

Draft Annual Governance Statement 2021-22

1. Executive Summary

- 1.1. The Annual Governance Statement (AGS) is a review of the effectiveness of the system of internal control. This follows best practice described in the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice: Delivering Good Governance in Local Government (2016), and related CIPFA briefings.
- 1.2. Nottingham City Council is required by Regulation 3 of the Accounts and Audit Regulations 2015 to have a sound system of internal control
 - facilitating effective exercise of its functions and achievement of its aims and objectives;
 - ensuring financial and operational management of the authority is effective; and
 - including effective arrangements for the management of risk.
- 1.3. An AGS is required as part of the annual Statement of Accounts by Regulations 6(1)(a) and (b) of the Accounts and Audit Regulations 2015.
- 1.4. The review reflects formal reporting to Council, Executive, and other constituted committees, and enquiries made of officers with relevant knowledge, experience and expertise. The review was undertaken in consultation with the Council's Head of Paid Service, Monitoring Officer, Chief Finance Officer and Corporate Directors.
- 1.5. This draft AGS is being presented as part of the draft 2021-22 Statement of Accounts and is required to include significant events or developments during 2021-22 and up to the date the Statement of Accounts is signed. The AGS will be finalised after Nottingham City Council's (NCC's) external auditor has given his opinion on the 2021-22 Statement of Accounts.

Together for Nottingham (NCC Improvement Plan)

- 1.6. The [Together for Nottingham \(TFN\) Plan](#) combines the actions required as a result of Max Caller's [Non-Statutory Review](#) of NCC and the External Auditor's [Public Interest Report](#) (both issued in 2020-21). The TFN Plan is split into workstreams, with each workstream forming a significant issue reported in the 2020-21 AGS. It was updated in October 2022 to incorporate further reviews, updates to milestones and further actions and the Plan together with the statutory instructions (see below) have shape the Council's improvement work.
- 1.7. During 2021-22 NCC worked through the actions set out in the TFN Plan and making progress on these issues including continuing to respond to the challenging financial environment that all local authorities find themselves in.
- 1.8. An updated [Constitution](#) setting out the Council's rules for how it works was a key deliverable of TFN and was implemented from 1st October 2021. An update to the officer delegated decision making limit was made following review in November 2022.
- 1.9. A new [Council Plan](#) was adopted in September 2021.
- 1.10. A [Commercial Strategy](#) was approved by the Executive in November 2022.

1.11. Decisions have been taken and either have been implemented or are being implemented in respect of the future of several of the Council's companies.

Statutory Directions and Intervention

1.12. NCC has been supported in its improvement journey by the Improvement and Assurance Board (IAB), set up by NCC at the direction of the Secretary of State in January 2021, chaired by Sir Tony Redmond and made up of independent experts. The IAB's purpose during 2021/22 was to offer the Council advice, expertise and challenge as it sought to improve. The IAB provided regular [assurance reports](#) to Secretaries of State on the Council's progress throughout its tenure. Following the Improvement and Assurance Board's (IAB) reports to the Secretary of State in April 2022, he issued directions in September 2022. These moved the Board from a non-statutory advisory role to a [statutory intervention](#) so that they were empowered to direct rather than guide the Council's improvement activities.

1.13. In February 2023 the IAB issued 39 [instructions](#) to the Council along with deadlines for their achievement. These Instructions, alongside the delivery of the wider actions in the Together for Nottingham Plan have shaped the Council's improvement work over the course of 2023/24. An additional 2 instructions specifically concerning maximising savings in setting of the 2024/25 budget were issued at the end of January 2024.

1.14. The Council responded to the IAB on its delivery against each Instruction as the deadlines became due, IAB meetings were held throughout each year and individual contacts between IAB members and the Council took place. These interactions and response against the Instructions informed the quarterly reports that the IAB provide to DLUHC on the Council's progress.

1.15. The IAB's 3rd report on the statutory intervention noted a mixed picture on progress, with progress in a number of areas, but shortcomings elsewhere and concerns about financial resilience and sustainability, There was a serious concern about failure to address particular weaknesses in finance, transformation and the underlying culture of the organisation in respect of governance and the workforce..

1.16. After consultation in late 2023 and early 2024 the government decided to appoint three Commissioners, including a Lead Commissioner, a Commissioner for finance and a Commissioner for transformation.

Commissioners

1.17. On the 22nd February 2024 the Secretary of State implemented an intervention package replacing the Improvement and Assurance Board with commissioners led by Tony McArdle with new directions allowing the commissioners to exercise a broad range of functions associated with governance, improvement and strategy.

1.18. The intervention comes with a set of Directions, including the requirement to produce an Improvement Plan to the satisfaction of Commissioners. The Council has been working closely and cooperatively with Commissioners, including in the production of a new improvement plan.

1.19. This [plan](#) was approved by the Council on 5th August 2024.

Section 114 (2) Notice (Dec 2021)

- 1.20. The S151 Officer identified a significant issue as part of work to gain financial management assurances. On 15th December 2021 he issued a [S114 notice](#) to all councillors identifying unlawful transactions which had breached the statutory HRA ring-fence. Councillors agreed actions to address the issue at a meeting in January 2022 and further work was commissioned to address remaining issues. This further work was reported in April 2022 extending the financial impact and scope of concern. As a result the Council [decided to insource its housing management function](#), and this was achieved in April 2023. In September 2022 the Secretary of State directed NCC to incorporate the recommendations reported in April into the Together For Nottingham (TFN) plan (completed in October 2022) and allocate resources accordingly.

Section 114 (3) Notice (Nov 2023)

- 1.21. The S151 Officer, on 29th November 2023, issued a [report under Section 114\(3\)](#) of the Local Government Finance Act 1988 because, in his professional opinion, the council was not able to deliver a balanced budget for 2023/24, although this is a legal requirement. In reaching this opinion he considered not only the immediate circumstances faced in the current year, but also the 4-year MTFP (specifically the significant budget gap for 2024/25) and the overall adequacy of reserves.
- 1.22. The S151 Officer, being conscious of the limited financial control environment, instigated significant controls during 2023 through the Finance Improvement Plan to improve clarity and transparency. These support his professional assessment of the Council's financial position. A Financial Intervention Strategy, involving a range of spend control measures, was implemented following forecast overspend. Despite the considerable efforts of the Council since July to manage its position, the operating environment and wider economic context continue to be volatile with small changes in demand disproportionately materialising in large financial pressures. As a result, the funding gap forecast included a multi-million in-year overspend.

Exceptional Financial Support Request

- 1.23. A request for Exceptional Financial Support for the financial year 2023/24 and 2024/25, was made to the Government Department for Levelling Up Housing and Communities and approved. This allowed the Council to set a balanced budget for 2024/25 on 4th March 2025. In practical terms this sought permission to 'capitalise' revenue expenditure so that it is treated as capital expenditure and can be met from the council's capital resources. The final amount and confirmation that the Council can capitalise is subject to a number of conditions and assurance.

Covid-19

- 1.24. The Covid-19 pandemic had an impact on NCC governance arrangements from March 2020. However, with the exception of the financial impact, the 2021-22 governance review did not identify any areas where this gives rise to significant issues of concern. A summary of the council's pandemic response as it impacted on governance in 2021-22 is set out in section 6 of this report.

