

NOTTINGHAM CITY COUNCIL

AUDIT COMMITTEE

MINUTES of the meeting held at LB 31 - Loxley House, Station Street, Nottingham, NG2 3NG on 27 September 2019 from 10.30 am - 1.50 pm

Membership

Present

Councillor Steve Battlemuch (Chair)
Councillor Audra Wynter (Vice Chair)
Councillor Leslie Ayoola
Councillor Graham Chapman
Councillor Michael Edwards
Councillor Jane Lakey
Councillor Lauren O`Grady
Councillor Anne Peach
Councillor Andrew Rule

Absent

Colleagues, partners and others in attendance:

Candida Brudenell	- Corporate Director for Strategy and Resources
Theresa Channell	- Head of Strategic Finance
Glyn Daykin	- Senior Accountant Treasury Management
John Gregory	- Grant Thornton External Auditors
Ian Hillier	- Complaints and Mediation Officer
Vanessa Jenkins	- Customer Experience Lead
Councillor David Mellen	- Leader of the Council
Helen Lillington	- Grant Thornton External Auditors
Alison Michalska	- Corporate Director for Children and Adults
Laura Pattman	- Strategic Director of Finance
Jo Pettifor	- Strategic Procurement Manager
Sue Risdall	- Team Leader, Technical Finance
Dionne Screamon	- Solicitor
Shail Shah	- Head of Audit and Risk
John Slater	- Group Auditor
Laura Wilson	- Senior Governance Officer
Kate Morris	- Governance Officer

26 APOLOGIES FOR ABSENCE

None

27 DECLARATIONS OF INTERESTS

Although not formally required to be declared as interests, in the spirit of transparency Committee members stated the following appointments to bodies/committees.

Councillor Leslie Ayoola is a Director of the Creative Quarter

Audit Committee - 27.09.19

Councillor Steve Battlemuch is a member of the Robin Hood Energy Board, the Playhouse Management Board and the Trusts and Charities Committee (Bridge Estate)

Councillor Graham Chapman is a member of the Nottingham City Transport Board

Councillor Michael Edwards is a member of the EnviroEnergy Board

Councillor Lauren O'Grady is a member of the Robin Hood Energy Board

Councillor Anne Peach is a member of the Trusts and Charities Committee (Bridge Estate) and a Director of Nottingham Ice Arena

Councillor Andrew Rule is a member of the Trusts and Charities Committee (Bridge Estate)

Councillor Audra Wynter is a member of the Business Improvement District

28 MINUTES

The Committee/ Board confirmed the minutes of the meeting held on 29 July 2019 as a correct record and they were signed by the Chair.

Councillor Jane Lakey asked that it be noted that her apologies were submitted though through the Executive office rather than to Constitutional Services.

29 INDEPENDENT INQUIRY INTO CHILD SEXUAL ABUSE (IICSA) REPORT

Councillor David Mellen, Leader of the Council and Alison Michalska, Corporate Director for Children and Adults made a presentation to the Committee detailing the Nottingham City Council response to the report published following the Independent Inquiry into Child Sexual Abuse. They jointly summarised the background and reasons for the inquiry, highlighting that the inquiry had a number of focuses including local authorities, the Church and Westminster. The following information was highlighted:

- (a) The scope of the Inquiry in the Nottingham context was threefold:
 - To look at the institutional response to disclosures and allegation of abuse and the barriers to disclosure of such allegations
 - A case study into the institutional responses to disclosure of allegations of sexual abuse in foster care and the barriers to disclosure of such allegations
 - A case study into the institutional responses to disclosures of allegations of sexual abuse carried out by children against other children in care and the barriers to disclosure of such allegations.
- (b) On 31st July 2019 the findings of the Inquiry were published and made two specific recommendations to Nottingham City Council
 - To assess the potential risk posed by former and current foster carers directly provided by the Council and those from external agencies in relation to sexual abuse of children. Any concerns which arise should be referred to the appropriate body or process including the Disclosure

