

# Nottingham City Council

## Overview and Scrutiny Committee

Minutes of the meeting held at Ground Floor Committee Room - Loxley House, Station Street, Nottingham, NG2 3NG on 6 October 2021 from 2.00 pm - 4.22 pm

### Membership

#### Present

Councillor Anne Peach (Chair)  
Councillor Georgia Power (Vice Chair)  
Councillor Carole McCulloch (Vice Chair)  
Councillor Patience Uloma Ifediora  
Councillor Gul Nawaz Khan  
Councillor Toby Neal  
Councillor Ethan Radford  
Councillor Angharad Roberts  
Councillor Andrew Rule  
Councillor Audra Wynter  
Councillor Sajid Mohammed

#### Absent

Councillor Jane Lakey

### Colleagues, partners and others in attendance:

Councillor Rebecca Langton - Portfolio Holder for Skills, Growth and Economic Development  
Councillor Adele Williams - Portfolio Holder for Adults and Health  
Richard Grice - Transformation Programme Director  
Ita O'Donovan - Interim Director of Strategy and Policy  
Councillor Neghat Khan - Portfolio Holder for Neighbourhoods, Safety and Inclusion  
Councillor Sam Webster - Portfolio Holder for Finance and Resources  
Clive Heaphy - Corporate Director for Finance and Resources  
Ian Edward - Strategic Advisor on Companies  
Councillor David Mellen - Leader of the Council  
Beth Brown - Head of Legal and Governance  
Laura Wilson - Senior Governance Officer  
Emma Powley - Governance Officer

### 28 Apologies for absence

Councillor Jane Lakey - personal

### 29 Declarations of interests

None.

The Chair explained that in relation to agenda item 5 - 'The Council's Commercial Ventures' although a number of Councillors on the Committee sat on Company Boards, it was not considered a conflict of interest, as the Committee would not be looking at the individual performance of the companies.

### **30 Minutes**

The minutes of the meeting held on 8 September 2021 were confirmed as an accurate record and signed by the Chair.

### **31 The Council's Transformation Programme**

Councillor Rebecca Langton, Portfolio Holder for Skills, Growth and Economic Development, Councillor Adele Williams, Portfolio Holder for Adults and Health, Richard Grice, Transformation Programme Director, along with Ita O'Donovan, Interim Director of Strategy and Policy presented the report detailing the Council's Transformation Programme to the Committee.

The following points were highlighted:

- a) A Transformation Office had been established, linking strategy to delivery with focus being on 3 main areas of co-ordination:
  - i) Leadership
  - ii) Corporate Capability
  - iii) Delivery and Execution
- b) The current transformation portfolio consists of 33 programmes and projects at various stages of development; ranging from projects being very much in their inception to those being delivered. This is a substantial portfolio covering all areas of council service, with a clear accountability and delivery structure arranged under directorate programmes, cross-cutting programmes and enabling programmes.
- c) Clear Governance Arrangements had been put in place to ensure there was clarity and a continuation of pace and momentum.
- d) To effectively deliver the ambitions of the Transformation Programme significant steps had been taken to ensure capability and sustain change that would be effective and durable.
- e) The following tasks had been undertaken, in place and were being embedded:
  - a. Simplifying the officer structure to create the right future design for transformation
  - b. A new Individual Performance Management Framework
  - c. Embedding a new leadership Capability Framework
- f) Plans were underway to create a pool of delivery talent within the council. This was focused on staff networks, to promote diversity and mobility and would provide opportunities for current employees to up- skill and diversify. The key

skills being sought included Project management, Service design and Data and digital development.

Members of the Committee asked a number of questions, and throughout discussions the following further points were highlighted:

- g) There were some difficulties in measuring the current progress of the transformation plan as many of the projects were in a very early stage; the Transformation Programme Director only having been appointed in July 2021. Performance Indicators were in place but there was not sufficient information, for performance to be measured at his current time.
- h) Committee members expressed frustration that they often received information around services and plans too late to effectively offer feedback and scrutinise and asked for assurance that this would not be the case with the transformation programme.
- i) Both Portfolio Holders reassured the Committee that they would continue to be updated and given the nature and length of the transformation there would be ample opportunities for the Scrutiny Committee to review the business cases once agreed.
- j) The Committee expressed some concerns about the speed and depth of the transformation project. Decisions needed to be robustly taken but also there was a need for expediency whilst ensuring the Council got Value for Money (vfm) whilst facing budgetary and resource pressures.
- k) Any big projects would be fully understood and the business cases would need to be approved by the Board. The transformation board was currently held on a monthly basis, but ad hoc meetings could take place should it be deemed necessary. For each programme different Key Performance Indicators would be set due to the variants of each programme.
- l) A performance framework would be in place for each programme. Performance would be reported monthly and regular updated and KPI's produced and submitted to DLT.

The Committee thanked the Portfolio Holders, the Director for Transformation Programme and the Interim Director of Strategy and Policy for attending the meeting and for their presentation.

**Resolved to request a written update on the work being undertaken on the Transformation Programme in order to assess whether any projects require a 'deep dives' by the Overview and Scrutiny Committee.**

## **32 The Council's Commercial Ventures**

Councillor Neghat Khan, Portfolio Holder for Neighbourhoods, Safety and Inclusion, Councillor Sam Webster, Portfolio Holder for Finance and Resources, Clive Heaphy, Corporate Director for Finance and Resources and Ian Edward, Strategic Advisor on Companies, attended the meeting and updated the Committee on the effectiveness

of the Councils companies, their contribution to the Council and its recovery and improvement.

