

# **Finance and Major Contracts Management Committee**

**Monday, 23 March 2020 at 14:00**

**County Hall, West Bridgford, Nottingham, NG2 7QP**

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## **AGENDA**

- |   |  |         |
|---|--|---------|
| 1 | Minutes of the last meeting held on 10 February 2020   | 3 - 4   |
| 2 | Apologies for Absence  |         |
| 3 | Declarations of Interests by Members and Officers:- (see note below)<br>(a) Disclosable Pecuniary Interests<br>(b) Private Interests (pecuniary and non-pecuniary) |         |
| 4 | Financial Monitoring Report Period 10 2019-20  | 5 - 30  |
| 5 | HM Coroners' Budget  | 31 - 34 |
| 6 | Tender for Provision of Enforcement Agents and Sundry Debt Collection Services   | 35 - 38 |
| 7 | The Commissioning and Procurement Approach for Domestic Abuse Support Services   | 39 - 44 |
| 8 | Work Programme   | 45 - 50 |

## **Notes**

- (1) Councillors are advised to contact their Research Officer for details of any Group Meetings which are planned for this meeting.
- (2) Members of the public wishing to inspect "Background Papers" referred to in the reports on the agenda or Schedule 12A of the Local Government Act should contact:-

Customer Services Centre 0300 500 80 80

- (3) Persons making a declaration of interest should have regard to the Code of Conduct and the Council's Procedure Rules. Those declaring must indicate the nature of their interest and the reasons for the declaration.

Councillors or Officers requiring clarification on whether to make a declaration of interest are invited to contact Peter Barker (Tel. 0115 977 4416) or a colleague in Democratic Services prior to the meeting.

- (4) Councillors are reminded that Committee and Sub-Committee papers, with the exception of those which contain Exempt or Confidential Information, may be recycled.
- (5) This agenda and its associated reports are available to view online via an online calendar - <http://www.nottinghamshire.gov.uk/dms/Meetings.aspx>

Meeting FINANCE AND MAJOR CONTRACTS MANAGEMENT COMMITTEE

Date 10 February 2020 (commencing at 2.00pm)

**Membership**

Persons absent are marked with an 'A'

**COUNCILLORS**

Richard Jackson (Chair)  
Roger Jackson (Vice Chair)  
John Ogle (Vice Chair)

John Clarke	Diana Meale
Keith Girling - A	Mike Pringle
Tom Hollis	Alan Rhodes
Eric Kerry	Gordon Wheeler

**SUBSTITUTE MEMBERS**

Richard Butler for Keith Girling.

**OTHER COUNTY COUNCILLORS IN ATTENDANCE**

Neil Clarke MBE

**OFFICERS IN ATTENDANCE**

Pete Barker	Democratic Services Officer
Kaj Ghattaora	Group Manager, Procurement
Nigel Stevenson	Service Director, Finance, Infrastructure & Improvement

**1. MINUTES OF THE LAST MEETING**

The minutes of the last meeting held on 13 January, having been circulated to all Members, were taken as read and were confirmed, and were signed by the Chair.

**2. APOLOGIES FOR ABSENCE**

The following apology for absence was reported:

Keith Girling – medical / illness.

### **3. DECLARATIONS OF INTEREST**

There were no declarations of interest.

### **4. BUDGET REPORT**

#### **RESOLVED: 2020/004**

That a report be prepared for County Council on 27 February 2020 based on the budget proposals as set out in the report, including the proposed Council Tax and Adult Social Care Precept increases as prescribed in the Central Government funding model.

### **5. FINANCIAL MONITORING REPORT: PERIOD 9 2019/20**

#### **RESOLVED: 2020/005**

That the request for additional budgets in 2019/20 and 2020/21 be approved.

### **6. UPDATE ON PROCUREMENT OF EXTERNAL PARTNER**

#### **RESOLVED: 2020/006**

That no further actions are required as a result of the contents of the report.

### **7. WORK PROGRAMME**

#### **RESOLVED: 2020/007**

That, in addition to the regular LEC reports, a report on the capital receipts process be brought to a future meeting of Committee.

The meeting closed at 2.20pm

CHAIR

23 March 2020

Agenda Item: 4

## **REPORT OF THE SERVICE DIRECTOR – FINANCE, INFRASTRUCTURE AND IMPROVEMENT**

### **FINANCIAL MONITORING REPORT: PERIOD 10 2019/20**

#### **Purpose of the Report**

1. To provide a summary of the Committee revenue budgets for 2019/20.
2. To provide a summary of capital programme expenditure to date and year-end forecasts and approve a variation to the capital programme.
3. To request approval for an additional budget allocation from contingency in 2019/20.
4. To inform Members of the Council's Balance Sheet transactions.
5. To provide Members with an update from the Accounts Payable and Accounts Receivable teams.
6. To provide Members with an update from the Procurement Team.

#### **Information**

##### **Background**

7. The Council approved the 2019/20 budget at its meeting on 28 February 2019. As with previous financial years, progress updates will be closely monitored and reported to management and Committee each month.

##### **Summary Revenue Position**

8. The table below summarises the revenue budgets for each Committee for the current financial year. A negligible overspend is currently predicted. However, as a consequence of the significant financial challenges facing the Council over the medium term, the key message to effectively manage budgets and, wherever possible, deliver in-year savings is being reinforced.

**Table 1 – Summary Revenue Position**

Forecast Variance as at Period 9 £'000	Committee	Annual Budget £'000	Actual to Period 10 £'000	Year-End Forecast £'000	Latest Forecast Variance £'000
9,571	Children & Young People's	126,830	106,413	136,651	9,821
(5,532)	Adult Social Care & Public Health	209,873	154,944	203,849	(6,024)
2,539	Communities & Place	123,804	107,443	126,366	2,562
(101)	Policy	34,276	32,126	34,461	185
(88)	Finance & Major Contracts Management	2,893	2,245	2,786	(107)
81	Governance & Ethics	7,282	6,052	7,356	74
(280)	Personnel	15,245	15,189	14,983	(262)
<b>6,190</b>	<b>Net Committee (under)/overspend</b>	<b>520,203</b>	<b>424,412</b>	<b>526,452</b>	<b>6,249</b>
(8,183)	Central items	(17,345)	(37,874)	(26,071)	(8,726)
-	- Schools Expenditure	158	-	158	-
790	Contribution to/(from) Traders	808	1,400	1,536	728
<b>(1,203)</b>	<b>Forecast prior to use of reserves</b>	<b>503,824</b>	<b>387,938</b>	<b>502,075</b>	<b>(1,749)</b>
-	- Transfer to / (from) Corporate Reserves	409	-	409	-
1,168	- Transfer to / (from) Departmental Reserves	(14,706)	(60)	(12,944)	1,762
-	- Transfer to / (from) General Fund	(2,099)	-	(2,099)	-
<b>(35)</b>	<b>Net County Council Budget Requirement</b>	<b>487,428</b>	<b>387,878</b>	<b>487,441</b>	<b>13</b>

## Committee and Central Items

The main variations that have been identified are explained in the following section.

### Children & Young People's (£9.8m overspend, 7.7% of annual budget)

9. The Youth, Families and Social Work Division is reporting a forecast £1.2m overspend. The major contributing factor is a £1.4m overspend on social work staffing, offset by net underspends in other areas. The overspend has arisen due to a combination of staffing changes including permanent recruitment to vacancies, additional capacity staff to respond to continuing increased workload and maintain manageable caseloads; and agency workers. All agency posts continue to require the explicit approval of the Service Director Youth, Families & Social Work and are subject to scrutiny by the quarterly Agency Challenge Panel.
10. The Education, Learning & Skills Division is reporting a £0.3m overspend made up of a £0.6m overspend on school improvement sold service offset by a £0.1m underspend on Virtual School and Coping with Risky Behaviour services and a £0.2m underspend on Education Improvement Services.
11. The Commissioning and Resources Division is forecasting an overspend of £8.3m of which £1.7m is attributable to growth in the number of Independent Fostering Agency (IFA)

placements, £4.3m residential and £2.5m on semi-independent placements. There is a forecast overspend of £0.1m on Short Breaks and a £0.3m net underspend across other budgets in the division. External placements increased by a net of 3 during January, numbers however were still largely as forecast. IFA numbers have barely increased in the year, however at the other extreme there has been a marked increase in semi-independent spot placements, thus having an adverse impact on the placement mix/composition and accounting for the increased forecast in the month.

12. As reported in previous Financial Monitoring Reports to Finance and Major Contracts Management Committee, in addition to existing high-level budget control actions, a more detailed Action and Recovery Plan has been prepared and has been monitored against over recent months. The latest update on the Action and Recovery Plan will be reported to the Children and Young People's Committee on 23 March 2020. This Plan is attached as Appendix A.

### **Adult Social Care & Public Health (forecast £6.0m underspend, 2.9% of annual budget)**

13. The major variances are as follows:

- Strategic Commissioning and Integration is forecasting an underspend of £2.3m. This is made up of over achievement of income of £1.4m in Service User Contributions due to increases in Residential & Nursing income and Personal Budget income, an underspend of £0.9m from the closure of the Care and Support Centres due to fewer long-term residents, additional war pension grant income of £0.2m and other small underspends of £0.2m. These are offset by overspends of £0.1m in system reviews and £0.1m due to new consultancy costs.
- Direct and Provider Services are forecasting an overspend of £0.1m across all services, mainly attributable to an overspend in Residential Services due to the fact that the confirmed closure dates of the Care & Support Centres being later than budgeted.
- Living Well and Ageing Well are forecasting an underspend of £2.1m. This consists of an underspend of £2.6m in Living Well, offset by an overspend of £0.5m in Ageing Well.

14. Public Health is currently forecasting an increased underspend of £1.7m, due to a contract variation on the Public Health Need 0-19 contract which has reduced the contract in year by £1.5m, offset by small increased spend on Sexual Health, Domestic Violence, Future in Mind, Academic Resilience and Substance Abuse. Any net underspend will be added to reserves at year end and therefore reduce the net use of reserves.

### **Communities & Place (forecast £2.6m overspend, 2.1% of annual budget)**

15. Transport is forecasting an overspend of £2.1m. The major contributing variances are:

- There is a forecast overspend on Local Bus Services of £0.2m caused by ongoing pressure on provision of services, especially when commercial operators withdraw from a particular route and inflationary increases.

