

## Executive Board – 16 July 2024

<b>Subject:</b>	<b>Nottingham City Council Improvement Plan</b>
<b>Corporate Director(s)/Director(s):</b>	Mel Barrett – Chief Executive
<b>Portfolio Holder(s):</b>	Cllr Neghat Khan, Leader of the Council
<b>Report author and contact details:</b>	Paul Clarke - Assistant Chief Executive / Director of Policy, Performance and Communications – <a href="mailto:paul.clarke4@nottinghamcity.gov.uk">paul.clarke4@nottinghamcity.gov.uk</a>
<b>Other colleagues who have provided input:</b>	Esme MacAuley, Business & Performance Manager to the Chief Executive James Schrodell, Policy and Performance Manager
<b>Subject to call-in:</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Key Decision:</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Criteria for Key Decision:</b>	
(a) <input type="checkbox"/> Expenditure <input type="checkbox"/> Income <input type="checkbox"/> Savings of £750,000 or more taking account of the overall impact of the decision	
<b>and/or</b>	
(b) Significant impact on communities living or working in two or more wards in the City <input type="checkbox"/> Yes <input type="checkbox"/> No	
<b>Type of expenditure:</b> <input type="checkbox"/> Revenue <input type="checkbox"/> Capital If Capital, provide the date considered by Capital Board Date: N/A – activities contained within the Improvement Plan are subject to individual and appropriate approval processes.	
<b>Total value of the decision:</b> Nil. Although there are likely to be resources needed to support the delivery of budget savings and transformation proposals that are developed as part of the Improvement Plan delivery.	
<b>Section 151 Officer expenditure approval</b> Has the spend been approved by the Section 151 Officer? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/a Spend Control Board approval reference number:	
<b>Commissioner Consideration</b> Has this report been shared with the Commissioners' Office? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Any comments the Commissioners wish to provide are listed below.  The commissioners have noted the paper and have no further comments.	
<b>Wards affected:</b> All	
<b>Date of consultation with Portfolio Holder(s):</b> 2 July 2024	
<b>Relevant Council Plan Key Outcome:</b>	
Clean and Connected Communities	<input type="checkbox"/>
Keeping Nottingham Working	<input type="checkbox"/>
Carbon Neutral by 2028	<input type="checkbox"/>
Safer Nottingham	<input type="checkbox"/>
Child-Friendly Nottingham	<input type="checkbox"/>
Healthy and Inclusive	<input type="checkbox"/>
Keeping Nottingham Moving	<input type="checkbox"/>
Improve the City Centre	<input type="checkbox"/>
Better Housing	<input type="checkbox"/>
Financial Stability	<input checked="" type="checkbox"/>
Serving People Well	<input checked="" type="checkbox"/>
<b>Summary of issues (including benefits to citizens/service users):</b>	
Nottingham City Council (NCC) saw Commissioners appointed in February 2024 under Section 15(5) of the Local Government Act 1999. As a part of this intervention, the Secretary of State directed the Council to develop and agree an Improvement Plan to the satisfaction of the Commissioners.	

The draft Nottingham City Council Improvement Plan (Appendix 1) sets out how NCC will address the issues and challenges that have led to the current Commissioner-led intervention and respond to the actions required by Commissioners.

The Improvement Plan is intended to be an overarching framework that holds our improvement programmes and activities together. It seeks to address our immediate challenges while setting out the improvement priorities that enable and support NCC to be:

1. A Council that delivers for Nottingham with a clear direction and purpose
2. A Council that is financially sustainable
3. A Council that is well run with effective people, processes and systems

This report seeks the Executive Board's endorsement of the Improvement Plan and asks the Board to recommend that Full Council approve the Improvement Plan.

**Does this report contain any information that is exempt from publication?**

No.

**Recommendation(s):**

**1** That Executive Board agree and endorse the draft Nottingham City Council Improvement Plan (Appendix 1) as the Council's overarching improvement plan in response to the Commissioner-led Intervention.

**2** That the Executive Board recommend approval of the Improvement Plan to Full Council at the meeting of Full Council on 5<sup>th</sup> August 2024.

**3.** Executive Board note that the Corporate Leadership Team will develop an investment and resource plan for the delivery of the Improvement Plan in accordance with the 2025/26 budget strategy objectives and principles to be brought back to the Executive for approval.

