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Nottingham
City Council

Nottingham City Council Audit Committee

Date: Friday, 31 March 2023

Time: 10.30 am

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

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

Director for Legal and Governance

Governance Officer: James Lavender

Direct Dial: 0115 876 4643

- 1 Apologies for absence**
- 2 Declarations of interest**
- 3 Minutes** 3 - 18
To confirm the minutes of the meeting held on 24 February 2023
- 4 Regular monitoring of previous years' statements of accounts** Verbal Report
Verbal update from the External Auditor.
- 5 Exemption from Contract Procedure Rules Quarter three 2022/23** 19 - 22
Report of the Corporate Director of Finance and Resources
- 6 Contract Management and Procurement Audits Update** 23 - 26
Report of the Corporate Director of Finance and Resources
- 7 Annual Report of health and safety within the council** 27 - 34
Report of the Director of Legal and Governance
- 8 Corporate Risk and Assurance Register Update** 35 - 38
Report of the Corporate Director for Finance and Resources
- 9 Exclusion of the public**
To consider excluding the public from the meeting during consideration of the remaining items 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.

10	Exempt minutes To confirm the exempt minutes of the meeting held on 24 February 2023	39 - 42
11	Corporate Risk and Assurance Register update exempt appendices	43 - 58
12	Information Compliance and Information Security Annual Assurance Report Report of the Director of Legal and Governance	59 - 84

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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Nottingham City Council

Audit Committee

Minutes of the meeting held at Ground Floor Committee Room - Loxley House, Station Street, Nottingham, NG2 3NG on 24 February 2023 from 10:33am – 12:50pm

Membership

Present

Councillor Sajid Mohammed (Chair)
Councillor AJ Matsiko (Vice-Chair)
Councillor Graham Chapman
Councillor Michael Edwards
Councillor Jane Lakey
Councillor Nayab Patel
Councillor Ethan Radford
Councillor Andrew Rule

Absent

Colleagues, partners and others in attendance:

Ross Brown	- Corporate Director of Finance and Resources
Mike Carey	- Governance Officer
Elaine Fox	- Senior Policy and Performance Officer
Fiona Marsh	- Interim Team Leader – Financial Strategy
Pete Mitchell	- Head of Regulations
Daljit Singh Nijran	- Organisational HR Manager
James Rhodes	- Head of Analysis and Insight
Shail Shah	- Head of Audit and Risk
John Slater	- Group Auditor
Andrew Smith	- External Auditor - Grant Thornton
Jean Stevenson	- Interim Finance Team Leader – Technical Team
Councillor Adele Williams	- Deputy Leader and Portfolio Holder for Finance

57 Apologies for absence

None.

58 Declarations of interests

None. It was noted that Andrew Smith, External Auditor for Grant Thornton, will leave the room for item 10 - Appointment of External Auditor.

59 Minutes

Committee Members requested that the minutes for 28 October 2022 be made available.

Committee Members requested an amendment to Minute 52, to reflect their concern about checks and balances on the commercial director for business cases, and that

this would be a matter of interest for the Committee going forward. Ross Brown, Corporate Director of Finance & Resources confirmed to committee members that the Commercial Director contributes to decisions but is not a decision maker. Details would be confirmed to committee members and the communication tracked in the Committee's action log.

Subject to this amendment, the minutes of the meeting held on 25 November 2022 were confirmed as a correct record and were signed by the Chair.

60 Together for Nottingham Plan update including Theme 1 (MTFS) & Theme 8 (Council Plan)

James Rhodes, Head of Analysis and Insight, introduced the presentation of the paper on the Together for Nottingham Plan, Theme 1 (MTFS) and Theme 8 (Council Plan). The following points were highlighted:

- (a) the Council's Recovery and Improvement Plan, the Together for Nottingham Plan, was first published in 2021, with a refresh required within the first three months of the statutory intervention set out in the 'Statement of Requirements' received by the Council on 2nd September 2022. The Together for Nottingham Plan was refreshed in October 2022, building on the original Plan by adding an update on the position at the end of year one;
- (b) one of the priorities within the Together for Nottingham Plan was the creation of a new Performance Management Framework, joining up the Strategic Council Plan with Service Plans and linking this to the Medium Term Financial Plan;
- (c) the report gives an overview of the progress of Theme 1, Medium Term Financial Strategy (MTFS), and Theme 8, Council Plan, as the two are closely linked. The Council Plan is aligned with Divisional and Service Plans, which are fully costed and aligned to the Medium Term Financial Plan (MTFP), ensuring that activity in the Council Plan is kept within the Council's budget;
- (d) there is a 'golden thread' running through the structure, by which the Strategic Council Plan (SCP) structures the Medium Term Financial Plan (MTFP), the MTFP Delivery Plan, Divisional Plans, Service Plans, and down to Individual Performance Appraisals;

Fiona Marsh, Interim Team Leader – Financial Strategy, presented the section of the report about Theme 1 (MTFS), and made the following points:

- (a) the key objectives are to achieve a balanced budget and a sustainable MTFP; reducing the Council's reliance on commercialisation to fund core services, ensuring core services are affordable in the long-term and removing

fluctuating dividend income from core funding; improving budget oversight and accountability with the promotion of CIPFA financial management standards;

- (b) work on the latest MTFP process commenced in June 2022, with discussions with senior leads, both officer and councillor; early agreement of key dates; early agreement of strategic priorities; clear decision-making ensuring that governance structures are followed; with robust challenges throughout the process; and to provide the Improvement and Assurance Board with reassurance that the MTFP provides a good strategic financial framework for maintaining sustainability;
- (c) a number of key activities underpin the MTFP process: the Transformation Programme is critical to developing business cases for future savings; business as usual savings; review of growth; review of fees, charges, and commercial income; and the review of reserves;
- (d) the Chief Executive led an '85% challenge' exercise, asking officers to consider what could be delivered within 85% of their base budget resources, as a means of identifying saving proposals, which have fed into the MTFP;
- (e) two key documents have been used to standardise the information provided when making the case for new savings and new growth for inclusion in the MTFP, known as 'R1' and 'R2' documents. 'R1' gives high level summaries of proposed items, while 'R2' includes more in-depth information about the financial implications and each service's ability to deliver each item. These are critical tools to support the effective monitoring of delivery.

James Rhodes presented the section of the report about Theme 8 (Council Plan), and made the following points:

- (f) the two themes are closely linked, as there cannot be a Strategic Council Plan (SCP) that is not within the cost envelope of the MTFP;
- (g) the refreshed SCP is due to be presented to Full Council on 6 March 2023. The SCP provides for consistency across the whole organisation, and gives citizens clarity about what the Council's key outcomes are, alongside the library of policies and strategies available on the Council's website. The SCP contains a strong focus on statutory duties and other key projects the Council is committed to. There are ten high level outcomes in the refreshed document, and there is a 'golden thread' by which high level outcomes are linked to individual performance;
- (h) Divisional Plans sit underneath the MTFP Delivery Plan. They are much wider, integrated plans that include all the elements the Council should be delivering, including savings and transformation, risks and critical indicators. Service Plans and Individual Performance Appraisals sit beneath these, providing more granular plans at Service level and the level of the individual's role;

- (i) there is an enhanced process of performance management this year. Each Director holds a monthly 'performance clinic', operating on a three-month rolling schedule, which allows for consistency and flexibility;
- (j) the Council uses Pentana as an online performance management system which allows the production and submission of standardised reports and is fully auditable;
- (k) there is a quarterly performance cycle. After the SCP commitments and Critical Indicators are discussed at the performance clinics, they are shared with all four Directorate Leadership Teams (DLT) for discussion, and taken to the Corporate Leadership Team (CLT). Then there are individual performance meetings with Portfolio Holders, the Corporate Directors and other officers, and finally Portfolio Holders present information at Executive Panel. This is supplemented by regular Overview and Scrutiny Sessions and annual reports to Audit Committee.