- There is a forecast overspend on Concessionary Fares of £0.1m. This has reduced from previous forecasts as actual patronage figures have become clearer.
  - There is an overspend on Mainstream Home to School (HtS) transport of £0.3m. This is due to the increase in pupil numbers and capacity limits at the closest designated school, necessitating transport to alternative educational establishments either by bus or taxi.
  - There are additional SEND HtS costs of £1.4m caused by an increase of 160 pupils in 19/20 at an average cost for transport of £6.2k; this is driven by the upturn in Educational Health Care Plans (EHCP) of which 47% are then assessed for SEN transport. The costs are SEND Pre-16 HtS transport £1.0m; SEND Post 16 Transport £0.2m; and EOTAS (education other than at school) of £0.2m. The current SEND and HtS forecasts are based on the updated contracts let for the new school year.
  - Transport other costs are £0.1m above budget due mainly to additional infrastructure repairs at bus stations.
16. The Coroners' budget is forecasting an overspend of £0.5m based on advice from Nottingham City Council (who manage the service) and is due to an anticipated increase in the annual cost of mortuary services.
17. Following the recent further floods in Nottinghamshire, the Council has again offered affected individuals and businesses immediate support through payments from a Hardship Fund following an emergency decision of the Chief Executive. In addition, the Government has announced details of a Business Recovery Grant (BRG) for Small and Medium Enterprise businesses that have been impacted. Nottinghamshire County Council has responsibility for managing this Fund within the County, in line with government guidance and expectations. A grant of up to £2,500 is available through the BRG subject to clear evidence of the value of the impact and that it is not covered by insurance. The grant payment will be cost neutral, but income and expenditure budgets will need to be set up when there is clarity on the value of payments likely to be made. Other support such as Community Recovery Grants, Council Tax Relief and Business Rates Relief will be administered by the local District or Borough Council. Further updates will be provided to the next F&MCM Committee meeting.
18. The anticipated additional costs from the November flooding event are circa £465,000 made of highways costs £316,000 (reactive maintenance, highway management, sandbags, labour, equipment etc.), hardship payments £122,000 (households and businesses), waste £23,000 (street cleaning, disposal of damaged items) and Customer Service Centre £4,000 (additional staff and overtime). These costs will be contained within existing budgets or be subject to contingency requests as appropriate.



## **Trading Services**

19. County Supplies are forecasting a deficit of £0.3m, this is attributed to trading activity prior to transfer to Hertfordshire County Council, including costs for legacy staffing, legal and IT costs. There is no reserve to fund this overspend.
20. Catering, Cleaning and Landscapes are forecasting a deficit prior to use of Reserves of £0.8m. This is to be funded partly from Traded Services Reserves of (£0.4m), the result being a forecast overspend of £0.4m. There is no reserve to fund this overspend.
21. Clayfields is currently forecasting a shortfall against its income target of £1.1m. This is due to a decision by the Children and Families senior leadership team to limit the number of beds available for occupancy because of staffing issues. These issues are currently being addressed and full occupancy is projected to be achieved early in the new financial year dependent on recruitment to vacancies. The shortfall will be met from Clayfields trading reserve.

## **Central Items (forecast £8.7m underspend)**

22. Central Items primarily consists of interest on cash balances and borrowing, together with various grants, contingency and capital charges.
23. At the time of setting the 2019/20 budget, several funding allocations had not been announced, specifically regarding the impact of business rates revaluations and, therefore, assumptions about certain grants were made based on the best information available at the time. Throughout the year confirmations are received and current forecasts suggest a net additional grant of £3.1m will be received in 2019/20.
24. Finance and Major Contracts Management Committees in September and October 2019 approved contingency budget increases of £1.0m and £4.2m respectively to reflect a reduction to a budget pressure in the Adult Social Care and Public Health Committee. It is forecast that this additional contingency budget will not be spent thereby resulting in a £5.2m underspend.
25. The Council's budget includes a main contingency budget of £4.6m to cover redundancy costs, slippage of savings and unforeseen events. Contingency requests approved previously total £2.1m. Table 1 assumes that the remaining contingency budget will be used for future requests.
26. The Council is required to set aside an amount each year as a provision for the repayment of debt. This is known as the Minimum Revenue Provision (MRP) and is, in effect, the principal repayment for the borrowing expected to be undertaken by the Council to finance its capital programme. The shortfall against the 2019/20 capital receipts forecast as set out in paragraph 47 has had an adverse impact on the MRP for 2019/20 resulting in a £1.0m overspend
27. There are minor underspends across the other central items which total £1.4m.

## **Contingency Budget**

28. As reported to November Policy Committee the Chief Executive has exercised emergency powers to set up a hardship fund, initially of £100k, to provide immediate financial support to households and businesses that have been directly affected by the recent flood events. As

stated in paragraph 17 the hardship payments have been extended to cover additional flooding in February. It is anticipated that the total payments in 2019/20 will be circa £150k and this additional contingency request does need further approval.

## Progress with savings and risks to the forecast

29. Council on 28 February 2019 approved savings proposals of £15.2m for delivery in 2019/20, with further savings identified for the period 2020-23. Officers will continue to monitor the deliverability of individual schemes and targets as part of the budget monitoring process and reflect achievability in the forecast outturn. The progress of the Council's current savings programme is reported to the Improvement and Change Sub-Committee on a regular basis. The latest report to Improvement and Change Sub-Committee on 25 November 2019 highlighted that the following savings projects are at risk – Development of Shared Lives, New Ways of Working for Carers and the Social Impact Bond. If any savings options are written off they will be reported to this Committee at the earliest opportunity.

## Balance Sheet General Fund Balance

30. Members approved the 2018/19 closing General Fund Balance of £24.1m at Full Council on 11 July 2019. The 2019/20 budget approves utilisation of £2.1m of balances which will result in a closing balance of £22.0m at the end of the current financial year. This is 4.5% of the budget requirement.

## Capital Programme

31. Table 2 summarises changes in the gross Capital Programme for 2019/20 since approval of the original Programme in the Budget Report (Council 28/02/19):

**Table 2 – Revised Capital Programme for 2019/20**

	2019/20	
	£'000	£'000
Approved per Council (Budget Report 2019/20)		116,375
Variations funded from County Council Allocations : Net slippage from 2018/19 and financing adjustments	17,742	
		17,742
Variations funded from other sources : Net variation from 2018/19 and financing adjustments	(14,695)	
		(14,695)
<b>Revised Gross Capital Programme</b>		<b>119,422</b>

32. Table 3 shows actual capital expenditure to date against the forecast outturn at Period 10.

**Table 3 – Capital Expenditure and Forecasts as at Period 10**

<b>Committee</b>	<b>Revised Capital Programme £'000</b>	<b>Actual Expenditure to Period 10 £'000</b>	<b>Forecast Outturn £'000</b>	<b>Expected Variance £'000</b>
Children & Young People's	31,798	26,301	33,131	1,333
Adult Social Care & Public Health	3,328	621	3,328	-
Communities & Place	50,907	34,285	49,092	(1,815)
Policy	33,111	9,590	33,932	821
Finance & Major Contracts Mngt	150	14	150	-
Personnel	128	16	20	(108)
Contingency	-	-	-	-
<b>Total</b>	<b>119,422</b>	<b>70,827</b>	<b>119,653</b>	<b>231</b>

### **Children & Young People's**

33. In the Children and Young People's Committee an overspend of £1.3m has been identified. This mainly relates to an overspend against the Orchard Special School as a result of the project being delivered more quickly than anticipated.

### **Communities & Place**

34. In the Communities and Place Committee an underspend of £1.8m has been identified. This relates to re-profiling of the Integrated Transport Measures and the Transport and Travel Service capital budgets.

35. Also within the Communities and Place capital programme, there is already an approved spend-to-save initiative to replace lanterns in street lights for lower energy options. The Council has been awarded additional Salix loans of £0.1m in both 2019/20 and 2020/21.

**It is proposed that the Communities and Place capital programme is varied to reflect the additional £0.1m allocations in both 2019/20 and 2020/21.**

### **Policy Committee**

36. In the Policy Committee capital programme, an overspend of £0.8m has been identified. This mainly relates to the Top Wighay Homes England project and the Investing in Nottinghamshire programme as both of these schemes are being delivered more quickly than anticipated.

## Financing the Approved Capital Programme

37. Table 4 summarises the financing of the overall approved Capital Programme for 2019/20.

**Table 4 – Financing of the Approved Capital Programme for 2019/20**

Committee	Capital Allocations £'000	Grants & Contributions £'000	Revenue £'000	Reserves £'000	Gross Programme £'000
Children & Young People's	14,837	16,354	-	607	31,798
Adult Social Care & Public Health	2,271	955	-	102	3,328
Communities & Place	14,806	34,540	1,144	417	50,907
Policy	30,639	2,450	-	22	33,111
Finance & Major Contracts Mngt	-	-	-	150	150
Personnel	128	-	-	-	128
Contingency	-	-	-	-	-
<b>Total</b>	<b>62,681</b>	<b>54,299</b>	<b>1,144</b>	<b>1,298</b>	<b>119,422</b>

38. It is anticipated that borrowing in 2019/20 will increase by £17.2m from the forecast in the Budget Report 2019/20 (Council 28/02/2019). This increase is primarily a consequence of:

- £17.7m of net slippage from 2018/19 to 2019/20 and financing adjustments funded by capital allocations.
- Net slippage from 2019/20 of £0.5m of capital expenditure funded by capital allocation identified as part of the departmental capital monitoring exercise.

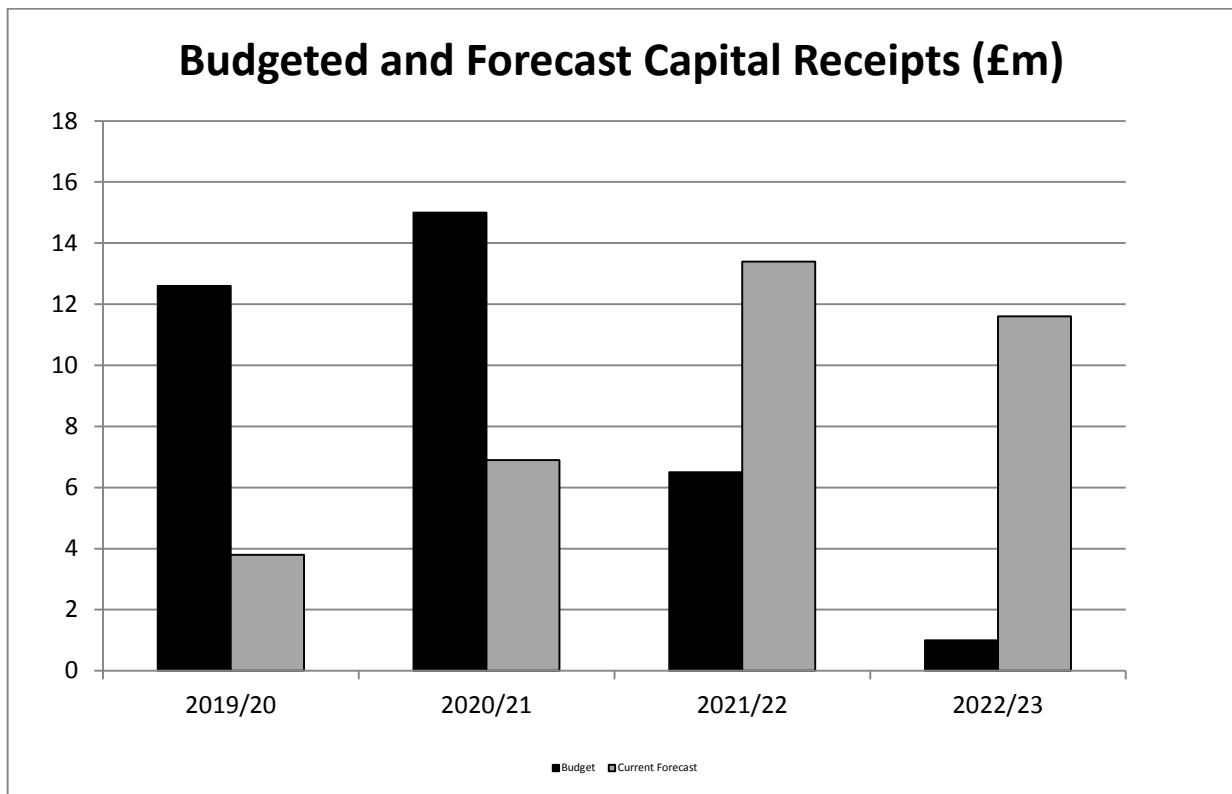
## Prudential Indicator Monitoring

39. Performance against the Council's Prudential Indicators is regularly monitored to ensure that external debt remains within both the operational boundary and the authorised limit.

