

## **Finance Committee**

**Monday, 10 January 2022 at 10:30**

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

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### **AGENDA**

- |   |                                                                                                                                                                    |         |
|---|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|
| 1 | Minutes of the last meeting held on 22 November 2021                                                                                                               | 3 - 6   |
| 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 8 2021-22                                                                                                                       | 7 - 26  |
| 5 | Increasing Residential Capacity for Looked After Children                                                                                                          | 27 - 36 |
| 6 | ICT Operational Performance Q2 2021-22                                                                                                                             | 37 - 48 |
| 7 | Integrated Community Equipment Loans Service Tender 2023                                                                                                           | 49 - 52 |
| 8 | Work Programme                                                                                                                                                     | 53 - 58 |

### **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 COMMITTEE**

Date **11 October 2021 (commencing at 10.30am)**

**Membership**

Persons absent are marked with an 'A'

**COUNCILLORS**

Richard Jackson (Chair)  
**A** - Roger Jackson (Vice Chair)

Reg Adair	<b>A</b> - Bruce Laughton
Andre Camilleri	Mike Pringle
John Clarke	<b>A</b> - Mike Quigley MBE
Jim Creamer	<b>A</b> - Lee Waters
Tom Hollis	

**SUBSTITUTE MEMBERS**

Neil Clarke MBE for Roger Jackson, Gordon Wheeler for Bruce Laughton, Keith Girling for Mike Quigley MBE and Jason Zadrozny for Lee Waters.

**OFFICERS IN ATTENDANCE**

Mick Allen	Group Manager, Place Commissioning
Pete Barker	Democratic Services Officer
Kaj Ghattaora	Group Manager, Procurement
Derek Higton	Service Director, Place and Communities
Paul Martin	Head of Technology and Digital
Colin Pettigrew	Corporate Director, Children and Families
Adrian Smith	Corporate Director, Place
Nigel Stevenson	Service Director, Finance, Infrastructure & Improvement

**1. MINUTES OF THE LAST MEETING HELD ON 11 OCTOBER 2021**

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

**2. APOLOGIES FOR ABSENCE**

Apologies were received from Councillor Roger Jackson (other reasons), Councillor Bruce Laughton (other County Council business), Councillor Quigley (illness/medical) and Councillor Waters (other reasons).

### **3. DECLARATIONS OF INTEREST BY MEMBERS AND OFFICERS**

Councillor Richard Jackson and Councillor Adair, as members of the Via Board, and Councillor John Clarke as Leader of Gedling Borough Council, all declared an interest in Item 7, 'Gedling Access Road – Progress Report' which did not preclude them from speaking or voting on that item.

### **4. FINANCIAL MONITORING REPORT PERIOD 6 2021-22**

**RESOLVED: 2021/036**

That the additional contingency requests be approved.

### **5. CHILDREN AND FAMILIES DEPARTMENT BUDGET POSITION**

**RESOLVED: 2021/037**

That the contents of the report be noted.

### **6. RESOURCE SHORTAGES AND CONTRACT INFLATION**

**RESOLVED: 2021/038**

That the contents of the report be noted.

### **7. GEDLING ACCESS ROAD – PROGRESS REPORT**

**RESOLVED: 2021/039**

That the variation to the Capital Programme be supported to allow the completion of the Gedling Access Road.

### **8. ICT STRATEGY 2022-2025**

**RESOLVED: 2021/040**

That the ICT Strategy, as outlined in the report, be approved and an annual workplan be produced for each financial year from March 2022 once budgets have been agreed.

### **9. WORK PROGRAMME**

**RESOLVED: 2021/041**

1) That a separate report be brought to Committee on the Children and Families Department Budget Position if substantial issues arise, otherwise regular reporting will be included in the Financial Monitoring reports.

2) That details on the separate effects of Brexit and Covid on resource shortages and contract inflation will be included in forthcoming reports

## **11. WORK PROGRAMME**

**RESOLVED: 2021/042**

That the contents of the report be noted.

The meeting closed at 12.45pm

CHAIR



**REPORT OF THE SERVICE DIRECTOR – FINANCE, INFRASTRUCTURE  
AND IMPROVEMENT****FINANCIAL MONITORING REPORT: PERIOD 8 2021/22****Purpose of the Report**

1. To provide a summary of the Committee revenue budgets for 2021/22.
2. To provide a summary of capital programme expenditure to date, year-end forecasts and approve variations to the capital programme.
3. To inform Members of the Council's Balance Sheet transactions.
4. To provide Members with an update from the Accounts Payable and Accounts Receivable teams.
5. To provide Members with an update from the Procurement team.

**Information  
Background**

6. The Council approved the 2021/22 budget at its meeting on 25 February 2021. As with previous financial years, progress updates will be closely monitored and reported to management and Committee each month.
7. It is important to note that this Financial Monitoring report has been put together at a time when the Council is continuing to respond to the consequences of COVID19. Central Government has recognised that although there are good reasons to be optimistic about overcoming the virus it also acknowledged that many of the challenges posed by COVID19 will not go away immediately. As such, the Council has been awarded a £16.1m COVID19 grant in 2021/22 to help fund the on-going challenges associated with the virus.
8. It is also important to note that considerable uncertainty does still remain regarding the longer-term implications of recovering from the pandemic both from an expenditure and income perspective. Information continues to be developed regarding significant areas of the Authority's budget including Home to School Transport, Looked After Children (LAC) and Adult Social Care and Health Services.
9. Departments continue to identify and monitor both additional costs arising from the COVID19 crisis as well as lost income. Where costs have been incurred but may need to be shared with other organisations, sufficient documentation will be maintained to evidence the recharge at a future date.

## Summary Revenue Position

10. The table below summarises the revenue budgets for each Committee for the current financial year. An underspend of £1.3m is currently predicted against the revised budget estimate following allocation of COVID19 grant to mitigate pandemic cost pressures. In-year issues associated with the COVID19 pandemic continues to make forecasting a challenge for budget holders. However, as a consequence of the significant levels of uncertainty and 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 7 £'000	Committee	Revised Annual Budget £'000	Actual to Period 8 £'000	Year-End Forecast £'000	Latest Forecast Variance £'000
1,993	Children & Young People	154,634	100,791	156,215	1,581
(3,203)	Adult Social Care & Public Health	219,140	107,496	215,800	(3,340)
(54)	Transport & Environment	112,676	74,717	112,884	208
(559)	Communities	18,838	7,270	18,355	(483)
(493)	Economic Development & Asset Management	23,234	16,708	22,724	(510)
(57)	Policy	3,078	3,466	2,700	(378)
148	Finance	15,717	12,729	15,837	120
173	Governance & Ethics	7,724	5,159	7,923	199
(656)	Personnel	18,307	13,235	17,788	(519)
(2,708)	<b>Net Committee (under)/overspend</b>	<b>573,348</b>	<b>341,571</b>	<b>570,226</b>	<b>(3,122)</b>
-	- Central items	(36,260)	(75,987)	(36,260)	-
-	- Schools Expenditure	1,051	-	1,051	-
791	Contribution to/(from) Traders	993	1,742	1,816	823
(1,917)	<b>Forecast prior to use of reserves</b>	<b>539,132</b>	<b>267,326</b>	<b>536,833</b>	<b>(2,299)</b>
-	- Transfer to / (from) Corporate Reserves	(1,841)	-	(1,841)	-
1,088	- Transfer to / (from) Departmental Reserves	(6,974)	(241)	(5,985)	989
-	- Transfer to / (from) General Fund	-	-	-	-
(829)	<b>Net County Council Budget Requirement</b>	<b>530,317</b>	<b>267,085</b>	<b>529,007</b>	<b>(1,310)</b>



## **Committee and Central Items**

### **COVID19 Pressures**

11. The Ministry of Housing, Communities and Local Government requires all local authorities to submit a monthly DELTA data collection return. This return is designed to help departments across central government to understand the impact of the COVID19 pandemic on local authority finances.
12. Nottinghamshire County Council's DELTA16 return was submitted on 24 September 2021 and forecast additional COVID19 pressures totalled £52.3m. It is proposed that these costs will be funded from a combination of specific and general COVID19 grants received from Central Government.

### **Committee Variations**

#### **Children & Young People's (£1.6m overspend)**

13. The underlying overspend is £1.6m after planned use of grant reserves and initial funding for additional costs related to COVID19. This is a reduction of £0.4m from last month.
14. The Youth Families & Social Work Division is forecasting a net underspend of £0.3m with small variations across a range of budgets.
15. The Commissioning and Resources Division is forecasting an overspend of £2.1m, which relates to a forecast overspend on external LAC placement costs and the additional costs of children transferred from Minster View offset by a reduction in Children's Centre costs and other budgets.
16. Education, Learning & Skills Division is forecasting an underspend of £0.2m due to additional Covid funding of increased costs for Education, Health and Care Plans (EHCP's) for children who have special education needs (SEN).

#### **Adult Social Care & Public Health (£3.3m underspend)**

17. The Adult Social Care and Public Health Department budget is currently forecasting an underspend of £3.3m which is an increase of £0.1m from last month.
18. The overall position is due to an underspend on Direct & Provider Services (£0.8m), an underspend in Living Well and Aging Well (£1.2m) mainly due to reductions in staffing and care package forecasts in Ageing Well and a net underspend across other budgets (£0.9m), due to savings across non staffing budgets and increased income.
19. Public Health is underspending by £0.4m, which is offset by reserves movements. This is due to staff working on COVID agendas and lower service take ups due to COVID.
20. Staff turnover and difficulties in recruiting to vacant post are a risk to service delivery and further mitigations are being reviewed to identify any actions that can be taken to improve the situation.

## **Economic Development & Asset Management (£0.5m underspend)**

21. The £0.5m forecast underspend comprises underspends within Property & Estates (£0.4m) and Investment & Growth (£0.1m), predominantly due to staff vacancies and small savings on other budgets such as travel.

## **Personnel (£0.5m underspend)**

22. The £0.5m forecast underspend comprises an overspend within Corporate HR (£0.2m) due to reduced income, an underspend in Business Support (£0.4m) due to staff vacancies and an underspend on Apprentices / Trainees (£0.1m) due to delays in recruitment as a result of the COVID19 pandemic and a small net underspend (£0.2m) across a range of other budgets.

## **Trading Services**

23. Schools Catering is forecasting a deficit of £0.8m as operations are continuing to function below normal levels due to the COVID19 pandemic. Schools continue to operate in various ways to mitigate COVID19 infections which are having an adverse impact on sales. Following the increasing number of infections as a result of the Omicron variant the immediate future of school operating models are uncertain. School meal numbers and associated costs will therefore be monitored closely throughout the rest of the financial year.

