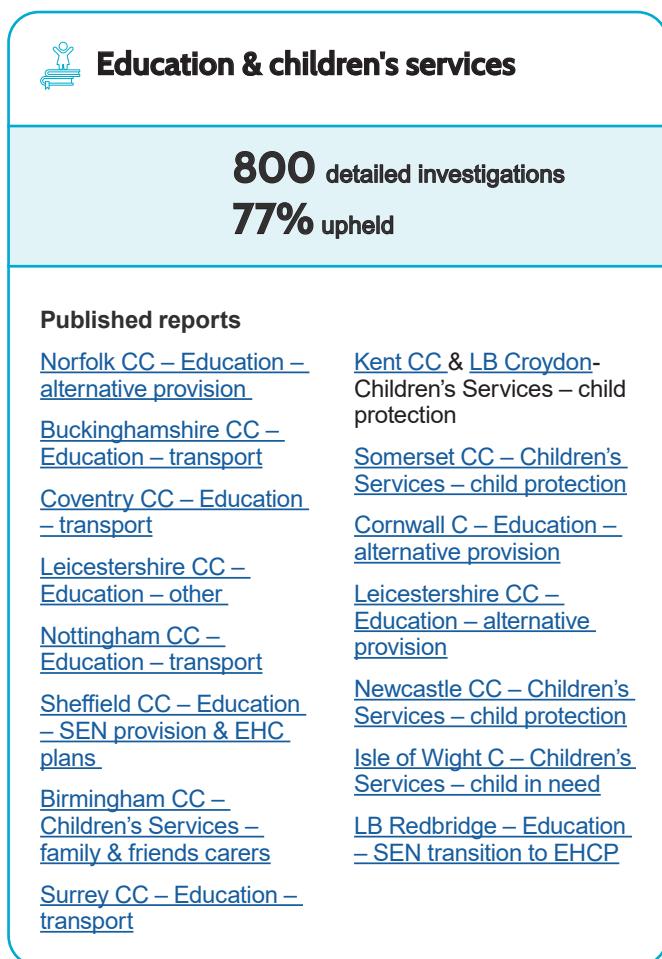
# Decisions and reports

We are one of the only Ombudsman schemes to publish the decisions we make. We do this to share learning and be transparent.

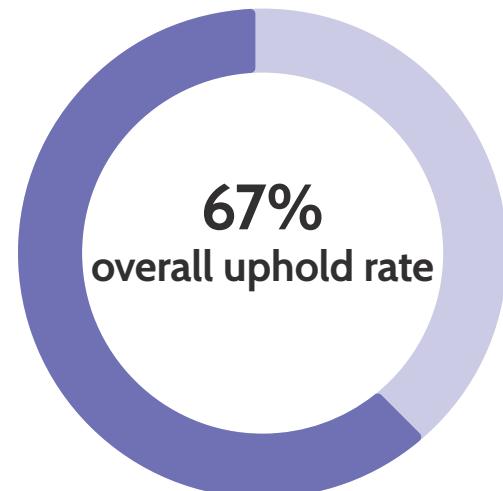
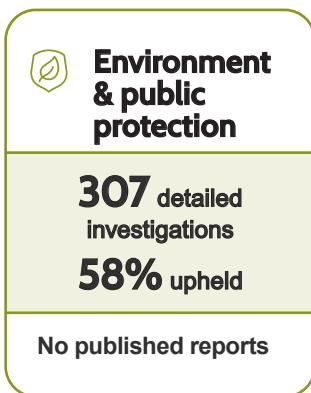
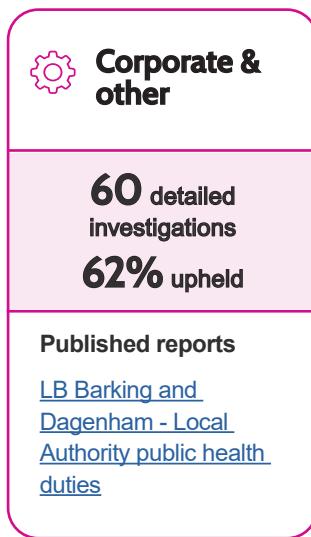
Our decisions are published at [www.lgo.org.uk/decisions](http://www.lgo.org.uk/decisions) and can be searched by theme, key word, category, decision outcome, date and organisation.

Cases that raise serious issues or highlight matters of public interest are given extra prominence and issued as public interest reports.