**1. Reasons for recommendations**

- 1.1 Nottingham City Council acknowledges the need for fundamental change. A number of significant challenges and issues have been the catalyst for the current Commissioner-led intervention, and we must respond robustly and decisively to these.
- 1.2 On 22 February 2024, the Secretary of State for Levelling Up, Housing and Communities made Directions in relation to Nottingham City Council under section 15(5) of the Local Government Act 1999. These Directions require the Council to develop and agree an Improvement Plan to the satisfaction of the Commissioners within 3 months. Following correspondence between the Chief Executive and civil servants regarding the delay in the appointment of the third Commissioner the three-month deadline was extended and has subsequently been confirmed by the Lead Commissioner as 8 July 2024.
- 1.3 The draft Improvement Plan, agreed with Commissioners, is attached at Appendix 1 for Executive Board consideration.
- 1.4 The Improvement Plan is clear that the Council must change significantly and at pace to respond to the challenges it is facing. The future Council must look, feel and operate significantly differently to the Council of today. It needs to be clear on its role and purpose, realistic about what it can deliver, effective

and efficient in how it operates, and focussed on consistently getting the basics right so that the City’s residents and partners know what they can expect from their Council.

- 1.5 Delivering the Improvement Plan will reform the delivery of the services and outcomes the City and its citizens need. The Improvement Plan provides the basis for transformation, change and improvement activity the Council must develop, resource and deliver through eleven key programmes.
- 1.6 Those programmes include existing programmes in addition to proposed new activity. They address the most immediate and significant challenges the Council faces, including its financial sustainability, which will be achieved through a programme of further budget savings, a continued asset sales programme and the strengthening of its financial management practice and culture.

## 2. Background (including outcomes of consultation)

### Overview – Aims, Outcomes and Priorities

- 2.1 The Improvement Plan has been agreed by Commissioners and is attached for Executive Board consideration at Appendix 1.
- 2.2 The Plan sets out three high-level aims that enable and support the Council to be:
  - 1. A Council that delivers for Nottingham with a clear direction and purpose
  - 2. A Council that is financially sustainable
  - 3. A Council that is well run with effective people, processes and systems
- 2.3 These aims are each underpinned by a clear set of outcomes and eleven programmes of key activities to deliver robust, whole Council change:

Aims	Focus	Priority Programmes
<b>A Council that delivers for Nottingham with a clear direction and purpose</b>	The Council needs to look, feel and operate differently. It needs a clear vision and purpose that guides the transformation of the organisation, its budget strategy, workforce development, and future priorities for the city and its residents; and clearly explain how the council will deliver, enable and influence others to achieve those priorities.	1. Future Council: Vision, purpose and approach 2. Review and develop the Transformation Programme 3. Manage and monitor delivery
<b>A Council that is financially sustainable</b>	The Council needs to ‘live within its means’ and be able to deliver a balanced budget and sustainable financial plan. This will be attained through the delivery of credible savings plans, robust financial management, improved commercial practice, and a programme of capital assets disposal.	4. Continuous financial sustainability 5. Strengthen financial management 6. Review Council companies and traded services 7. Corporate landlord and assets sales programme
<b>A Council that is well run with effective</b>	The Council needs to continue to modernise how it operates and	8. Improve governance

<p><b>people, processes and systems</b></p>	<p>improve its productivity and operational efficiency so it can deliver to the best of its ability. This includes strengthening governance, making sure roles and responsibilities are clearly understood, and looking at how service delivery is supported and enabled by business processes and systems.</p>	<p>9. Engaged, effective and empowered workforce</p> <p>10. Strengthen internal controls and assurance</p> <p>11. Improve enabling and support systems and processes</p>
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- 2.4 The Improvement Plan has been developed collaboratively with Commissioners and responds to the actions they see as necessary for them to exit from the Council.

Relationship with other Plans

- 2.5 The Improvement Plan builds on and supersedes the Together for Nottingham Plan and the Improvement and Assurance Board’s Instructions, incorporating elements of those where appropriate to ensure a continued journey of improvement.
- 2.6 Significant improvement work has been undertaken in recent years, with progress acknowledged by the Improvement and Assurance Board in areas such as the Council’s approach to its companies. The Improvement Plan does, however, represent an accelerated pace of improvement.
- 2.7 With its focus on financial sustainability and emphasis on a well-run Council, the Plan also supports delivery of the Budget Strategy (approved by Executive Board on 18 June 2024) which provides a framework for developing proposals to deliver further savings, efficiencies or income to achieve a balanced budget and medium-term financial sustainability.
- 2.8 The draft Improvement Plan does not set out new policy. The Strategic Council Plan (as refreshed in March 2024 and subject to future updates to ensure ongoing alignment with the Medium-Term Financial Plan and the requirements of Commissioners) sets out the Council’s Policy Framework and the priorities which the Council aims to deliver, however it is inevitable that progressing the workstreams contained in the Improvement Plan will require policy choices to be made in due course. The Improvement Plan will improve how the Council operates so that the Policy Framework can be delivered more efficiently, effectively and economically.