In the discussion which followed, and in response to questions from the Committee, the following points were made:

- (l) Members felt it is useful to look at the performance management theory, but that the crucial point is for this to be permanently embedded in order to improve the accuracy of forecasting and avoid the 'curve of pessimism', whereby the budget seems to be on track in March but then later in the year problems are identified. They noted that the Council still faces problems with a shortage of finance staff, and issues with forecasting and accounting systems. It was also noted that the performance and budget management clinics would be key to improvement;
- (m) James Rhodes confirmed that the plans outlined are an articulation of the framework and the principles which will enable improvements to be made. There is a plan and a timeline, and an allocation of resources, to make progress towards best practice and reduce avoidable variation in financial forecasts;
- (n) Members suggested that it would be useful to have a clear Communications plan alongside the processes outlined, as a key method of meeting the aim of a Best Value culture. Internal communications, external communications are important for shifting the system and highlighting what the team are trying to achieve. Opinion polling is useful for showing relative performance improvement against previous years and comparative improvement against other local authorities. An annual or bi-annual poll was suggested;
- (o) James Rhodes confirmed a lot of performance management components are monthly already, but some data doesn't change on a monthly basis, for example the citizen survey is annual. The Council is already at the higher end

of performance management activity compared with benchmarking comparators and there is a balance to be struck between efficiency and bureaucracy. As much of the activity would be automated as possible. There would be further reflection about communications;

- (p) Members asked how social value was recognised in performance measurement. James Rhodes confirmed that social value is considered to be a part of Best Value, and the Council would aim to bring it into performance reviews using a standard methodology for Best Value reviews, the aim was not just keeping costs down, to ensure that the Council is maximising the positive impact it can make with its resources. Members asked to be updated on the chosen mechanism for measuring social value;
- (q) officers gave further detail about the 'golden thread' linking the SCP with individual performance. All directors have divisional plans that have been tested against the MTFP and budget allocation. Underneath the divisional plans there are service plans, led by Heads of Service. This expands on divisional plans and outlines staff activities for the next two years. Underneath service plans are individual performance appraisals, which are inputted into Oracle Fusion. On a monthly basis managers will speak to staff about their progress, and conduct end of year reviews. This gives a clear link between individual activities and high level outcomes in the SCP;
- (r) the Committee discussed the opportunities for Member involvement in divisional plans throughout the process. Throughout the cycle, Portfolio Holders meet with Corporate Directors monthly, and below that, service activity is classed as operational. The general principle follows the Officer-Member Protocol, that officers operationalise the policy agenda as set by the Executive. Councillor Williams confirmed that member involvement was typically through the Portfolio Holder meetings, and it was also confirmed by officers that there was a collective overview at Executive Board meetings;
- (s) Members expressed the opinion that it is unfortunate that the current situation affecting Councils across the country is one of crisis management, rather than growing budgets tied to a sense of mission, and that exercises like the '85% challenge' are necessary. There would be the capacity to deliver much more positive outcomes for citizens through public service if the Council enjoyed growing budgets.

Resolved to:

- (1) Note the process undertaken in constructing the MTFP for 2023/24 to 2026/27;**
- (2) Note the progress made on the Council's new Performance Management Framework (PMF) to date and improvements in performance reporting across the Council;**
- (3) Note the progress on developing the new Strategic Council Plan and alignment with the MTFP through Divisional Business Planning.**

61 Selective Licensing Scheme - External Audit

Andrew Smith, the Key Audit Partner from Grant Thornton, presented the report of the External Auditors on the Selective Licensing Scheme for 2019/20. The following points were made:

- (a) local electors have a right to make objections to the accounts of local authorities, and Grant Thornton received a purported objection to the Council's 2019/20 accounts in relation to the Selective Licensing scheme. The request did not meet the statutory requirements for a formal objection, but given the subject matter of the objection request it was felt to be appropriate to conduct a review and produce this report;
- (b) the would-be objector outlined a number of concerns:
 - i. the scheme is highly bureaucratic and time-consuming for landlords to comply with;
 - ii. the scheme is too broad in focus, targeting good as well as bad landlords;
 - iii. the scheme is not value for money, with a low number of inspections carried out;
 - iv. the scheme has had an adverse effect on some tenants, leading to increases in rents and in some cases to tenancies being terminated, causing an increase in homelessness;
 - v. licence fees are disproportionately high;
- (c) given these concerns, the purpose of this review was to assess how far the Selective Licensing scheme was achieving the intended policy aims and providing Best Value;
- (d) the report identifies a number of issues:
 - i. there were problems with the application process;
 - ii. the planned number of inspections was not being carried out;
 - iii. the Council was struggling to monitor the outcomes of the scheme, which was a common issue identified in a national review of Selective Licensing schemes across the country;
 - iv. there is some supporting evidence to show unintended consequences in terms of rent increases, but difficult to conclude these were solely due to the Selective Licensing scheme;
- (e) in terms of fees and costs, the scheme was broadly in the same range as other comparable schemes across the country;
- (f) the implementation of the scheme had not gone entirely as planned, in part due to the impact of Covid-19, and implementing Covid-19 guidance led to the policy's aims for internal inspections being delayed by more than a year, national shortages of Environmental Health Officers qualified to inspect were

also a factor. Inspections targets would not be achieved before the scheme end date but resources were in place from the scheme to continue inspections. Also actual application flows and the split between accredited and non-accredited applications had differed markedly from forecasts. However, officers have recognised issues and learned lessons which will inform the second scheme which is due to be launched later this year.

Pete Mitchell, Head of Regulations, highlighted the point that the first Selective Licensing scheme is now in its fifth and final year before a new scheme is launched. He agreed that there were errors at the beginning of the scheme which have been identified, and is supportive of the audit.

In the discussion which followed and in response to questions by the Committee, the following points were made:

- (g) Members felt it was crucial to get Selective Licensing right, as the City is experiencing a housing crisis, with high rents and high mortgage interest rates, and need landlords to be able to meet the requirements of the scheme;
- (h) the Licensing team have provided figures to show that the number of inspections is improving;
- (i) it is important for Communications to make it clear to tenants and to landlords that there is no stigma attached to being part of the Selective Licensing scheme, but that meeting its standards is a mark of pride. The Licensing team have sought to improve Communications, attending the Landlord Forum, producing content for newsletters, and promoting engagement with tenants. The team are looking at ways to highlight examples of good practice among landlords with properties in the Selective Licensing scheme;
- (j) Members felt it is important to be clear that there are significant problems with some landlords that the scheme is helping to address. In the Meadows, 239 notices have had to be given to landlords for failing to engage with the Selective Licensing scheme and 170 properties have needed improvements after inspection. The death of a child due to black mould in a property in Rochdale has been national news recently, and Members have heard of local cases in which poor housing conditions have contributed to children's ill health;
- (k) Members reported concerns that Selective Licensing had been funded by those landlords with more properties who engaged positively with it, and worried that it had been missing the very worst landlords. Members noted that issues of damp and mould were also being reported in social housing, not just private housing;
- (l) Members suggested that government rules on funding such schemes only allowed for schemes applying broadly to landlords, which was suboptimal in terms of value for money.

(m) Pete Mitchell confirmed the funding is only available for broad schemes, and there are a lot of good landlords and lettings agents who have driven the market forward and adhere to the standards required in a professional way. There is a group in the middle, often accidental landlords, who aim to meet good standards but are not as professionalised and require some support. There is a group at the bottom with very poor standards who often try to evade the scheme. The aim is to engage with the first group, support the second, and bring the last group into the scheme with enforcement action when necessary. He confirmed that the Council was implementing the recommendations made in the report.

