

## Audit Committee – 26/11/2021

<b>Title of paper</b>	Recovery and Improvement Culture Update	
<b>Director(s)/ Corporate Director(s):</b>	Richard Henderson – Director of HR, and EDI Clive Heaphy – Interim Corporate Director Finance and Resources	<b>Wards affected:</b> All
<b>Report author(s) and contact details:</b>	Titu Hayre Bennett – Head of Transformation, HR	
<b>Other colleagues who have provided input:</b>	None	
<b>Recommendation(s):</b>		
<b>1</b>	To note the actions referred to in relation to embedding good practice outlined in 1.5 and 1.7 in the Internal Audit Review Report of Culture/Ethics to Audit Committee on the 28/5/2021	
<b>2</b>	To note that future updates and assurance on the Culture work in the Recovery and Improvement Plan will be undertaken through the existing monitoring and assurance that happens via the Improvement and Assurance Board.	

### 1. Background

1.1 The committee requested a culture update on 6 areas - **Governance, Risk , Decision making, Holding to account , Challenge and Appropriate and timely actions** as referred to of the Internal Audit Review of Culture/Ethics report of the 28/5/2021. These areas for improvement and actions required are reflected throughout the themes of the NCC Recovery and improvement Plan. This report focuses on the enabling actions that will support the changes in the future culture of NCC

### 2. Actions re the above areas on embedding good practice to move the culture in NCC

2.1 **Governance.** In relation to companies NCC has brought in consultancy expertise to help build capability around sector skills on company boards, we have also provided training for relevant members and officers on companies. The responsibilities for shareholder reps have been made explicit to support the capability development. In relation to complicated, overlapping executive and senior officer roles and resulting overlapping responsibilities, we have through our top level restructure, made roles and responsibilities very clear. We are currently working with the LGA using the Decision Making Accountability tool (DMA) approach to review organisational structures and ways of working. This will ensure that future organisational design reflects clear accountabilities and responsibilities for all roles. The Audit Committee and O&S functions have been strengthened with support and development of key individuals leading these areas.

2.2 **Risk.** Steps have been taken ensure risk is managed through containing the capital expenditure levels and sign off routes and work to ensure clarity of remit for companies. Dialogue at CLT and DLTs around risk is more prevalent.

- 2.3 **Decision making.** To support an evolving culture around consistency in decision making, members and officers have undertaken learning in the member officer protocol, the learning takes people through the roles of officers and members and how these are different and complementary. Members have had a focused workshop with the LGA around the member officer protocol. Development has also been provided on decision making arrangements for members and managers, through e learning and/or briefings. Business cases are required for key decision making, the transformation work in the organisation has accelerated this practice and will become embedded in time.
- 2.4 **Holding to account.** Work has been undertaken to ensure that the scrutiny and monitoring functions are robust and the work of companies is effectively monitored. There is clear mechanism for setting targets and goals for the CEX, drawn down from the renewed strategic Council Plan, including external moderation for performance appraisal. There is a new individual performance appraisal framework for all SLMG roles, the CEX goals and key council plan outcomes are clearly cascaded to the corporate directors, directors and heads of service. Our new NCC behaviours support holding others to account.
- 2.5 **Challenge.** There is a climate now in NCC that is encouraging discourse and challenge between members and senior officers around key issues, the development outlined above in relation to roles and responsibilities and decision making enable this. The revised Constitution underpins the role of Statutory Officers going forward. A coaching programme for Corporate Directors and the CEX will be commissioned in early 2022, a political sensitivity course will also be commissioned for all of SLMG. Both these learning interventions will support the capability of officer leaders to support and challenge effectively.
- 2.6 **Appropriate and timely actions.** A Transformation Plan is being developed with the new Interim Director of Transformation, this work is happening at pace, sprint activity has been undertaken in a number of key areas, to inform key transformational work. PWC have been working with NCC to drive this activity, adding needed capacity and capability to support the pace. The Executive Director of Finance and Resources has prioritised the delivery of a sustainable MTFP and has made this the subject of regular briefings and awareness raising with officer and members, to instil the required financial sustainability mind-set
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 Nottingham City Council Recovery and Improvement Plan