

Nottingham City Council

Corporate Scrutiny Committee

Minutes of the meeting held at Ground Floor Committee Room - Loxley House, Station Street, Nottingham, NG2 3NG on 9 October 2024 from 2.02 pm - 3.31 pm

Membership

Present

Councillor Samuel Gardiner (Chair)
Councillor Kevin Clarke (as substitute)
Councillor Michael Edwards (as substitute)
Councillor Imran Jalil
Councillor Angela Kandola (Vice Chair)
Councillor Sarita-Marie Rehman-Wall

Absent

Councillor Patience Uloma Ifediora
Councillor Georgia Power
Councillor Andrew Rule
Councillor Naim Salim

Colleagues, partners and others in attendance:

Councillor Neghat Khan - Leader of the Council and Executive Member for Strategic Regeneration, Transport and Communications
Councillor Ethan Radford - Deputy Leader of the Council and Executive Member for Skills, Growth and Economic Development
Councillor Linda Woodings - Executive Member for Finance and Resources
Ross Brown - Corporate Director for Finance & Resources
Shabana Kausar - Director of Finance
Lucy Lee - Director of Customer Services
Lee Mann - Strategic Director for HR and Finance
James Schrodell - Policy & Performance Team Manager
Damon Stanton - Scrutiny and Audit Support Officer
Kate Morris - Scrutiny and Audit Support Officer

16 Apologies for Absence

Councillor Patience Ifediora – Unwell
Councillor Georgia Power – Work (Councillor Michael Edwards as substitute)
Councillor Andrew Rule – Work (Councillor Kevin Clarke as substitute)

17 Declarations of Interest

None

18 Minutes

The Minutes of the meeting held on 24 July 2024 were confirmed as a true record and were signed by the Chair.

19 Budget Monitoring

Councillor Linda Woodings, Executive Member for Finance and Resources attended the meeting and introduced the report informing the Committee on the in year

position for the Finance and Resources, and the Chief Executive directorates as reported to Executive Board in September 2024, based on activity to the end of Period 4. Ross Brown, Corporate Director for Finance and Resources, Shabana Kausar, Director of Finance, Lucy Lee, Director of Customer Services, and Lee Mann, Strategic Director for HR and EDI were also in attendance to provide additional specialist details. They highlighted the following points:

- a) When the P2 figures were presented to the Committee there was a projected overspend of £17m. Following the introduction of a Financial Intervention Strategy, the P4 figures project an overspend of £12.5m and represent an improving situation. This £12.5m overspend has been reduced to a projected overspend of just £2.8m through mitigations, although around 80% of these are one off funding and the underlying issues with the budget will need to be addressed through budget strategy work.
- b) The majority of budget pressures lie within the Adult Social Care department, with additional pressure from Children's Services and Finance and Resources. Further additional pressure has been added to the budget by the need to use Exceptional Financial Support (EFS).
- c) On setting the budget, a one off £4m contingency was created that has not yet been used and is available to use as a last resort to balance the budget.
- d) There is a programme of savings worth £88m being monitored across the Council with around £49m sitting in the 24/25 budget. 78% of these savings have already been made or are on track to be made. 23% are at risk, held mostly in the Adults department, and the Finance and Resources department. The Savings programme is monitored by the Transformation and Change Oversight Board (TCOB).
- e) Repayment of the EFS is split over the 24/25 and the 25/26 budgets, with a larger portion due to be paid off in 24/25. There is a shortfall of £7m in capital receipts for 24/25 but the total programme is projected to exceed the projected income by £4m over the whole programme. This will lead to additional borrowing at the end of 24/25.
- f) The pressure within the Finance and Resources department sits mainly within Procurement and the non-delivery of savings carried over from last year. These are being offset by savings in other areas. The majority of savings in this department, however, are on track to be made.
- g) The Chief Executives department is due to deliver an underspend mainly as a result of internal recharges and vacancy management.

During discussion the following questions were asked and additional information given:

- h) Committee Members asked how the identified under spends were dealt with. Any underspend identified was absorbed back into the budget and used to mitigate the overall budget position. The underspend identified within the Chief

Executive department was as a result of one-off grant funding mitigations so would not be carried forward.