Resolved to:

- 1) Note the report of the External Auditor on the Selective Licensing Scheme 2019/20;**
- 2) Note that Licensing officers accept the report and have started to implement solutions to issues identified.**

62 Interim Value For Money report - External Audit

Andrew Smith, the Key Audit Partner from Grant Thornton, presented the Interim Value for Money (VFM) Report of the external auditors. The following points were highlighted:

- (a) the report follows on from the verbal report delivered by Grant Thornton to the Committee in November 2022;
- (b) in the External Audit Update delivered to Audit Committee in February 2022, three areas of significant weakness were identified:
 - i. Financial sustainability;
 - ii. Companies governance arrangements;
 - iii. Delays to annual accounts production and finalisation;
- (c) the report has identified progress in all three areas, though they do remain significant weaknesses for the Authority;
- (d) the latest report has identified a further five weaknesses:
 - i. failure to secure improvements in Children's Services;
 - ii. significant inconsistencies between budget and the final outturn in 2021-22;
 - iii. unlawful transfer from the Housing Revenue Account to the General Fund;
 - iv. lack of management capacity due to recruitment and retention issues, particularly in corporate and key services;
 - v. Council not able to demonstrate Best Value through procurement, including non-compliance and identified retrospective approvals.

Ross Brown, Corporate Director of Finance and Resources, responded to say that the Council recognises the seriousness of the weaknesses that have been identified by Grant Thornton. The report itself notes that the weaknesses identified are being addressed already through the Council's Recovery and Improvement Plan. All recommendations have been accepted and will be implemented.

In the discussion which followed, and in response to questions by the Committee, the following points were made:

- (e) the overall level of gross debt is high when compared to other core cities, as is the cost of servicing that debt. However, it is important to distinguish between different kinds of debt, and prioritise the reduction of net debt rather than gross debt, and complete cost-benefit analyses regarding the impact on revenue from reductions in certain kinds of debt;
- (f) debt needs to be understood in the context of the specific assets that it supports. For example, the debt connected to the tram network is a significant conscious choice with debt payments covered through the PFI system and through the Workplace Parking Levy, which skews comparisons with other core cities where the tram network sits with the transport authority. There is also debt connected to the City's ownership of its council housing, and to the commercial portfolio held by the City;
- (g) it is crucial to find a manner of explaining the nature and composition of the Council's debt in a way that better helps citizens to understand how their city is governed. Not all debt is bad, much can be seen as markers of investment in the City, an expression of the ambitions that Members have for the City;
- (h) the Council is currently disposing of a lot of assets, and Members sought assurances that assessments were being completed in each case to prove the business case for each sale, especially where disposal means the loss of an income stream. Members commented that assurance on this could potentially be included on the future work programme for the Committee;
- (i) Councillor Williams confirmed that it is useful to have an external audit provide a summary for the Committee, but it is important to note that the issues raised in the report are not entirely new to the Council, often they are issues that the Council is aware of and has been working to implement recommendations for some time;
- (j) Andrew Smith confirmed that the new issues in the report are ones the external auditors have identified, but Council officers have independently identified the same issues. Following the HRA concerns the audit risk assessment had been revised and extended work was required which has identified some further issues. Some of these issues are quite technical;

- (k) Andrew Smith updated the Committee on the issues related to valuations and journal testing that remain to be concluded as part of the 2019/20 accounts audit, and Ross Brown confirmed that this was an objective summary of the issues. The Chair suggested that the completion of the 2019/20 and later accounts should be a standing item for the Audit Committee going forward.

A Committee member indicated that they wish to raise a matter relating to information that, in accordance with Section 100A(4) of the Local Government Act 1972, would be exempt from publication under Paragraph 1 Part 1 of Schedule 12A of the Act. The Chair agreed to ask the Committee to consider excluding the public from the meeting for consideration of this matter under Item 13.

Resolved to note the interim Value for Money report of the external auditors.

63 Treasury Management & Capital Strategy 2023/24

Jean Stevenson, Interim Finance Team Leader – Technical Team, presented the report on the Treasury Management Strategy 2023/24 and Capital Strategy 2023/24. The following points were highlighted:

- (a) The Treasury Management Strategy and Capital Strategy are produced annually, in line with Chartered Institute of Public Finance and Accountancy (CIPFA) codes and guidance from the Secretary of State;
- (b) the strategies have already been recommended to Full Council for approval on the 6 March 2023 for approval by the Executive, and are being presented to allow the Committee the opportunity to review the strategies prior to Full Council;
- (c) the Treasury Management Strategy 2023/24 includes the Minimum Revenue Provision Statement, the Borrowing Strategy, the Investment Strategy, the Prudential Indicators and Limits for 2023/24 to 2025/26, and the associated Treasury Management Policy Statement;
- (d) the Capital Strategy 2023/24 includes the Voluntary Debt Reduction policy, and the Flexible Use of Capital Receipt policies for 2022/23 and 2023/24;
- (e) the strategies take account of revisions to the CIPFA Treasury Management Code of Practice in December 2021. These revisions include a tightening of the regulations around commercial investments, and Local Authorities are no longer allowed to borrow to purchase investment properties primarily for yield;
- (f) the Council's policy is that only secured and banked capital receipts will be considered in decisions to fund capital schemes, and consideration will not be given to any new capital schemes to be funded by borrowing;
- (g) also of note is the new liability benchmark in the Treasury Management Strategy. This is explained and shown graphically in the Treasury Management Strategy. This is difficult to calculate, as it requires cashflow

forecasts for many years into the future, and external advisors are still working to help develop the indicator.

In the discussion which followed, and in response to questions from the Committee, the following points were made:

- (h) the new CIPFA standards are a response to investments that expose local authorities to disproportionate debt costs, who do not have the capacity to service these when risks present themselves and find they need to seek support from central government. The new regulations are intended to curtail the ability of local authorities to invest primarily for yield and return;
- (i) Members considered it important to build slippage into the models, as it can make a difference to capital flows and has implications in terms of revenue allocation. The finance team seek to monitor slippage by reprofiling and performing slippage exercises;
- (j) Members appreciated the delivery of the Liability Benchmark indicator, which visualises the profile of debt;
- (k) the Liability Benchmark currently shows a sharp drop in Public Works Loan Board (PWLB) debt from 2028 onwards; officers clarified that the tool is still being developed and work is continuing to be completed on forecasting. Further information would be provided to councillors directly on this and on slippage. The CIPFA requirements are that the LB is estimated and measured for the forthcoming financial year and the following two financial years as a minimum;
- (l) Members welcomed the policy on the Council Subsidiary Deposit Facility, by which subsidiary companies within the group organisation may be provided with a safe haven deposit facility for surplus cash balances held by these companies. Ross Brown, Corporate Director of Finance & Resources confirmed that he would consider any such requests and update members on the outcome;

Resolved to:

- 1) Note the Treasury Management Strategy for 2023/23, and in particular:**
 - a. the strategy in relation to debt repayment (Minimum Revenue Provision Statement) in 2023/23;**
 - b. the Borrowing Strategy for 2023/24;**
 - c. the Investment Strategy for 2023/24;**
 - d. the Prudential Indicators and Limits for 2023/24 to 2025/26;**
 - e. the current Treasury Management Policy Statement;**
- 2) Note the Capital Strategy 2023/24 and in particular:**
 - a. the Voluntary Debt Reduction policy;**
 - b. the Flexible Use of Capital Receipt policy 2022/23;**
 - c. the Flexible Use of Capital Receipt policy 2023/24.**

64 Review of Accounting Policies 2022/23

Jean Stevenson, Interim Finance Team Leader – Technical Team, and Ross Brown, Corporate Director of Finance and Resources, delivered the report on the Review of Accounting Policies 2022/23. The following points were highlighted:

- (a) Part 3 of the Annual Accounts and Audit Regulations 2015 (the Regulations) requires the Council to produce an annual Statement of Accounts. In accordance with International Financial Reporting Standards (IFRS), the Statement of Accounts must include a statement of accounting policies;
- (b) the Regulations also require a draft of the Statement of Accounts to be prepared and certified by the responsible financial officer by 31 May in accordance with best practice for local authorities, and the draft accounting policies should be reviewed by Audit Committee before the draft 2022/23 Statement of Accounts is produced;
- (c) where IFRS allows a degree of choice, Audit Committee should be aware of and confirm the choices made;
- (d) local authorities are afforded the option to voluntarily implement the new IFRS 16 Leasing standard in the 2022/23 accounts ahead of the mandatory deadline of 2024/25. Due to ongoing audit issues, Nottingham City Council has delayed publishing audited financial statements since 2019/20. In common with many other local authorities, the Council has therefore decided to implement IFRS 16 in 2024/25;
- (e) there are no significant changes to the policies. Grant Thornton will audit the policies and any changes agreed with them will be reported to the Audit Committee;
- (f) while the policies are remaining stable, the Finance team is focusing work on the practices that sit alongside and support these policies, to ensure improvement in the processes and rules by which the Council enacts these policies.