1.25. In respect of the Protecting People from Covid-19, while the long term impact of the COVID-19 pandemic on the health and wellbeing of Nottingham City citizens, and in particular children and minority ethnic populations, is important to recognise, it is now incorporated into business as usual as part of our approach to addressing health inequalities. The Local Authority Public Health Team is not seeking or in receipt of any additional COVID-19 specific funding. COVID-19 has been removed from our Public Health risk register and we currently have other health protection priorities.

External Audit

1.26. In February 2022 the Council's external auditors [Grant Thornton provided an update](#) in respect of their financial statements audit stating 3 significant weaknesses in respect of 2019/20 and 2020/21 financial statements:

- financial sustainability,
- company governance and
- delays to annual accounts production and finalisation

1.27. The first 2 of these issues are covered within TFN. The 3rd points to resourcing of accounts preparation and strengthening of valuation records.

1.28. In February 2023 [Grant Thornton updated its concerns about arrangements to secure best value](#) by adding 5 new areas considered to be significant weaknesses:

- failure to secure significant improvements in Children's Services,
- significant movements between budget and final outturn in 2021-22
- unlawful transfer from Housing Revenue Account to the General Fund
- lack of management capacity due to recruitment and retention issues
- failure to demonstrate best value through procurement

1.29. These are reflected in the significant issues identified for AGS purposes and the TFN plan, all are considered for AGS purposes to reflect issues present in 2020/21 or to be developments related to these issues.

1.30. Grant Thornton issued a statutory recommendation on 9th February 2024, using the external auditor's powers under section 24 schedule 7 of the Local Audit and Accountability Act 2014, that further savings proposals are developed. The Council has accepted the recommendation.

1.31. As a result of the CIPFA and Penn reports the external auditor determined that a high audit risk of management override existed, which necessitated further assurance from the Section 151 Officer in respect of a number of key financial processes. Ernst & Young (EY) were procured to carry out a review, and a preliminary report identified gaps compared to best practice in some areas. A further concluding report on the Establishing Grip phase of EY work is yet to be reported.

1.32. The Together for Nottingham Plan addressed the significant issues identified in previous Annual Governance Statements and set out a structure, priorities, accountabilities and milestones for improvement incorporating and developing the recommendations made in the Public Interest and Non-Statutory Review reports. The Audit Committee has received updates on progress of the themes of the Together for Nottingham Plan and the IAB instructions during the year.

1.33. [Grant Thornton's Annual Report on Nottingham City Council for the 3 years 2020/21, 2021/22 and 2022/23](#) was issued in March 2024. It sets out Grant Thornton's judgment of significant weakness in each of these years for

- financial sustainability and financial governance,
- governance, and
- improving economy, efficiency and effectiveness

1.34. The report highlighted that whilst some improvements have been made, for all 11 previously highlighted key recommendations further work was required. The 3 areas above are factors within these key recommendations covering

- Financial sustainability including savings schemes, business case development, and budget management and forecasting
- Medium Term Financial Plan
- Recruitment and retention (including pay policy and interim / permanent mix)
- Budget approach and finance skillbase
- Company arrangements
- Companies' strategic purpose, financial needs and risk
- Statutory accounts preparation
- Prioritisation of external audit query resolution
- HRA ringfence and housing subsidiary companies
- Children's services
- Procurement and contract management

1.35. A further key recommendation was made to engage fully and at pace with the improvement and intervention plans developed by Commissioners.

1.36. The report concludes that significant work is still needed and concerns remain in respect of

- financial sustainability
- workforce strategic management
- the effectiveness of internal control.

1.37. A key weakness continuing over the last 2 years has been the level of vacancy and interim resource in the Finance structure.

Key Personnel

1.38. The Statutory Officers are

Melbourne Barrett - Chief Executive (statutory Head of Paid Services)

Clive Heaphy - Interim Corporate Director of Finance and Resources (Section 151 Officer).

From 3 January 2023 Ross Brown took over as Corporate Director of Finance and Resources (Section 151 Officer).

Malcolm Townroe - Director of Legal and Governance (Monitoring Officer).

From May 2024 Beth Brown took over as Director of Legal and Governance (Monitoring Officer).

1.39. Corporate Directors are

People	Catherine Underwood
Growth & City Development	Sajeeda Rose from September 2021
	Wayne Bexton (Interim May-Sep 2021) Chris Henning was the Corporate Director until early May 2021
Residents Services	Frank Jordan from September 2021 (from 2023 Colin Parr)
	David Murray (Interim May-Sep 2021) Hugh White (Interim) until May 2021

1.40. Another key role is

Director of Public Health	Lucy Hubber from June 2021
	David Johns (Interim) Apr-Jun 2021 Alison Challenger until early April 2021

2. Significant Issues Summary

2.1. The following issues have been identified as significant for 2021-22 based on the CIPFA guidance and these are reported in section 4 of this report.

1. Medium Term Financial Strategy (MTFS)
2. Asset Management
3. Companies & Debt Management
4. Capital Programme
5. Governance and Decision Making, including Constitution
6. Organisation & Culture
7. Delivery Options
8. Policy Framework
10. Ofsted Focussed Visit & Improvement Programme
11. Protecting people from Covid-19*
12. Energy & Waste Infrastructure
13. Housing management & HRA ring-fence
14. Delays to annual accounts production and finalisation
15. Oracle Fusion payroll implementation

2.2. Numbering is retained from 2020-21 AGS for consistency. Actions in respect of Issue 9 from 2020-21's AGS were completed in 2021-22 in respect of renewing the Council Plan, whilst updating the policy framework and operating model are incorporated in Issues 7 & 8.

2.3. Additional significant issues were identified for 2022-23.

16. Management override of controls & Finance Improvement Plan
17. Management capacity / recruitment and retention issues
18. Nottingham Castle Trust*

* These issues have now been resolved.

2.4. Significant issues have been covered in the TFN plan and the IAB's 39 statutory instructions. The 2 further instructions clarified expectations in respect of the budget instruction for 2024/25. Delivery of the plan and instructions was monitored by Corporate Leadership Team and the IAB. The new Improvement Plan covers much of the same ground and incorporates new areas and priorities as a result of the statutory intervention and attempts to align strategies, plans and activity to resources.

	CIPFA Guidance							
	Issues	The issue has seriously prejudiced or prevented achievement of a principal objective	The issue has resulted in a need to seek additional funding to allow it to be resolved, or has resulted in significant diversion of resources from another aspect of the business.	The issue has led to a material impact on the accounts.	The Audit Committee, or equivalent, has advised that it should be considered significant for this purpose.	The Head of Audit and Risk has reported on it as significant, for this purpose, in the annual opinion on the internal control environment.	The issue, or its impact, has attracted significant public interest or has seriously damaged the reputation of the organisation.	The issue has resulted in formal action being taken by the Chief Financial Officer and/or the Monitoring Officer.
Financial Resilience	1.MTFS	✓	✓	✓	✓	✓	✓	✓
	2 Asset Management	✓	✓	✓		✓	✓	✓
	3 Companies		✓	✓	✓	✓	✓	✓
	4 Capital Programme & Debt Management	✓	✓	✓	✓	✓	✓	✓
Delivery Enablers	5 Governance and Decision Making , including Constitution	✓				✓	✓	✓
	6 Organisation & Culture	✓	✓	✓	✓	✓	✓	✓
	16 Management override of controls & Finance Improvement Plan	✓		✓	✓		✓	
	17 Management capacity / recruitment and retention issues (from 2022/23)	✓			✓		✓	
Transformation of Delivery	7 Delivery Options		✓	✓		✓	✓	
	8 Policy Framework	✓			✓	✓	✓	
Council Plan Delivery Issues	9 A new Council Plan	Completed in 2021-22						
	10 Ofsted Focussed Visit & Improvement Programme	✓	✓		✓	✓	✓	
	11 Protecting People from Covid-19	✓	✓			✓	✓	
	12 Energy & Waste Infrastructure		✓			✓		