## Capital Receipts Monitoring

40. Anticipated capital receipts are regularly reviewed. Forecasts are currently based on estimated sales values of identified properties and prudently assume a slippage factor based upon a review of risk associated with each property.

41. The chart below shows the budgeted and forecast capital receipts for the four years to 2022/23.



42. The dark bars in the chart show the budgeted capital receipts included in the Budget Report 2019/20 (Council 28/02/2019). These capital receipts budgets prudently incorporated slippage, giving a degree of “protection” from the risk of non-delivery.

43. The capital receipt forecast for 2019/20 is £3.8m. To date in 2019/20, capital receipts totalling £0.6m have been received.

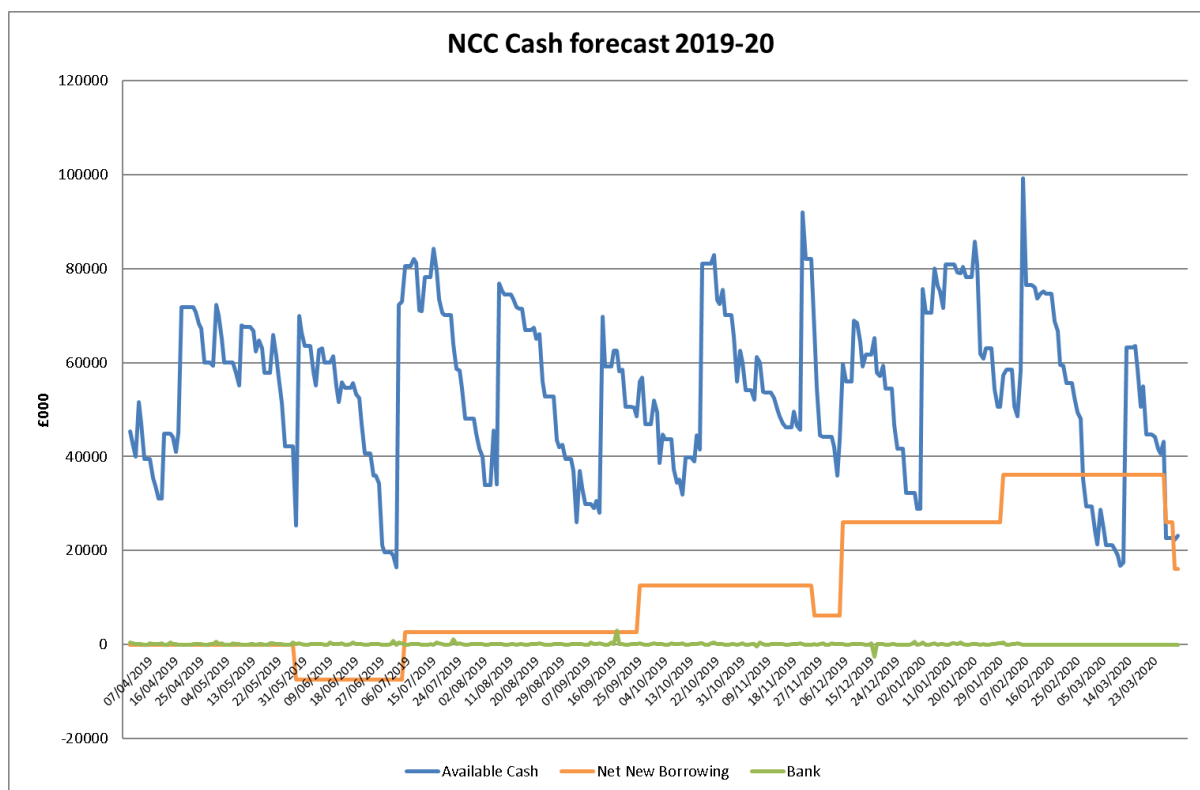
44. This capital forecast is predicated upon realising receipts from a large disposal totalling £3.0m which has been sold subject to planning. Even if this capital receipt is realised in 2019/20 there will be insufficient capital receipts to fund the transformation costs as detailed below. An alternative source of finance will need to be identified to fund the shortfall.

45. Current Council policy (Budget Report 2019/20) is to use the first £4.9m of capital receipts to fund in-year transformation costs. Any capital receipts in excess of this will be set against the principal of previous years’ borrowing. This reduces the amount of Minimum Revenue Provision (MRP) to be set aside each year. It is important to regularly monitor capital receipt forecasts and their effect on the overall revenue impact of the Capital Programme.

## Treasury Management

46. Daily cash management aims for a closing nil balance across the Council’s pooled bank accounts with any surplus cash invested in accordance with the approved Treasury Management Policy. Cash flow is monitored by the Senior Accountant (Pensions & Treasury Management) with the overall position reviewed quarterly by the Treasury Management Group.

47. The Cash forecast chart below shows the current cash flow position for the financial year 2019/20. Cash inflows are typically higher at the start of the year due to the front-loading receipt of Central Government grants, and the payment profile of precepts. Cash outflows, in particular capital expenditure, tend to increase later in the year, and the chart below reflects this.



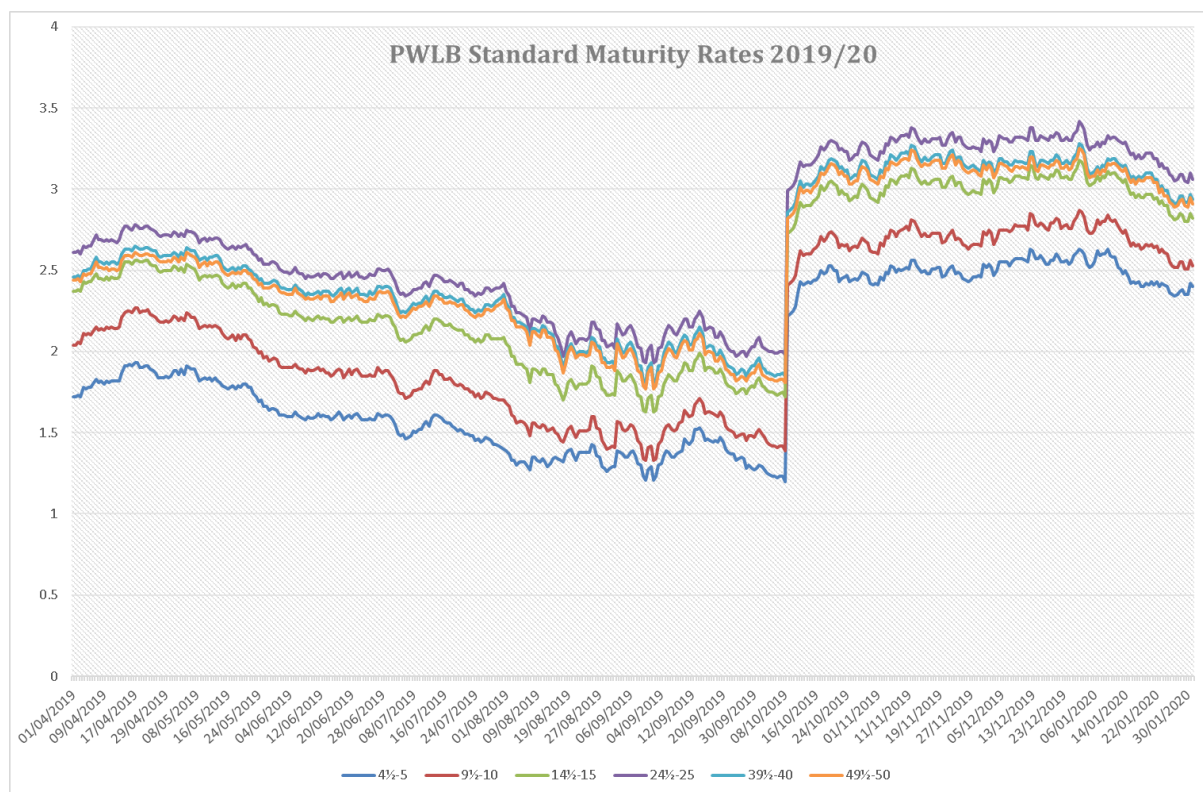
48. The chart above gives the following information:

<b>Available cash</b>	Surplus cash (invested in call accounts or money market funds) or a shortfall of cash indicating a need to borrow.
<b>Net new borrowing</b>	New loans taken during the year net of principal repayments on existing borrowing.
<b>Bank</b>	That element of surplus cash held in the Council's Barclays Bank account.

49. The Treasury Management Strategy for 2019/20 identified a need to borrow approximately £7m over the course of the year to (a) fund the capital programme, (b) replenish internal balances and to (c) replace maturing debt. To this was later added some £18m of slippage from 2018/19. This £25m estimate has been revised to £40m (it is revised periodically throughout the year). £10m of this was borrowed from PWLB in July 2019 at 2.05%, with two further £10m tranches in September (1.70%) and January (2.71%). It should be recalled that in October the PWLB announced a rate increase of 100 basis points relative to gilts (seen clearly in the chart below). In December the Council also borrowed £20m from another local authority for approximately 3 months (not included in the Council's long-term borrowing requirement).



50. The Council remains able to access the PWLB “certainty rate” which is 0.2% below the standard rates. But all interest rates (PWLB, financial markets, and other local authorities) continue to be monitored closely to allow changes - or potential changes - in rates to feed into decisions on new borrowing. The chart below shows the movement in standard PWLB maturity rates over the course of 2019/20.