Resolved to:

- 1) Agree the Statement of Accounting Policies for inclusion in the 2022/23 annual accounts (within appendix 1);**
- 2) Agree the proposals where International Financial Reporting Standards (IFRS) allow a degree of choice;**
- 3) Agree that the Council is not voluntarily adopting IFRS 16 in advance of mandatory implementation in 2024/25.**

65 Internal Audit Progress Report Q1-Q3 2022/23

Shail Shah, Head of Audit and Risk, presented the Internal Audit Progress Report Q1-Q3 2022/23, and highlighted the following points:

- (a) the report provides an update on the work of the Internal Audit team. Internal Audit helps the organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes;
- (b) the report provides:
 - i. a summary of final Internal Audit reports issued in 2021, 2022, and up to 27 January 2023;
 - ii. tracking of completion of high priority recommendations by the service areas concerned;
 - iii. a summary of the position against the updated Internal Audit Plan 2022/23.

Resolved to:

- 1) Note the progress reported in respect of high priority recommendations;**
- 2) Note the areas marked as Limited Assurance;**
- 3) Note the progress made on the Internal Audit Plan 2022/23.**

66 Appointment of External Auditor

Andrew Smith, External Auditor for Grant Thornton, left the meeting for this item.

Shail Shah, Head of Audit and Risk, presented the report on the Appointment of the External Auditor. The following points were made:

- (a) the auditor is appointed to undertake the statutory audit of accounts and Best Value assessment of the Council in each financial year, in accordance with all relevant codes of practice and guidance;
- (b) the appointed auditor is also responsible for investigating questions raised by electors and has powers and responsibilities in relation to Public Interest Reports and statutory recommendations;
- (c) the Council opted into the 'appointing person' national auditor appointment arrangements established by Public Sector Audit Appointments (PSAA) for accounts covering 2018/19 to 2022/23 and more recently for accounts covering 2023/24 to 2027/28. Following a national procurement exercise PSAA appointed Grant Thornton to audit the accounts for the period covering the accounts for 2018/19 to 2022/23;
- (d) Following a national procurement exercise in 2022, PSAA have appointed Grant Thornton for a further five financial years, 2023/24 to 2027/28, and notice of the appointment has been published on the Council's website as required.

In response to questions from the Committee, the following points were made:

- (e) the report states that PSAA's current policy on rotation of key staff would preclude the reselection of a Key Audit Partner for the period from 2023, and

that PSAA prefers shorter terms for audit appointments. Members advised they were impressed by the latest appointed Key Audit Partner and were worried about a loss of continuity, however there is a balance to be struck between continuity and rotation so that external auditors do not become too familiar with the authority. This decision rests with PSAA, but it is possible that rotation will not be enforced due to the recent change in Key Audit Partner.

Resolved to note the appointment by Public Sector Audit Appointments Ltd (PSAA) of Grant Thornton to continue as the external auditor for the Council for five financial years from 2023/24 to 2027/28, and that notice of the appointment has been published on the Council's website as required.

67 Work Programme

Shail Shah, Head of Audit and Risk, introduced the discussion of the Work Programme 2022/23. The following points were discussed:

- (a) there is provision within the proposed budget for 2023/24 for a new post within the Governance Team that will provide additional support to the Audit Committee;
- (b) after a request by the External Auditor, in November 2022 Ernst and Young were appointed to complete a third party review of the management override of controls. At the 25 November 2022 Audit Committee meeting, the External Auditor expressed concerns about the scope of the review, and advised that they would be writing to the Chief Executive and the Section 151 Officer to articulate those concerns. As agreed at that meeting, the Chair of Audit Committee has received a copy of the letter, and will circulate it among Members. Members requested that they receive the Ernst and Young report when it is ready. It was agreed that this would be most appropriately done through a presentation of the report to the Audit Committee as an agenda item alongside a briefing from officers when it is finalised;
- (c) 31 March 2023 will be the final meeting of the Audit Committee for the municipal year. Members would like an item included in the Work Programme for the March meeting or a separate meeting, to reflect on the year's activity, request feedback from committee Members who will be leaving the Council or the Committee, and to look at a potential roadmap for the next year's activities.

Resolved to:

- 1) Amend the Work Programme to include an agenda item for the meeting on 31 March 2023 or a separate meeting, to reflect on the year's activity, seek feedback from outgoing Members, and discuss the possible direction of the Committee over the forthcoming year;**
- 2) Amend the Work Programme to include an agenda item to present and discuss the third party review of the management override of controls by Ernst and Young, once the report is finalised.**

68 Recommendation Tracker

Shail Shah, Head of Audit and Risk, introduced discussion of the Recommendation Tracker. The following points were discussed:

- (a) the External Auditor's letter to the Chief Executive on the management override of controls has been received by the Chair of the Audit Committee, as logged in the Recommendation Tracker. Members requested that the letter be circulated among the Committee;
- (b) Members commented on the importance of clarification about access to information.

69 Exclusion of the public

The Committee decided to exclude the public from the meeting during consideration of the remaining agenda items 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 paragraphs 3 and 4 of Part 1 of Schedule 12A of the Act.

70 Corporate Recruitment Challenges and NCC response

Daljit Singh Nijran, Organisational HR Manager, presented the report on Corporate Recruitment Challenges the Nottingham City Council's Response, on behalf of the Director for Human Resources and Equalities, Diversity, and Inclusion Richard Henderson. The Committee discussed the information provided. Detail of the discussion is set out in the exempt minutes.

71 Interim Value for Money Report - External Audit - Exempt Discussion

The Committee discussed a matter relating to issues raised under the External Auditors Interim Value for Money report that contained information exempt from publication under Paragraph 1, Part 1 of the Schedule 12A of the Local Government Act 1972. Having regard to all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information because it relates to a matter of ongoing concern.

A Committee member cited a situation that they believed was an example of issues with compliance with procurement regulations, and how non-compliance is dealt with.

Resolved:

- 1) To Request the Corporate Director of Finance and Resources to follow up with the Monitoring Officer about the outstanding enquiry;**
- 2) For the Chair of Audit to send a letter to the Chief Executive requesting a response on the issue.**

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Audit Committee – 31 March 2023

Title of paper:	Exemption from Contract Procedure Rules - Quarter Three 2022/23	
Director(s)/ Corporate Director(s):	Ross Brown Corporate Director of Finance and Resources	Wards affected: All
Report author(s) and contact details:	Steve Oakley, Head of Procurement steve.oakley@nottinghamcity.gov.uk	
Other colleagues who have provided input:	N/A	
Does this report contain any information that is exempt from publication? No		
Recommendation(s):		
1.	To note the number of exemptions from Contract Procedure Rules during quarter three of 2022/23 and the exemptions since October 2021	
2.	To note the actions that continue to be taken to ensure that contracts are awarded in line with Contract Procedure Rules and that exemptions only occur where there is a sound rationale for approving the exemption	

1. Reasons for recommendations

- 1.1 As part of the new Constitution all exemptions from Contract Procedure rules need to be reported to Audit Committee on a quarterly basis, Article 18.79. This report outlines all exemptions requested during the period from October to December 2022.
- 1.2 The original audit report identified actions needed across Nottingham City Council to address poor compliance with the old Financial Regulations and Contract Procedure Rules. This report also provides an update on actions taken and planned to improve compliance with the new Constitution and in particular Contract Procedure rules.