## **Central Items**

24. Central Items primarily consists of interest on cash balances and borrowing, together with various grants, contingency and capital charges.

25. Central Items includes a base contingency budget of £4.0m to cover redundancy costs, slippage of savings and other unforeseen events. Also, in 2021/22 further demand and inflationary pressures have been identified that have a degree of uncertainty with regard to likelihood, value and profiling. As such, an additional provision of £8.6m has been made within the contingency to fund these pressures should they arise. The Finance Committee or the Section 151 Officer are required to approve the release of contingency funds.

26. There has already been a call on the 2021/22 contingency budget from requests that have been previously approved by Finance Committee or the Section 151 Officer totalling £1.8m.

27. Table 1 assumes that the remaining contingency budget will be utilised in full for future requests.

## **Main areas of risk to the forecast**

28. As well as the implications arising from the COVID19 emergency the usual budget monitoring process will continue to take place throughout the year to identify all major variations to budget. Progress updates will be closely monitored and reported to management and to Committee on a monthly basis.

29. The approved 2021/22 budget was set against a background of assumptions and on-going risks, specifically with regard to the demand for Council services in the areas of Children and Adult Social Care where safeguarding takes priority. In Children's Social Care specifically, early indications suggest that significant pressures are continuing to be experienced in relation to the Children's Social Work staffing budget. This is due to the need to employ agency staff as well as the rise in costs associated with Looked After Children external placements due to accommodation issues and sustained high numbers. In addition, the average weekly cost of placements are rising due to complexity of need, market conditions, inflation and limited capacity within the Authority's own internal residential and foster care provision. These high-risk areas will continue to be monitored closely during the year through the robust monthly budget management process and reported back to Committee. Within Adult Social Care difficulties are being experienced in recruitment and retention, particularly when many sectors are experiencing similar issues, with some starting to increase salaries and offer bonuses (sign on and retention). The position will continue to be closely monitored

### **Provisional Local Government Settlement**

30. Following the October 2021 Autumn Budget and Spending Review, a number of announcements were confirmed by the Secretary of State for Levelling Up, Housing and Communities on 16 December 2021 as part of the Provisional Local Government Settlement. The key announcements that will affect the Council are as follows:

- Core Spending Power increases by an average of 6.9% - assuming all authorities levy the maximum precept allowed
- A confirmed £33.5m Social Care Grant allocation in 2022/23, an increase of £9.2m from 2021/22
- A confirmed one-off £7.5m Services Grant for 2022/23
- A confirmed £2.4m Market Sustainability and Fair Cost of Funding Grant
- A confirmed Revenue Support Grant allocation of £7.3m, an increase of £0.2m from 2021/22
- An Improved Better Care Fund allocation of £30.9m, an increase of £0.9m from 2021/22
- The Council Tax threshold will remain at 1.99% for 2022/23 with an additional 1% flexibility for the Adult Social Care (ASC) Precept - plus any carried forward from previous years where Council's did not take the full 3% ASC precept increase
- A £1.6m New Homes Bonus allocation includes the final legacy payment of the bonus for 2019/20
- The Government is committed to ensuring that funding allocations for councils are based on an up-to-date assessment of their needs and resources. A consultation on the Fair Funding Review is expected in Spring 2022.
- No additional COVID19 funding was announced.

31. Although the Autumn Statement set out high-level indicative Departmental allocations for three years, the 2022/23 Local Government Finance Settlement only set out a one-year settlement for local authorities. As such, there continues to be further uncertainty beyond 2022/23 which will remain until further funding announcements are made.

## Balance Sheet

### General Fund Balance

32. Members approved the 2020/21 closing General Fund Balance of £32.1m at Full Council on 22 July 2021. The 2021/22 budget assumes no utilisation of the General Fund and so the closing balance is forecast to be £32.1m at the end of the current financial year. This is 5.7% of the budget requirement.

## Capital Programme

33. Table 2 summarises changes in the gross Capital Programme for 2021/22 since approval of the original Programme in the Budget Report (Council 25/02/21):

**Table 2 – Revised Capital Programme for 2021/22**

	2021/22 £'000	£'000
Approved per Council (Budget Report 2021/22)		108,523
Variations funded from County Council Allocations : Net slippage from 2020/21 and financing adjustments	(1,108)	
		(1,108)
Variations funded from other sources : Net variation from 2020/21 and financing adjustments	28,625	
		28,625
<b>Revised Gross Capital Programme</b>		<b>136,040</b>

34. Table 3 shows actual capital expenditure to date against the forecast outturn at Period 8.

**Table 3 – Capital Expenditure and Forecasts as at Period 8**

Committee	Revised Capital Programme £'000	Actual Expenditure to Period 8 £'000	Forecast Outturn £'000	Expected Variance £'000
Children & Young People's	30,698	11,213	19,709	(10,989)
Adult Social Care & Public Health	971	333	971	-
Transport & Environment	62,979	29,681	61,722	(1,257)
Communities	2,682	454	2,635	(47)
Economic Devt & Asset Mngt	26,005	10,618	23,515	(2,490)
Finance	10,083	5,963	10,083	-
Personnel	151	82	161	10
Contingency	2,471	-	2,471	-
<b>Total</b>	<b>136,040</b>	<b>58,344</b>	<b>121,267</b>	<b>(14,773)</b>

## Children & Young People

35. In the Children and Young People's Committee, a forecast underspend of £11.0m has been identified. This relates mainly to the Schools Place programme (£6.8m) where re-profiling is required as commitment to projects at Academies are not now expected to be made until future financial years.
36. Further re-profiling is required against the Schools Building Improvement Programme (£1.9m), the Orchard Special School project (£0.3m), the Special School programme (£0.6m) and the Increasing Residential Capacity programme (£0.6m) as an element of the works are now expected to place in the next financial year.

**It is proposed that the Children and Young People's capital programme is varied to reflect the re-profiling of budget identified against the Schools Building Improvement Programme (£1.9m), the Orchard Special School project (£0.3m), the Special School programme (£0.6m) and the Increasing Residential Capital programme (£0.6m)**

37. In addition, the capital project at the Mill Adventure Base is being reviewed which means that the start date will be delayed and the bulk of the spend will now take place in the next financial year.

**It is proposed that the Children and Young people's Committee capital programme is varied by £0.9m to reflect the delayed start date on the Mill Adventure Base project.**

## Transport & Environment

38. In the Transport and Environment Committee, an overspend of £1.2m has been identified. As reported to Finance Committee in November, a forecast overspend has been identified against the Gedling Access Road, as result an additional £4.5m capital expenditure will be incurred in this financial year. In addition, a £2.1m forecast overspend has been identified against the Road Maintenance and Renewals programme. The overspend has arisen due to a combination of inflationary impacts on construction costs and the acceleration of structural patching works. It is proposed that funding against this programme will be accelerated from 2022/23 to fund these costs.
39. The £6.6m forecast overspend identified above will be offset by slippage identified against the Transport and Travel Services budget (£1.1m) as a number of vehicles are not now expected to be delivered in this financial year. Also, £3.5m of capital expenditure associated with the Transforming Cities Fund is now expected to take place in 2022/23 and, in addition, although good progress is being made on the Trees for Climate programme it is forecast that £0.3m of expenditure will slip into the next financial year.

**It is proposed that the Transport and Environment Committee capital programme is varied to reflect the £1.1m slippage identified against the Transport and Travel Services programme and the £0.3m slippage identified against the Trees for Climate programme.**

## Economic Development & Asset Management

40. In the Economic Development and Asset Management Committee capital programme a forecast underspend of £2.5m. This is mainly as a result of a £1.4m underspend against the Planned Maintenance programme which has been impacted by the COVID19 pandemic. A further £1.0m forecast underspend has been identified against the Site Clearance programme as an element of the programme has slipped into the next financial year.

**It is proposed that the Economic Development and Asset management Committee capital programme is varied to reflect the £1.4m slippage identified against the Planned Maintenance programme and the £1.0m slippage identified against the Site Clearance programme.**

41. Also in the Economic Development and Asset Management Committee, a report was approved in November to approve the purchase of land to enable delivery of 250 hectares of new woodland in Greenwood Community Forest. The purchase will be funded from a £0.7m external grant from the Department for Environment, Food and Rural Affairs (DEFRA) alongside a small contribution from Property revenue budgets

**It is proposed that the Economic Development and Asset management Committee capital programme is varied to reflect the £0.7m purchase of land to further the delivery of new woodland in the Greenwood Community Forest, funded mainly from external DEFRA grant.**

## Financing the Approved Capital Programme

42. Table 4 summarises the financing of the overall approved Capital Programme for 2021/22

**Table 4 – Financing of the Approved Capital Programme for 2021/22**

Committee	Capital Allocations £'000	Grants & Contributions £'000	Revenue £'000	Reserves £'000	Gross Programme £'000
Children & Young People's	16,695	13,477	509	17	30,698
Adult Social Care & Public Health	43	881	16	31	971
Transport & Environment	18,811	43,006	222	940	62,979
Communities	2,620	-	20	42	2,682
Economic Devt & Asset Mngt	12,683	12,346	176	800	26,005
Finance	7,892	2,000	-	191	10,083
Personnel	151	-	-	-	151
Contingency	2,471	-	-	-	2,471
<b>Total</b>	<b>16,358</b>	<b>71,710</b>	<b>943</b>	<b>2,021</b>	<b>136,040</b>

43. It is anticipated that the level of capital allocations used in 2021/22 will decrease by £15.7m from the forecast in the Budget Report 2020/21 (Council 25/02/2021). This decrease is primarily a consequence of:

- £1.1m of net slippage from 2020/21 to 2021/22 and financing adjustments funded by capital allocations.