	CIPFA Guidance							
	Issues	The issue has seriously prejudiced or prevented achievement of a principal objective	The issue has resulted in a need to seek additional funding to allow it to be resolved, or has resulted in significant diversion of resources from another aspect of the business.	The issue has led to a material impact on the accounts.	The Audit Committee, or equivalent, has advised that it should be considered significant for this purpose.	The Head of Audit and Risk has reported on it as significant, for this purpose, in the annual opinion on the internal control environment.	The issue, or its impact, has attracted significant public interest or has seriously damaged the reputation of the organisation.	The issue has resulted in formal action being taken by the Chief Financial Officer and/or the Monitoring Officer.
	13 Housing Management & HRA ring-fence	✓	✓	✓	✓	✓	✓	✓
	14 Delays to annual accounts production and finalisation	✓	✓	✓	✓	✓	✓	
	15 Oracle Fusion payroll implementation		✓			✓		
	18 Nottingham Castle Trust (from 2022/23)	✓	✓	✓			✓	

3. Action Plan: Governance Challenges for Future Years

The review of governance arrangements has identified the main areas where the Council will need to focus its efforts during future years, to address changing circumstances and the challenges identified. Areas 1-8,10 and 13-14 are set out in the Council's [Together for Nottingham \(TFN\) Plan](#) and for the Council Plan Delivery Issues the action plan below. Completion or substantial progress against these objectives is due by the dates shown against each action.

Ref	Action	Responsibility		Proposed timeline
		CLT	Directors or Heads of Service	
1-8	As set out in the Together for Nottingham (TFN) Plan			
9	Executive to renew the Council Plan and submit to Council for approval	Executive & CLT		Sep 2021 Complete - to be renewed Mar 2023
10	Completion of Ofsted Action Plan and delivery of sustainable social work resource levels that deliver on	Corporate Director for People	Director of Children's Integrated Services	Ongoing – majority of actions to Apr

Ref	Action	Responsibility		Proposed timeline
		CLT	Directors or Heads of Service	
	the Council's statutory obligations in respect of children and families Continue to provide assurances to Children's Improvement Board and to CLT, Leadership Group, Executive Panel, Executive Board, and the Children's and Young People Scrutiny Committee			2023 with some actions ongoing to Jan 2026
11	Continued monitoring of government guidance, assess impact on citizens and employees and complete detailed risk assessments for any reinstatement of services with particular regard for BAME staff and citizens. Implementation of Local Outbreak Control Plan if appropriate	Chief Executive & Leader	All Directors & Heads of Service	Complete Continue to monitor health inequality
12	Review and develop future strategy including funding model for energy & waste infrastructure and long term district heating strategy for the city	Chief Executive	Corporate Director of City Development & Growth Corporate Director of Finance and Resources	Ongoing
13	HRA Action Plan incorporated into the TFN Plan	Chief Executive & Leader	Corporate Director of City Development & Growth Corporate Director of Finance and Resources	
14	Action to agree plan to complete statutory audits with external auditor included in TFN plan	Chief Executive	Corporate Director of Finance and Resources	Ongoing
15	Payroll / HR stabilisation project	Corporate Director of Finance and Resources	Director of HR & EDI	Ongoing
18	Review financial processes and deliver a financial improvement plan	Corporate Director of Finance and Resources	Director of Finance	Ongoing
17	Temporary resource, improve establishment control, create Talent Acquisition & Resourcing team in	Corporate Director of Finance and Resources	Director of HR & EDI	

Ref	Action	Responsibility		Proposed timeline
		CLT	Directors or Heads of Service	
	HR, recruitment/talent pipeline, coordinated promotion of employment package, pay policy revision			
18	Managed response to closure of Nottingham Castle Trust	Corporate Director of Communities, Environment & Resident Services	Director of Sport, Culture & Tourism	Complete

4. Significant Issues position

Improvement Plan Theme 1 - MTFS

- 4.1. In 2021/22 the Transformation Programme was considered to be the Council's key strategy for achieving long term service and financial sustainability and was expected to close the future budget gaps.
- 4.2. The Chief Finance Officer (CFO) statement as to the Robustness of the Budget and Adequacy of reserves concluded that the

“budget was robust and that the level of reserves was adequate. However, it is important to note that the environment in which the Council operates has been challenging for a number of years as a result of the Government period of austerity and the impact this has had on the Councils funding position and the level of reserves it holds. There is extreme uncertainty particularly around future levels of funding with the government's Final Settlements continuing to confirm single years for 2022/23 and 2023/24.”
- 4.3. Having received Secretary of State approval to capitalise £20m of costs to maintain financial resilience in 2020/21 the CFO stated that an envisaged further £15m capitalisation request for 2021/22 to fund a comprehensive change programme was not needed due to
 - A significantly improved in-year monitoring position for 2021/22 and a forecast underspend of £5.1m
 - An improved financial position resulting from the Local Government Finance Settlement
 - A review of earmarked reserves and the ability to create sufficient reserves to fund transformation
 - Robust business cases that will lead to the delivery of ongoing transformation savings of £18.5m per annum from 2025/26
- 4.4. The actual pre-audit outturn was an underspend of £13.9m prior to reserve adjustments.
- 4.5. The issuing of the S114 notice in relation to HRA activity however created a non-recurring call on reserves that was not previously planned for. Arrangements

were made to fund this through flexible use of capital receipts. This has more recently been revised to replenish the HRA reserves over a number of years.

- 4.6. The Council like all local authorities, has been operating in an extremely volatile and challenging financial environment due to adverse national and global events outside its control. This resulted in inflation reaching over 10% during the course of the 2022/23 financial year which was unforeseen at the point the 2022/23 budget was set by Council in March 2022.
- 4.7. Furthermore the Council has been affected by long term impacts upon service demand and income from the COVID pandemic, undeliverable savings, and impacts of the HRA review.
- 4.8. On the 7th October 2022, the S151 Officer re-introduced spending controls with immediate effect. These controls were mandatory and required to be followed by all officers and members without exception. The controls extended further than those introduced in 2021/22 and the outcomes of the controls were to be reported and monitored. Clear categories of exemption including provision of statutory duties at minimum reasonable level to be validated by the relevant Corporate Director were set out in the communication to colleagues.
- 4.9. A review of budgets was commissioned and budgets were reduced by £3.3m overall.
- 4.10. July 2022 Executive Board approved the Council's Financial Reserves Policy, and this was replaced with an updated policy in February 2023.
- 4.11. The policy covers the principles for when reserves will be held, the appropriate categories for reserves, S151 recommended minimum levels of reserves and criteria for the release of reserves. All reserves have been subject to a quarterly S151 / Deputy S151 approval prior to movements being actioned and are part of the monitoring and budget process.
- 4.12. The Budget Robustness Statement Annex to the MTFP in February 2023 set out the need to replenish the Financial Resilience Reserve, which is used to manage risks which cannot be managed within departmental budgets, and set out a mechanism to do so within the Financial Reserves Policy.
- 4.13. In June 2023 the Council mobilised a Financial Intervention Strategy after it emerged that a significant overspend was forecast. Further developments are included in this statement at 1.19 .