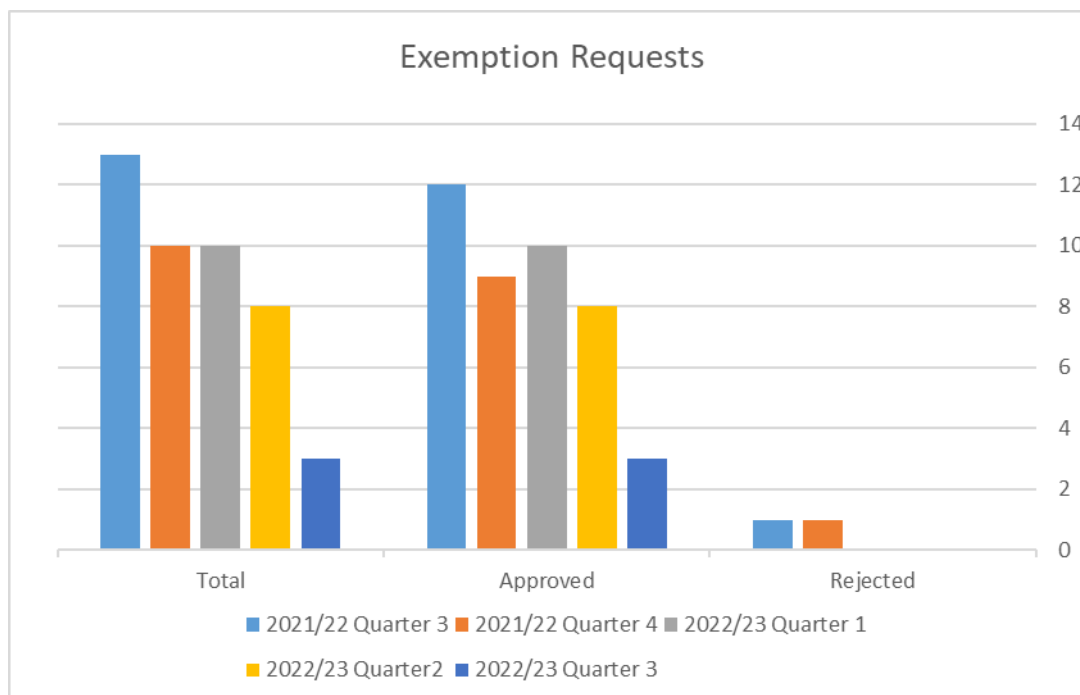
2. Background

- 2.1 An audit of Procurement Dispensations was undertaken in 2021 and identified significant non-compliance with Financial Regulations and Contract Procedure Rules which resulted in higher than would be expected requests for Dispensation from Financial Regulations.
- 2.2 With the development of a revised Constitution it was agreed to change the Contract Procedure Rules and include the need for a formal record of all exemptions to be taken separately to seeking approval for spend. Article 18 Contract Procedure Rules includes an exemption form that is completed whenever an exemption from Article 18 is requested. These forms are reviewed by the Head of Procurement prior to seeking the approval of the Corporate Director of Finance and Resources. Once approved these are collated by the Head Procurement to ensure a comprehensive record of all exemptions is maintained.

- 2.3 There will always be some requests for exemption from Contract Procedure Rules as not all contracts can be let through a formal tendering or quotation process for various reasons. An example is where there is only one supplier for technical reasons.
- 2.4 Article 18.79 requires a report to Audit Committee on a quarterly basis of all exemptions from Article 18. This report provides the fourth quarterly report since the new Constitution was implemented in October 2021.
- 2.5 The following table outlines the number of exemptions requested and approved during the period from October 2021 to December 2022. Appendix 1 lists the three exemption requests with the reasons for the decision taken during quarter 3 of 2022/23.

	Total	Approved	Rejected
2021/22 Quarter 3	13	12	1
2021/22 Quarter 4	10	9	1
2022/23 Quarter 1	10	10	0
2022/23 Quarter 2	8	8	0
2022/23 Quarter 3	3	3	0

- 2.6 The chart below shows the exemption requests to date from November 2021 to December 2022.



- 2.7 Of the approved requests two were unavoidable with no alternative option to the exemption for various reasons. The other exemption may have been avoidable if plans had been discussed with Procurement at an earlier stage.
- 2.8 The three approved exemptions total £0.338m with an average of £0.112m

- 2.9 Procurement continues to work with departments to ensure exemptions only come forward when there is no alternative. Wherever possible alternative solutions are found that do not require an exemption.
- 2.10 Approved exemption requests are lower this quarter than the three previous quarters. This is significantly lower than the previous year's dispensation requests. The original audit work had shown on average 16 dispensations/exemptions per quarter in 2020 and 2021 against the 3 this quarter and an average of 8.4 per quarter since the new constitution was launched in October 2021.
- 2.11 It is important to note that this month one of the three would have been allowed under Public Contract Regulations 2015 (PCRs) for technical reasons, but needed an exemption from NCCs Contract Procedure Rules. The remaining two were all below PCR threshold and there were good reasons for each to be awarded following an exemption.

Key actions undertaken this quarter

- 2.12 The procurement pipeline has been shared with Directors and further work is underway to get procurement pipelines by division and service. This will support planning with departments and aims to reduce the late requests for procurement support.
- 2.13 The Compliant Purchasing Team, within Procurement, continue to work with the Category Managers to ensure any request that is not following best practice is added to the longer term Category plan or alternative compliant purchasing options implemented.
- 2.14 The new operating model is being implemented, with a new handbook being prepared for launch from March 2023. Structural changes are being consulted on during March with recruitment underway to vacant posts.

The Procurement training programme is now live on the Learning Zone and the Contract Management Training is now being formatted into an e-training package ready for dissemination to all colleagues that undertake any purchasing by the end of March 2023.

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

3.1 None.

4. Published documents referred to in compiling this report

- 4.1 Exemption from Contract Procedure Rules quarter three 2021/22
- 4.2 Exemption from Contract Procedure Rules quarter four 2021/22
- 4.3 Exemption from Contract Procedure Rules quarter one 2022/23
- 4.4 Exemption from Contract Procedure Rules quarter two 2022/23

Title of Exemption	Division	Directorate	Supplier	Date Signed	Outcome	Value	Avoidable	Rationale for exemption/ Procurement Reason for Supporting
Recruitment of interim Commissioners Beechdale Road Cycle Improvements Cable Works	Commissioning and Procurement	Finance and Resources Community, Environment and Resident Services	Vivid	19/10/2022	Approved	£149,999	N	Direct Award sole supplier under regulation 32 below threshold - tried framework suppliers without success
Young Women and Girls Fund	Highways Children's Integrated Services	Peoples	City Cable Juno Women's Aid	18/11/2022	Approved	£73,711	N	Direct Award sole supplier under regulation 32 - legislation requires this work to be done by the owner of the asset
				16/12/2022	Approved	£114,667	Y	Direct Award below threshold - grant conditions didn't allow time for tender once identified that a tender should be undertaken

Audit Committee – 31 March 2023

Title of paper:	Contract Management and Procurement Dispensations Audit Reports update	
Director(s)/ Corporate Director(s):	Ross Brown – Corporate Director of Finance and Resources	Wards affected: All
Report author(s) and contact details:	Steve Oakley - Head of Procurement Steve.oakley@nottinghamcity.gov.uk	
Other colleagues who have provided input:	Michael Hainge – Director of Commercial, Procurement and Contract Management	
Does this report contain any information that is exempt from publication? No		
Recommendation(s):		
1.	To note the actions already completed and the impact of these actions	
2.	Agree actions planned and being implemented, noting the planned impact of these actions	

1. Reasons for recommendations

- 1.1 Internal audit issued in 2020/21 two reports into Contract Management and Procurement Dispensations respectively. Together, these identified a number of actions that Nottingham City Council needs to implement across all departments to ensure compliance with Contract Procedure Rules and to deliver best value. The actions identified were considered to be in line with contracting and procurement best practice and should be implemented to ensure the Council has robust processes in place for procurement and contract management.
- 1.2 A number of actions have already been completed and these are having a significant impact with increased requests to support teams with undertaking procurement exercises. With a reduction in the number of exemptions as per the Exemption Report presented to Audit Committee on the 31st March 2023.

