

NOTTINGHAM CITY COUNCIL

AUDIT COMMITTEE

MINUTES of the meeting held at LB 31 - Loxley House, Station Street, Nottingham, NG2 3NG on 18 January 2019 from 1.33 pm - 3.10 pm

Membership

Present

Councillor Michael Edwards (Chair)
Councillor Steve Young (Vice Chair)
Councillor Leslie Ayoola
Councillor Cheryl Barnard
Councillor John Hartshorne
Councillor Andrew Rule
Councillor Adele Williams

Absent

Councillor Anne Peach
Councillor Nick Raine

Colleagues, partners and others in attendance:

Candida Brudenell - Corporate Director for Resources and Strategy/Assistant Chief Executive
Steve Harrison - Specialist Projects Manager, Community Cohesion
Paul Millward - Head of Resilience
Pete Mitchell - Chief Community Protection Officer
Colin Monckton - Director of Commissioning and Policy Insight
Kate Morris - Governance Officer
Paul Seddon - Director of Planning and Regeneration
Shail Shah - Head of Audit and Risk
John Slater - Group Auditor
Catherine Underwood - Director of Adult Social Care (Interim)

40 APOLOGIES

Councillor Anne Peach – Unwell
Councillor Nick Raine – Work Commitments

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Councillor Anne Peach – Unwell
Councillor Nick Raine – Work Commitments

41 DECLARATIONS OF INTERESTS

None.

42 MINUTES

The minutes of the meeting held on 30 November 2018 were confirmed as a true record and were signed by the Chair.

43 NO DEAL BREXIT PLANNING

Colin Monckton, Director of Strategy and Policy, introduced the report updating the Committee on the planning being done by the Council for the event of a No Deal Brexit. He informed the

Committee that following a request at the full Council Meeting in November 2018, service and project plans were reviewed and the authority's emergency planning with regard to Brexit was reviewed in order to provide assurances of progress to this Committee.

James Rhodes, Head of Analysis and Insight, briefly described the methodology behind the assessment process with individual departments completing risk assessments using a standard risk assessment matrix. These risks are being monitored through the governance structure as set out in figure 1 of the published report.

Those risks scoring 12 or more have been brought to this Committee to consider further. James Blount went on to assure the Committee that there was no legislative "cliff edge", under the withdrawal act laws will be brought across to UK law and many of the risks to the Authority identified by the process will not be unique to Nottingham City Council. In effect, it will be business as usual until advised otherwise.

The following current risks identified were discussed by the Committee and mitigating actions highlighted:

- (a) Recruitment and retention issues within Adult Social Care (ASC)
 - There are existing pressures on recruitment and retention within ASC, and while ASC is not reliant on EU nationals, competing industries, such as hospitality and retail are. If there were more vacancies within these competing industries recruitment to ASC vacancies would suffer;
 - The impact would be gradual, there would be no sudden decrease in numbers of carers;
 - There are a series of campaigns running and planned to encourage and facilitate recruitment especially in the homecare sector. These have been positive and well received;
 - NCC has been supporting external providers with recruitment, and despite an increase in demand over the winter period to date there has been an increase in capacity of homecare;
 - The risk to the Council is likely and has been assessed as significant, however, there are existing mitigations in place that will minimise the impact.
- (b) Medicine Management in Adult and Children's Social Care
 - National mitigations are being put in place nationally by the NHS;
 - There is good partnership working in place and any concerns around availability of medications will be communicated to NCC;
 - This is a significant issue however it is being managed at a National level.
- (c) Increase in demand and complexity of cases (Adult Social Care)
 - As the NHS has a reliance on EU workers any impact on their capacity would impact on NCC. A reduction in support from the Health Service would lead to more complex cases being managed in the community;
 - There are a number of mitigations currently in place. Nottingham City Council has strong working relationships and an active multidisciplinary team who work together to ensure that shared care plans are in place;
 - The decision to suspend NCC's role in the Integrated Care System does not impact the day to day care that citizens can expect.
- (d) Confidence in the Council