- and Barring Service, the Local Authority designated officer, the fostering panel and the police.
- Alongside child protection partners commission an independent external evaluation of practice concerning harmful sexual behaviour, including responses, prevention, assessment, intervention and workforce development. An action plan should be set up to ensure that any recommendations are responded to in a timely manner and progress should be reported to the City's Safeguarding Children Partnership
- (c) Nottingham City Council plan to commission the NSPCC to complete the independent external evaluation, which will be formally agreed with the Safeguarding Partnership at their meeting on 30 September 2019. A comprehensive action plan will then be developed in partnership and reported to Nottingham City Council's Executive Board;
- (d) A large piece of work has been ongoing for a number of years running alongside police investigations to look at decisions of the Council around issues raised in the first recommendation. Records from historic HR investigations or disciplinary action have been assessed and where it is felt that insufficient disclosure was made at the time contact has been made with the Disclosure and Barring Service, current employers etc. The same work is being carried out for current and historic foster carers;
- (e) There were a number of further learning points for Nottingham City Council from the Inquiry.
- Approach to a public apology – Nottingham city Council has met with and offered to meet with survivors of abuse to apologise on a personal one to one basis in private and continues to offer this. There have been no convictions of staff members or of carers used by Nottingham City Council to date, however should that change and a conviction ever be made then Nottingham City Council will issue a public apology. Nottingham City Council is dedicated to continuing to meet survivors in private and apologise in person where that is the wish of the survivor.
 - Revised Internal Reporting Protocol – Nottingham City Council has a robust, clearly written protocol for internal reporting.
 - Strengthening reporting to Elected Members – A new process is in place for reporting to the Corporate Parenting Board, and the Safeguarding Board on a Quarterly basis on allegations of sexual abuse or sexual harm within care. The report will be made to these Boards even if there is nothing to report in order to provide assurance;
 - Supporting citizens to access their records – there is now a dedicated member of the data team who offers to sit with adult care leavers and supports them whilst they access their records.
- (f) The Inquiry and work that has gone on through the investigation has helped to shape today's practice. There is now a single point of access for survivors, to access the Councils' whole range of support services. Work is ongoing with mental health services to ensure that the appropriate help is available at the time it is needed and sought. There are strong links to victim and survivor groups and Nottingham City Council has been involved in supporting and

funding the development of literature to assist signposting. Processes around information sharing with the Police have been simplified to allow easier access to information as part of investigations into allegations, allowing the investigation to progress more quickly.

The presentation was concluded with the Committee being assured that the care that children and young people receive now is unrecognisable from that historically. Nottingham City Council continues to put the safety of children and young people at the heart of its work and is dedicated to learning from the past and continuing to improve. The Committee had the opportunity to ask questions and during the discussion, the following information was highlighted:

- (g) Nottingham City Council has changed the way children and young people are listened to. They have access to independent advocacy, designated teaching staff, robust Disclosure and Barring Services, Ofsted inspections of care homes, and internal processes designed to prevent abuse. These are all designed to reduce the level of risk of harm to a minimum;
- (h) There are no longer the large institutional type care homes that were in place historically. Care homes are now typically up to 4 bed houses. These homes are regularly inspected by Ofsted and are subject to regular internal review processes also;
- (i) There is mandatory training for all elected members on Safeguarding. This is designed to help them to recognise signs of abuse, to know how to report it and to have the confidence to do so;
- (j) There is a raft of support for those people who are survivors but who have not yet felt able to come forward. There are a number of victim and survivor groups supported by and engaged with Nottingham City Council, there are mental health services available to access and there is the improved and robust policies in place ensuring that requests for service access are dealt with in an efficient way;
- (k) Nottingham City Council is dedicated to help support those victims and survivors and has specialist support groups available. In particular there are specialist groups of male survivors where in the past this specialist support may not have been as accessible;

The Committee thanked Councillor David Mellen and Alison Michalska for attending the meeting and noted the content of the presentation.

30 TREASURY MANAGEMENT TRAINING

Rob Baxter, Associate Director of Links Asset Services gave a presentation providing training on Treasury Management to the Committee. The training was designed to give information of key treasury management considerations around governance and scrutiny, risk and risk management, benchmarking / comparisons and how the Audit Committee can add value.

During the training Rob Baxter highlighted that Nottingham City Council was getting a good rate on investments, the second highest within the benchmarking group and

that internal borrowing, at 19.36%, was favourable too. The Gearing ratio, debt compared to long term assets, for Nottingham City initially looked less favourable, but for a large local authority it was comparable to other large authorities.

The Committee thanks Rob for the training provided noting that it had been informative and interesting.