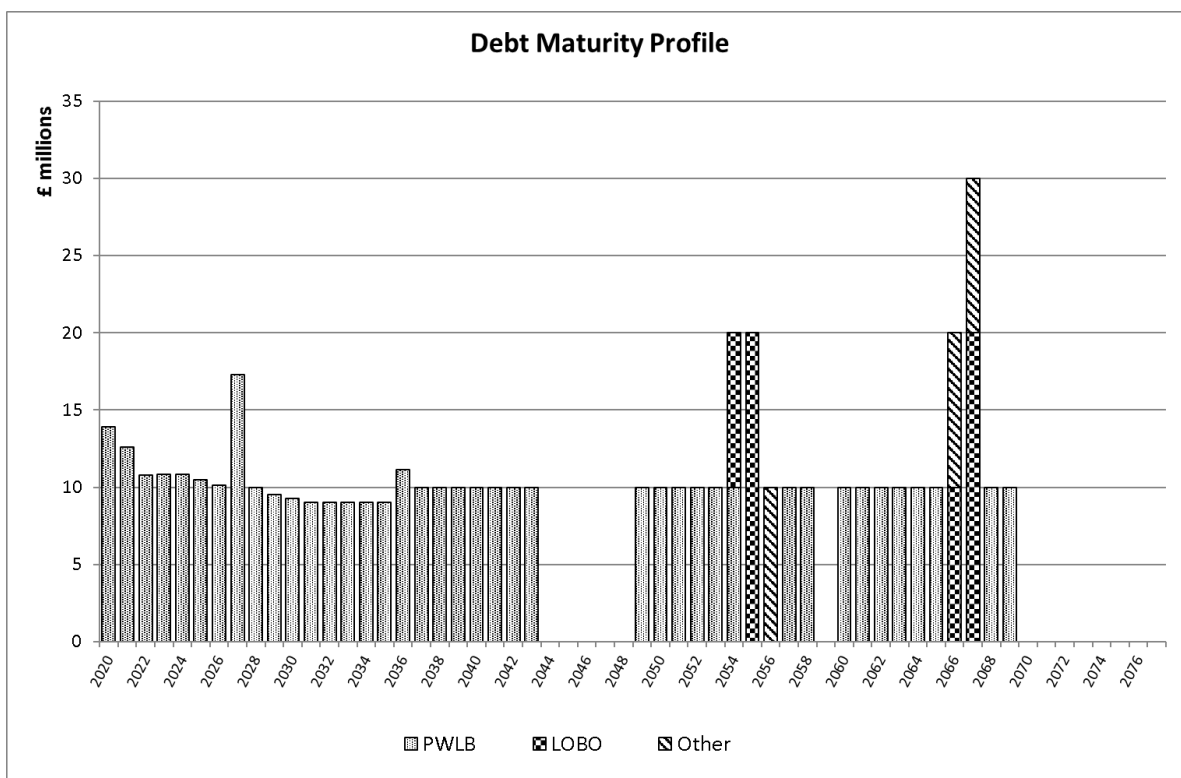
51. Borrowing decisions will take account of several factors including:

- expected movements in interest rates
- current maturity profile
- the impact on revenue budgets and the medium-term financial strategy
- the treasury management prudential indicators.

52. The maturity profile of the Council’s debt portfolio is shown in the chart below. The PWLB loans are reasonably well distributed and have a maximum duration of 50 years. When deciding on the lengths of future loans the Council will factor in any gaps in its maturity profile, with a view to minimising interest rate risk, but will consider this alongside other financial factors.

53. Long-term borrowing was also obtained from the market some years ago in the form of ‘Lender’s Options, Borrower’s Options’ loans (LOBOs). These loans are treated as fixed rate loans (on the basis that, if the lender ever opts to increase the rate, the Council will repay the loan) and were all taken at rates lower than the prevailing PWLB rate at the time. However, LOBOs could actually mature at various points before then, exposing the Council to some refinancing risk.

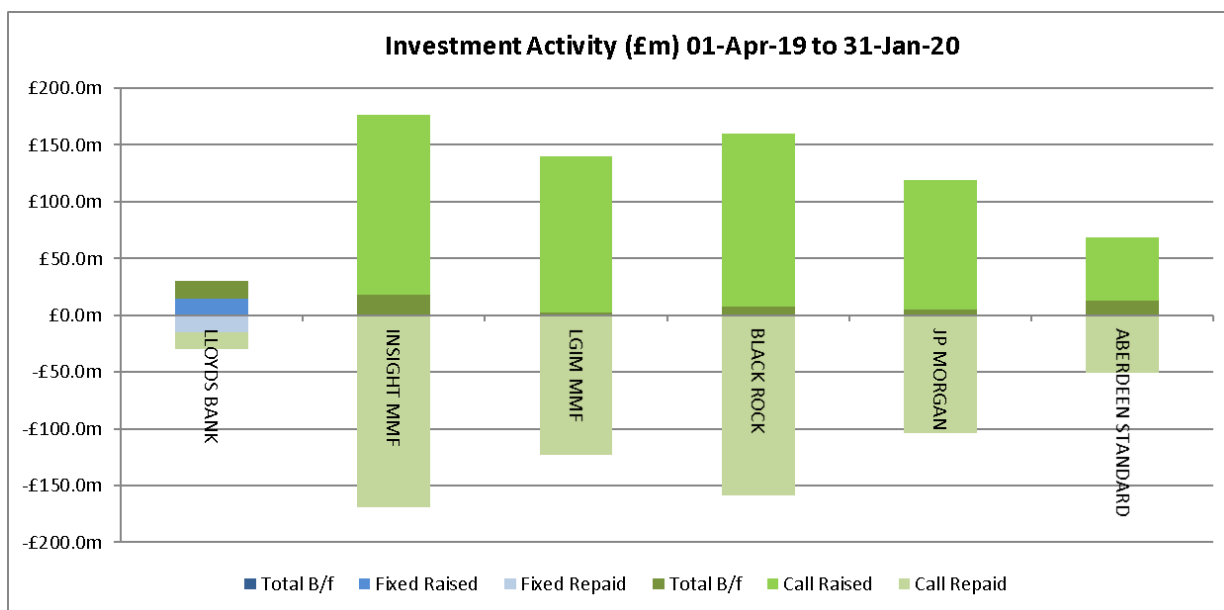
54. The ‘other’ loans shown in the chart consists of LOBO loans from Barclays Bank that were converted to standard fixed-term loans in 2016.



55. The investment activity for 2019/20 is summarised in the chart and table below. Outstanding investment balances totalled approximately £60m at the start of the year and £59m at the month-end.

	Total B/F £ 000's	Raised £ 000's	Repaid £ 000's	Outstanding £ 000's
Lloyds Bank	15,000	15,000	(30,000)	-
Insight MMF	18,100	158,400	(168,900)	7,600
LGIM MMF	2,200	137,500	(123,400)	16,300
Black Rock	7,600	152,350	(158,650)	1,300
JP Morgan	4,900	114,275	(104,175)	15,000
Aberdeen Standard	12,500	56,300	(50,500)	18,300
<b>Total</b>	<b>60,300</b>	<b>633,825</b>	<b>(635,625)</b>	<b>58,500</b>





56. As part of the Council's risk management processes all counterparty ratings are regularly monitored and lending restrictions changed accordingly.

### Debt Recovery Performance

57. Sales Invoicing trends during quarter 3 are showing higher than typical values in respect of invoicing volumes compared to 2018/19, and an increase overall for 2019/20.

58. The overall debt position shows a small increase in the overall debt position from Q2 of £2.80m. The over 6 months positions are both showing increases from Q2, mainly attributed to some PFI invoices in Non-Statutory debtors and full cost property cases in Statutory debtors.

59. The Residential and domiciliary debts debt figures continue to be influenced by full cost invoices to service users that have not yet joined the deferred payments scheme. The resulting debts are a direct effect of the changes brought about by the Care Act. These users are charged full costs for their care which they have no funds to make payments.

60. The write off total during quarter 3 was £145,000, bringing the total write off to date to £193,000 at the end of quarter 3.

### Invoices Raised in Quarter

	Quarter 3	Year to date
Number	38,724	109,135
Value	£41,791,169	£109,303,149

## Debt Position at 31/12/2019

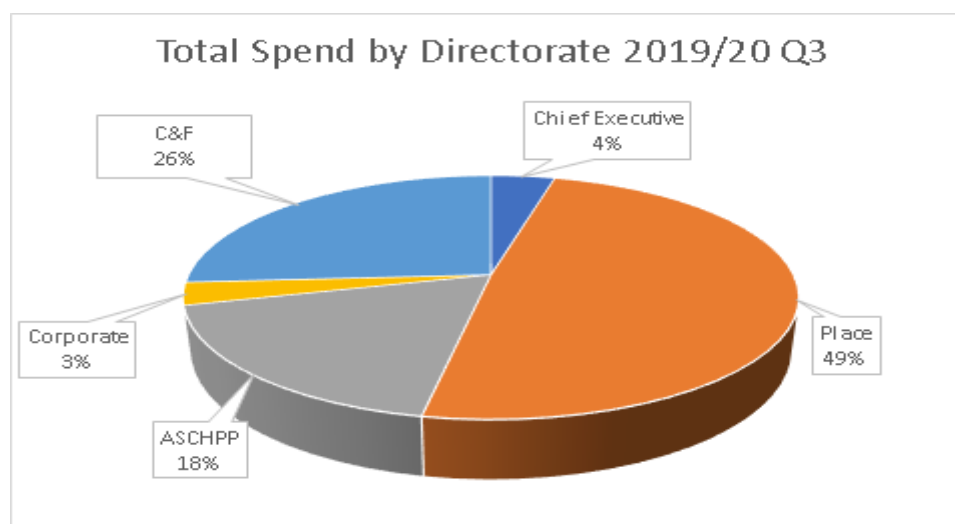
	Residential & Domiciliary Care (Statutory Debtors)	All Other (Non-Statutory Debtors)	Total
Total	£11,170,096	£11,386,821	£22,556,917
Over 6 months	£6,474,598	£1,219,271	£7,693,869
% over 6 months	57.9%	10.7%	34.1%

## Accounts Payable (AP) Performance

61. During quarter 3, payments within terms continue to perform consistently, remaining at the same levels since quarter 3 of 2018/19 (95%).
62. The volume of commercial invoices for quarter 3 remains constant at around 17,000 documents per quarter.
63. The debt recovery and accounts payable performance information will continue to be reviewed at an operational level on a fortnightly basis. The strategic performance information will be compiled for this report to Committee on a quarterly basis.

## Procurement Performance

64. As an organisation, NCC has spent £127.8m in the third quarter of the financial year 2019-20 with external suppliers. This represents a decrease of £3.7m when compared with the same period of the previous financial year. The top 3.5% (71) of suppliers account for 80% (102.2m) of the total supplier spend. The remaining 96.5% (1949 suppliers) have a total expenditure of £25.6m with an average spend of £13,118.
65. The chart below shows the total amount spent in the period, by Directorate. Place has the highest level of expenditure at 49%, whilst collectively the care related Directorates (ASCHPP, CYP) account for about 44% of all spend.



66. The Council's primary ordering route is through BMS. Orders that are processed through BMS are classified as 'Compliant', whilst purchases made outside of the Council's systems are deemed to be 'Non-Compliant'.