2. Background

- 2.1 The Contract Management Audit was initially undertaken in 2020 with actions planned during 2020. Due to COVID-19 actions were delayed due to the pressures on teams to deliver a response to the pandemic. The subsequent review of the audit in 2021 clearly identified that actions are still required.
- 2.2 The Procurement Dispensation report was undertaken as a follow up to an initial review of Dispensations by the Head of Contracting and Procurement. The review and audit identified significant non-compliance with Financial Regulations and Contract Procedure Rules which resulted in higher than would be expected requests from officers for Dispensation from Financial Regulations.
- 2.3 These two audit reports are separate in their own right, although the issues raised in each points to historic non-compliance with procedures and a need to ensure Contract Management and Procurement processes are embedded across the Council.

- 2.4 Resources were agreed through the Transformation Programme and these have been used to develop a new Operating Model for Commercial, Procurement and Contract Management. This informed the senior management restructure in 2022 and the restructure of Procurement that is currently underway.
- 2.5 A Director of Commercial, Procurement and Contract Management was appointed in November 2022 and has developed the Commercial Strategy alongside supporting the implementation of the new Operating Model.
- 2.6 The new Operating Model will further support commercial decision making so that all decisions are robustly considered and implemented in a way that gets best value for the Council and the citizens of Nottingham and also ensures probity.
- 2.7 The funding for the new structure including 15 additional posts was agreed at Full Council on 6th March 2023.

3. Key Actions Undertaken

- 3.1 Quarterly reports on exemptions are reported to Audit Committee showing the number of exemptions and why approved.
- 3.2 New Operating Model for Commercial, Procurement and Contract Management agreed at CLT and additional resources included in MTFP for 2023/24. This has been agreed as part of the Budget Report taken to Full Council on 6th March 2023.
- 3.3 Appointed a Change Lead for Commercial, Procurement and Contract Management and a Procurement Officer to support the implementation of the new Operating Model. Over £400k of savings identified for the Council in 2022/23 with plans being developed for savings over the next 4 years.
- 3.4 Appointed the Director of Commercial, Procurement and Contract Management on a 9 month contract and in process of appointing the Head of Commercial Oversight and Governance.
- 3.5 Produced the Procurement Pipeline for 2023/24 for each Corporate Director showing all planned activity until October 2024.
- 3.6 Communications strategy developed and being implemented across the Council.
- 3.7 Procurement Training Pack published and available for all colleagues via the Learning Zone. The Contract Management Training has been produced and will be published by 31st March 2023. Several colleagues have completed the Commercial Colleges Contract Management Training at Foundation Level and a number are now undertaking the Practitioner Level.
- 3.8 First draft of Commercial Procurement and Contract Management Handbook has been produced and will be published by 31st March 2023.

4. Next Steps

- 4.1 Procurement and Contract Management Training to be mandatory for all staff who undertake any purchasing in their role. Ensuring colleagues understand the need for

contract management and procurement which will drive best value and ensure the Council receives the goods, works and services it needs to function.

- 4.2 Recruit to the new structure and fully implement the new Operating Model. This will ensure delivery of best practice Procurement and Contract Management across the Council whilst improving decision making.
- 4.3 Develop policies for Delivery Model Assessment and Strategic Contract Management. These will support the development of the business case for all decisions ensuring that the rationale for a specific model can be evidenced as providing best value.
- 4.4 Review the current Procurement Strategy and draft new Strategy for 2024-2028. This will ensure the new strategy addresses the best value requirements of the council and drives delivery of Council Plan targets through Procurement where appropriate such as Carbon Neutral 2028.
- 4.5 Review the Contract Procedure Rules to reflect best practice identified during the development of the new Operating Model. This will ensure decision making is efficient and effective.
- 4.6 Complete the National Procurement Strategy diagnostic and develop an action plan to address key weaknesses identified. Using this diagnostic tool will help support benchmarking and identify areas that need further action.
5. **Background papers other than published works or those disclosing exempt or confidential information**
 - 5.1 None.
6. **Published documents referred to in compiling this report**
 - 6.1 Contract Management and Procurement Dispensations Audit Reports update November 2021.

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Audit Committee – 31 March 2023

Title of paper:	Annual Report of Health and Safety within the Council	
Director(s)/ Corporate Director(s):	Malcolm Townroe, Director of Legal and Governance	Wards affected: All
Report author(s) and contact details:	Paul Millward, Head of Resilience 0115 8792980 paul.millward@nottinghamcity.gov.uk	
Other colleagues who have provided input:	Rob McCutcheon, Team Leader, Corporate Safety Advice	
Exempt Information: None.		
Recommendation(s):		
1	All Corporate Directors ensure their directorate colleagues can demonstrate up to date training in the mandatory health and safety courses, and, where appropriate, asbestos management, by Friday 7 July 2023;	
2	All Corporate Directors ensure that all outstanding Accident/Violence/Audit recommendations are completed and recorded on the corporate system by Friday 7 July 2023, and	
3	Audit Committee notes the absence of any HSE intervention in the council in the past three years.	

1 Reasons for recommendations

- 1.1 There are legal, financial, colleague and citizens' benefits arising from good health and safety practices. The council is required, by various legislation, to comply with health and safety practices for its own staff and for its service users.

2 Background

- 2.1 A Key finding of Internal Audit's 2016/17 review of the council's health and Safety practice and arrangements was that there was no formal mechanism for reporting on health and safety to Councillors and/or senior management. This report is designed to be the formal mechanism recommended by Internal Audit.

- 2.2 Internal Audit's review of health and safety within the council found that, whilst the Council's corporate policies and procedures were sufficient, the implementation of these policies and procedures by managers in the directorates and service areas required some improvement. It is obviously important that our own colleagues and citizens should expect a safe environment in which to deliver and receive services. Failure to achieve this leaves the council open to Health and Safety Executive intervention and prosecution (with its associated costs to the council) and increased insurance and reputational costs. Particular emphasis continues to consider:

- Demonstrating that our managers are trained in health and safety issues affecting their services.
- Improving Asbestos management by managers.
- Completing Corporate Safety Advice's audit recommendations for individual service areas. Clearly, if an area for improvement has been identified and no consideration or action is taken, the council's liability and reputation may be subsequently affected.
- Completing investigations on accidents/near misses/violence. As above, if lessons are not learned the council's liability and reputation may be subsequently affected.

The Health and Safety Executive are clear in their advice that effective health and safety management in an organisation requires competent staff (defined as “the combination of training, skills, experience and knowledge that a person has and their ability to apply them to perform a task safely”) and clear documentation that policies and procedures are being followed by all. Improvements in the areas above will significantly progress the council’s ability to demonstrate a good level of health and safety management within the council.

At last year’s Audit Committee, the following resolution was passed:

- a) All Corporate Directors ensure their directorate colleagues can demonstrate up to date training in the mandatory health and safety courses, and, where appropriate, asbestos management, by Friday 8th July 2022;
 - b) All Corporate Directors ensure that all outstanding Accident/Violence/Audit recommendations are completed and recorded on the corporate system by Friday 8th July 2022; and
 - c) Audit Committee notes the absence of any HSE intervention in the council in the past three years.
- a) – was completed successfully.
 - b) – all Corporate Directors were notified of this requirement and whilst not all outstanding records were completed there was a significant and welcome reduction.
 - c) – the council has continued to avoid any HSE intervention over the past year.

Following a lengthy vacancy for one of the posts of Corporate Safety Advisor, we were successful in employing a suitably qualified person who started last autumn. The section is now fully staffed, for the first time since 2020.