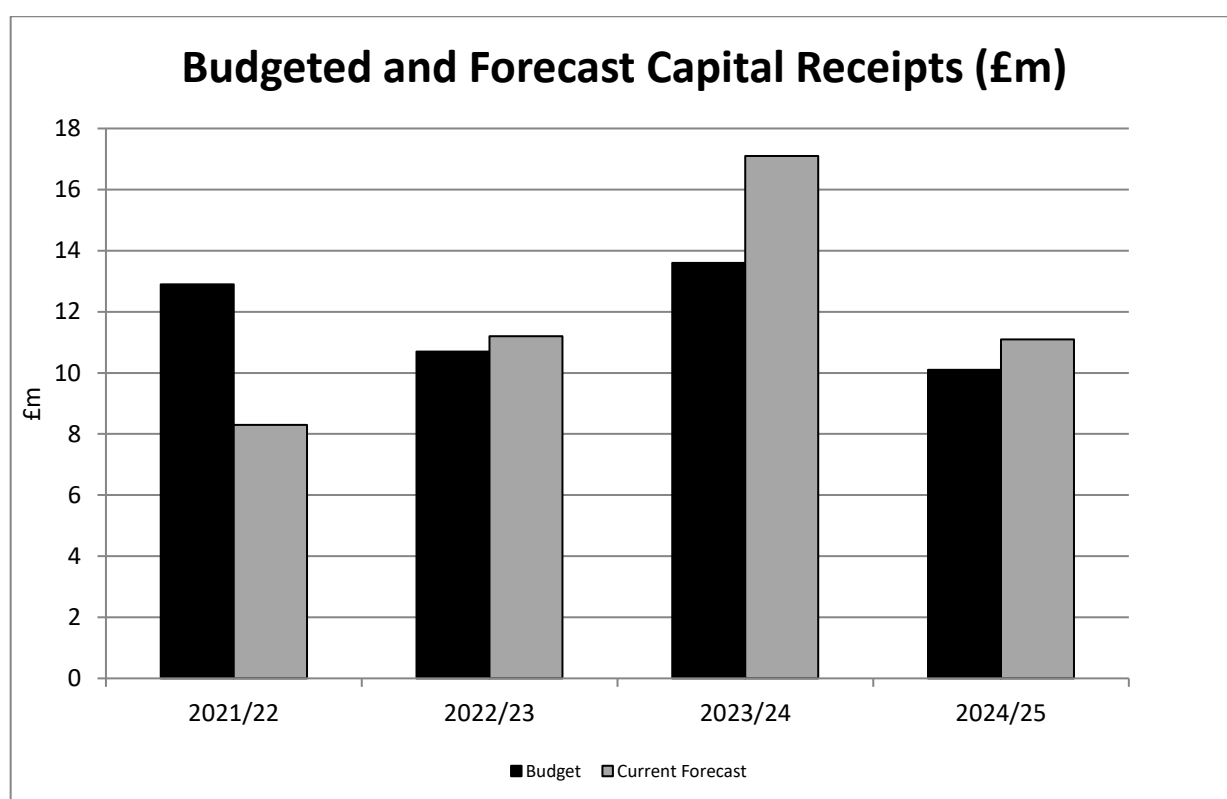
- Net slippage in 2021/22 of £14.6m of capital expenditure funded by capital allocation identified as part of the departmental capital monitoring exercise.

## Prudential Indicator Monitoring

44. 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

45. 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.
46. The chart below shows the budgeted and forecast capital receipts for the four years to 2024/25.



47. The dark bars in the chart show the budgeted capital receipts included in the Budget Report 2021/22 (Council 25/02/2021). These capital receipts budgets prudently incorporated slippage, giving a degree of "protection" from the risk of non-delivery.
48. The capital receipt forecast for 2021/22 is £8.3m. As at the end of Period 8, £4.2m of capital receipts have been received.
49. The number and size of large anticipated receipts increase the risk that income from property sales will be below the revised forecasts over the next three years. Although the forecasts incorporate an element of slippage, a delay in receiving just two or three large receipts could result in sales being lower than the forecast. Having said that, the property team are confident that the forecast capital receipts position will be achieved.

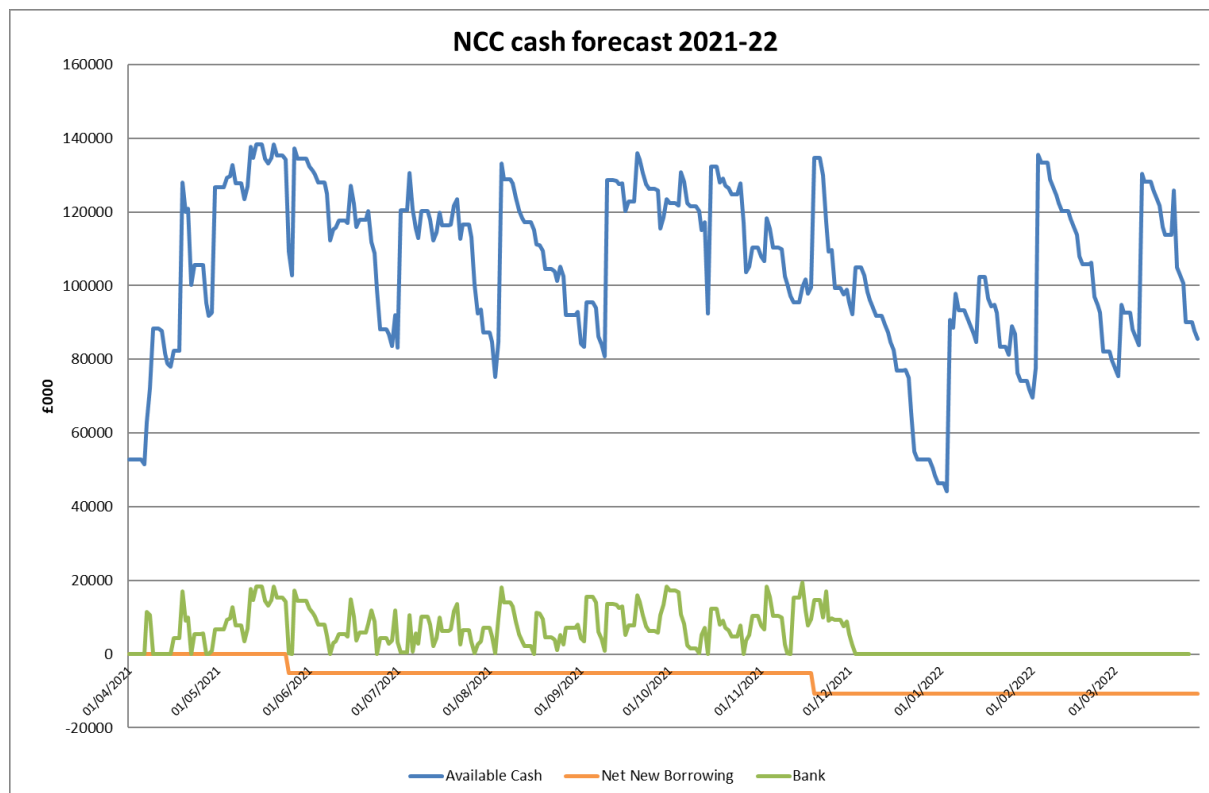


50. Current Council policy (Budget Report 2021/22) is to use the first tranche of capital receipts to fund in-year transformation costs. Any capital receipts in excess of this will be set against the principal of previous years' borrowing. This reduces the amount of Minimum Revenue Provision (MRP) to 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

51. 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 (TMG).

52. The cash forecast chart below shows the current estimated cash flow position for the financial year 2021/22. 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. Also, expected borrowing in support of capital expenditure is not included in the forecast. The chart thereby helps highlight the points in the year when such borrowing will be necessary, and it is monitored daily so that treasury management staff can act comfortably in advance of the cash being required, the aim being to maintain adequate but not excessive liquidity.



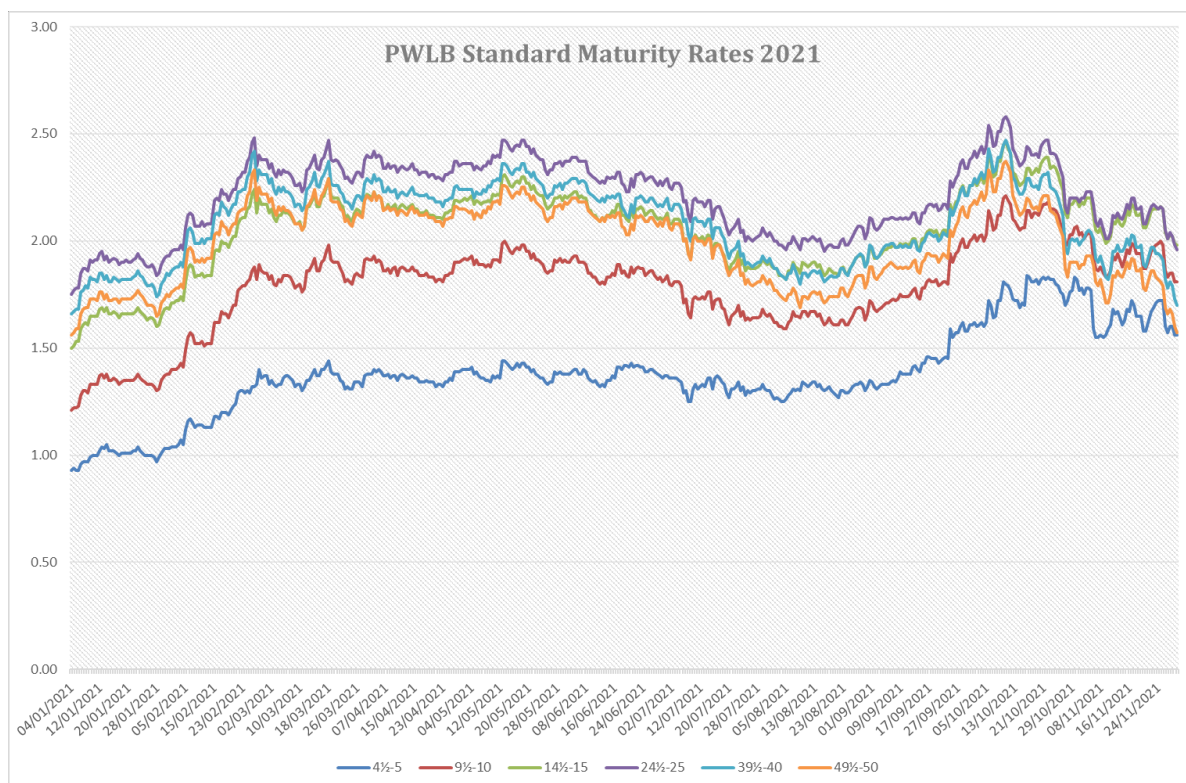
53. The chart above gives the following information:



<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.

54. The Treasury Management Strategy for 2021/22 identified a need to borrow approximately £70m over the course of the year to (a) fund the capital programme, (b) replenish internal balances and to (c) replace maturing debt.