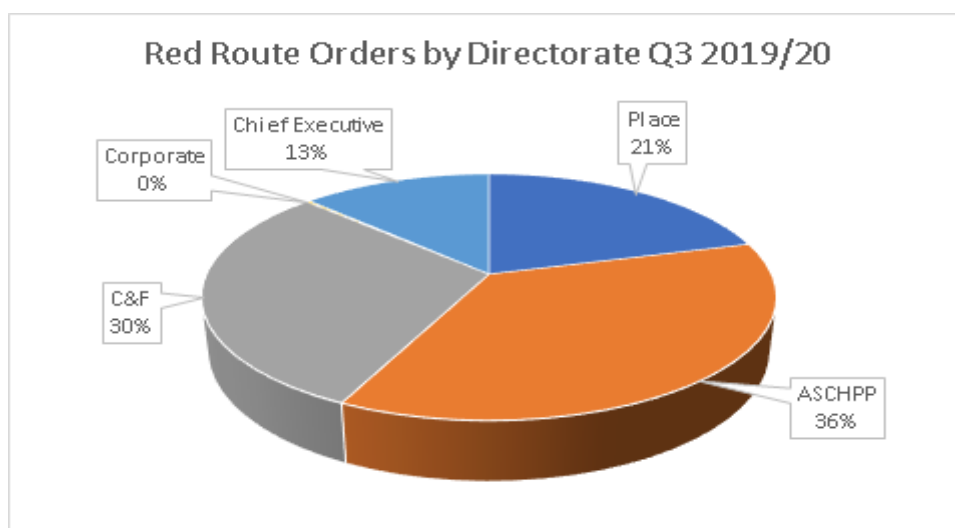
Retrospective orders are also classified as non-complaint, as they are typically raised after delivery of goods/services. Services commissioned and managed through other Corporate Systems, for example Frameworki / Mosaic, are out of scope. Purchase Orders are beneficial to the organisation as they provide visibility of what we spend. When compared with the same period of the previous financial year:

- Compliant ordering has increased by 10 percentage points
- Non-compliant (non-PO) ordering has decreased by 10 percentage points from 23% to 13% of the total spend

67. The table below shows the number of retrospective orders on a monthly basis by department.

Directorate	PO Volume Oct 2019	PO Volume Nov 2019	PO Volume Dec 2019	Total Q3 2019/20	Total Q3 2018/19
ASCHPPH	68	62	45	175	282
CYP	153	132	108	393	633
Place & Comm	206	225	162	593	980
Corporate	-	5	1	6	12
Chief Executives	117	98	85	300	483
<b>Total</b>	<b>544</b>	<b>522</b>	<b>401</b>	<b>1,467</b>	<b>2,390</b>

68. Purchase orders themselves are split into Green and Red orders. Green orders are those that are raised with the Procurement Centre's pre-arranged agreements or contracted suppliers. Red orders are those that do not have approved suppliers or contracts set up on BMS and require additional work. When compared with the same period in the previous financial year the volume of 'Red' orders has decreased from 5,522 to 4,814. The chart below identifies the percentage of Red Route orders by Directorate in the 2019/20 financial year. The Procurement Team continue to work with stakeholders to improve these figures.



## **Statutory and Policy Implications**

69. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance, finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

## **RECOMMENDATIONS**

- 1) To comment on the revenue budget expenditure to date and year-end forecasts.
- 2) To comment on the capital programme expenditure to date and year-end forecasts and to approve a variation to the capital programme.
- 3) To approve the request for an additional budget allocation from contingency in 2019/20.
- 4) To comment on the Council's Balance Sheet transactions.

### **Nigel Stevenson Service Director – Finance, Infrastructure and Improvement**

For any enquiries about this report please contact:

Keith Palframan - Group Manager, Financial Services

Tamsin Rabbitts - Senior Accountant, Pensions and Treasury Management

### **Constitutional Comments (KK 27/02/2020)**

70. The proposals in this report are within the remit of the Finance and Major Contracts Management Committee.

### **Financial Comments (GB 19/02/2020)**

71. The financial implications are stated within the report.

### **Background Papers and Published Documents**

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

- None

### **Electoral Division(s) and Member(s) Affected**

- All

The overarching objective of this improvement plan is to ensure that the Children and Families Department is taking the necessary steps to provide safe, effective, efficient and cost-effective services to vulnerable children, young people and their families in Nottinghamshire, with enabling support and challenge from the Chief Executives, Adult Social Care and Health and Place Departments.

The plan should be read in conjunction with the existing highlight reporting against the Department's major change programmes: Remodelling Care and Remodelling Practice. These programmes detail the specific benefits to be delivered in respect of financial savings/cost avoidance and efficiency.

### 1. Addressing the in-year financial challenges

	Improvement Action	CLT Accountable Officer	Lead Officer	What we hope to achieve	Timeframe	Success Measure	Progress	Status
1.1	Regularly review the need for agency staffing through Agency Challenge Panel.	Colin Pettigrew	Steve Edwards	Reduce agency spend.  Ensure that any agency deployment is absolutely necessary and is targeted at our highest priority areas.	Quarterly.	All social work caseloads are within the set manageable number when measured each month.  The forecast on agency staffing spend for 2019-20 is carefully monitored and does not exceed the number of agency staff required to ensure that Social Workers have manageable workloads.		Ongoing programme of work
1.2	Quarterly reviews of non-essential spend.	Colin Pettigrew / Nigel Stevenson	Laurence Jones / Sue Summerscales	Identify and eliminate unnecessary spend.	Completed every quarter.	Completion of review and advice issued to staff on changes needed to expenditure approvals.	Quarterly reviews are in place. Of those areas identified as possibly being non-essential spend after the process was completed only 2% were designated as non-essential.  The review of non-essential spend will now be rolled into action 4.3 "rolling "challenge process" for all Group Managers in relation to budget management."	Complete
1.3	Audit of financial management processes and culture within the department.	Colin Pettigrew / Nigel Stevenson	Simon Lacey	To understand if any changes are required to deliver the optimum oversight of value for money within the department.	November 2019	An action plan is approved and implemented to take forward any recommendations within the report.	The fieldwork has now been completed and final recommendation along with a plan for implementation will be produced for the 2020-21 financial year.	Complete
1.4	Benchmark current service outcomes and financial performance against statistical neighbours who are rated good or outstanding in an OFSTED ILACS.	Colin Pettigrew / Nigel Stevenson	Laurence Jones	This will help understand how the department is performing relative to others and prompt a deeper challenge of balancing children care need and staying within budget.	November 2019	An action plan is approved and implemented to take forward any recommendations as a result of the benchmarking.	Initial benchmarking was completed but was inconclusive. "Children looked after" rates continue to be below average in Notts and CIPFA benchmarking shows Nottinghamshire having low cost based for delivering care. Work is planned with Essex, an outstanding authority, to examine service provision and cost demands.  This work will now be rolled into action 4.5 below.	Complete

	Improvement Action	CLT Accountable Officer	Lead Officer	What we hope to achieve	Timeframe	Success Measure	Progress	Status
1.5	Independent review of 20 most recently accommodated children.	Colin Pettigrew	Steve Edwards	Assurance that only those children who need to come into care do so.	Report completed July 2019	Only children that need to come into care do so.	The Independent audit concluded that thresholds for admission into care are appropriate. It is expected that the recent Ofsted inspection will also comment on the appropriateness of thresholds.	Complete
1.6	Senior managers to regularly review the most expensive care placements.	Colin Pettigrew	Laurence Jones	Effective use of budget and appropriate investment in long term outcomes for children.	Monthly	The top 20 most expensive placements are reviewed monthly.	Reviews are underway. In one case a successful negotiation with health has decreased local authority contributions to a care package in excess of £50,000. This has prompted a review of the approach of joint commissioning. Cases continue to be reviewed by Service Directors through the Children Looked After Scrutiny Board.	Ongoing programme of work

## 2. Effective delivery of change programmes, accelerating pace where possible, and improving ability to track benefits realisation

	Improvement Action	CLT Accountable Officer	Lead Officer	What we hope to achieve	Timeframe	Success Measure	Progress	Status
2.1	<p>Increased number of internal fostering placements available</p> <ul style="list-style-type: none"> <li>Ongoing prioritised support of marketing and communications colleagues with comprehensive campaign through to July 2020</li> <li>Corporate and partnership approach to improve offer to foster carers (leisure facilities, council tax discount, parking etc).</li> </ul>	<p>Marje Toward</p> <p>Anthony May/ Adrian Smith</p>	<p>Luke Barrett/ Catherine Kelly</p> <p>Derek Higton/ Pete Mathieson/ Chris Ward/ Andy Dawson</p>	<p>Safe, caring and loving placements for children.</p> <p>Higher percentage of foster placements are made internally</p> <p>Any unnecessary expenditure is avoided</p>	<p>Rolling marketing campaign to July 2020</p> <p>Revised offer for foster carers by April 2020</p>	<p>Savings target achieved</p> <p>A net increase of 50 fostering placements by March 2021</p> <p>Increase in fostering enquiries of 20%</p> <p>Increase in conversion from enquiry to approved foster carer of 10%</p>	<p>The average number of enquiries per month in Jun-Aug was 8.3. Following the introduction of increased foster carer fees in August and the September publicity campaign, the average number of enquiries per month for Sept-Nov was 15.7</p> <p>A dedicated Recruitment and Assessment Team is now in place and the campaign to publicise increase in fees and support offer has been completed. A recruitment campaign will run from Feb 2020. Child-specific adverts are being used and social media marketing has been increased</p> <p>Fostering events have increased from once a quarter to at least once a month, and now take place in all districts rather than just in areas of high demand. Events targeted specifically at faith groups have been arranged</p> <p>The Fostering Conference in September was very well-attended</p>	Ongoing programme of work
2.2	<p>Increase in internal residential children's home capacity</p> <ul style="list-style-type: none"> <li>Additional 4 bed residential home opened.</li> </ul>	Colin Pettigrew/ Adrian Smith	Devon Allen/ Neil Gamble	Timely mobilisation of new residential home. Four new NCC residential placements available avoiding the need for more costly external	Timeframe is largely dependent on the operating model agreed by Members, but is estimated at between June and September 2020.	Four additional residential placements for Nottinghamshire in a NCC owned home by May 2020.	Further extensions are being negotiated to the block contract with our trusted providers and further proposals regarding the estate will be made to Policy Committee in March 2020.	Ongoing programme of work



	Improvement Action	CLT Accountable Officer	Lead Officer	What we hope to achieve	Timeframe	Success Measure	Progress	Status
	<ul style="list-style-type: none"> <li>Consideration when remodelling wider NCC estate and in planning applications for housing developments to increase children's home capacity/ accommodation for care leavers</li> </ul>			residential placements and resulting in good outcomes for the children.				
2.3	Increase the number of "block contract" residential placements with external providers. The total number of new homes under this arrangement will be four.	Colin Pettigrew	Jon Hawketts	Contracts which provide a better cost per placement (as long as occupancy is maintained) and therefore help reduce placement costs.	First two homes by September 2019	Savings target achieved  New homes operational and fully occupied by February 2020.	The first two homes became operational from July 2019 and a third from November 2019. All are fully occupied.  A fourth home has been sourced by the provider to become a specialist unit to accommodate a Nottinghamshire child in care who is deaf and presents with a range of special needs. Planning and preparatory work continues with the provider in relation to this bespoke facility	Initial work completed with further phase identified.
2.4	Establish a D2N2 Commissioning Framework for residential and Independent Fostering Agencies.	Colin Pettigrew	Jon Hawketts	To use economies of scale to reduce the cost of placements. To develop the market across the D2N2 footprint to increase diversity, availability and quality. This will also reduce costs per placement overall. Further development of block arrangements may also reduce unit costs.	February 2020	New D2N2 Framework in place	This framework is now live with contract management arrangements agreed.	Complete
2.5	Develop enhanced models of semi-independent accommodation for the most complex care leavers in smaller units.	Colin Pettigrew	Jon Hawketts	The most complex care leavers often fail to make a successful transition from residential care to supported accommodation. By providing smaller units an earlier successful transition could be made which is better for the young person as	Some already operational; others planned to be so by 2020/21	14 new units in place by April 2020  Reduced instances and level of evictions  Improved outcomes for individual young people (as evidenced via Outcome Star scores)	1 smaller 5-bed 24 hour staffed setting has been developed and is operational.  A site has been identified for Core plus service and ongoing discussions with Strategic Business Partner and current provider regarding its development  Approval sought to commission spot placements via the DPPS to meet the needs of the most vulnerable care leavers aged 18+. Guidance note developed.	Ongoing programme of work