- i) Committee Members queried what lessons had been learnt from monitoring the budget in previous years. It was explained that different in year monitoring processes have been developed to ensure more constructive challenge takes place within services and that risk awareness is embedded. Although demand remains difficult to predict, there is a better base understanding of pressures. This better understanding is leading to a better base position from which to deliver savings. This, alongside regular reviews of assumptions and rebasing budgets where appropriate ensures a more mature understanding of delivery of savings, which has also improved in year monitoring.
- j) Committee Members asked where service budget risk was documented and managed. Departments have individual risk registers which is where budget saving risks are held and managed. These are regularly reported to Departmental Leadership Team meetings which then feed into the regular Corporate Leadership Team meetings. If necessary departmental risks can be escalated to the Corporate Risk Register which is reported regularly to the Audit Committee.
- k) Committee Members queried what the Chief Executive department had done to achieve the £1.4m underspend. £0.4m of the underspend is related to treasury management activity and lower borrowing costs than predicted. There have already been significant savings within the Treasury Management function allowing the creation of a £4m contingency which has been built into the budget. The remaining £1m is related to pensions and HR functions. It is not yet clear whether this is a one-off saving and will be fed into next year's budget to establish if it is recurrent.
- l) Committee Members asked how the £15m unallocated growth budget was being tracked. This growth budget has been allocated to cover pay award costs when the award is confirmed. The Authority has budgeted for a 6.8% pay award and the £15m has been allocated to cover up to that amount. Should the award come in lower the remaining allocation will be fed into the budget and used to mitigate pressures elsewhere. This will be tracked through the budget and monitored as any other variance will be. There are no "unallocated" funds currently within the budget under discussion.
- m) Committee Members commented on the variances shown within the companies budget, asking why there were no variances within that budget. The budget for Companies is relatively small, and at P4 no liabilities have been realised, so there was no positive or detrimental impact on the position.
- n) Committee Members queried whether there had been any update from the Government regarding additional funding for Adult Social Care. There have been no announcements on additional funding for either Adult Social Care or Children's Care and it does not appear that the reforms around Adult Social Care will be pushed through imminently. A statement is expected in the upcoming Autumn Budget. The three biggest pressures on the Council are demand for Adult Social Care, Children's Care services and Homelessness.

The Government's Renters Reform bill will outlaw no fault evictions which will work to ease pressure on housing services across the country, and with changes to the Right to Buy scheme and reprofiling debt it should be possible to build more homes, further alleviating some of the pressure on the homelessness teams.

- o) Committee Members asked whether there was further news on multi-year settlements for Local Authorities. The Government have made a statement highlighting their intention to introduce multi-year settlements. It was hoped that this settlement will be for at least three years allowing for much better future planning, budget setting and management of the Medium Term Financial Plan. Further details are yet to be announced by the Government.
- p) Committee Members asked if, given the £2.2m predicted overspend and the £4m contingency, whether a balanced budget would be possible for 24/25. There was optimism that it was possible, however caution should be exercised at present as the winter approaches which has historically put additional pressures on budgets. There is also the continued early release of prisoners that is likely to increase pressures on homelessness budgets. Another pressure to consider is the NHS review of joint care packages which will impact from February 2025 and will be factored into the budget for 25/26.

The Chair thanked the Executive Member, the Corporate Director, Director of Finance, Director of Customer Services, and the Strategic Director of HR and EDI for attending the meeting and answering the questions put to them. The Committee noted the improvement in monitoring and passed thanks to the team for their continued hard work.

The meeting was adjourned at 14:45 for a comfort break and reconvened at 14:55.

20 Nottingham City Council Improvement Plan

Councillor Neghat Khan, Leader of the Council and Executive Member for Strategic Regeneration, Transport and Communications and Councillor Ethan Radford, Deputy Leader of the Council and Executive Member for Skills, Growth and Economic Development attended the meeting to present a report on the Nottingham City Council Improvement Plan. James Schrodell, Policy & Performance Team Manager was also in attendance to provide additional information. They highlighted the following points:

- a) The Nottingham City Council Improvement Plan (the Plan) was developed as part of the requirements from the Secretary of State which included the appointment of Commissioners to oversee the improvement journey at the Council. The Plan was developed following extensive internal liaison across all departments, with Executive Members, and with Commissioners. It was agreed at Executive Board in July 2024 and was later approved at City Council in August 2024.
- b) There are three main aims within the Plan; to achieve a Council that delivers for Nottingham with clear direction and purpose; a Council that is financially stable, and a Council that is well-run with effective people, processes and

systems. These aims are then broken down into 9 programmes that provide more detail on how the main aims will be achieved, when they will be achieved by and the accountable officer. The Plan can be found on the Nottingham City Website: [Council Improvement Plan - Nottingham City Council](#)

- c) The Transformation and Change Oversight Board (TCOB) will be responsible for monitoring the progress of the plans against the timelines, which will be reported to the Board bi-monthly. Departmental officers will be responsible for day-to-day delivery of the individual plan elements, and will report to the accountable officers, including progress, mitigations, risks and achievability.