Our press releases highlight our public interest reports and can be found at [www.lgo.org.uk/information-centre/news](http://www.lgo.org.uk/information-centre/news)



# Decisions and reports



# The impact of a single complaint

## Overview

During the year, we investigated many cases that demonstrate how a single complaint and a council's constructive attitude to improving services can make a difference to many people. By highlighting them here, we are giving all councils the opportunity to learn and check their own practice in these areas. Below are the case summaries, and full details can be found by clicking on the links, or you can search the case reference numbers at [www.lgo.org.uk/decisions](http://www.lgo.org.uk/decisions)

**Failure to recognise family and friends carers of a vulnerable child leads to service review of private fostering placements**  
Case reference: **19 005 305**

Our investigation found Birmingham City council failed to support a family who had taken responsibility for a young, unaccompanied girl whose mother had sadly died. The council wrongly considered the arrangements to be private fostering and the family did not receive the financial or practical support they were entitled to as family and friends carers. We recommended, and the council agreed, that payments should be made to the child and family for the uncertainty and distress caused, and allowances and costs reimbursed.

Because we were concerned the same failings may have occurred in similar cases, we asked for all private fostering cases to be reviewed to ensure arrangements in place were suitable. The council undertook thorough reviews and voluntarily produced new promotional materials and training on private fostering arrangements in order to reduce the risk of similar failings.



**79% of Family & Friends carers complaints upheld**

# The impact of a single complaint



**Call for rejected applicants to reapply after finding poor recording of Blue Badge decisions**  
Case reference: [19 011 326](#)

We found that London Borough of Barking & Dagenham failed to correctly interpret the Department for Transport's guidance regarding Blue Badge applications. It was unable to provide evidence showing how it had made the decision to reject a complainant's application and did not keep applicants' details on file. We were concerned other applicants were likely to have been disadvantaged by the council's actions. The council agreed to a range of recommendations to amend its procedures, train staff and improve record keeping. Significantly, it agreed to publish a notice on its website inviting any rejected Blue Badge applicants from within the previous six months to reapply.



**78% of transport complaints upheld**

# The impact of a single complaint



**Commitment to policy change after woman and child fleeing domestic violence are left unsupported**  
Case reference: [19 006 011](#)

Our investigation found London Borough of Wandsworth failed to properly consider relaxing its local area connection criterion when a single mother fleeing domestic violence asked for help. Instead of considering the woman and her child as homeless, it encouraged her to withdraw her homelessness application and apply to the council where she had suffered violence for help. We recommended, and the council agreed, to make payments to the woman for the months she was in unsuitable accommodation. It also agreed to our service improvement recommendations to train its officers about the duty owed to those fleeing domestic violence and amend its housing allocation policy.



**75% of homelessness complaints upheld**

# The impact of a single complaint

**Review launched of couples separated by care needs after man suffers when council splits him from his wife**  
Case reference: [18 015 872](#)

Royal Borough of Windsor & Maidenhead Council committed to reviewing cases where couples had been separated by their care needs after our investigation found they did not properly consider or assess the needs of a man living at home when his wife was moved to a care home. The man's health quickly deteriorated, and he sadly died before his family's concerns were responded to. The council gave a fulsome apology for what happened and made a payment to the family. It agreed to our service improvement recommendations to review other similar cases, ensure its assessment practice is consistent and Care Act compliant, review its commissioning practice, and follow up to ensure care providers sustain improvements following complaints of poor practice.