Improvement Plan Theme 2 - Asset Management

- 4.14. The Council sets out its aims and objectives for asset management in the Capital Strategy. It maintains an Asset Rationalisation Programme (ARP) which is governed by the Asset Rationalisation Board. The aim of the programme is to review the Council's operational and non-operational assets, identifying any assets for potential disposal. Any available capital receipts generated from the ARP will be pooled and used to meet the Council's current commitments including debt reduction and the repayment of reserves. Capital receipts will not generally be hypothecated against individual projects and only then, with the express consent of the Section 151 officer.

- 4.15. The investment property portfolio is also being reviewed with a view to liquidating those assets that do not provide the required return or carry an unacceptable current or future risk to the Council
- 4.16. The Council's has a disposals policy which provides the framework for asset disposals and confirms the Council policy to dispose of assets at best consideration (usually market value) to maximise the capital receipts. It will also consider other forms of asset management (such as the transfer of some heritage buildings to trusts to achieve a service objective) but a robust and comprehensive options appraisal is required to ensure best consideration.
- 4.17. The Strategy sets out the approach to Property Assets as:
- a. regular review of the portfolio to identify assets that can be released with the capital receipts used to support capital programme expenditure.
 - b. lower the operating costs of the property portfolio through release of poorly performing or surplus assets
 - c. support the provision of integrated access to public services through joint working with partners to create multi-agency service facilities
 - d. identify and exploit the latent value of the estate with emphasis on site utilisation or where opportunities to generate income/ value from alternative uses can be realised
 - e. minimise future liabilities to the Council by reducing the backlog maintenance and/or lowering its overall carbon footprint by releasing buildings which are poorly performing in terms of CO2 emissions or maintenance unless they are service critical; to improve their sustainability
 - f. challenge utilisation and use of the portfolio, including buildings let on concessionary terms to occupiers.
- 4.18. The Council's Improvement and Assurance Board in its fourth quarterly report to the Secretary of State (Nov 2021) said
- The work undertaken in recent months has been encouraging and there is now in place much more rigorous asset disposal processes which have led to a more focused asset sales programme in support of the Council's voluntary borrowing cap and, ultimately, the reduction in its very high level of debt.
- Its fifth and sixth reports noted concern over the lack of capital receipts of scale to fund significant new investment involving the District Heating station and Broadmarsh from 2023/24. More recent reports draw attention to the impact of the change in the market on likely capital receipts to fund transformation, which were forecast at £18.4m over the period 2022/23 to 2026/7.
- 4.19. The Council's expectations for funding from Capital Receipts are set out in MTFP reports to Executive Board, which continue to monitor and reflect management this source of funding. The Property and Economic Development division continue to manage an Asset Rationalisation pipeline, to manage the risks in this activity.

Improvement Plan Theme 3 - Companies

Group Governance Arrangements

4.20. Grant Thornton reiterated their concern about weakness in company governance in their February updates to Audit Committee in 2022 and 2023 and in March 2024.

4.21. The Companies Governance Executive Committee receives updates on individual companies and companies governance as part of its programme of meetings. In March 2022 a report to Companies Governance Executive Committee noted that a shareholder unit was operating using temporary resource but that a permanent team was to be created. Posts were established and approval to recruit was obtained. The establishment of the shareholder unit was a key deliverable under the [TFN Plan](#) and was an area of focus for the IAB who stated in a report:

The failure to resource the commercial team in a timely fashion has primarily been a result of market conditions, but also due to shortcomings in the Council's policies and procedures that are now being addressed.

4.22. The TFN plan identified three overarching projects for companies:

- Project 1: Commercial Strategy: Maximising the benefit of Council companies offering reasonable levels of assurance of financial returns through an overarching commercial strategy (following Guiding Principles developed with CIPFA). Management of in-housing.
- Project 2: Company Governance: Review and revise the governance arrangements of Council-owned companies (split between this theme and the Constitution theme). Procedures have been drafted and were being reviewed to confirm how they will be incorporated into the Constitution.
- Project 3: Council-owned Company Review: Informed by CIPFA's independent analysis, making decisions on whether to maintain, revise focus, in-house or divest from Council companies. Enviroenergy business activities were transferred in house in 2022, and NCH and NRB activities returned in-house from April 2023. Further work continues.

4.23. Formal learning has been provided to councillors acting as our Company Directors through the Institute of Directors (IoD).

4.24. Decisions have been taken on several companies with Enviroenergy, NCH and NRB being in-housed and Thomas Bow sold. Further decisions are to be made in 2023.

Improvement Plan Theme 4 - Capital Programme & Debt Management

Capital programme

4.25. A review of the Council's Investment portfolio has been completed and recommendations for disposal were being brought forward.

4.26. Key activities included: -

- A full review of the capital programme to remove de-prioritised schemes and add in future liabilities (for example around District Heating and the former Broadmarsh Shopping Centre) and temporarily decommission

certain schemes until such time as available capital resources can be secured and made available.

- Compliance with the Council's Voluntary Debt Reduction (VDR) Policy to reduce Council debt to a sustainable level.
- A maturing of the capital prioritisation process and the separation of spending and funding decisions.
- Providing a strengthened Governance and Control Framework and ensuring that this is put into practice across the Council.

4.27. The initial successes of the Asset Rationalisation Programme and the delivery of significant capital receipts contributed towards an improved position for the funding of the Capital Programme on previous years with reduced borrowing requirements. It had been a key success factor in reducing borrowing and consequently reducing spending to support debt.

4.28. The Capital Strategy sets out the parameters for the capital programme, including the approach to governance, risk and control of the programme and is updated annually.

4.29. The [Capital Strategy approved in February 2023](#) set out that the Council would maintain a measured approach to risk, particularly in relation to:

- The use of alternative models (e.g. Private Sector) for the delivery of capital investment.
- Continued application of the VDR policy with no new debt proposed except for existing commitments.
- Caution in incurring other long-term liabilities.
- Capital investment which generates a financial return on the basis it does not fall foul of the debt for yield criteria.
- Capital receipts that are currently unsecured.
- The future use of capital receipts flexibilities to fund operational activities that would normally be considered revenue and leading to securing revenue savings.

Stating that,

- Such proposals will, as far as practicable, be subject to the same evaluation process as for any capital scheme.
- Projects will be managed via a clear gateway process to progress through various stages starting with an outline project brief and finishing with a lessons learned report with an on-going cycle of review and outcome testing.

Broadmarsh shopping centre

4.30. The Broadmarsh West masterplan has been developed and will be reviewed in light of the outcome of the wider decisions over the development of the Broadmarsh Centre area. However, in February 2023 the MTFP report to Executive Board reported that £2.1m Broadmarsh Redevelopment, master planning work previously capitalised needs to be written out to revenue under proper accounting practice rules. The former Castle College site is being used for a 'meanwhile use' for the next 2 years, which means substantial marketing and regeneration of the area will begin part way through the lease to ensure a quick disposal.

4.31. The creation of new public realm is progressing to programme. The new Central Library opened in November 2023. A lease to part of the site has been sold to allow development of a Community Diagnostic Centre.