	Improvement Action	CLT Accountable Officer	Lead Officer	What we hope to achieve	Timeframe	Success Measure	Progress	Status
				they reach adulthood and is also significantly cheaper than residential care. It also frees places in residential care for those who need it the most.			Teenage parent service is now staffed 24/7 (6 bed unit),	
2.6	Delivery of the Social Impact Bond Model (jointly with Nottingham and Derby City Councils).	Colin Pettigrew	Jon Hawketts	To reduce the number of young people in high cost residential placements and therefore reduce the pressure on the placements budget. To make use of up to £3m of Big Lottery (LCF) funding.	SIB to be operational by Feb 2020 (revised)	SIB to become operational, receiving referrals and delivering positive outcomes for individual CYP and delivering budget savings	A new social investor has been identified and the final stages of due diligence and formal contract signature are now being undertaken. Service mobilisation activity is being undertaken in parallel to enable a 'soft launch' ASAP after contract signature and confirmation of Big Lottery (LCF) funding from government.	Delayed but nearing full implementation.
2.7	To ensure that the corporate Digital Development Programme supports delivery of the Children and Families Department's "Digital Development Plan"	Adrian Smith / Colin Pettigrew	Katharine Smith Tracy Hill Sue Milburn Joe Foley	Using technology to achieve simple and immediate access and better support for service users  More efficient access to relevant information between organisations within the children's partnership (e.g. social care and CAMHS).  Care leavers better able to access information about local offer.	Details	Delivery of the Children and Families Department's "Digital Development Plan"	These programmes are aligned and the Digital Development Plan for the department. The plan was presented as a part of the department's annual update to Improvement and Change Committee in January 2020 and will be implemented and reviewed intermittently over the next few years.	Ongoing programme of work
2.8	Ensuring there is sufficient/prioritised capacity to develop the BI reports required to meet Ofsted requirements	Nigel Stevenson	Rob Disney	Reduction in manual tasks undertaken within frontline services thus freeing up management and	End of September 2019 for Ofsted reporting	A suite of appropriate reports and dashboards available	Business intelligence reports for Ofsted were completed in line with requirements. Post-inspection developments in the fostering service are being progressed.	



	Improvement Action	CLT Accountable Officer	Lead Officer	What we hope to achieve	Timeframe	Success Measure	Progress	Status
	(including workforce reporting), baseline and track benefits of change programmes, and facilitate management decision-making.			<p>business support capacity.</p> <p>Better data on which to inform decision making.</p> <p>Better data upon which to inform benefits monitoring of projects</p> <p>Fulfil Ofsted requirement.</p> <p>Ability to track impact of project initiatives on recruitment and retention of staff.</p> <p>Better decision making on use of agency staff.</p>	Further development by June 2020		<p>Frontline staff benefit from daily access to an array of reports to assist decision-making in service delivery. Over the most recent 60-day period, 198 different reports and dashboards were accessed 6,240 times by 271 unique users across all operational areas of the department.</p> <p>Since the last update, new dashboards and reporting have been developed and are now being used routinely by key frontline services, notably: MASH 'Live' reporting; Adoption East Midlands operational and management information reports; Troubled Families. A dashboard to support the Remodelling Practice Programme is currently undergoing final quality assurance checks.</p> <p>Developments continue, working with colleagues in Performance to progress new and enhanced reporting in priority areas.</p>	
2.9	<p>Additional project management capacity/financial resource for capacity within the department to be established to deliver the following change projects:</p> <ul style="list-style-type: none"> <li>Establishing whole family safeguarding teams between children's and adults;</li> <li>Making the front door delivery model sustainable within the context of increasing demand;</li> <li>Taking a joint commissioning approach with health for children with complex needs;</li> </ul>	Nigel Stevenson /Colin Pettigrew	Sue Milburn/ Lucy Peel / Marion Clay	<p>More timely delivery of a range of projects intended to:</p> <ul style="list-style-type: none"> <li>improve practice and through this children's outcomes;</li> <li>release capacity within frontline teams; and</li> <li>make more efficient use of resources and avoid cost where possible.</li> </ul> <p>SEND budgets are managed so that large budget deficits do not appear in the Dedicated Schools Grant.</p>	<p>To be determined once projects initiated. Next step for progressing family safeguarding is joint CFS and ASCH leadership team meeting on 17 September.</p> <p>SEND strategy – initial phases are being delivered following Higher Level Needs budget review. This is being developed into a formal 5 year strategy for implementation from spring 2020.</p>	<ul style="list-style-type: none"> <li>Establishing whole family safeguarding teams between children's and adults;</li> <li>Making the front door delivery model sustainable within the context of increasing demand;</li> <li>Taking a joint commissioning approach with health for children with complex needs;</li> <li>Delivering a five year SEND transformation strategy</li> <li>and Developing a coherent approach to supporting children living in kinship arrangements.</li> </ul>	<p>Work to develop a whole family safeguarding approach has not yet commenced due as resource has not yet been identified. Operational work is taking place in respect of integrated service delivery approaches to domestic abuse and substance misuse along with public health and provider colleagues.</p> <p>Front door delivery model project is in the scoping stage. A Programme Officer has been allocated from the Programmes and Projects team.</p> <p>A resource referral has been made to the Transformation &amp; Change Governance Group to approve a joint commissioning project with health, focussing on two specific areas of need. A Project Manager from the Programmes &amp; Projects Team will be allocated to the design and discovery stage imminently. A project working group has already been set up and helped developed the initial scope of the project. A bid has been submitted for a graduate trainee to support this work.</p> <p>A report has been developed to identify and describe the various projects and initiatives which contribute to the overall SEND transformation strategy. The report will go to SLT on 11 February</p>	Ongoing programme of work

	Improvement Action	CLT Accountable Officer	Lead Officer	What we hope to achieve	Timeframe	Success Measure	Progress	Status
	<ul style="list-style-type: none"> <li>Delivering a five year SEND transformation strategy</li> <li>and</li> <li>Developing a coherent approach to supporting children living in kinship arrangements.</li> </ul> <p>Anticipated additional capacity requirements: 2 project managers, 3 programme officers within programmes and projects, plus funding for 2 project manager posts to be hosted within the department, graduate trainee.</p>						<p>so that senior colleagues can appraise progress in each area and agree whether the existing work is sufficient or whether further projects should be scoped. A Project Manager and Programme Officer has been allocated from the Programmes &amp; Projects team.</p> <p>The kinship PID has been approved at DLT. A Project Manager has been assigned from the service, and a Programme Officer has been allocated from the Programmes &amp; Projects Team. The project is on track.</p>	
2.10	Ensuring that sold services are achieving full cost recovery in all instances	Colin Pettigrew	Laurence Jones	Accurately calculating full costs and having charges which reflect these	1 April 2020	<ul style="list-style-type: none"> <li>full cost calculated</li> <li>income achieved</li> </ul>	<p>A review of the nightly bed price for disability homes and Clayfields House is complete. A medium term financial strategy for Clayfields has been developed.</p> <p>Sold services to schools are being reviewed based on updated demand information.</p>	Ongoing programme of work

## 3. Creating the conditions for good practice to flourish

	Improvement Action	CLT Accountable Officer	Lead Officer	What we hope to achieve	Timeframe	Success Measure	Progress	Status
3.1	Taking a corporate approach to parking at all sites to ensure social workers have prioritised access to parking.	Adrian Smith	Derek Higon	Better efficiency of social work time. Improved staff morale.	To be determined.	Improved staff satisfaction ratings as measured through feedback via annual health check and through Practice Forum	•	
3.2	Ensuring that the smartphones for social workers function as smartphones at the earliest possible opportunity and no later than the current planning go live date of October 2019.	Nigel Stevenson	Nigel Harlow	Social workers better able to work efficiently. Would mean that Apps that have been commissioned (Mind of My Own, Guardian 24) can be used on work phones. Reduction in risk of IG breaches. Improved staff morale.	All social workers to have smartphones by October 2019	All relevant staff having functioning smartphones  Improved staff morale as measured through feedback via annual health check and through Practice Forum	250 devices were upgraded to an interim smartphone solution prior to Oct 2019 as planned. During December 2019 all of the devices were upgraded to the fully managed solution to bring them into line with NCC security policies'.	Complete
3.3	Introduction of Guardian 24 on smartphones to improve personal safety for workers during visits in the community	Nigel Stevenson / Marje Toward	John Nilan	Improved staff morale. Reduction in cost (current solution more expensive).	April 2020	All relevant staff have access to Guardian 24.  Improvement in percentage of staff feeling safe as measured through annual health check (baseline through health check of 79%).	Roll out of Guardian 24 App on target for April 2020 Smartphones distribution for Children's services currently at 70 % Supporting resource 'toolkit' of personal safety procedure and assessments and e-learning on target for April 2020 launch.	Ongoing programme of work
3.4	Introduce a clear values-based framework within which to work and support in managing the challenges of complex case work (rollout of reflective group supervision).	Colin Pettigrew	Lucy Peel	Improve case progress and successful outcomes therefore over time reducing the number of cases requiring a social worker. Increase job satisfaction and therefore social worker retention. This then reduces	Rollout across District Child Protection Teams and the Children's Disability Service by September 2019.  Further roll outs to follow.	Social work caseloads are within the set manageable number  Reduced drift and delay (average duration of child in need and child protection cases)  Improved staff retention during 2020-21	Group reflective supervision is taking place within social work teams and this will be evaluated in April 2020.  Senior leaders and managers across the department have engaged in restorative practice training and services are currently identifying priorities for working in a more strengths-based, restorative way. This includes promoting strengths-based language and developing the approach within child protection conferences.	Ongoing programme of work

	Improvement Action	CLT Accountable Officer	Lead Officer	What we hope to achieve	Timeframe	Success Measure	Progress	Status
				the need for expensive agency workers.		Continued reduction in use of agency staff during 2020-21	There is a plan to identify a critical friend to support the department's implementation of the practice model.	
3.5	Provide support recognising the emotional toll of the work that social workers do (piloting Schwartz Rounds, access to counselling support and a health and wellbeing hub).	Colin Pettigrew	Lucy Peel	Reduce stress related absence and therefore for the need for expensive agency worker cover. Improve social worker recruitment and retention through the offer to social workers.	Pilot commences June 2019. Full rollout out January 2020 pending evaluation.	Improved staff retention  Improved staff wellbeing as measured through health check Reduction in stress related absence	From January 2020 Schwartz Rounds have been rolled out across Children and Families on an open access basis following the randomised control trial that the department has been engaged in through Cardiff University. The national evaluation on the impact of Schwartz Rounds is due in September 2020.	Ongoing programme of work
3.6	Good continuing professional development and career progression opportunities through a refreshed CPD offer for experienced social workers and new team managers, and developing additional advanced practitioner roles.	Colin Pettigrew / Marje Toward	Lucy Peel / Helen Richardson	Improved social worker recruitment and retention through the offer to social workers.	Detailed action plan being developed.	Improved staff retention during 2020-21  Quality of practice as assessed through the Quality Management Framework	A revised workforce plan for Children and Families is being developed which will incorporate strengths-based practice and integrate the requirements of the knowledge and skill statements (KSS) for practitioners and supervisors. Dedicated information about the training offer linked to each KSS has been developed and will be promoted to staff.  Job descriptions have been developed for the advanced practitioner role and the proposed structure is planned to go to CYP Committee for approval in April 2020.	Ongoing programme of work