**82% of home care complaints upheld**

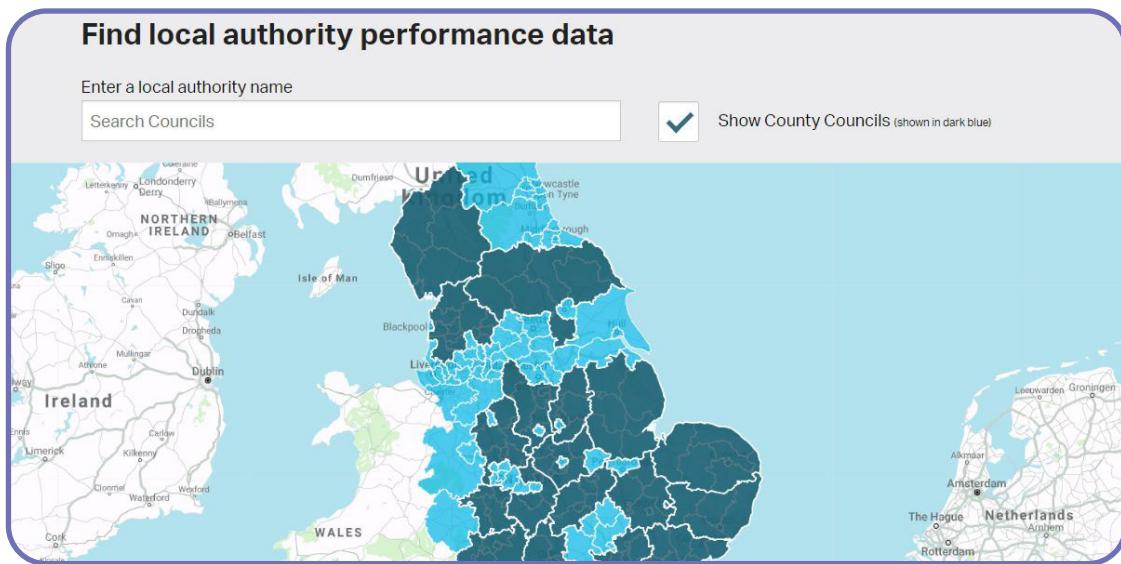


# Raising the profile of complaints

Complaints are a valuable tool for local authorities, providing an early warning of possible problems, free intelligence from people who use services, and a tool for supporting good governance, risk and audit functions.

# Assessing performance

Our [council performance map](#) places all our council complaint statistics in a single, interactive hub. It is a mine of searchable information that can be used by council officers to learn from complaints, by councillors to scrutinise the performance of their authority, and by members of the public to hold their council to account. It also allows comparisons to be made between similar councils.



Every council has a dedicated page where we show the following key statistics:

- **Complaints upheld** - We uphold complaints when we find some form of fault in an authority's actions, including where the authority accepted fault before we investigated.
  - **Compliance with recommendations** - We recommend ways for authorities to put things right when faults have caused injustice and monitor their compliance with our recommendations. Failure to comply is rare and a compliance rate below 100% is a cause for concern.
  - **Satisfactory remedy provided by the authority** - In these cases, the authority upheld the complaint and we agreed with how it offered to put things right. We encourage the early resolution of complaints and credit authorities that accept fault and find appropriate ways to put things right.

Each council page also includes our annual review letters, links to decisions we have made, public interest reports published, and every service improvement the council has agreed to make.

As part of this report, we also publish [data tables](#) providing complaints information at local authority level, which can be freely analysed and segmented.

# Raising the profile of complaints

## How elected officials can use our data to hold authorities to account

Listening to public concerns is an essential component of a well-run, accountable local authority that is committed to public engagement, learning and improvement. As a councillor or member of parliament, you can use information about complaints to help identify issues affecting local people and assess how your council is responding to them. Using the statistics we publish, we suggest some key lines of enquiry for you to consider.

- **Uphold rates** show the proportion of investigations in which we find some fault and can indicate problems with services. How does your council compare against the national averages or other similar authorities?
- **Offering a suitable remedy** for a complaint before it comes to us is a good sign your authority can accept fault and offer appropriate ways to put things right. How often does your authority do this, and how does it compare with others?
- **Compliance rates** show the proportion of cases in which we are satisfied our recommendations have been implemented (based on the evidence authorities give us). Compliance below 100% is rare. Does your authority have a 100% compliance rate – if not, what is it doing to scrutinise complaints where it failed to comply?
- **Service improvement recommendations** show what your authority agrees to do following our investigations, to make things better for everyone. Do you track the service improvements your authority agrees to make? How are they being implemented, and their impact monitored?

### Binding decisions: non-binding recommendations

Our decisions on fault and injustice are binding and can only be challenged through the courts.

Our remedies and service improvements are non-binding recommendations. The final decision on whether to accept our recommendations rests with elected members.

This is an important distinction and maintains local democracy as the central tenet to the complaints process.

Elected members are vital to the integrity of the process. They can champion the voice of complainants and use local democratic processes to hold officers to account where appropriate.

We recently saw Cornwall councillors successfully overturn a proposal by its officers not to comply with all of the recommendations we made to put right the fault we found in an adult care case. Councillors cited the importance of putting right the injustice, regardless of the expected cost of doing so. The case demonstrates the valuable role councillors play in upholding public confidence in the complaints system.

**Local Government and Social Care  
Ombudsman**  
PO Box 4771  
Coventry  
CV4 0EH

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Web: [www.lgo.org.uk](http://www.lgo.org.uk)  
Twitter: [@LGOmbudsman](https://twitter.com/LGOmbudsman)

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

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