The following information was highlighted:

- a) The Council has eight subsidiary companies; not all of the Council commercial activities are companies, and not all of the companies are set up for commercial purposes. The overall portfolio is diverse, the customer base comprises of city residents, the wider public and the City Council.
- b) The Council has received a number of benefits from the portfolio, which has, with the exception of Robin Hood Energy, returned a positive financial contribution
- c) In light of changes required by the Public Interest Report and their contribution towards the Council, especially in the context of its recovery improved governance arrangements had been put in place. This included the establishment of the Companies Governance Executive Committee (CGEC) which monitored the financial positions of individual companies and a steering group considering live issues.
- d) Further arrangements included a Shareholder unit which comprised of a Shareholder representative, plus professional support to address immediate risks and opportunities with the companies, and an Audit Committee companies working group to review the controls operated by the council over the companies.
- e) A number of shareholder controls had been put in place including the application of the 6 CIPFA principles; commitment, reliance, purpose, focus on Value for Money, risk profile and organisational capacity.

Committee members asked a number of questions and made some observations, the following points were highlighted

- f) There had been training for Shareholder Directors and a sound structure had been defined. The CGEC received reports detailing what companies are doing each month and a annual review is undertaken The shareholder unit ensure that the CGEC have all the necessary and relevant information and any concerns about a company is raised through the Committee.
- g) There had been some issues getting all the relevant information from a number of companies, but relationships were being built on and improved.
- h) Following the collapse of Robin Hood Energy, Council companies were being scrutinised more than ever. Cross service management meetings were also held allowing further opportunities for scrutinising companies.
- i) The CGEC is a public meeting and members of the scrutiny committee could attend should they wish. The job of the Scrutiny Committee was to scrutinise the decisions of the Executive and not the CGES.

The Chair thanked the Officers and the Portfolio Holders for attending and for their presentation.

**RESOLVED to invite the Portfolio Holders and Chief Finance Officer to report back to the Committee in 6 months to provide an update on the improvement and progress of the status of the Council's Commercial Ventures.**

### **33 Recovery and Improvement - Update by the Leader**

Councillor David Mellen, Leader of the Council, give a short verbal update on the Council's current progress in relation to recovery and improvement. The following points were highlighted:

- a) Following the report of Max Caller, the Council were obliged to write an Improvement Plan. Eight themes had been prioritised by the Improvement Board as follows:
  - 1) The Medium Term Financial Plan (MTFP) was the biggest pressure following the Governments request for the Council to set a balanced budget.
  - 2) Assets - the Council has entered into a voluntary spending cap and to generate revenue, assets including both land and properties had been sold with £10million having been raised
  - 3) Companies - there was a review underway of Council companies
  - 4) Capital Programme – a limit had been introduced on work being undertaken.
  - 5) Constitution – a revised and updated Constitution had been approved by Council and had been implemented on 1 October 2021.
  - 6) Transformation - progress had been made in establishing an approach to transformation to support the delivery of the Recovery and Improvement Plan.
  - 7) Organisation and Culture – there had been a shift in the Council's attitude towards risks and to live within their means.
  - 8) Recovery and Improvement Plan 2021-2024.
- b) Progress was being made on all of the themes and it was currently dominating the work of the Council and involved very difficult decisions in order to produce a balanced budget.
- c) A list of the assets disposed of would be circulated to Councillors upon request; it was unfortunate that they could not be sold off equally across wards and some areas may be disproportionately affected.

- d) The Committee expressed some concerns about the robustness and speed at which decisions were being made but it was noted that a balanced budget had to be set by the 16 November 2021 to avoid government intervention and expedient decisions were a necessity.
- e) Once the budget had been set, there would be additional focus on engagement between the Executive and the Overview and Scrutiny Committee as per the recommendations set out in the report of the Centre for Governance and Scrutiny (CfGS).

### **34 Scrutiny Action Plan**

Beth Brown, Head of Legal and Governance, explained that at the last meeting, the Committee was presented with the Centre for Governance and Scrutiny's (CfGS) report on its review of scrutiny. It was agreed that responsibility for developing and overseeing the implementation of an Action Plan to respond to the report had been delegated to a working group of the Scrutiny Chairs, Head of Legal and Governance and the Senior Governance Officers who support the scrutiny committees.

The following points were highlighted:

- a) The Action Plan remained a fluid document and could be added to. It was considered beneficial for the Council to have a more broad understanding of Scrutiny and its functions.
- b) There has been a blurring of the line between the role of the Scrutiny Committee and the Audit Committee; a protocol was currently being drafted and the Constitution had been updated to reflect this.
- c) The draft Action Plan had been produced and designed to support the Executive and Scrutiny Members and senior officers which would help in implementing the improvements
- d) The Plan included recommendations to offer additional training to scrutiny members and Executive Members would benefit from additional training and support regarding their role in working with Scrutiny.
- e) A business case was currently being drafted for additional scrutiny capacity in the team which had been well supported by the Corporate Leadership Team.

**Resolved to approve the Action Plan.**

### **35 Work Programme**

Following detailed discussion committee members agreed that the work programme would generally appear the same as published and agreed the following points of action:

That, should it be necessary to enable appropriate colleague and Portfolio Holder attendance, the next meeting of the Overview and Scrutiny Committee could be deferred from the 3 November to the 10 November 2021.