Improvement Plan Theme 5 - Governance and Decision Making, including Constitution

4.32. The Council's new [Constitution](#) came into force from 1st October 2021 after approval by full Council in September 2021, with an update in respect of officer delegations in December 2022.

4.33. Individual Portfolio Holder responsibilities were reviewed in order to create a structure that better aligns with the senior management of the Council and reduces overlap. Portfolio Holder / Executive Member responsibilities have had further realignments each year since 2021.

4.34. The Council has also reviewed its Member Development Programme in order to ensure that there is appropriate councillor development activity which builds on their existing knowledge, community links and skills base. Specific training was provided to Audit Committee and Overview and Scrutiny Committee members.

4.35. The Overview and Scrutiny Committee approved a [Scrutiny Action Plan](#) in response to the Centre for Governance and Scrutiny review of the Overview and Scrutiny function and a new [Scrutiny Protocol](#) was adopted in March 2022. The Committee receives progress updates on the TFN Plan every two months.

Improvement Plan Theme 6 - Organisation & Culture

4.36. Theme 6 addresses the organisation's structure and culture and its scope includes:

- Setting a clear and updated performance management framework starting at the Chief Executive (aligned with the Strategic Council Plan) and cascading down across the Council – a new approach was set out with full implementation intended in 2022/23.
- Simplifying the officer structure – a new senior officer and set of directorate structures have been in place since November 2022.
- Creating and delivering an extensive culture and workforce development programme to ensure that the changes in the Recovery and Improvement Plan are embedded along with the new ways of working that are enshrined within them. The programme includes
 - A manager development programme focussing on responsibilities and behaviours
 - An accelerated development programme to increase representation among underrepresented groups at all levels in the Council through personal development
 - A change academy to develop colleagues as change agents to support services in delivering change
 - A transformational leadership programme to support colleagues to become future transformational leaders
 - A councillor development programme

4.37. A performance management system was introduced within the Council's Oracle Fusion ERP system from 2022/23.

4.38. These developments will be monitored and continued.

Improvement Plan Theme 7 - Delivery Options

4.39. Theme 7 of the Recovery and Improvement plan is focused on the transformation of service models in order to achieve outcomes for citizens in an effective and efficient way. The Council's [Transformation Programme](#) was developed to respond to this challenge.

Transformation activity has so far focused on:

- Adult Social Care - addresses the challenges of increasing demand, workforce retention and financial pressures. The programme is designed to work towards delivering the outcomes from the Social Care Futures enquiry.
- Children's Social Care - whole service transformation across Early Help (EH), through Child in Need (CIN), Child Protection (CP) to Children in Care (CIC) designed to improve the outcomes of Nottingham's young people and families through a new operating model
- Procurement – Taking opportunities to better manage expenditure with specific third parties, and a new operating model for commercial, commissioning, procurement and contract management work
- Customer First* - work across the whole council with the aim of rapidly improving key customer services through a programme of process redesign and simplification based around customer needs, including digital channels providing 24/7 access to services where appropriate
- Business support* – simplifying, standardising and automating the way in which the Council delivers business support activities

* These last 2 programmes merged recently

4.40. Transformation is managed in order to deliver cumulative savings. Overview and Scrutiny Committee received a number of updates on Transformation including the [Customer First](#) programme, whilst Audit Committee received assurances in relation to [Transformation Programme governance, risk and control](#).

4.41. The Improvement and Assurance Board in their final report remained concerned about

- weaknesses highlighted in the Finance Improvement Programme, particularly in relation to prospective business cases for transformation and their impact on developing affordable services
- the impact of the change in the market on likely capital receipts to fund transformation

Improvement Plan Theme 8 - Policy Framework

4.42. A new [Strategic Council Plan](#) was agreed in September 2021. [Performance Management Framework arrangements](#) include performance measures on both the Strategic Council Plan, and additional metrics outside of the Council Plan. These metrics were proposed by Directors and Heads of Service to include a mix of statutory duties and strategic indicators that give the best overview of their key

responsibilities, priorities and 'business as usual' work. This will better inform the Council's leadership of performance across key service areas.

- 4.43. The new policy framework and refreshed Strategic Council Plan 2021-23 (SCP) included all of the Council's activities to ensure that the whole of the organisation's performance is visible and managed through the governance and accountability frameworks. Activities from each division were included in the new SCP and regular reporting to Overview and Scrutiny Committee, and annual reports to Audit Committee were put in place.
- 4.44. The [Strategic Council Plan 2023-27](#) was approved in March 2023 by the Council and [refreshed in March 2024](#) by the Council.
- 4.45. Divisional Performance Clinics enabled review of performance in association with financial, risk and workforce plans during 2023/24, however performance specialist support for these is not resourced in 2024/25.

Ofsted Focussed Visit & Improvement Programme

- 4.46. Three successive Ofsted visits identified need for improvement in the Council's Children's Services. In November 2018, a full inspection found that the service 'Requires Improvement to be Good'. In February 2020, a Focussed Visit looking specifically at arrangements for children in need and those subject to a child protection plan, with a focus on children at risk of neglect found the experience of children had deteriorated since the 2018 inspection. In July 2022 [an inspection](#) found the same service areas to be inadequate because serious failures left children at continued risk of harm when they were first presented as in need of support. It found 8 specific areas for improvement.
- 4.47. The 2022 report was clear that whilst some progress has been made against previous priority actions, this progress has been too slow, and some other areas had deteriorated, meaning that children in the City did not yet receive a consistently good service and for some children at risk of harm this was not recognised quickly enough. The majority of children waited too long for decisions to be made regarding next steps when information had been received in the Multi-Agency Safeguarding Hub (MASH), meaning that some children who had met threshold for social care intervention waited up to six weeks to be seen by a social worker. As an immediate action, scrutiny of current Children in Need cases was undertaken to ensure that there was robust management oversight, decision-making was appropriate and that timely action had been taken to address any drift or delay identities.
- 4.48. The inspection feedback identified greater impact on practice from the new leadership team, and a developing culture promoting good practice through high support and high challenge. However, the feedback was also clear that the scale of required improvements remained substantial, and the pace of change needed to quicken for all areas of the service to provide safe and consistently good services for children.
- 4.49. Children's Services revised its improvement plan to address the eight areas of improvement as well as other areas of focus identified within the inspection report to continue to secure whole system improvement. Delivering the improvements

set out in the plan was a priority for the Council, and as part of this improvement actions were set out in [a report to Executive Board in September 2022](#).

- 4.50. The [improvement plan](#) was accepted by Ofsted and monitored through the Children at the Heart Improvement Board, chaired by an independent Department for Education Improvement Advisor. Progress made is reported to Children & Young People Scrutiny.
- 4.51. Ofsted has been published the [results of completing Monitoring Visits](#) as part of plan monitoring. The latest published report notes that despite whole-service developments across children's services, the children in care service remains the weakest service area which service leaders acknowledge.