Delivery of the Improvement Plan

- 2.9 Robust governance and assurance arrangements have been put in place to ensure delivery of the Improvement Plan. Section 4 of the Plan summarises these. Corporate Directors will act as Senior Accountable Officers (SAOs) and be accountable for the delivery of the improvement programmes assigned to them. Reporting to SAOs, Responsible Delivery Leads (RDLs) will have responsibility for day-to-day delivery of programmes, including putting in place project teams, checking and managing processes and escalating risks.
- 2.10 A Transformation and Change Oversight Board (TCOB) meets monthly and acts as the top of the governance structure. It will hold SAOs to account for delivery, identify mitigations for activity that is identified as being off-track, and

agree resourcing required to support delivery. A Corporate Performance Management Office (CPMO) provides independent and transparent reporting to the Transformation and Change Oversight Board.

- 2.11 To ensure appropriate elected Member scrutiny, the Deputy Leader is a member of the Transformation and Change Oversight Board. Executive Members will be briefed regularly on the delivery of programmes relevant to their portfolios. The Overview and Scrutiny Committee will periodically review the plan, while Audit Committee will consider risk management and the control environment.

### Key Performance Indicators

- 2.12 A small set of Key Performance Indicators (KPIs) are included at Appendix A2 to the Plan. Progress against these KPIs will demonstrate achievement of the Improvement Plan outcomes and will be incorporated into the regular reporting of organisational health indicators.

## **3. Other options considered in making recommendations**

- 3.1 None. The Intervention Directions require the Council to agree and appraise the Improvement Plan.

## **4. Consideration of Risk**

- 4.1 A number of overarching risks to the delivery of the Improvement Plan are identified at Appendix A3 (of the Plan). Five key risks are identified and the mitigations described alongside these. The key risks cover:

- Capacity and pace
- Resources
- Delivery
- Citizen and partner perceptions
- Interdependencies and sequencing

## **5. Best Value Considerations, including consideration of Make or Buy where appropriate**

- 5.1 Best Value is a key component of the draft Improvement Plan with government's intervention and the appointment of Commissioners predicated on the Secretary of State's assessment that the Council is failing to comply with its Best Value duty.

## **6. Commissioner comments**

The Commissioners have noted the papers and have no further comments.

## **7. Finance colleague comments (including implications and value for money/VAT)**

- 7.1 Delivering financial stability<sup>1</sup> is one of the three overarching aims of the Council's Improvement Plan which compliments the 2025/26 Budget Strategy approved by the Executive Board in June 2024.
- 7.2 The delivery of a balanced budget over the coming medium-term (2025/26 – 2028/29) is not just a key priority for the delivery of the Improvement Plan but paramount to the long-term financial resilience of the Council.
- 7.3 Achieving a balanced budget over the next three years will require budget savings and income opportunities in the region of c£172m. This can only be achieved through significant change that improves the way the Council operates and how it delivers services. The significance of the budget gap of c£172m over the next 3-years combined with the need to rely on substantial amounts of Exceptional Financial Support (EFS) should not be underestimated; and although the EFS has allowed the Council to set a balanced budget in 2024/25, the Council has set itself a significantly higher hurdle of c£69m to achieve in 2025/26. Therefore, it is essential that the Council looks to have in place an Improvement Plan which supports the Council in achieving a financially sustainable budget over the medium-term and in particular in meeting the conditions of the EFS and Commissioners' requirements.
- 7.4 The scale and pace of change warranted across the organisation to set a balanced budget and close the budget gap of c£172m over the next 3 years will require significant and sustained investment. Without directing the right resources to deliver the eleven programmes as set out within the Improvement Plan, the Council will not be able to achieve the necessary change or deliver a balanced budget. While most improvement activities will be funded from within existing directorate budgets, the delivery of some of the programmes within the Improvement Plan and in particular the 2025/26 and 2026/27 budget proposals, will require capacity and expertise over and above existing resources and budgets.
- 7.5 Outside of what has already been approved through a combination of previously approved decisions and the 2024/25 Budget and Medium-Term Financial Plan report to the Executive in February 2024, the additional cost of funding the Improvement Plan have yet to be quantified. Where possible any additional funding requirement will in the first instance need to be met from either external income, repurposing of existing budgets and/or reserves, with capital receipts and revenue growth to only be considered once all other options have been exhausted. Where capital receipts are to be considered, then an impact assessment against the EFS requirement, asset rationalisation programme and the current/future commitments through the capital programme will need to be undertaken to ensure that any application is in accordance with the Capital Strategy, in particular the capital receipts prioritisation framework.
- 7.6 Corporate Leadership Team will be developing an investment and resource plan for the delivery of the Improvement Plan in accordance with the 2025/26 budget strategy objectives and principles to flow back to the Executive and/or City Council (as appropriate) for approval alongside either 2025/26 budget proposals, budget strategy and/or Improvement Plan update through the year.