#### 4. Improving departments longer term efficiency and effectiveness

	Improvement Action	CLT Accountable Officer	Lead Officer	What we hope to achieve	Timeframe	Success Measure	Progress	Status
4.1	A review of the financial culture across the department is undertaken including: <ul style="list-style-type: none"> <li>A "stock take" against the recommendations</li> </ul>	Colin Pettigrew	Laurence Jones	Consistent attention to the potential financial consequences of decisions so that they can be planned for.	<ul style="list-style-type: none"> <li>Newton stock take by June 2020</li> <li>Development programme roll out from September 2020</li> </ul>	Reduced levels of budget variance  Contingency plans are in place where adverse financial conditions are predicted		Not yet commenced

	Improvement Action	CLT Accountable Officer	Lead Officer	What we hope to achieve	Timeframe	Success Measure	Progress	Status
	identified by Newton in 2018 <ul style="list-style-type: none"> <li>A development programme for all budget holders to improve confidence and consistency in financial matters</li> </ul>					Budgets are managed in line with guidance and financial regulations		
4.2	To develop a revised vision and mission for the department for the period up until 2023 supported by key plans or strategies to support areas of financial risk including: <ul style="list-style-type: none"> <li>Placement sufficiency and commissioning</li> <li>Social care delivery and demand management</li> <li>Workforce sufficiency</li> </ul>	Colin Pettigrew	Laurence Jones	Improved long term, planning around areas that influence financial risk	<ul style="list-style-type: none"> <li>Departmental Vision and mission by June 2020</li> <li>Revised supporting "strategies" by September 2020</li> </ul>	Vision and strategies in place and communicated appropriately across the department		Not yet commenced
4.3	To implement a rolling "challenge process" for all Group Managers in relation to budget management. This will be strengths based and will adopt an appreciative enquiry approach.	Colin Pettigrew	Laurence Jones	Improved attention and accountability for budget issues and support in identifying improvement actions	Every 6-months from July 2020	Meeting schedule and methodology in place  Improvement plans being implemented at group level		Not yet commenced
4.4	To review the medium-term capacity required to drive a more financially aware performance and transformation culture across the department.	Colin Pettigrew	Laurence Jones	Cultural change so finance becomes an embedded element of all change and performance management	Capacity in place by August 2020	Capacity identified and in place with a time-limited programme of work		Not yet commenced
4.5	To continue to identify key financial data, unit costs and benchmarking for both externally commissioned services (through the Commissioning and Contracts Board) and for those services provided by the Council itself.	Colin Pettigrew	Laurence Jones	An understanding of how departmental spend and performance are linked and if greater efficiency or better outcomes can be achieved.	September 2020	Framework in place that can identify areas for challenge in relation to spend vs performance		Not yet commenced

	Improvement Action	CLT Accountable Officer	Lead Officer	What we hope to achieve	Timeframe	Success Measure	Progress	Status
	(possible area for joint work with Newton)							



**23 March 2020****Agenda Item: 5****REPORT OF THE SERVICE DIRECTOR, PLACE AND COMMUNITIES****HM CORONERS' BUDGET****Purpose of the Report**

1. To provide the Committee with background information about the management of the Coroners' budget and, in particular, the increase in expenditure forecast for the current financial year.

**Information**

2. Members requested an update report on the Coroners' budget following consideration of the Period 5 Financial Monitoring report at the October 2019 meeting of the Committee. The report had included that the Coroner's budget is forecasting an overspend of £0.5m due to an anticipated increase in the annual cost of mortuary services.
3. Nottinghamshire County Council funds the Coroners Service jointly (on a 50:50 basis) with Nottingham City Council. The City Council are the lead authority and provide the Coroners' Officers and accommodation for the service. The County Council is recharged for its contribution to the cost of the service. HM Coroners are at liberty to spend what they consider is required to fulfil their duties, and increasing costs for Coroners services has been a national issue over recent years.
4. The mortuary services contract for the Nottinghamshire HM Coroner service was previously split between Nottingham University Hospitals Trust (NUHT) and Sherwood Forest Hospitals Trust (SFHT). NUHT took over the delivery for the whole contract when SFHT ceased their mortuary provision. The contract was extended for a year awaiting clarity over the national roll-out of the Medical Examiner (ME) role. The legislation around the ME's was agreed in late summer 2018 and there was no change to the way mortuary services would be delivered. Nottingham City Council then commenced work on procurement for a new contract with no significant change to previous requirements. As part of this, they made contact with all neighbouring hospital trusts to appraise them of plans as they were aware of the potential monopoly NUHT held. When bids were received, NUHT were the only tender and the price had increased substantially.
5. City Council procurement colleagues sought justification for the increase and were advised that it was due to the requirement for additional facilities which the trust would have to invest in. The City Council clarified that this was not a requirement in the contract and the price was reduced slightly. In the absence of a response to further enquiries, City Council colleagues escalated the issue to Director level and then Chief Executive level.

6. Dialogue continues between the City Council and NUHT in regard to the tender and currently, an extension is in place under revised terms whilst negotiations continue. Most recently, officers from Nottingham City Council met with NUHT in February to discuss issues and progress. A further meeting has been agreed to take place in March.
7. Officers from the County Council are in regular contact with colleagues from the City Council to ensure that every effort is made to control costs. In particular, the City have endeavoured to economise on property and staffing costs. Despite the efforts of the City Council to control expenditure, the cost of the Coroners service has increased markedly in recent years.

### **Other Options Considered**

8. In the longer term, consideration is being given to joining with Lincolnshire in a joint procurement exercise. Opportunities for the development of a regional public mortuary will also be discussed, however this would require significant capital investment.

### **Reason/s for Recommendation/s**

9. The recommendations are made to fulfil the Committee's request for an update report.

### **Statutory and Policy Implications**

10. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance, finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

### **Financial Implications**

11. The County Council has no direct influence on the cost of the Coroners Service. The service is managed by Nottingham City Council whose officers make strenuous efforts to control expenditure.

## **RECOMMENDATIONS**

12. That Committee agrees to receive an update report in six months' time and considers whether any further actions are required as a result of the contents of the report.

**Derek Higton**  
**Service Director, Place and Communities**

**For any enquiries about this report please contact:** Robert Fisher, Group Manager, Emergency Planning and Registration, Tel: 0115 977 3681, Email: robert.fisher@nottscc.gov.uk

### **Constitutional Comments [KK 04/03/2020]**

13. The proposal in this report is within the remit of the Finance and Major Contracts Management Committee.



### **Financial Comments [NS 09/03/2020]**

14. The Nottinghamshire County Council budget for Coroners' services in 2019/20 was £966,000 and the budget for 2020/21 is £1,517,000.

### **Background Papers and Published Documents**

- None.

### **Electoral Division(s) and Member(s) Affected**

- All



**23 March 2020****Agenda Item: 6****REPORT OF GROUP MANAGER - PROCUREMENT****TENDER FOR PROVISION OF ENFORCEMENT AGENTS AND SUNDRY  
DEBT COLLECTION SERVICES****Purpose of the Report**

1. To inform the committee about the new Framework Agreement for the Provision of Enforcement Agents and Sundry Debt Collection Services.

**Information**

2. The Authority's current contract for Enforcement Agents has recently expired and to ensure continuation of service the Authority issued an invitation to tender on 12<sup>th</sup> September 2019.
3. 7 companies responded to the Pre Qualification Questionnaire and 5 bidders were shortlisted to receive the full Invitation to Tender
4. All 5 bidders responded and the tenders were evaluated by staff from the Central Processing Unit (CPU) with support from Corporate Procurement.
5. Tender evaluations are now complete and contracts have been awarded to 3 bidders
  - Bristow and Sutor – on previous framework
  - Marstons (Holdings) Ltd – on previous framework
  - Jacobs – new supplier
6. 2 of the awarded suppliers are suppliers the Authority has used previously and therefore are known to the Authority. Jacobs is a new supplier but thorough checks were done as part of the tender process about their working practices.
7. Bidders were evaluated on how they deal with vulnerable debtors and asked to provide detail on
  - How they identify vulnerable debtors
  - How staff are trained
  - How they handle cases
  - What work they do with the third sector to provide support for vulnerable debtors and towards training for their own staff
8. This contract will be made available to the local Authorities that share Penalty Charge Notice processing services with Nottinghamshire County Council via the Central Processing Unit. This includes all the district councils in Nottinghamshire and Derbyshire, Derbyshire County

Council and 5 of the District/borough Councils in Lincolnshire. Furthermore, it is possible that during the term of the agreement public authorities in the wider East Midlands region will also utilise the services of the appointed contractors pursuant to this procurement to pursue legitimate debts. The current partner Authorities that use the Central Processing Unit issue approximately 130,000 Penalty Charge Notices annually and it is estimated that this will generate approximately 12,000 warrants that will require recovery by the appointed contractors. These are estimates only and no guarantee has been given in respect of the amount of work which will be put through these procured arrangements.

## **Benefits**

9. A compliant contract will be in place with enforcement officers that have been assessed against various criteria including how they deal with vulnerable debtors.

## **Other Options Considered**

10. None

## **Reason/s for Recommendation/s**

11. That further reports are brought to Committee if there are any changes to the contract.

## **Statutory and Policy Implications**

12. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance, finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

## **Financial Implications**

13. Fees are paid as a percentage of debt recovered which is fixed across all the suppliers.

## **RECOMMENDATION/S**

14. That further reports be brought to Committee if any changes are made to the contract.

**Kaj Ghattaora**  
**Group Manager - Procurement**

**For any enquiries about this report please contact:**

Lorraine Dennis

Category Manager, Chief Executives and Place

T: 0115 9772248

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**Constitutional Comments (EP 17/02/2020)**

15. The Finance and Major Contracts Management Committee is the correct body to consider the content of this report.

**Financial Comments – (KP 17/02/2020)**

16. As noted in the report the costs of the service are contained within the overall CPU budget.

**Background Papers and Published Documents**

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

- None

**Electoral Division(s) and Member(s) Affected**

- All





## **REPORT OF GROUP MANAGER – PROCUREMENT**

### **THE COMMISSIONING AND PROCUREMENT APPROACH FOR DOMESTIC ABUSE SUPPORT SERVICES**

#### **Purpose of the Report**

1. To inform Committee of the Commissioning and Procurement of Domestic Abuse Support Services.

#### **Information**

2. The current Support for Survivors of Domestic Abuse Contracts will cease on the 31/03/2020.
3. A steering group was set up in July 2019 to commission a new Domestic Abuse Support Service to replace the previous Contract. The steering group had representatives from the Police and Crime Commissioner and the County Council as the Contract would cover the requirements of both public sector bodies.
4. The scope of the service was to reduce the impact of Domestic Abuse in Nottinghamshire through the provision of appropriate services and support for women, men and children who are experiencing domestic abuse or whose lives have been adversely affected by domestic abuse.