55. PWLB interest rates continue to be monitored closely to allow changes - or potential changes - in rates to feed into decisions on new borrowing. The Council remains able to take advantage of the PWLB "certainty rate" which is 0.2% below the standard rates. The chart below shows the movement in standard PWLB maturity rates over the course of 2021 so far.



56. Borrowing decisions will take account of a number of factors including:

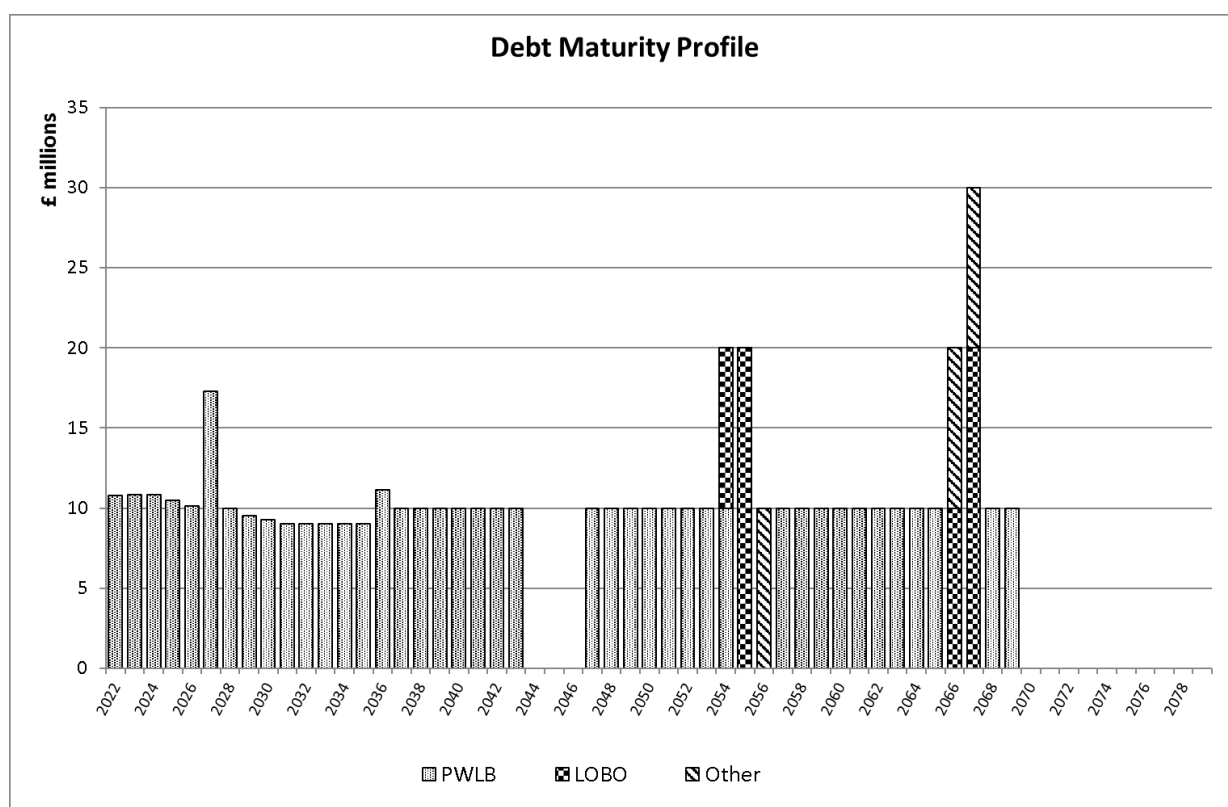
- expected movements in interest rates
- current maturity profile
- the impact on revenue budgets and the medium- term financial strategy
- the treasury management prudential indicators.

57. 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.

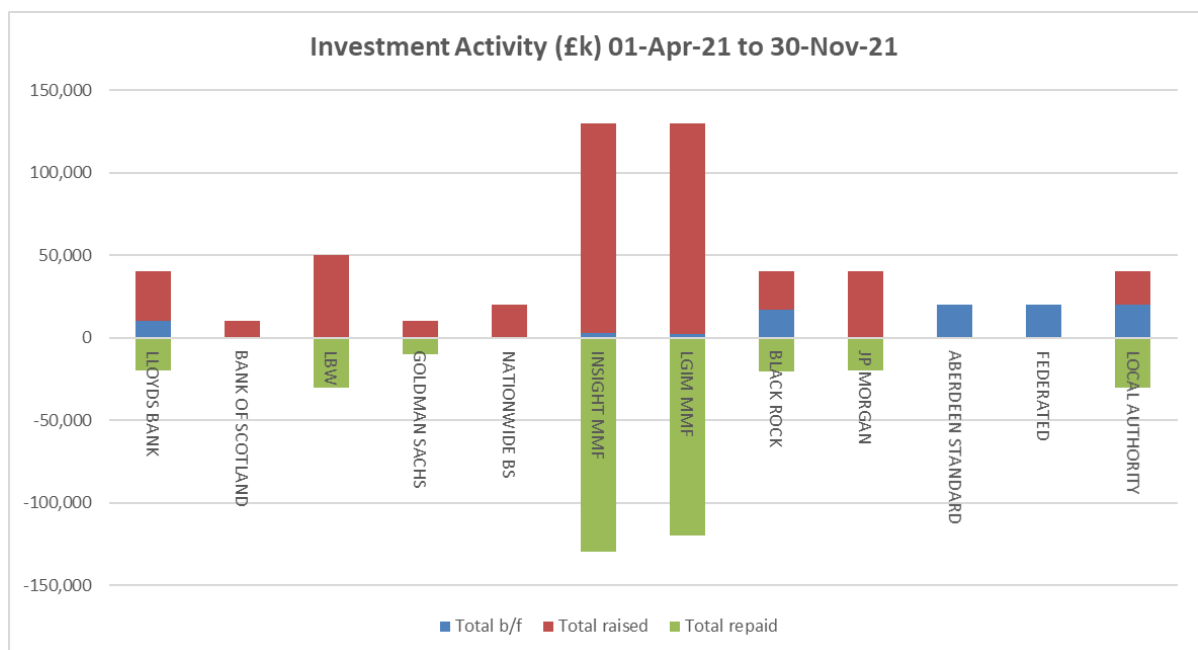
58. Long-term borrowing was also obtained from the market some years ago in the form of ‘Lender’s Options, Borrower’s Options’ loans (LOBOs). These loans are treated as fixed rate loans (on the basis that, if the lender ever opts to increase the rate, the Council will repay the loan) and were all taken 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.

59. The ‘other’ loans shown in the chart consists of fixed-term loans from Barclays Bank.



60. The investment activity for 2021/22 to date is summarised in the chart and table below. Outstanding investment balances totalled approximately £92m at the start of the year and approximately £170m at the end of November.

	Total B/F £ 000's	Raised £ 000's	Repaid £ 000's	Outstanding £ 000's
INSIGHT MMF	3,100	126,700	(129,800)	-
LLOYDS BANK	10,000	30,000	(20,000)	20,000
LBW	-	50,000	(30,000)	20,000
GOLDMAN SACHS	-	10,000	(10,000)	-
LGIM MMF	2,000	128,000	(120,000)	10,000
BLACK ROCK	17,100	23,350	(20,450)	20,000
NATIONWIDE BS	-	20,000	-	20,000
BANK OF SCOTLAND	-	10,000	-	10,000
JP MORGAN	-	40,000	(20,000)	20,000
FEDERATED	20,000	-	-	20,000
LOCAL AUTHORITY	20,000	20,000	(30,000)	10,000
ABERDEEN STANDARD	20,000	-	-	20,000
<b>Total</b>	<b>92,200</b>	<b>458,050</b>	<b>(380,250)</b>	<b>170,000</b>



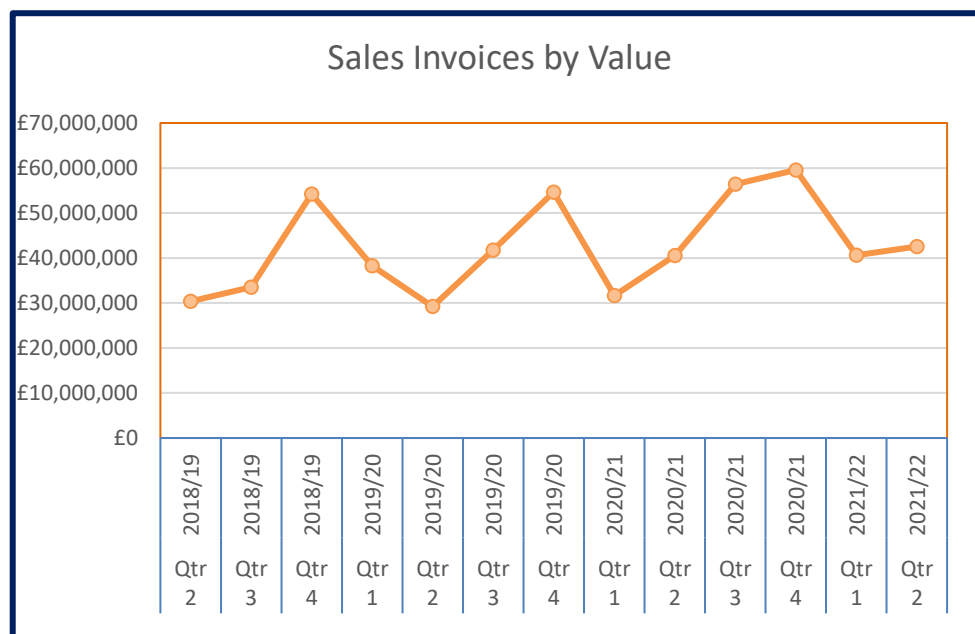
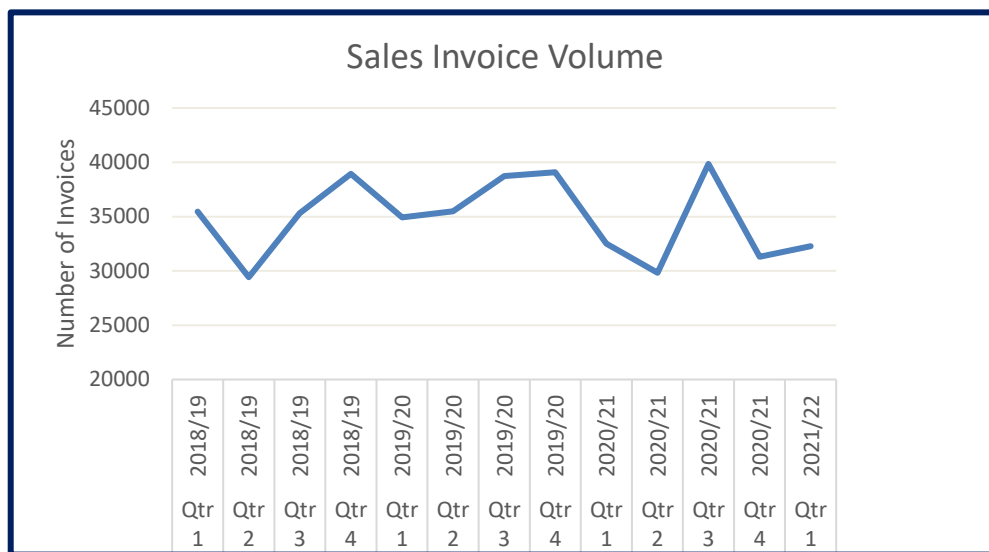
61. As part of the Council's risk management processes all counterparty ratings are regularly monitored and lending restrictions changed accordingly.