The Team Leader, Corporate Safety Advice, has been central to providing health and safety advice for the Future Ways of Working project and has ensured that health and safety concerns relating to colleagues working from home were properly addressed. For instance, in 2022-23 there have been 1606 remote working and 565 office based Display Screen Equipment assessments, a significant increase on previous years.

2.3 Training

Corporate Leadership Team agreed that Health and Safety training is mandatory for all ‘people’ and ‘building’ managers to ensure an understanding of the basic principles of Health & Safety law, risk assessment, document control and where appropriate, premises management. There are three main full courses, with most managers only required to take Modules 1 and 2 (covering operation safety management and risk assessment and is supported by a 2022 Safety Management update refresher E-session). The Corporate Safety Advice team has introduced a new module (module 4) which has been developed for CLT and DLT level managers. This module covers the strategic aspects of safety management.

The courses are:

- Legal Responsibilities of Management (Module 1)
- Risk Assessment & Document Management (Module 2)
- Premises Management & H&S Compliance (Module 3)

Safety Management Update 2022 (Modules 1, 2 & 3)
DLT and CLT Health & Safety Management Training (Module 4)

The update sessions (for Modules 1, 2 and 3) allow managers to refresh their knowledge in line with the agreed three year interval in order to maintain competency. The above courses contribute to the ‘training, skills and knowledge’ element of that HSE definition (above in 2.2). Colleagues are aware that the Health and Safety Executive are keen to examine training records during any investigation.

The table below is based on the current structure chart for SLMG colleagues. Some results are skewed by vacancies/new starters/leavers. There are many other colleagues required to take these courses who are not SLMG but these figures give an indication of progress made to ensure all relevant colleagues have received appropriate training.

Mandatory Health and Safety Training (SLMG results only)*					
Directorate	SLMG posts	Module 1	Module 2	Module 4	‘competency’ within 3 years
People’s	18	3	3	17	95%
CERS	18	12	12	18	100%
Growth & City Development	16	8	7	16	100%
Finance and Resources	15	4	5	15	100%

*date check 1st February 23 on the latest NCC structure Chart

These figures are higher than in the previous year as Corporate Safety encouraged all corporate directors to complete this training as part of the preparation work for this committee.

It is important, particularly in terms of any future investigation by the Health and Safety Executive, that managers can demonstrate ‘competency’ so steps are always taken to target those managers who need to complete relevant courses.

2.4 Audits

The Corporate Safety Advice team undertake numerous audits of services in the Council and produced recommendations for actions. The table below shows the number of recommendations that have yet to be enacted or updated on the CSA audit system by managers. The Council puts itself of risk if, having audited services and having made recommendations, it then fails to implement those recommendations.

The figures below are the results from audits over a number of years. Unfortunately, the Corporate Safety Advice team do not have the resources to revisit services or check that managers have acted on their recommendations. A list of audit recommendations has been supplied to Corporate Directors – either for action or updating the implementation of the actions on the corporate system.

The CSA team have concentrated this year on auditing Children’s residential day centres and leisure centres.

Module 1 (Legal Responsibilities of Management)

Directorate	Moderate risk	High Risk	Very High Risk
People's	0	0	0
CERS	0	0	0
Growth & City Development	0	0	0
Finance and Resources	0	0	0

Module 2 (Risk Assessment & Document Management)

Directorate	Moderate Risk	High Risk	Very High Risk
People's	20	8	0
CERS	3	0	0
Growth & City Development	3	1	0
Finance and Resources	4	2	0

Module 3 (Premises Management & H&S Compliance)

Directorate	Moderate Risk	High Risk	Very High Risk
People's	1	3	0
CERS	11	0	0
Growth & City Development	0	0	0
Finance and Resources	0	8	0

Date checked February 2023

Face to face audits restarted in 2022 with the removal of restrictions relating to COVID and have continued in 2023. The backlog of audits due to COVID has reduced significantly and continued audits next year will hopefully eliminate it completely. It is pleasing to note that there are no incidents in the Very High Risk category and a total reduction in High Risk category from previous years.

Even with the increase in audits completed, overall the risks have continued to reduce and Corporate Safety Advice have revisited a number of locations to address the outstanding issues. As previously noted, such matters may appear 'academic', but the HSE are always keen to see documentation about Risk relating to the incident under investigation.

The Corporate Safety Advice team advise Directorates on a regular basis about outstanding accident investigations and will press for all investigations to be concluded in a timely manner.

2.5 Health & Safety Executive (HSE)

Interventions

The HSE has not formally intervened in any incidents, issued improvement or prohibition notices.

HSE Fines

No fines have been issued against the Council and there have been no HSE Fee for Intervention claims.

2.6 Asbestos Issues

Asbestos related incidents

No incidents have been identified in the last year relating to asbestos exposure.

2.7 Asbestos training

It is not possible for Corporate Safety Advice to know definitively how many colleagues should have taken these courses – each Directorate should ensure that those colleagues who have a role in the management of asbestos are suitably and sufficiently trained.

Number of colleagues trained in asbestos issues by Directorate in 2022-23:

Directorate	Asbestos Inspection	Asbestos Awareness	Asbestos Exposure Process
People's	28	42	25
CERS	85	193	60
Growth & City Development	10	19	10
Finance and Resources	0	5	0

The number of colleagues who are trained in the management of asbestos continues to grow. The Joint Management/Trade Union Asbestos Working Group indicated last year that they wished to ensure greater compliance in this area and progress has been made in this area.

A list of those colleagues who are deemed competent by way of attending and passing the above modules has been supplied to Corporate Directors so that they can cross check that the relevant people in their directorates are suitably and sufficiently trained.

2.8 Accident & Violence Reporting

Managers must ensure that all accidents, near misses and work related ill health incidents are reported using the online accident reporting system and that they complete a suitable and sufficient investigation. Communities, Environment and Resident Services also use the system to record Road Traffic Collisions, irrespective of whether a colleague was injured.

Similarly, the City Council takes violent and threatening behaviour against its colleagues seriously and any such incidents need to be recorded and investigated with the aim of ensuring safe working conditions.

		Directorate			
		Peoples	CERS	Growth & City Development	Finance and Resources
No of accidents	Total No.	205	411	11	8
	Employee	117	340*	10	7

	3 rd Party	88	71	1	1
Outstanding accidents (older than 1 month) which have yet to be fully investigated / closed		29	28	3	3
No of violent incidents		314	57	3	0
Outstanding violent incidents (older than 1 month) which have yet to be investigated / closed		30	13	0	0

*includes RTC incidents

Generally, the overall figures show a reduction on the previous year and the number of comparable accidents and violent incidents are less than pre COVID levels, although the number of outstanding investigations over a month old for both accident and violence has remained consistent.

However, the number of investigations against outstanding accidents/violent incidents remains high, indicating that managers are, generally, making timely investigations into the circumstances surrounding those events. Managers are reminded to complete them regularly but it is disappointing that the level of un-investigated incidents remains roughly at the same level as last year's figure.

Trends and causation are monitored at the Corporate Health, Safety and Welfare Panel meetings.

NCC has adopted the Health & Safety Executive's (HSE) accepted definition of workplace violence which is 'any incident in which a person is abused, threatened or assaulted in circumstances relating to their work'. This covers verbal abuse / assault, threats and physical assault.

2.9 CHSWP Attendance

The Corporate Health, Safety and Welfare Panel is the main council consultation meeting with the joint Trade Unions and is held quarterly. The Council's guidance on the attendance at these meetings says:

"The panel comprises:

- Trade Union appointed safety representatives from the recognised trades unions within Nottingham City Council;
- Management representation / responsible person from each Directorate;
- Supporting Representation from Corporate Safety Advice, Corporate HR and the Wellbeing and Health Improvement Team."

At present, the Panel is working well with representation from all directorates and specialist advisors where necessary. Trade Unions bring issues to the meeting that have not been resolved at Directorate meetings. In addition to this Panel, a sub group,

the Asbestos Working Group have the option to meet bi-annually to raise matters specifically relating to the asbestos management process or incidents.