- If the Council struggled to maintain effective services or day to day tasks there would be a reputational risk. This is not a risk unique to Nottingham City, and would likely impact on all local authorities;
 - If NCC are perceived to be mitigating against these impacts less efficiently than other Local Authorities then this risk would become likely.
- (e) Council Workforce unaware of the activity/response to 'no deal'
- With over 8,000 staff and many partner organisations, communicating changes and can be difficult.
- (f) Personal data transfers to/from the EU
- GDPR requires adequacy notices to be established and published if data sharing with a third country. UK would become a third country so both the EU and the UK would be required to have these notices in place;
 - Around 60% of data is stored locally, the rest is cloud based and is stored between Dublin, London and Amsterdam;
 - The risk occurs if the adequacy notices are not in place in time and every Local Authority is facing this issue.
- (g) Project funding risk
- This risk will mainly be around delays in transport programme funding leading to delays in programme delivery;
 - The government has stated that funding streams will continue in the short term maintaining the current programme up to 2020. This only covers programmes that are currently in place, not those proposed for the future;
 - These delays are unfortunately inevitable;
 - Funding for future projects will need to be identified to replace the EU funding streams that will be lost. Projects will be at risk.
- (h) Customs/travel/supply chain impact on construction projects
- Again risks will mainly be around delays to delivery of existing projects;
 - The construction industry and developers are aware of the potential delays to the supply chain and are taking mitigating actions. Supplies are being managed locally and local suppliers sources;
 - Flexibility is being built into upcoming projects and there is continued dialogue with the industry.
- (i) Increase in inflation and impact on Private Finance Initiatives (PFI's)
- If inflation increases significantly and for a sustained period of time there would be implications for the way PFI's are run. Short term rises would be more easily managed;
 - This would create a financial pressure within the Council which would then be compounded for the duration of the contract.
- (j) Increase in demand for asylum support and increase in homelessness
- This risk is hard to quantify and predict;
 - Any increase in demand coupled with a general economic downturn may lead to increased homelessness;
 - There is ongoing analysis and assessment to assess the impact of this, and an increased role for the Safer Housing team to prevent exploitations of renters will work towards mitigating this potential impact.

- (k) Civil unrest in response to effects of a 'no deal'
- This risk could range from public demonstrations to more serious disorder based on perceived shortages of supplies/food etc;
 - Intelligence led policing in the past has helped to reduce the instances of 'copycat' unrest;
 - The Police are confident that they will be able to respond to any unrest that may occur.
- (l) Reduced community cohesion and increase in hate crime
- Community cohesion colleagues are working with communities across Nottingham and Nottinghamshire Police are being supported by Community Protection;
 - There has been a national increase in hate crime since the EU referendum, however these appear to correlate to international events rather than being directly related to Brexit and Nottingham has not seen more than any other authority;
 - Historically Nottingham has been tolerant and community cohesion has been generally good.

Paul Millward, Head of Resilience spoke about the status of emergency planning with regard to Brexit. He highlighted the following points:

- (m) Emergency planning is taking place both within the council (inward looking) and multiagency (outward looking);
- (n) The Council has a Senior Resilience Group which has clearly defined lines of responsibility in the event of an emergency. There are comprehensive reporting structures in place that allows departments to feed information up and down, and structure is in place to allow for the testing of a number of scenarios;
- (o) The Local Resilience Forum is a county wide body made up of all major public sector bodies, utility companies and the voluntary sector. The LRF is required to report regularly to government on the planning stages (pre Brexit) and then the response stage (post Brexit) when the structures and network in place will be used to feed into a country wide response to issues if necessary;
- (p) The LRF ensure that there are county wide systems and structures in place that allows for a swift and confident response to emergencies. It has also built in resilience to response to incidents that ensures concurrent risks can be managed;
- (q) Guidance will be redistributed to City Councillors as to their role in an emergency.

RESOLVED to:

- (1) note the risks and mitigating action identified in the event of a 'no deal' Brexit;**
- (2) note the status of emergency planning with regard to Brexit**
- (3) receive further feedback from officers on the following points:**
 - (a) More detailed information on potential delays to project funding and the implications for Nottingham City Council;**
 - (b) Re-review of the risks to Nottingham City Council by the Senior Resilience Group to ensure consistent scoring is applied to each risk.**