#### **Commissioning Approach**

5. The market was well established in Nottinghamshire and the steering group had identified clear requirements for the service. Therefore an open tender approach under the Light Touch Regime of the Public Contract Regulations 2015 was the most appropriate route to tender the service.
6. There were different requirements in Nottinghamshire and the tender was split into three Lots each requiring a single provider under the terms of a Framework Agreement. A Framework Agreement allows for separate Call-Off Contracts to be established with different periods and values.

7. The Lots were specified as follows:

- Lot 1 – Services in South Nottinghamshire (Ashfield, Broxtowe, Gedling and Rushcliffe)
- Lot 2 – Services in North Nottinghamshire (Bassetlaw, Newark & Sherwood and Mansfield)
- Lot 3 – Prevention, Promotion and Training Services (Countywide)

8. Each Lot had these initial Call-Off contracts specified:

Lot	Title	Fixed Term	Extension	Value Per Annum
Lot 1	Domestic Abuse Support Services in South Nottinghamshire: Ashfield, Broxtowe, Gedling and Rushcliffe	4 Years	Up To 4 Years	£580,000
Lot 1	Young People's Violence Advocate	1 Year	None	£40,000
Lot 2	Domestic Abuse Support Services in North Nottinghamshire: Bassetlaw, Newark & Sherwood and Mansfield	4 Years	Up To 4 Years	£580,000
Lot 2	Refuge Support Services in North Nottinghamshire	4 Years	Up To 4 Years	£174,852
Lot 2	Young People's Violence Advocate	1 Year	None	£40,000
Lot 3	Domestic Abuse Prevention, Service Promotion and Training	4 Years	Up To 4 Years	£20,000
Lot 3	Domestic Abuse Prevention, Service Promotion and Training – Children Affected by Domestic Abuse	1 Year	None	£35,000

### Indicative timeline of the tender process

Stage	Description	Date(s)
Tender clarification stage	Period during which Bidders may raise clarifications on the ITT.	23 September to 12 noon 28 October 2019
Bidder Information Event	Opportunity for potential Bidders to learn more about the Framework and initial Call-off contracts and tender process	2pm Monday 7 October 2019 County Hall Nottingham NG2 7QP
ITT Response Date	Date by which Bidders must compile their bids in the required format and submit them.	12 noon Monday 4 November 2019



Stage	Description	Date(s)
Evaluation stage	Period during which the Authority may wish to invite Bidders to meet in order to clarify aspects of tender submissions.	5 to 19 November 2019
Notification of evaluation outcome	After selection of any successful Bidder(s), the Authority will notify all Bidders of the outcome of the evaluation. A 10 days standstill period will commence from this date.	9 December 2019
Commencement Date	Framework active – ALL LOTS	1 April 2020
Commencement Date	<u>Call-Off Contracts</u> Lot 1 Call-Offs Reference 1A & 1B Lot 2 Call-Offs Reference 2A, 2B & 2C Lot 3 Call-Off Reference 3A Lot 3 Call-Off Reference 3B	1 April 2020 1 April 2020 1 April 2020 1 Sept 2020

9. There was a delay in issuing the Notification of Award due to a process of clarifying the submissions and receipt of Due Diligence information. The confirmation of award subject to the signature of the Contracts was on the 10<sup>th</sup> January 2020.

**The awarded Providers are as follows:**

- Lot 1 Juno Women's Aid
- Lot 2 Nottinghamshire Women's Aid Limited
- Lot 3 Equation Nottinghamshire trading as Equation

**Savings and/or benefits from the tender process**

- All three successful Bidders are experienced local organisations and evaluators were very satisfied of their ability to deliver framework agreement call-off contracts.
- The number of Service Users to be supported that was bid under the price evaluation was in all cases at or close to the maximum specified by the Authority and therefore all tenders offered good value for money.
- The establishment of a framework agreement provides greater flexibility to the Authority which will be able to purchase additional work as and when required, including pilot and other short term projects.
- The framework agreement has allowed for an additional call-off contract covering a 24 hour helpline.

- The initial call-off contracts included in the tender are subject to updated service specifications and monitoring requirements compared to those currently in place for existing contracts. Clearer performance information will be available, contributing to effective contract management.

## **Reasons for Recommendations**

10. To allow Committee to consider whether there are any actions they require in relation to the information provided in this report.

## **Statutory and Policy Implications**

11. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

## **Financial Implications**

12. The indicative annual Public Health budget investing in the Domestic Abuse Support Service is £1,553,894.

## **RECOMMENDATIONS**

13. That Committee considers whether there are any actions they require in relation to the information provided in this report.

**Kaj Ghattaora**  
**Group Manager - Procurement**

**For any enquiries about this report please contact:**

Michael Fowler  
 Category Manager, Procurement  
 T: 0115 977 4360  
 E: [michael1.fowler@nottsc.gov.uk](mailto:michael1.fowler@nottsc.gov.uk)

## **Constitutional Comments (EP 13/02/2020)**

14. The Finance and Major Contracts Management Committee is the appropriate body to consider the contents of the report. If Committee resolves that any actions are required, it must be satisfied that such actions are within the Committee's terms of reference.

### **Financial Comments (DG 14/02/20)**

15. The indicative annual Public Health budget investing in the Domestic Abuse Support Service is £1,553,894, which includes £84,042 for the countywide helpline. This is funded from the Public Health Grant.

### **Background Papers and Published Documents**

- None

### **Electoral Division(s) and Member(s) Affected**

- All



**23 March 2020****Agenda Item: 8****REPORT OF THE SERVICE DIRECTOR - CUSTOMERS, GOVERNANCE AND  
EMPLOYEES****WORK PROGRAMME****Purpose of the Report**

1. To consider the Committee's work programme for 2020.

**Information**

2. The County Council requires each committee to maintain a work programme. The work programme will assist the management of the committee's agenda, the scheduling of the committee's business and forward planning. The work programme will be updated and reviewed at each pre-agenda meeting and committee meeting. Any member of the committee is able to suggest items for possible inclusion.
3. The attached work programme has been drafted in consultation with the Chair and Vice-Chairs, and includes items which can be anticipated at the present time. Other items will be added to the programme as they are identified.
4. As part of the transparency introduced by the revised committee arrangements from 2012, committees are expected to review day to day operational decisions made by officers using their delegated powers. It is anticipated that the committee will wish to commission periodic reports on such decisions. The committee is therefore requested to identify activities on which it would like to receive reports for inclusion in the work programme.

**Other Options Considered**

5. None.

**Reason/s for Recommendation/s**

6. To assist the committee in preparing its work programme.

## **Statutory and Policy Implications**

7. This report has been compiled after consideration of implications in respect of crime and disorder, finance, human resources, human rights, the NHS Constitution (Public Health only), the public sector equality duty, safeguarding of children and vulnerable adults, service users, sustainability and the environment and ways of working and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required

## **RECOMMENDATION/S**

That the Committee considers whether any amendments are required to the Work Programme.

**Marjorie Toward**  
**Customers, Governance and Employees**

**For any enquiries about this report please contact: Pete Barker, x74416**

## **Constitutional Comments (HD)**

8. The Committee has authority to consider the matters set out in this report by virtue of its terms of reference.

## **Financial Comments (NS)**

9. There are no direct financial implications arising from the contents of this report. Any future reports to Committee on operational activities and officer working groups, will contain relevant financial information and comments.

## **Background Papers**

None.

## **Electoral Division(s) and Member(s) Affected**

All.

## **FINANCE & MAJOR CONTRACTS MANAGEMENT COMMITTEE – WORK PROGRAMME**

<b><u>Report Title MINE</u></b>	<b><u>Brief summary of agenda item</u></b>	<b><u>Lead Officer</u></b>	<b><u>Report Author</u></b>
<b>20 April 2020</b>			
Monthly Budget & Capital Monitoring Report 2020/21	Budget Capital Monitoring, Capital Receipts, Capital Variations	Nigel Stevenson	Glen Bicknell
Capital Receipts Process	Details of process	Nigel Stevenson	Neil Gamble
Investing in Notts County Offices Programme – LEC Report		Derek Higton	Derek Higton
School Places Programme Update and LEC Report		Derek Higton	Phil Berrill
Orchard Programme F&E LEC Report		Derek Higton	Phil Berrill
Top Wighay Infrastructure LEC Report	LEC report for the £10.2m Top Wighay Infrastructure project	Derek Higton	Phil Berrill
Procurement Plan	Details of Plan	Kaj Ghattaora	Kaj Ghattaora
Update on Wide Area network Tender	Update report	Kaj Ghattaora	Lorraine Dennis

## **FINANCE & MAJOR CONTRACTS MANAGEMENT COMMITTEE – WORK PROGRAMME**

<b>18 May 2020</b>			
Monthly Budget & Capital Monitoring Report 2020/21	Budget Capital Monitoring, Capital Receipts, Capital Variations	Nigel Stevenson	Glen Bicknell
BCF 6 Monthly Reconciliation		Paul Brandreth	Paul Brandreth
Risk & Insurance	Update Report	Nigel Stevenson	Rob Disney
Contract Management	Progress report	Kaj Ghattaora	Kaj Ghattaora
<b>15 June 2020</b>			
Monthly Budget & Capital Monitoring Report 2020/21	Budget Capital Monitoring, Capital Receipts, Capital Variations	Nigel Stevenson	Glen Bicknell
The provision of new schools and school places	Details of the Authority's approach	Derek Higon	Derek Higon
BN Programme LEC Report		Derek Higon	Phil Berrill
Planned Maintenance Programme 2020/21 – LEC Report		Derek Higon	Phil Berrill
SBIP Programme 2020/21 – LEC Report		Derek Higon	Phil Berrill
DN2 Partnership Children's Services Intervention Programme	6 Monthly Update	Lynn Brammer / Jon Hawketts	Kaj Ghattaora



**FINANCE & MAJOR CONTRACTS MANAGEMENT COMMITTEE – WORK PROGRAMME**

<b>20 July 2020</b>			
Monthly Budget & Capital Monitoring Report 2020/21	Budget Capital Monitoring, Capital Receipts, Capital Variations	Nigel Stevenson	Glen Bicknell
<b>28 September 2020</b>			
Monthly Budget & Capital Monitoring Report 2020/21	Budget Capital Monitoring, Capital Receipts, Capital Variations	Nigel Stevenson	Glen Bicknell
The Competitive Dialogue Procurement Approach for Public Health Services	Progress Report	Michael Fowler	Kaj Ghattaora
<b>TO BE PLACED</b>			
Agency Staffing Update	Progress report	Kaj Ghattaora	Lorraine Dennis