Protecting people from Covid

- 4.52. The Council prioritised protection of its citizens and employees during the COVID-19 recovery noting a disproportionate impact on BAME communities. The COVID work streams led the response and recovery to the pandemic. Risk assessments with mitigations were completed for Covid specific risks and departments identified and managed existing risks impacted by the pandemic through their established risk management processes. Regular communication was provided to citizens and employees to advise of the live situation and the Council continues to monitor government guidance, assess impact on citizens and employees and complete detailed risk assessments for any reinstatement of services with particular regard for BAME staff and citizens.
- 4.53. The Council worked closely with Nottinghamshire County Council and the District and Borough Councils to develop local arrangements, with aligned operating procedures and shared structures where possible, and working with other partners and the Local Resilience Forum.
- 4.54. The Council published a Local Outbreak Control Plan updating on preventing and responding to outbreaks of Covid-19 in Nottingham, learning from experiences over the previous 12 months and looking ahead to ensure appropriate levels of ongoing activity over the longer-term.
- 4.55. In response to the presence of 'variants of concern' in Nottingham, 'targeted testing' was undertaken. The Council drove uptake of both vaccination doses in Nottingham City, following a Public Health England (PHE) study which confirms the current vaccines remain highly effective against the more recent variants.
- 4.56. The Deputy Director of Public Health Reports that in 2023/24 the issue has been downgraded: In respect of the Protecting People from Covid-19, while the long term impact of the COVID-19 pandemic on the health and wellbeing of Nottingham City citizens, and in particular children and minority ethnic populations, is important to recognise, it is now incorporated into business as usual as part of our approach to addressing health inequalities. The Local Authority Public Health Team is not seeking or in receipt of any additional COVID-19 specific funding. COVID-19 has been removed from our Public Health risk register and we currently have other health protection priorities.

Energy and Waste Infrastructure

- 4.57. A business case and technical review to support a contract extension with the Eastcroft incinerator has been undertaken. Issues remain with the high cost and pressing need to maintain the existing network along with ongoing negotiations

as to the possible development of a 3rd line at the plant. This is a key action to deliver in the Carbon Neutral Nottingham 2028 action plan.

- 4.58. In December 2023 the [Executive agreed to set up and resource a Waste Transformation Board](#) to support delivery of affordable improvements to statutory Waste Collection and Waste Disposal Authority services. The terms of reference of this board decouple the statutory waste duties from discretionary district heating system provision if best value cannot be achieved.

Further Issues (new issues)

Housing management & HRA ring-fence

- 4.59. As noted in 1.18 above housing management was insourced and Nottingham City Homes colleagues transferred to Nottingham City Council on 1st April 2023.

Delays in finalisation of annual accounts

- 4.60. As noted in 1.25 above this relates to resourcing of financial accounting and the quality of valuation records both of which are being addressed in order to prevent further delay and address the backlog in completing financial statements. This can only be achieved in sequence with external audits required for each set of annual accounts. The government consulted on backstop arrangements for concluding local government accounts in February 2024 and the Council has been working to meet the accounting deadlines in the consultation. The Audit Committee has sought and received regular updates on progress from the Corporate director, the Director of Finance and Grant Thornton.

Oracle Fusion payroll implementation

- 4.61. The new Oracle Fusion system has some implementation issues that are affecting the quality of payroll and some reporting functionality. EMSS have an HR/Payroll stabilisation plan running in conjunction with the implementation partner.

Management override of controls & Finance Improvement Plan

- 4.62. During 2022-23 the Corporate Director of Finance appointed consultants Ernst & Young to review the implementation and operation of key financial controls at the Council. Their report identified significant weaknesses and gaps in control which are being addressed by a Finance Improvement Plan. The Audit Committee has sought and received regular updates on its progress.

5. Post balance sheet events and developments

- 5.1. These events have had a significant impact on the Council and or its governance system including understanding of activities in 2021-22 and subsequently. The reasons for this are detailed in the narrative to the financial statements as part of the Statement of Accounts. and

- Commissioners were appointed by the Secretary of State in February 2024
- The Nottingham Castle Trust was declared insolvent in November 2022 and a liquidator was appointed

6. Impact of the Covid-19 Health Emergency on the Governance Framework

- 6.1. The emergency was declared on 16th March 2020 and various legislation was brought in to regulate society and help the country weather the impact of the virus and lead to recovery. The emergency impacted on governance from March 2020 and continued as a significant factor in relation to how the Council has done business and its priorities during 2021-22.
- 6.2. Government enacted legislation, enabling councils and their committees to meet and take decisions virtually, lapsed without extension by the government in May 2021. The Council had implemented a system which enabled virtual meetings to take place between May 2020 and 7th May 2021. Meetings were subsequently held in venues and rooms where social distancing could be followed with limited officer attendance.
- 6.3. The Council has continued to keep its managers and staff updated in relation to working safely during coronavirus. The majority of council staff and councillors continued to work from home, using existing IT infrastructure, with limited visits to offices. Key workers continued to work safely using PPE and took additional measures according to the guidance prevalent including elections staff supporting the Police & Crime Commissioner election on Thursday 6 May 2021. The Council determined to take a longer phased approach to removing protections and these remained in place for the whole of 2021-22. The Council also decided to normalise some of the practices put in place in order to protect colleagues and citizens, for example good ventilation, protective screens and good hand hygiene measures.
- 6.4. The Council made difficult decisions about its programmed events including cancellation of those events where numbers, access and spacing could not be controlled in accordance with the guidance in place.
- 6.5. In October 2020 the [Council Plan Covid-19 Supplement](#) was agreed by the Executive Board, setting out how the Council had responded and further activities that would be taken forward during the period that the pandemic remained a key issue facing the city.
- 6.6. The Council has used its systems and information in line with government requirements to ensure that businesses were provided with timely support, and grant payments. Government additional funding for discretionary support and mandatory support has been distributed to householders through the Council Tax system.
- 6.7. In order that the financial impacts of the emergency could be better understood, the S151 Officer required additional financial analysis and monitoring to be undertaken from April 2020 onwards.

7. Responsibility of NCC and Purpose of the Governance Framework NCC Responsibility for Implementing Good Governance

- 7.1. Nottingham City Council (NCC, the Council) is responsible for ensuring that its business is conducted in accordance with the law and standards and that public money is safeguarded, properly accounted for, and used economically, efficiently

and effectively. The Council also has a best value duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