The Trade Unions are aware that any issues relating to potential or actual failures in the asbestos procedures can be flagged to the Chair of CHSWP and would be investigated immediately. Overall, there is a unity of purpose between the management and union representatives on this panel.

2.10 **Looking forward**

Whilst this report is an annual 'look back' at health and safety in the council, I note that the expected move to the 'Corporate Landlord' function within the council should drive some improvement in terms of consistency in health and safety practise and, therefore, an improvement in accidents and compliance statistics. It can also be noted that the increased prominence of the role of the statutory officers in the Council, who include health and safety as part of their discussions, should similarly help drive improvements. These factors will be addressed in the next Annual Report in 2024.

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

3.1 None.

4 Published documents referred to in compiling this report

4.1 Competence in health and safety. Health and Safety Executive
<http://www.hse.gov.uk/competence/index.htm>

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Audit Committee – 31 March 2023

Title of paper:	Corporate Risk and Assurance Register Update	
Director(s)/ Corporate Director(s):	Mel Barrett, Chief Executive Ross Brown, Corporate Director of Finance & Resources	Wards affected: All
Report author(s) and contact details:	Shail Shah Head of Audit and Risk 0115 8764245 shail.shah@nottinghamcity.gov.uk Debbie Bowring Corporate Risk & Assurance Manager 0115 8764160 debbie.bowring@nottinghamcity.gov.uk	
Other colleagues who have provided input:	Corporate Leadership Team Directorate Leadership Teams	
<p>All appendices to this report are exempt from publication under paragraph number three of Schedule 12A to the Local Government Act 1972 because they contain information relating to the financial or business affairs of any particular person (including the authority holding that information) and, having regard to all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.</p> <p>It is not in the public interest to disclose this information because this may lead to potential for commercial disadvantage if sensitive commercial, financial or contractual information became available to potential contractors or partners.</p>		
Recommendation(s):		
1	To note the Corporate Risk and Assurance Register, and if appropriate identify any risks for further review.	

1 Reasons for recommendations

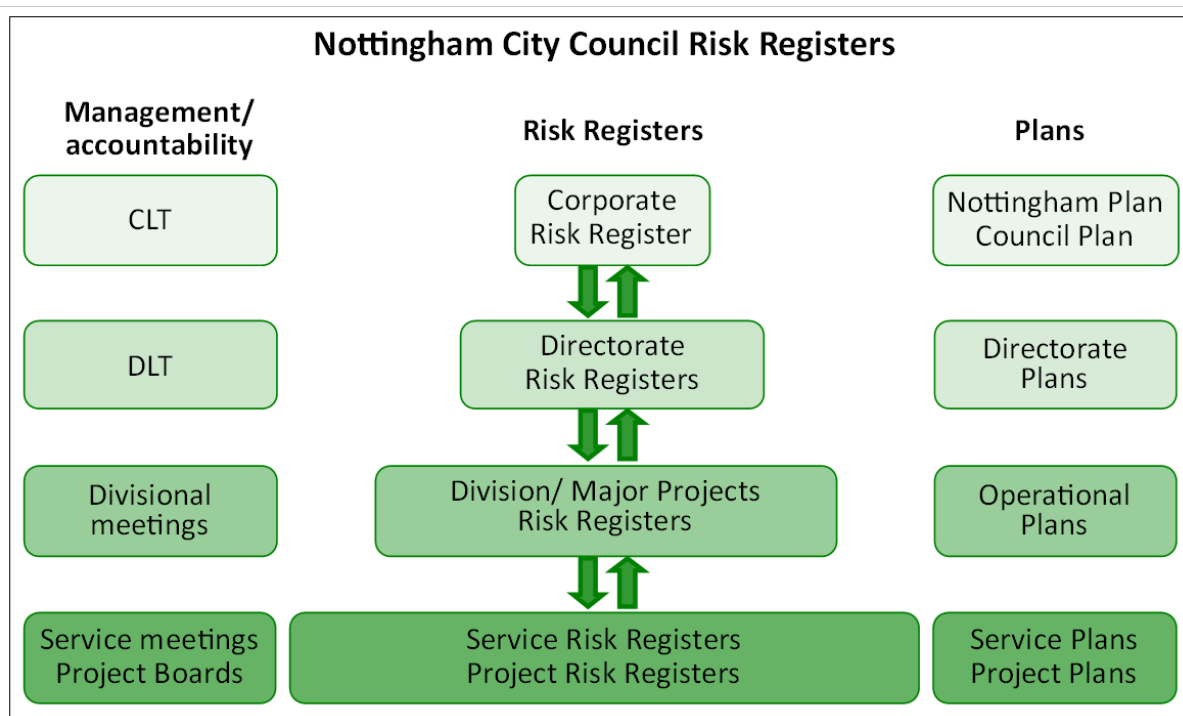
- 1.1 The Audit Committee's risk management role is to provide assurance on the adequacy of the Council's Risk Management Policy and Framework and the associated control environment by reviewing the mechanisms for assessing and managing risk. This includes ensuring that relevant managers undertake active risk management. This report presents an update on Risk Management and the latest review of the corporate risks faced by the Council.

2 Background

- 2.1 In accordance with the risk management policy and framework and to ensure effective monitoring, the corporate & assurance risks have been reviewed with risk owners and assurances obtained that the risks are being managed effectively.

2.2 Corporate Risk and Assurance Register Update

- 2.2.1 A risk reporting process is in place to support escalation of risk throughout the Council as required. Risks can move between registers based on seriousness and required oversight and support. The escalation process is shown diagrammatically as follows:



2.1.2. Risks are reviewed by Performance Clinics, Divisional Leads, DLTs, CLT and Leadership Group quarterly. The corporate register is also reviewed by Executive Panel, Executive Board and Audit Committee twice yearly.

2.3 The Register Update

2.3.1 An overview of the top corporate risks to the Council and changes to the register in the last quarter is included as Appendix 1 and the summary Corporate Risk and Assurance Register is attached as Appendix 2 for review of the existing mitigations in place and to agree any further assurances needed.

3. Other options considered in making recommendations

3.1. To do nothing: this risks the potential that not all key corporate risks facing the Council are represented and understood within the register and that Audit Committee members are not fully engaged or aware of the Council's risk profile.

4. Consideration of Risk

4.1. Risks for consideration are detailed within the register.

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

5.1. Financial implications are highlighted as potential impacts for each risk included within the register alongside an assessment of the impact on finance using the risk matrix. Finance colleagues have inputted to related risks within the register.

6. Legal colleague comments

6.1. Legal implications are highlighted as potential impacts for each risk included within the register alongside an assessment of the impact on legal/ legislation using the risk matrix. Legal colleagues have inputted to related risks within the register.

7. Other relevant comments

7.1. Senior colleagues across all directorates have inputted to related risks within the register.

8. Crime and Disorder Implications (If Applicable)

8.1. N/A

9. Social value considerations (If Applicable)

9.1. Social value implications are highlighted as potential impacts for each risk included within the register alongside an assessment of the impact using the risk matrix.

10. Regard to the NHS Constitution (If Applicable)

10.1. N/A

11. Equality Impact Assessment (EIA)

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

No

An EIA is not required because: There is no change proposed within the report.
(Please explain why an EIA is not necessary)

Yes

Attached as Appendix x, and due regard will be given to any implications identified in it.

12. Data Protection Impact Assessment (DPIA)

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

No

A DPIA is not required because: There is no change proposed within the report.
(Please explain why a DPIA is not necessary)

Yes

Attached as Appendix x, and due regard will be given to any implications identified in it.

13. Carbon Impact Assessment (CIA)

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

No

A CIA is not required because: There is no change proposed within the report.

(Please explain why a DPIA is not necessary)

Yes

Attached as Appendix x, and due regard will be given to any implications identified in it.

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

14.1. None.

15. Published documents referred to in this report

15.1. None.

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of the Local Government Act 1972.

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