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<sup>1</sup> Aim 2: A Council that is financially sustainable: The Council needs to 'live within its means' and be able to deliver a balanced budget and sustainable financial plan. This will be attained through the delivery of credible savings plans, robust financial management, improved commercial practice, and a programme of capital assets disposal

## 8. Legal colleague comments

- 8.1 On 22 February 2024 the Secretary of State for Levelling Up, Housing and Communities made Directions under section 15(5) of the Local Government Act 1999 in relation to the Council. The Directions replaced the Improvement and Assurance Board and implemented a two year intervention package which included the appointment of Commissioners. The Commissioners are accountable to the Secretary of State and have been granted powers to exercise wide ranging functions, the extent of which is set out in the letter.
- 8.2 The Directions require the Council to take certain actions, the first of which is;
- 8.3 “In the first three months to agree and appraise the Nottingham City Council Improvement Plan, to the satisfaction of Commissioners (which may include or draw upon improvement or action plans prepared in response to any recommendations issued by the Nottingham City Council Improvement and Assurance Board before the date of these Directions), and as a minimum, the following components:
- 8.3.1 a) Actions to ensure that a strategic and systematic approach to risk management, coupled with the appropriate scrutiny and governance of decision-making processes and procedures, is adopted and embedded across the Authority.
  - 8.3.2 b) Actions to deliver financial stability in the Authority, including investigation to establish accuracy and suitability of current financial accounts and management controls, rapid and sustainable improvements to its scrutiny function, financial and risk management, strengthening accounting processes and reporting arrangements.
  - 8.3.3 c) Actions to secure continuous improvement in all services.”
- 8.4 Once approved the Council are required by virtue of the second action;
- 8.5 “To report to the Secretary of State on the delivery of the Nottingham City Council Improvement Plan at six monthly intervals, or at such intervals as the Commissioners may direct and adopt any recommendations of the Commissioners with respect to the Improvement Plan and its implementation.”
- 8.6 The draft Improvement Plan at Appendix 1 has been developed in response to the Commissioner’s requirements and has been shared with Commissioners in accordance with the first action required to be taken by the authority (as set out above).
- 8.7 The original deadline for the draft Improvement Plan was extended to the 8 July by the Commissioners appointed by the Secretary of State.

Beth Brown, Director of Legal and Governance, 27 June 2024

## 9. Other relevant comments

9.1 Relevant advice will be sought in relation to the individual activities contained within the Improvement Plan.

**10. Crime and Disorder Implications (If Applicable)**

10.1 Not applicable.

**11. Social value considerations (If Applicable)**

11.1 Not applicable.

**12. Regard to the NHS Constitution (If Applicable)**

12.1 Not applicable.

**13. Equality Impact Assessment (EIA)**

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

No   
An EIA is not required because the individual activities contained within the Improvement Plan will be subject to an EIA as applicable.

**14. Data Protection Impact Assessment (DPIA)**

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

No   
A DPIA is not required because the activity contained within the Improvement Plan does not include any data which is not already in the public domain, or is not suitable for publication

**15. Carbon Impact Assessment (CIA)**

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

No   
A CIA is not required because the individual activities contained within the Improvement Plan will be considered alongside the Council's Carbon Neutral 2028 Action Plan as required.

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

16.1 N/A

**17. Published documents referred to in this report**

17.1 [Together for Nottingham Plan](#)

17.2 [Secretary of State's Intervention in Nottingham City Council](#)

17.3 [Strategic Council Plan](#)