31 COMPLAINTS ANNUAL ASSURANCE 2018-19 REPORT

Vanessa Jenkins, Customer Experience Lead and Ian Hillier, Complaints and Mediation Officer presented the Complaints Annual Assurance report to the committee, which included the Local Government Ombudsman Annual letter for 2018-19. They highlighted the following points during discussion and in answer to questions from the Committee:

- (a) The Local Government Ombudsman (LGO) publishes an annual report on complaints and enquiries about Local Authorities. This year this report included data on compliance with recommendations it had made and it included a number of cases where the authority had provided a satisfactory remedy before the complaint reached the LGO;
- (b) 104 complaints were received by the LGO about Nottingham City Council from 1st April 2018 to 31st March 2019. 59 resulted in investigations and of those 59, 26 resulted in detailed investigations by the LGO, 18 of these were upheld. 86% of Social care complaints were upheld, 100% of education strategy complains and 29% of Have your say complaints;
- (c) 80% of complaints about adults' and children's social care services investigated under the complaints procedures did not have any aspect of the complaint upheld. The Ombudsman often decides there is no evidence of fault and decides not to investigate, but where it sees evidence of potential fault it investigates; therefore, the percentage of investigated complaints that are upheld by the Ombudsman is always likely to be high. Furthermore, the Ombudsman also upholds complaints it investigates that have already been upheld under the council's own complaints procedures;
- (d) Waste is the area that has attracted the most complaints, mostly around repeat missed bin collections. This is unsurprising as waste collection affects all citizens within Nottingham City;
- (e) The Have Your Say Team send monthly reports to Heads of Service which allows them to establish trends and monitor performance. Only 2% of complaints received by the Council are upheld by the Ombudsman, which indicates that the internal process is working efficiently to resolve complaints;
- (f) Complaints about social care follow a different process and are dealt with under very strict statutory guidelines. Complaints about adult social care were up 40% on the previous year, whereas complaints about children's social care showed a 30% decrease. Only 3% of complaints received by the Council about adult social care services were upheld by the LGO;

- (g) The increase in complaints in adult social care is through to be around the new Transport policy and reductions in care packages;
- (h) Complaints about school appeals go straight to the LGO without first going through a local process of resolution. These appeals are outside of both the Have Your Say and social care complaints procedures. Following the publication of a Public Report dated May 2018 the School Admissions and School Appeals teams complied with recommendations made in the LGO's report resolving the case. This is reflected in NCC's 100% compliance with recommendation.

The Audit Committee noted the information within the published report and within the presentation.

Due to time pressures in an change to the published agenda the Audit Committee agreed to take item 8, Accounts Update, as the next item.

32 ACCOUNTS UPDATE

John Gregory, Director of Audit Grant Thornton, updated the Committee on the key issues that remained outstanding following the meeting of this Committee in July 2019. During discussion, the following points were highlighted:

- (a) Work is still required to finalise the group audit, as yet it is unfinished as the Council is still pursuing the necessary information from Robin Hood Energy. Robin Hood Energy accounts are yet to be signed off by the company's External Auditor. The outcome of the accounts will impact on the Group account which will then impact on NCC's accounts;
- (b) The accounts will clarify the level of risk NCC is exposed to through Robin Hood Energy and could amount to up to £40m;
- (c) If Grant Thornton continue to be unable to finalise NCC accounts due to the incomplete Group accounts the ultimate sanction would be to issue a public interest report that the Council would be under a statutory obligation to respond to within a set amount of time;

33 NON EXECUTIVE AMENDMENTS TO THE CONSTITUTION

This item will be heard at a future meeting.

34 AUDIT COMMITTEE TERMS OF REFERENCE AND ANNUAL WORK PROGRAMME

This item will be heard at a future meeting.

35 EXCLUSION OF THE PUBLIC

This item will be heard at a future meeting.

36 EXEMPT MINUTES

This item will be heard at a future meeting.

37 EXCLUSION OF THE PUBLIC

The Chair at this point agreed that this item, although not on the agenda, could be considered as a matter of urgency in accordance with Section 100B(4)(b) of the Local Government Act 1972, because information to be discussed is commercially sensitive and could impact on future business trading of group companies.

The Committee decided to exclude the public from the remainder of the meeting in accordance with Section 100A(4) of the Local Government Act 1972 on the basis that, having regard to all the circumstances, the public interest in maintaining the exemption outweighed the public interest in disclosing the information, as defined in Paragraph(s) 3 of Part 1 of Schedule 12A to the Act.

38 ACCOUNTS UPDATE - EXEMPT INFORMATION

RESOLVED to approve the recommendations as recorded in the exempt minute.