## Debt Recovery Performance

62. Sales Invoicing trends during Quarter 2 shows an increase of activity compared to Quarter 2 last year but this will be due to two billing runs for Residential care falling in P6.

### Invoices Raised in Quarter 2

	Quarter 2	Year to date
Number	37,446	69,723
Value	£42,550,655	£83,201,799



## Debt Position Quarter 2

63. Throughout Q2, the debt recovery team have continued to perform pre covid work processes with regular dunning and debtor contacting strategies.

	<b>Residential &amp; Domiciliary Care (Statutory Debtors)</b>	<b>All Other (Non-Statutory Debtors)</b>	<b>Total</b>
Total	£13,768,236	£12,362,798	£26,131,034
Over 6 months	£8,722,613	£1,029,736	£9,752,349
% over 6 months	63.4%	8.3%	37.3%

64. 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 available funds to make payments.

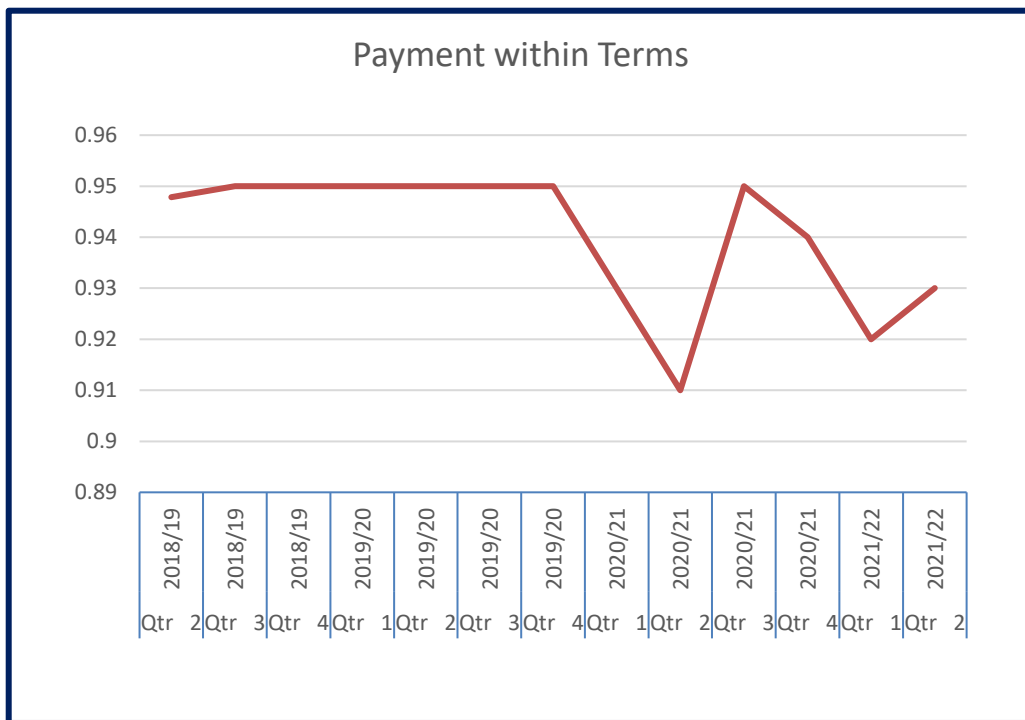
<b>No of Accounts</b>	<b>Total Debt</b>
58	£1.81m

65. The debtor write-off total during Quarter 2 was £76k for 188 accounts, making the write off total to date for 21/22 £109k against 268 accounts.

## Accounts Payable (AP) Performance

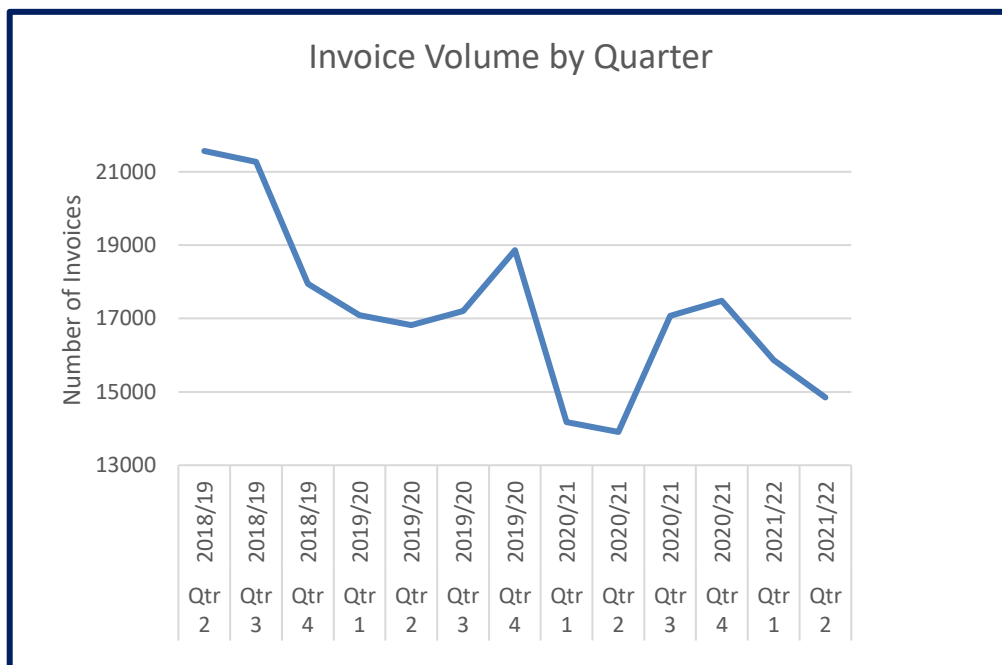
66. Payment performance for Quarter 2 has been recorded at 93%. This takes account of any known disputed invoices that were paid during Quarter 2 and therefore not counted as a failure against payment terms.

## Payments Within Terms



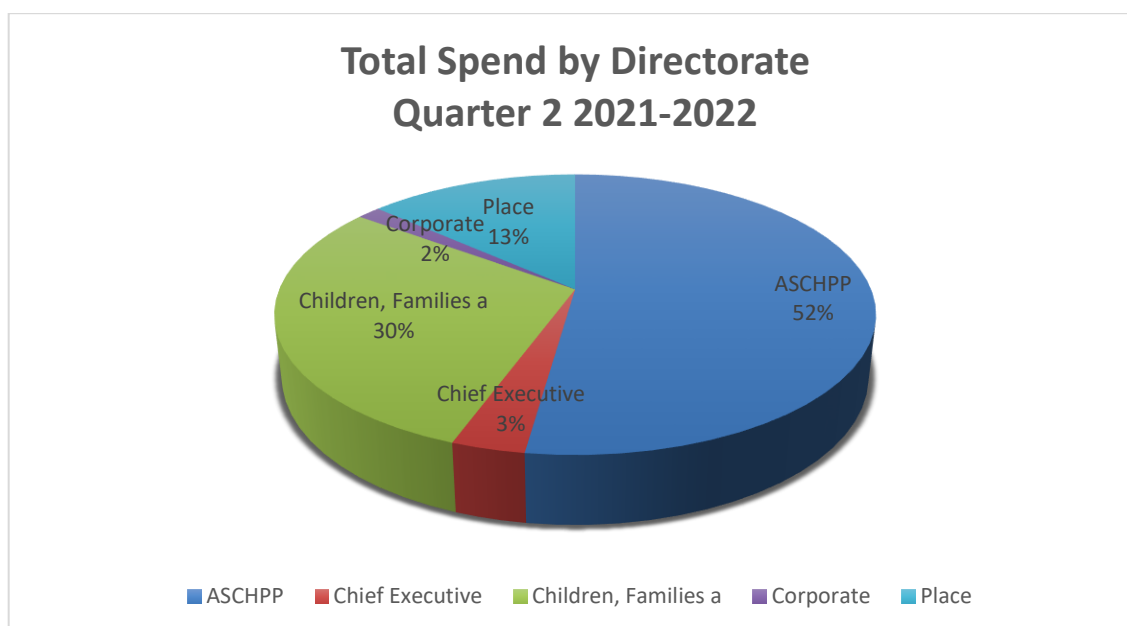
67. The volume of commercial invoices processed for Quarter 2 is 14,844 and shows a 6.7% increase from this time last year.

## Commercial Invoices Processed



## Procurement Performance

68. As an organisation, NCC has spent £158.0m in the second quarter of the financial year 2021-22 with external suppliers. This represents an increase of £22.1m when compared with the same period of the previous financial year. The top 13.7% (428) of suppliers account for 80% (£126m) of the total supplier spend. The remaining 86.3% (2,706 suppliers) have a total expenditure of £32m with an average spend of £11,826. The chart below shows the total amount spent in the period, by Directorate. ASCH has the highest level of expenditure at 52%, followed by Children's and Family's which make up a further 30%.