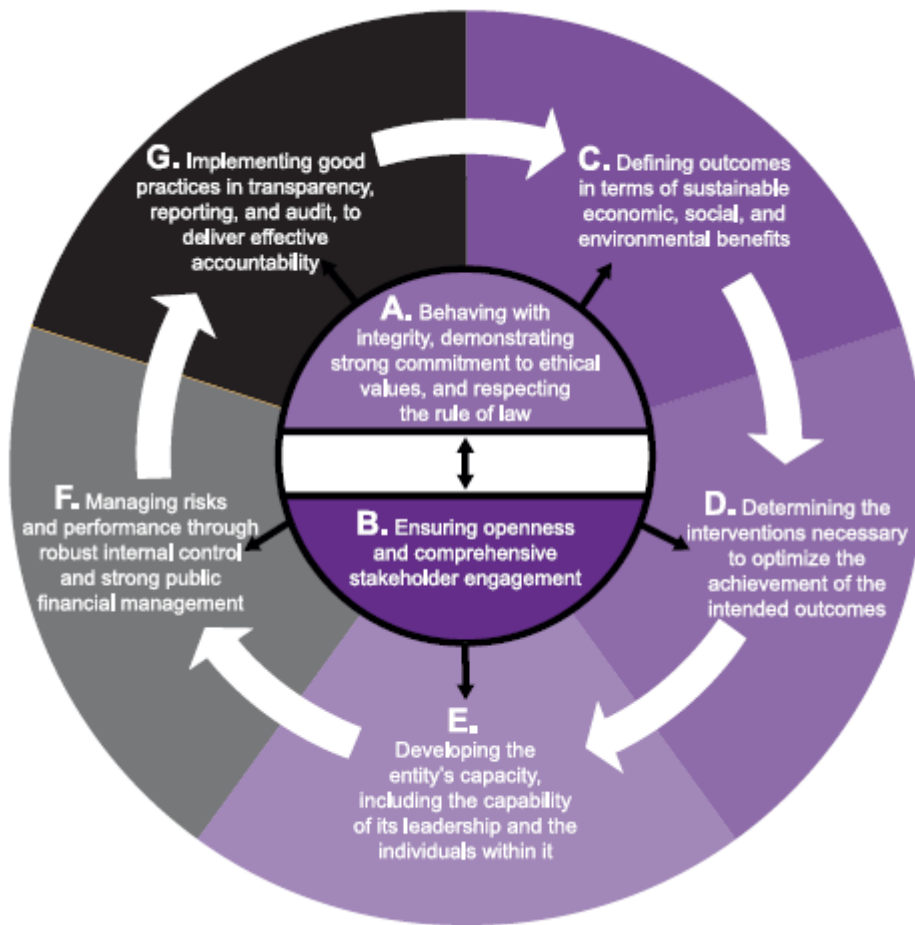
- 7.2. In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions, and effective delivery of its powers and duties, this includes arrangements for the management of risk, and a sound system of internal control.
- 7.3. The Council approved and adopted a code of corporate governance consistent with the principles of the 2016 CIPFA/SOLACE Framework Delivering Good Governance in Local Government publication.
- 7.4. This statement explains how the Council has complied with the code in 2020/21 and also meets the requirements of the Accounts and Audit (England) Regulations 2015, which require all relevant bodies to review their system of internal control and prepare an Annual Governance Statement. It reports on
 - The governance system as it applied during the financial year 2020/21 including group activities.
 - Significant events or developments relating to the governance system that have occurred between the year-end and the date on which the Statement of Accounts is signed by the responsible financial officer.
- 7.5. In addition, the CIPFA Code of Practice on Local Authority Accounting requires reference to and assessment of the effectiveness of key elements of the governance framework, including:
 - group activities where the activities are significant,
 - the role of those responsible for the development and maintenance of the governance environment such as
 - the authority,
 - the executive,
 - the audit committee
 - others as appropriate including shareholder representatives.
- 7.6. Good governance helps the Council to set its objectives and achieve them efficiently and deliver value for money for the tax payer.
- 7.7. The guidance for implementing good governance was updated in 2016 by CIPFA / SOLACE to reflect a revision to the International Framework in 2014.

8. The Governance Framework

Governance principles & how NCC aims to meet them

- 8.1. The diagram below, taken from the International Framework, illustrates the various principles of good governance in the public sector and how they relate to each other.

Achieving the intended outcomes while acting in the Public Interest at all times

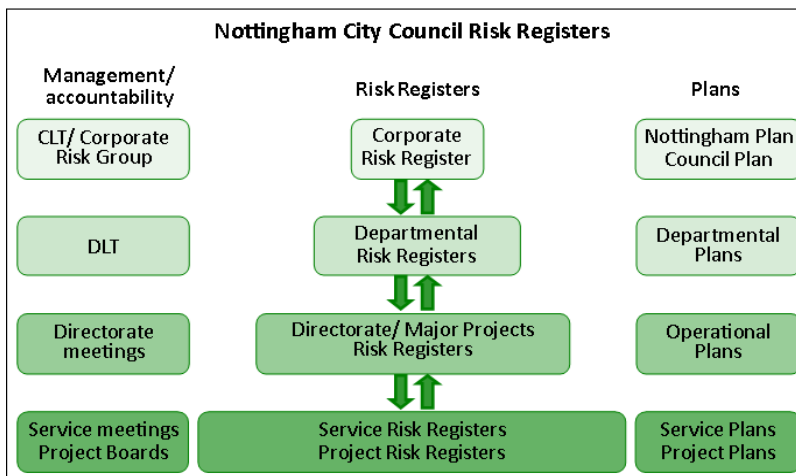


8.2. Various arrangements are in place to ensure that the Council complies with the local code of corporate governance. Some of these are listed in the table below.

<u>A. Behaving with Integrity</u>	
Councillor / Co-opted Member Code of Conduct	Employees' Code of Conduct
	Scheme of Delegation
Councillor / Officer Protocol	Performance Appraisal Process
Counter Fraud Strategy	Declaration of Related Party Transactions
Registers of Interests, Gifts & Hospitality	Confidential Reporting Code (Whistleblowers' Code)
Data Protection Protocols	
<u>B. Openness and Engagement</u>	
Customer Charter	Consultations
Comments, Compliments and Complaints Policy (Have Your Say)	Open Data Nottingham
	Citizens' Panel
Freedom of Information arrangements	
<u>C. Defining Outcomes (decision making)</u>	
2050 Vision	Constitution including <ul style="list-style-type: none"> • Decision Making (Art. 7) • Executive Arrangements (Art.10) • Standing Orders (Art. 12) • Financial Regulations (Art. 17) • Contract Procedure Rules (Art. 18)
Strategic Council Plan	
Budget and Policy Framework	
Business plans / Service plans	
Decision-making records	
Commercial Principles for Strategic Decisions	
<u>D. Interventions</u>	
Budget Monitoring	Finance Improvement Plan
Performance Management Framework	Responding to the Non-Statutory Review, the Report in the Public Interest, and S114 Report and implementing the Council's Action Plan (TFN Plan)
Early Interventions	
Council Plan Covid Supplement	
Transformation Benefits Management Framework	
<u>E. Capacity and Capability</u>	
Member Induction & Training	Officer Induction
Board Training	Data Academy
Performance Appraisal	Change Academy
Peer Review	Learning Zone
<u>F. Risks and Performance</u>	
Financial Regulations	Risk Management Framework
Medium Term Financial Plan	Counter Fraud Team
<u>G. Effective Accountability</u>	
Annual Financial Statements	Improvement and Assurance Board
Nottingham Plan Annual Report	External Audit and Inspection