During discussion the following questions were asked, and responses given.

- d) Committee Members asked how progress on the Plan was monitored and how often it was reviewed. The TCOB will monitor and review the progress of the Plan and will receive reports every two months. The TCOB will also be responsible for reviewing and updating the Strategic Plan to align with the Improvement Plan and to ensure both feed into and support the Medium Term Financial Plan.
- e) Committee Members asked about the progress of the Plan since its approval at Council in August. The first progress report is due to go to the TCOB meeting in mid-October. The Plan was put together rapidly to respond to the directions from Government. Oversight by the Committee will help to ensure it evolves and responds to change and progresses at the pace required. Although exact data was not at hand at this meeting, the report to TCOB is expected to highlight that progress is on track and that all milestones set for completion at this point have been achieved. Nothing has been flagged as having slipped from the timeline set out in the programme plans.
- f) Committee Members asked about progress on Programme 1 - Future Council: Vision, purpose and approach, and how engagement with stakeholders had been developed. The first step outlined in the Plan at 1.4 has been rolled out internally, and there has been no indication that there have been delays on the remaining points. The first report is due to go to TCOB in mid-October where there will be a full update.
- g) The Committee queried whether there was sufficient resource within the Council to progress Programme 6 – Corporate Landlord and Asset Sales. There have been a number of rounds of recruitment to appoint to vacancies within the teams responsible for pushing through the Asset Sales. Unfortunately, these have not resulted in successful appointments and as a result the teams rely on interim staff to ensure that the work still progresses. Further recruitment rounds are taking place, and work is underway with the aim of appointing permanent colleagues rather than rely on interim staff.
- h) The Committee asked about the use of interim/agency staff and what was being done to improve recruitment and retention. Risk around the reliance on interim and/or agency staff has been identified and is included on departmental risk registers. Interim and agency staff are only used where their role is essential to continue to push programmes forward, and the additional

cost is carefully balanced against need to progress programmes like the Asset Sales programme. Work continues to ensure successful recruitment takes place where possible, and to improve the offer of the Local Authority to increase appeal.

- i) The Committee discussed the timeline for completion of the Plan. The programmes developed have been sequenced so that the last milestones are deliverable by March 2026. Improvement will be measured throughout the life of the Plan requiring credible demonstration against all points. The timescales are achievable and realistic, however it is not possible for the Council to control external factors such as property sales which relies on the market and suitable buyers coming forward. Programme 9.7: Develop Strategic Workforce Planning will be a key element to improving recruitment and retention issues seen in a number of different areas of the Council, however it is important that the work to develop team structures is complete so that the right posts are recruited to.
- j) The Committee asked how the Plan differed from previous programmes of change, and, whether the right policies and procedures were in place to manage the accountability structures. Within the Plan there is stronger and more structured accountability at a senior officer level. Programme 9.7: Develop Strategic Workforce Planning is looking at what needs to be in place to ensure that the effective policies and people are in place. Although the TCOB oversees the work there are departmental work streams that report into that process and senior officers regularly liaise with Executive Members.

The Chair thanked the Leader of the Council and Executive Member for Strategic Regeneration, Transport and Communications, the Deputy Leader of the Council and Executive Member for Skills, Growth and Economic Development, and the Policy & Performance Team Manager for attending and for answering the questions put to them.

Resolved:

- 1) To recommend that consideration be given on how training and development can be used to develop the Council's existing staff and assist it with recruitment and retention issues;**
- 2) To recommend that consideration be given as to how Scrutiny can be kept informed and be assured that activity within the Improvement Plan was being completed; and**
- 3) To request that future reports on the Improvement Plan contain statistics outlining progress made against the Plan.**

21 Recommendation Tracker

The Chair presented the Recommendation Tracker with updated responses to recent recommendations. The Chair noted an outstanding recommendation and highlighted that he would send a reminder detailing constitutional requirements for response.

22 Work Programme

The Chair introduced the Work Programme highlighting the next meeting date of 27 November 2024. Reports updating the Committee on progress against the Nottingham City Council Improvement Plan will be scheduled into the work programme.

The Committee noted the Work Programme.