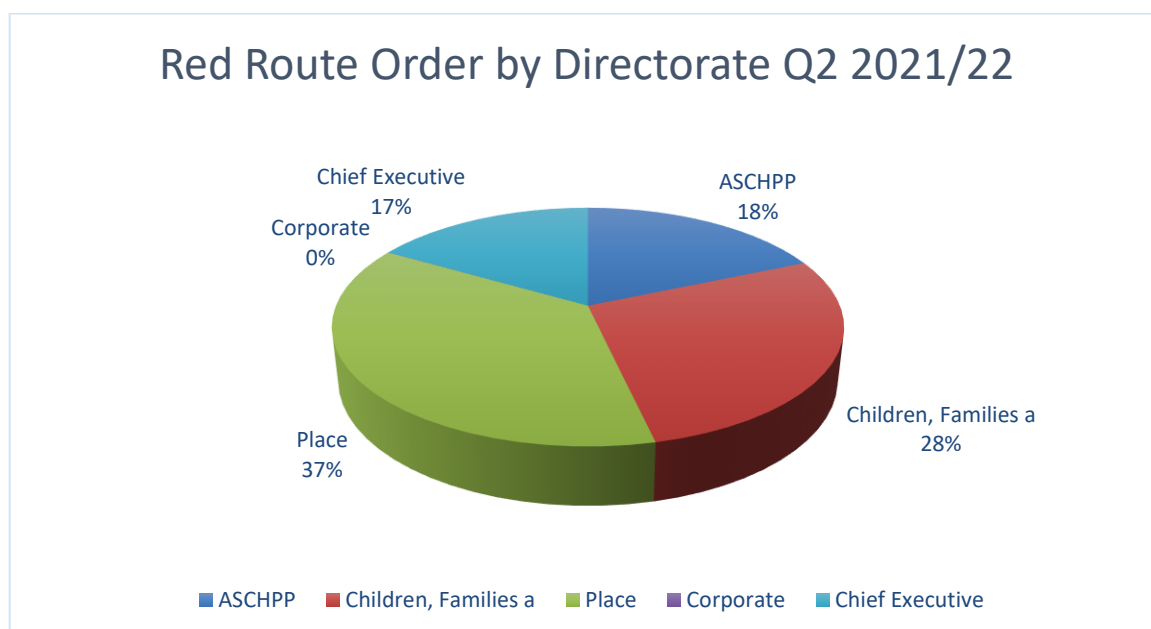


69. The Authority's primary ordering route is through BMS. Orders that are processed through BMS are classified as 'Compliant', whilst purchases made outside of the Council's systems are deemed to be 'Non-Compliant'. Retrospective orders are also classified as non-compliant, as they are typically raised 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.

The table below shows the number of retrospective orders by month and by Department:

Profit Centre	PO Volume July 2021	PO Volume Aug 2021	PO Volume Sept 2021	Total Q2 2021/22	Total Q2 2020/21
ASCH	31	28	35	94	83
CFCS	131	79	78	288	337
Place	103	75	116	294	327
Corporate	5			5	8
Chief Executive	87	82	91	260	306

70. Purchase orders themselves are split into Green and Red orders. Green orders are those which 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 increased from 3,969 to 4,052. The chart below identifies the percentage of Red Route orders by Directorate in Quarter 2 of the 2021/22 financial year. The Procurement Team continue to work with stakeholders to improve these figures.



## Statutory and Policy Implications

71. 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, year-end forecasts and approve variations to the capital programme.
- 3) To comment on the Council's Balance Sheet transactions.
- 4) To Comment on the performance of the Accounts Payable and Accounts Receivable teams.
- 5) To comment on the performance of the Procurement team.

**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 23/12/2021)**

72. The proposals in this report are within the remit of the Finance Committee.

### **Financial Comments (GB 21/12/2021)**

73. 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



## **REPORT OF THE CORPORATE DIRECTOR FOR CHILDREN AND FAMILIES INCREASING RESIDENTIAL CAPACITY FOR LOOKED AFTER CHILDREN**

### **Purpose of the Report**

1. The purposes of this report are:
  - a) to request approval for the allocation of the funding for the remaining four new 2-bed children's homes in accordance with the recommendations approved by Policy Committee on 18<sup>th</sup> March 2020, agenda item 6.
  - b) to request approval to vary the Children and Young People's Capital Programme to increase the budget for the four new 2-bed children's homes by 25% and to further increase the budget for one of these four new 2-bed children's homes by £258,000.

### **Information and Advice**

#### **Background**

##### **A, Establishment of New Homes**

2. Shortly after the approval of the recommendations of the March 2020 report to Policy Committee the project was put on hold in order to set up emergency accommodation during the first waves of the Covid-19 pandemic. One of the facilities established is still operating, providing specialist care to one of the authority's most challenging children. It allowed the authority to test partnership working with the operator, who are the charity who look after the largest number of Nottinghamshire children in our care. The facility is more cost-effective than the child's previous placement and has provided more appropriate care which has allowed them to settle and plan for transition to adulthood in a way not previously possible. The facility will remain registered and provide services to further children once the current child moves on.
3. During the last calendar year the project has resumed. Of the two 2-bed properties approved, the first is on track to open in January 2022 and the second is in conveyancing with a target to open in Spring 2022. The first child to be accommodated will be able to leave secure accommodation and have their high needs provided for in a more appropriate, community-based setting. Once the first child has settled, a second child will be matched. For these children such a placement will prove more cost-effective than the available alternatives.

4. The partnership working has continued to go well. We now have a model which we can use as a basis for further developments. We therefore intend to return to the pre-pandemic time-frame and purchase the remaining four homes within FY2022-23. This is a variation to the capital forecast which staggered the homes with 2 being purchased in each of FY2022-23 and FY2023-24.
5. The first pair of homes will be delivered within the budget approved by Policy Committee in March 2020. However, the project has observed the effects of the volatility in the housing market with rising prices, rapid sales and erratic vendor behaviour. The cost of building materials has risen as has the demand for building services.
6. The activity to relocate the Oakhurst children's home has not been as successful. It has been found that there are very few suitable properties. One reached the point of setting a date for exchange of contracts before falling through. A review of this objective will be the subject of a separate report.

## **B, Children's Homes: Contextual Factors**

7. In September 2017 there were 780 Nottinghamshire children in the care of the authority. There are currently c1000. Numbers have continued to rise over many years. This is reflective of the national picture.<sup>1</sup>
8. In line with our vision for children in care, most live in a stable family-type environment with foster carers or other kinship arrangements with connected family and friends. Those aged over 16 years who no longer require a 'care' setting live in supported accommodation, almost all of which is based within Nottinghamshire, as part of their transition towards independent adulthood.
9. However, approximately 150, mainly aged 10-16 years, live in children's homes. The number of young people living in a children's home has increased markedly over the past five years, as has the proportion this makes of the overall number of Nottinghamshire children in care. This is due to a number of factors, including:
  - a national shortage of foster carers; and,
  - an increasing number of children in care aged 10 to 16 for whom a foster placement may be less appropriate and, in any event, is more difficult to secure.
10. In Nottinghamshire, as with the rest of the country, it is the private sector that provides the majority of the residential placement capacity; 90% of the current 150 residential placements. The recent interim report of the Competition and Markets Authority (CMA) confirms the extent to which the market is broken, unable to cope with demand.<sup>2</sup>. The challenge this creates for the authority in trying to find places for vulnerable children and the negative effects delays, inappropriate, sometimes distant, placements and

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<sup>1</sup> ['The Future of Children's Social Care: Emerging Findings', County Councils Network, November 2021](#)

<sup>2</sup> ['Children's social care market study: Interim report', Competition & Market Authority, 22/10/2021](#)

placement moves have on them were amongst the reasons for seeking to expand the council's internal estate.

11. The shift to a 2-bed model for the additional residential capacity was in recognition of the need to focus the expansion in the placement types which are in shortest supply and where that lack has the greatest effect, both on the children and the placements budget. Having more 2-bed homes will certainly increase the available capacity and the authority's ability to ensure good matches of children with complex challenges. It has though been recognised that there are certain needs which the market does not provide sufficient good quality, reasonable cost placements to meet. It would be possible to establish some of the remaining 2-bed homes in ways that meet these needs, providing better care for our children and making better use of our limited resources.
12. Emergency placements are a type which the market does not provide well for. These create a challenge partly through being at short notice but also arising in circumstances where the child is not known, making it hard to determine the suitability of a placement. If short-term placements were available then we would be better able to assess children's needs, find them appropriate placements and so provide them with a far higher chance of the placement being successful. Placements which are not successful can precipitate a pattern of placement breakdown and the escalation of both negative experiences for the child and cost for the authority.
13. Until September 2021, when faced with a lack of placements in the face of an emergency, Local Authorities had the, albeit undesirable, option to place children in settings that were not registered with Ofsted. Legislation was then brought in to prevent their use. However, without either the conversion of unregistered settings to become registered or new settings taking their place, the supply of placements has effectively been reduced and the market has not filled that gap. In order not to contravene this legislation NCC needs different options, which the Children & Families Department is considering, informed by several recent emergencies and the experience of establishing Covid-driven emergency settings during 2020.
14. One of the many different ways of working which was developed during the 2020 response to the pandemic was the support offered by the Youth Service and Outdoor Education to support children in care. This built on work they were developing pre-pandemic and proved vital in maintaining the stability of many placements. It suggested that the combination of different skill-sets from across children's services could create powerful innovative solutions which would help vulnerable children reach their potential. This can be seen in two of the major elements of NCC's Whole Family Safeguarding Transformation Programme: Multi-Disciplinary Teams and Placement Support.

### **C, Opportunity to Purchase a Property for Use for Activity and Emergency Placements**

15. An opportunity has arisen for the authority to buy the property next to one of its existing Outdoor Education facilities. The property appears suitable to be utilised as one of the four 2-bed children's homes to be purchased. The property would require a scheme of work to convert for appropriate use to provide both Activity Placements, through

joint-working with the Outdoor Education facility, and Emergency Placements as an alternative to unregistered placements. This would provide known capacity which would help manage existing placement budgets, reduce the occasions on which NCC had to consider an unregulated – and now illegal – placement and add to the efforts to reduce time spent in care.

16. Numbers of older children entering care are growing and they can be harder to place. Activity Placements are particularly effective with older teenagers. They can enable children to reduce their length of stay in residential care, thereby reducing the demand for placements. The facility would also be used to provide short support packages for children at risk of entering care. Transitioning to ongoing contextual support from the Youth Service, as part of a multi-disciplinary team approach within their community would help young people and reduce the probability of them re/entering care.
17. The short-term remit of the facility would also make it suitable to take emergency placements. The national scarcity in placements is increasingly creating crisis situations for NCC in which unregulated placements are an illegal option set against the safety of vulnerable children. Keeping children within the region, with a known service and at a managed cost, would allow for a full assessment of need, and so the identification of an appropriate subsequent placement. This increases the probability of a successful period in care.
18. In addition to being a registered children's home it would be registered to provide emergency placements and limited-term Activity Placements and would be a registered Alternative Provision for education purposes.
19. The council's Young People's Service, through its Youth Work offer and Notts Outdoors provision, has, over the last few years, and particularly during the 2020 lockdowns, been trialling new ways to support care placements, such as offering respite and sibling contacts or providing activities for children in residential homes. These have proved very successful. They have been prevented from doing more on site by not having registered children's home accommodation.
20. Exploiting this opportunity would require additional funding. It should also be noted that the facility is in Derbyshire.
21. The Outdoor Education facility is leased on a 21 year term which the Council has the right to extend, the landlord's limited grounds to seek possession notwithstanding. The current term is due for renewal on 30 April 2025.