8.3. The following diagrams show a sample of core processes work and principles in operation during 2021-22.

Risk Reporting and Escalation Process



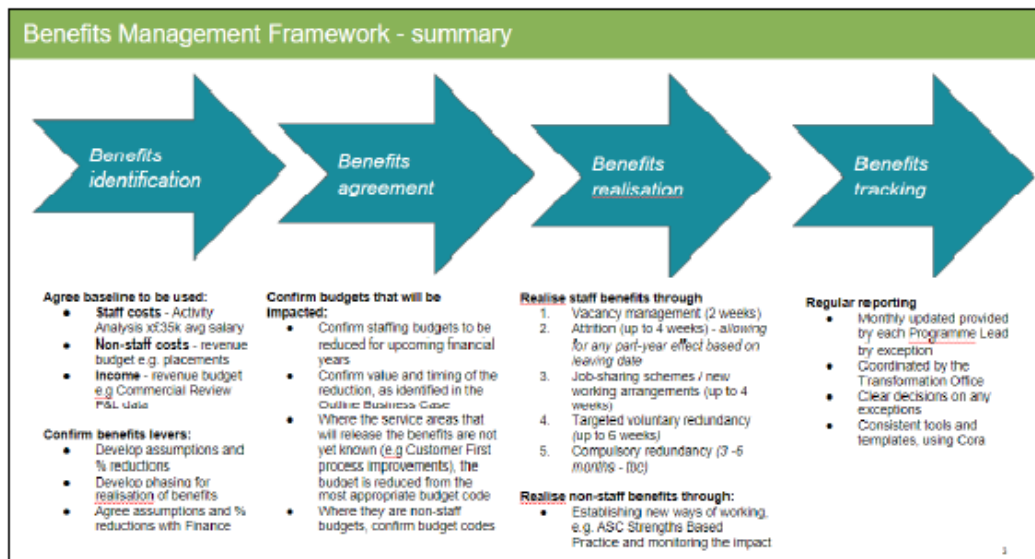
Governance Reporting Regime for Capital



Business Case Process



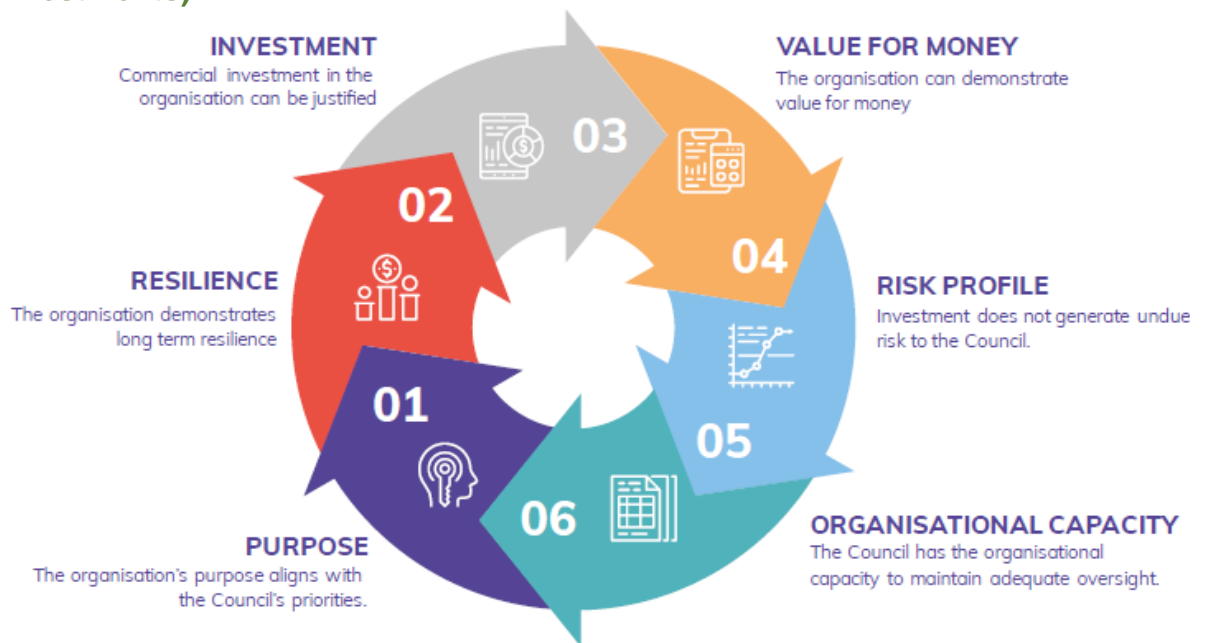
Transformation Benefits



Financial Management



Commercial Principles for Strategic Decisions (for Group Company investments)



9. Review of Effectiveness Review Process

9.1. The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework, including the system of internal control. The review of effectiveness is informed by the work of the Corporate Directors within the Council who have responsibility for the development and maintenance of the governance environment, Statutory Officers, key colleagues, the Head of Internal Audit's annual report, and by comments made by the external auditors and other review agencies and inspectorates. The review also looks at governance arrangements undertaken within its group members and significant partnerships.

Internal Audit & Head of Audit & Risk (HoIA) Opinion

- 9.2. In 2021/22, the HoIA maintained processes complying with the governance requirements set down in the CIPFA Statement on the role of the Head of Internal Audit. The service met the requirements of the Account and Audit Regulations 2015 and the Public Sector Internal Audit Standards (PSIAS).
- 9.3. The mandatory Public Sector Internal Audit Standards require the HoIA to give an opinion and report to support the City Council's Annual Governance Statement. Corporate Directors are responsible for ensuring that proper standards of internal control operate within their directorates.
- 9.4. The Internal Audit service works to a risk based Audit Plan agreed with Corporate Directors and agreed by the Committee. Reports in respect of all reviews have been issued to the responsible colleagues, together with recommendations and agreed action plans. Report summaries have been provided to Audit Committee and implementation of actions is tracked.
- 9.5. Throughout 2021/22, the HoIA continuously reviewed the significant challenges and risks associated with the Council's operations and allocated the necessary

resources, to form his opinion on the Council's governance arrangements. In forming his opinion, the HoIA reviewed all the Internal Audit reports issued in 2021/22, and drew upon available external sources of assurance from independent review bodies and internal assurance mechanisms to help him identify and assess the key control risks to the Council's objectives. Other sources of assurance included the AGS Statement, the Ombudsman Report, CIPFA and Penn reports on HRA ring-fence, Improvement and Assurance Board reports, and Grant Thornton's reports (the Council's external auditor). External assurance sources such as OFSTED, and the Care Quality Commission have been reviewed, and where necessary further information has been sought, in order to assess these assurances.

- 9.6. The HoIA has given an overall limited level of assurance for this AGS. No systems of control can provide absolute assurance, nor can IA give that assurance. Internal Audit experience, covering financial systems, risk and governance, and the concerns raised by the Improvement and Assurance Board, CIPFA and Penn, OFSTED, by the External Auditor in his reports, and by further reports and developments after the balance sheet date lead the HoIA to conclude that whilst many internal control systems were operating effectively in 2021/22 within the Council, its significant partners and associated groups – the areas of weakness identified under significant issues (section 2) lead to an overall limited level of assurance.

External Audit

External Audit of 2019/20 Statement of Accounts

- 9.7. The external audit for 2019/20 is ongoing, awaiting the outcome of independent valuations of a group of specialist assets, and associated updates to the 2019/20 accounts. Grant Thornton has regularly reported on progress and made interim conclusions to the Audit Committee earlier in 2022. Links to their report in February 2022 and their Interim Value for Money report in February 2023 setting out their concerns are included below.

[Interim Auditor's Annual Report March 2024 for the 3 years 2020/21, 2021/22 and 2022/23](#)

[Interim Value For Money report November 2022](#)

[Independent Auditor's Report February 2021](#)

- 9.8. The external audit of the 2020/21 Statement of Accounts will take place once the 2019/20 audit is complete.
- 9.9. The external auditor continues to provide regular reports to Audit Committee.

10. Conclusion

- 10.1. The Council has reviewed the effectiveness of its governance framework including the system of internal control as outlined above and considers it needs improvement, particularly in respect of the significant issues set out in section 2 above.
- 10.2. The Council has taken steps to address the above matters as indicated in the Action Plan presented in section 3 of this statement, through responses to IAB directions and its improvement and transformation plans to make governance arrangements robust and effective. These steps were intended to address the need for improvements that were identified in our review of effectiveness and have been monitored by IAB and the Council's Leadership team to achieve their implementation and operation. We continue to annually review governance and seek improvements where required.

Signed:

Chief Executive

Signed:

Leader of the Council