#### **D, Operating Model for the Property to be used for Emergency and Activity Placements**

22. The home would be owned by NCC. It would be registered as a children's home and operated by Homes2Inspire.
23. The Activity Placements would be provided by NCC Outdoor Education from Hagg Farm and other sites as required.

24. The home's Statement of Purpose would be agreed with Ofsted during registration. Whilst the defined purpose would remain broad enough to be flexible in the children it could accommodate, its aim would be to provide short-term emergency placements and medium-term (commonly 28- or 90-day) activity placements. It would not be used as a longer-term / permanent home.
25. Particular expertise would be developed in:
- a) stabilisation, rehabilitation, step-down, thorough assessment and close matching to suitable placements in order to prevent inappropriate admission of children into long term care, facilitate the exit of children for whom long-term care is not required and prepare those for whom long-term care is appropriate.
  - b) developing experiences which would provide children with skills, attitudes, knowledge and resilience to maintain positive lifestyles in difficult circumstances. Such elements as mentoring and personal budgets would be refined. Children would be linked into long-term support from the Youth Service beyond their time at Hagg Farm, centred on sites in Nottinghamshire, such as The Mill and Youth Centres.
26. Potential exists to allow other Local Authorities to place children in the new home. These would initially be offered within the D2N2 partnership. The compensation received would offset costs of occupancy below capacity.

### **Other Options Considered**

27. The opportunity outlined is somewhat unique given the infrequency of suitable property adjacent to existing facilities coming to market.
28. The continued expansion of NCC-owned children's homes is in line with the direction previously determined by Policy Committee. It is one of a number of initiatives which are being implemented and considered in order to reduce the numbers of children in care, optimise their length of stay in care and to improve the authority's position in the placement market.

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

29. The Benefits of the establishment of the form of children's home Hagg Farm Cottage would become include:
- a) Improved provision for older children, numbers of whom are growing within care and who can be harder to place than younger children but for whom this form of care is particularly effective.
  - b) Reduction in the need to use unregulated placements. This would be seen as a positive step by Ofsted.
  - c) Cost effective. The existing relationship with the operator and the prior existence of the Outdoor Education facility allows for a cost-effective service which will cost less than the scarce private sector provision.

- d) Close to home: Whilst the facility is not in Nottinghamshire, it is next to an existing NCC facility and children in the home will be close to their communities and support networks, able to maintain essential contacts with family and friends and with support services which become difficult when placements are made in more distant parts of the country.
- e) Regional working: within the D2N2 region. There is potential to work with those partners on this initiative, strengthening the model and the partnership.
- f) Potential to offset costs. As these placements are so hard to find and having the assurance of being part-provided by NCC, other Local Authorities would be keen to take up excess capacity. The relationship with the other authorities in the D2N2 partnership should provide sufficient demand to maintain full capacity.
- g) Reduction in pressure on current capacity. There is some evidence that the national growth in numbers of children in care is in part due to children staying longer in care<sup>3</sup>. In many cases that will be entirely appropriate but the pressures on the system are such that different approaches which enable children to move out of residential care faster would improve the capacity of the system to cope. Having greater availability of suitable emergency and short-term placements of this type would also reduce the pressure on the Placements service,
- h) Reducing numbers entering care. The facility could be used to provide interventions which prevent children who are known to be at risk or in need of support or respite from coming into care.
- i) Furthering innovation in Children's Services. Examples of innovative practice can be catalysts for further change. It is notable that in a recent funding scheme for new children's homes the Department for Education held innovation as one of its key criteria.

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<sup>3</sup> ['Children looked after in England including adoptions'. National Statistics. 18/11/21](#)



## Statutory and Policy Implications

30. This report has been compiled after consideration of implications in respect of finance, human resources, human rights, the public sector equality duty, safeguarding of children and vulnerable adults, service users, crime and disorder, sustainability and the environment and ways of working. Where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required. An EqlA has been completed.

## HR Implications

31. The operating model for the new facility is to be confirmed. Should there be any impact on roles and/or establishment then approval will be sought from Children and Young People's Committee.

## Financial Implications

32. In March 2020, Policy Committee approved the recommended budget of £380,000 to establish each 2-bed home. That was based on 2019 estimates. Given that:
- a) average house prices in the region have increased by 16% since November 2019<sup>4</sup>,
  - b) building materials have gone up in price by 17.6%<sup>5</sup>,
  - c) there is a scarcity of placements for children with more complex needs, the search for the remaining properties will include particular requirements to meet these needs. This may result in, for example, properties with larger gardens, with more rooms or located in a semi-rural position. This would also tend to increase the costs over the first two homes, where the focus was on providing a typical home environment within a community in an area with few homes,
  - d) the project has had experience of buying in the market,
  - e) the project has learned that onsite parking is a significant advantage in securing planning permission, which can increase cost, and,
  - f) the project will be buying property throughout 2022-3,

it is proposed that the project's budget be increased by 25%.

The total budget for four more 2-bed homes would therefore be £1,900,000, an increase of £380,000.

33. The following table shows the acquisition and set up costs of developing the remaining four 2-bed homes. The table also shows the addition of an adjustment to reflect the rise in house prices, the increase in the costs of building materials and the more particular requirements.

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<sup>4</sup> ['UK House Price Index: September 2021'](#), Office for National Statistics

<sup>5</sup> ['Construction materials cost increases reach 40-year high'](#), RICS, 19 November 2021

	<b>Activity / Element</b>	<b>Cost £</b>
Current Budget	Purchase of a house to be made into a 2-bed home	300,000
	Set up costs (including alterations, legal fees, refurbishment, fixtures, fittings & equipment)	80,000
	Total to establish one 2-bed home	380,000
	Total to establish four 2-bed homes	1,520,000
Recommended Budget	Additional Funding at 25%	380,000
	Total to establish four 2-bed homes	1,900,000

34. The following table shows the additional cost to purchase and refurbish the available property to establish the emergency / Activity Placement home.

<b>Element</b>	<b>Cost £</b>
Purchase of available property	693,000
Base budget for 2-bed home	475,000
Additional funding required to purchase	218,000
Additional cost of refurbishment	40,000
Total additional funding	258,000

35. The following table shows the relative costs of external and internal Activity Placements.

Average External Activity Placement Cost £/week	Estimated Internal Activity Placement Cost £/week	Difference £/week	Annualised saving £ (80% occupancy)
8,500	7,500	1,000	41,600

## RECOMMENDATIONS

36. That Finance Committee approves:

- the allocation of the funding for the remaining four new 2-bed children's homes in accordance with the recommendations approved by Policy Committee on the 18<sup>th</sup> March 2020, Agenda Item 6 and as detailed in this report.
- a variation to the Children and Young People's Capital Programme to increase the budget for the four new 2-bed children's homes by 25% and to further increase the budget for one of these four new 2-bed children's homes by £258,000.

**Colin Pettigrew**

**Corporate Director, Children & Families**

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

Laurence Jones

Service Director, Commissioning & Resources

0115 977 4363

### **Constitutional Comments [CJ 29.12.2021]**

The recommendations fall within the remit of Finance Committee by virtue of its terms of reference.

### **Financial Comments [GB 29.12.2021]**

The approved Children and Young People's capital programme already includes a £1.27m allocation to increase residential capacity for looked after children. This report builds on the provision and is set out around the report submitted to Policy Committee in March 2020. It is proposed that a £2.16m variation to the capital programme is approved, subject to a capital bid being presented to the Corporate Asset Management Group, to purchase and refurbish four new two-bed properties at a cost of £1.90m. It is proposed that a further £0.26m is required to help establish an activity / emergency placement setting. This variation to the capital programme will be funded from borrowing.

### **Background Papers**

EqlA - Hagg Farm Cottage Activity & Emergency Placements

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

All



**REPORT OF THE HEAD OF TECHNOLOGY AND DIGITAL, CHIEF  
EXECUTIVE'S DEPARTMENT****ICT OPERATIONAL PERFORMANCE QUARTER 2 2021-22****Purpose of the Report**

1. To provide the Finance Committee with the 2nd quarter progress update on operational performance measures for ICT Services, and to bring to the attention of the Committee a potential issue with Technical Debt that the council will need to address over the coming months.

**Information****Performance Update**

2. To provide a balanced assessment of performance, ICT Services measure four groups of indicators that cover business activities, customers, staff and finance. Information regarding performance metrics for the 2nd quarter of 2021-22 is provided in **Appendix A** to this report.

**Business Activity Indicator**

3. The business activity indicators measure some of the key day to day operational performance areas, with the two most significant being systems availability and incident resolution. The focus is to ensure that business critical systems are operational during business hours and that any incidents are resolved speedily and within Service Level Agreement (SLA).
4. Availability of ICT services has been high this quarter with performance above the target at 99.85%.
5. The percentage of mobile devices within the ICT client estate has reduced by negligible percentage over the last quarter with mobile devices still representing over 85% of the entire client estate. This shows the positive contribution that ICT has made to underpin activities listed in Chief Executive's departmental strategy and specific commitments outlined in the Council Plan. We have now reached a plateau for this Key Performance Indicator and are unlikely to see much further change due to an ongoing requirement for a small portion of desktop devices within our estate.
6. The impact of Change upon services provided from the operational infrastructure is a key measure for ensuring quality of process for handling and managing changes successfully.

This quarter there were 143 technical changes completed, with 5 having impact upon service provision (classed as failed Changes). The complexity of the current Change Schedule is very high and resulted in a reduced success rate of 96.62% against the 98.00% target. The Backout Plans were executed effectively and these changes have since been implemented successfully.

### **Customer Indicator**

7. The primary access channel into ICT Services is the Customer Support team which receives and handles incidents, service requests and enquiries from all areas of the business. The efficiency and effectiveness of this function is crucial for the user perception of the whole range of services provided. Daily customer satisfaction feedback is collected from corporate and school users of Customer Support and is measured against a target score of 4.5 (score 1-poor, 5-excellent). The combined Q2 performance is above target at 4.86 displaying generally positive satisfaction of ICT applications and services.

### **Staff Indicator**

8. Training activity for ICT Services staff is crucial to ensuring that the relevant and required skills are available, with training delivery continuing to be above the target level as we introduce and transition to new technologies, service models including the move to Cloud-based delivered services and new ways of working.

### **Financial Indicator**

9. The annual revenue spending is near forecast for the Q2 period although reporting under the 58% target at 36%. The majority of costs relate to the annual maintenance agreements and the deficit due to a slower than expected rollout by our new Wide Area Network supplier.
10. The profile of capital spend is largely as expected with 63% apportioned to the Microsoft Enterprise Agreement renewal, 50% for the resources required to transition to our new Wide Area Network provider and any residual spending related to the CERP replacement program.

### **Technical Debt**

11. We have identified the current position regarding technical debt and have put a plan together to address the most significant areas of concern. This still leaves a substantial amount of work that will be required over the next 2-3 years and this will be prioritised alongside the work required to support the council's priorities from the council plan.
12. Ensuring the Council is kept safe from cyber attacks and that it is compliant with cyber essentials will by default take priority because of the risk of service outage and the consequence of that in critical business areas.

## **Other Options Considered**

13. No other options have been considered in this report.

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

14. To provide continual assurance of ICT's Operational performance against an agreed set of understandable and measurable criteria.

## **Statutory and Policy Implications**

15. 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.

## **RECOMMENDATION/S**

That members consider the opportunities arising from this progress report and agree to receive a further report for the next quarter.

**Paul Martin**

**Head of Technology & Digital, Finance, Infrastructure and Improvement**

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

Paul Martin on 0115 977 5722

## **Constitutional Comments (LPW - 13/12/21)**

16. The recommendations fall within the remit of the Finance Committee by virtue of its terms of reference.

## **Financial Comments (SES 10/12/2021)**

17. There are no specific financial implications arising directly from this report.

## **Background Papers and Published Documents**

- None

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

- All







## ICT OPERATIONAL PERFORMANCE Quarter 2 2021 - 2022

Status	Indicators
✗	Below target by more than 10%
—	Below target by up to 10%
✓	On or above target
●	No reported data or no target

Business Activity Indicators	Performance 2020-2021		Performance 2021-2022				Comments
	Q3 Actual	Q4 Actual	Q1 Actual	Q2 Actual	Q2 Target	Q2 Status	
Average Availability of Business-Critical Services (B001)	99.92%	99.55%	99.92%	99.85%	99.80%	✓	<p>There were 2 Major Incidents occurrences affecting Umbraco and Mosaic. Availability was reduced due to the impact caused to the Intranet, Public Website and Schools Portal (all hosted within Umbraco) and an unrelated Homecare incident.</p> <p>There were also minor outages against BMS, Civica UPM (Pensions), Timemaster, Microsoft 365, Exchange, Hybrid Mail, Central Scan and Capture, Cash Tranche, Libraries Services and CAD which impacted overall availability performance.</p>

## Appendix A

Percentage of Incidents Resolved within SLA (B009)	94.31%	90.74%	92.88%	89.05%	92.00%		<p>This quarter a total of 5034 incidents were closed with 4483 within the assigned Service Level Agreement displaying a drop from the previous quarter and under the 92% target.</p> <p>This is due primarily to low resource across ICT but particularly within Customer Support with ongoing difficulties in recruiting skilled and experience analysts.</p> <p>Other factors are the continuing adapting to the new ICT structure with more responsibilities absorbed into existing teams and major projects such as the Data Centre and OneDrive Migrations generating larger than expected ticket volumes saturating an already stretched function.</p> <p>We anticipate this trend to continue for the next quarter as we complete these ongoing projects, attempt further recruitment, and make provisions to better manage workloads.</p>
Percentage of Successful Changes (B032)	99.48%	97.67%	99.18%	96.62%	98.00%		<p>This quarter there were 143 changes completed successfully with 5 failures resulting in back out to prevent performance deuteriation or service availability issues.</p> <p>These failures related to patching of the Hybrid Mail service, new feature releases to the Homefirst Response Portal and the Mosaic Update and Migration Project.</p> <p>All failed changes have since been implemented successfully along with the full Mosaic Upgrade and Migration.</p>

**Appendix A**

Percentage of Mobile Devices Within the ICT Estate (B062)	82.49%	83.42%	85.17%	85.13%	70.00%	✓	<p>Laptop and tablet computer devices now account for just over 85% of our computer estate.</p> <p>At the end of Financial Quarter 2 2021 - 2022 there were 8361 supported desktop, laptop and tablet devices within the estate. 7118 of these are considered "Mobile Devices".</p> <p>The Coronavirus pandemic has resulted in the acceleration of further desktop devices being replaced with more effective tablet and laptop offerings to enable a more flexible approach to working. However, it is now projected we are reaching a plateau for this Key Performance Indicator and are unlikely to see further increase due to an ongoing requirement for a small portion of desktop devices within our estate.</p>
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Appendix A

Customer Activity Indicators	Performance 2020-2021		Performance 2021-2022				Comments
	Q3 Actual	Q4 Actual	Q1 Actual	Q2 Actual	Q2 Target	Q2 Status	
Average Customer Satisfaction Score (Corporate) (C001A01)	4.78	4.77	4.81	4.79	4.50	✓	<p>Consistent performance is being maintained through ensuring and promoting high standards across all teams. The continued use of additional quality assurance processes, including a customer feedback loop, has further aided performance.</p> <p>We're seeing the highest performance for Customer Satisfaction ever reached and several factors are believed to be influencing the trend. These include the stability of the team, increased knowledge regarding the services we support and the maturity of the Quality Assurance process in place to improve the overall customer journey.</p>
Average Customer Satisfaction Score (Schools) (C002A01)	4.84	4.94	4.89	4.92	4.50	✓	The dedicated Schools team continue to achieve high levels of customer satisfaction with continued positive feedback received from customers.
Percentage of 1st Call Resolutions (C010)	73.07%	73.77%	75.71%	67.10%	50.00%	✓	<p>The Customer Support team answered 10,319 customer calls with a further 107 from our VIPs. In addition, 5,569 emails were received, and 312 webchats completed.</p> <p>During the quarter there were 4644 potential first time fixes and 3116 were fixed first time. A reduction on the amazing performance reported in past quarters although still well above the 50% target.</p>
Average Call Duration (C011)	00:06:13	00:05:56	00:06:27	00:06:23	00:06:00	—	There were 10,426 customer calls received with a total duration of 1101 hours or 46 days. The duration is measured from the engineer

Appendix A

							<p>point of view and only includes time that the engineer spends talking to the customer.</p> <p>Due to the large numbers of customers working from home, more time is being apportioned to the duration of telephone calls to provide higher levels of direct assistance around home working. This has resulted in an ongoing failure to meet this target through providing higher levels of care.</p>
Percentage of Calls Dropped (C014)	7.22%	5.49%	9.87%	7.14%	10.00%	✓	<p>The percentage of calls abandoned is based on receiving a total of 10,426 customer calls with 745 of these not reaching the Customer Support teams, 10 being calls received from VIPs.</p> <p>From the total abandoned calls experienced, 477 were waiting for over 30 seconds, 260 over 1 minutes and just 90 for over 2 minutes.</p>

Staff Activity Indicators	Performance 2020-2021		Performance 2021-2022				Comments
	Q3 Actual	Q4 Actual	Q1 Actual	Q2 Actual	Q2 Target	Q2 Status	
Average Number of Training Days Per Full Time Employee (S004)	4.37	5.37	1.53	2.38	1.50	✓	<p>The annual target is 3 days formal training for each member of staff and incorporates attending training courses, gaining internal knowledge transfer/coaching across ICT and 'Computer Based Training' for people studying/exams for various technology disciplines.</p> <p>The training score for this period calculates to 2.38 against the 1.50 target. The score equates to a quarterly total of 51 days across ICT with the biggest single area being Core ICT with just over 27 days of training completed.</p>

Finance Activity Indicators	Performance 2020-2021		Performance 2021-2022				Comments
	Q3 Actual	Q4 Actual	Q1 Actual	Q2 Actual	Q2 Target	Q2 Status	
Percentage of Expenditure against Revenue (F001)	78.00%	104.00%	16.00%	36.00%	58.00%	✓	Expenditure below target. This is principally due to costs for annual Support & Maintenance contracts being renewed later in the year and WAN costs being delayed by a slow installation rollout by new supplier
Percentage of Expenditure against Capital (F002)	81.00%	85.00%	55.00%	105.00%	50.00%	✗	<p>Capital spend is largely as expected at this time of year, with the Enterprise Agreement renewal taking place at this time.</p> <ul style="list-style-type: none"> <li>• EA – 63% commitment to this programme.</li> <li>• WAN – 50% commitment for this programme of work, with contractors now in place in addition to the MLL site works.</li> <li>• CERP - Orders now placed for first stage of replacement programme and funding to be brought forward from future years due to need to order goods because of shortages and long lead times.</li> </ul>
Percentage of Income Recovery (F003)	51.00%	125.00%	4.00%	39.00%	50.00%	✗	Although income is profiled equally throughout the year the majority is represented by internal charges which are not realised until Quarter 4. ASDM income is charged quarterly in arrears and currently delayed due to discussions on contract value amounts.





**10 January 2022****Agenda Item: 7**

## **REPORT OF THE GROUP MANAGER - PROCUREMENT**

### **INTEGRATED COMMUNITY EQUIPMENT LOANS SERVICE TENDER 2023**

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

1. To inform Finance Committee that the Adult Social Care and Public Health Committee agreed on the 26<sup>th</sup> July 2021 to proceed with the tender for a provider for the county-wide Integrated Community Equipment Loans Service (ICELS) through a framework agreement for a single provider. The value of the Call-Off Contracts are likely to be approximately £7.7 million per annum.
2. The Integrated Community Equipment Loans Service (ICELS) is the mechanism by which equipment that is prescribed to keep vulnerable people in their own homes is ordered, delivered and maintained across Nottinghamshire County. The service has been in place since 2004.
3. This report and accompanying Powerpoint presentation provides committee with an overview of the Procurement approach so members are informed of the process. This allows members to be informed about the procurement being undertaken and a further report will be brought to Finance committee on the outcome of the tender and award of contract.

#### **Background**

4. ICELS is jointly commissioned by the ICELS Partnership which is:
  - Nottinghamshire County Council
  - Nottingham City Council
  - Nottingham & Nottinghamshire Clinical Commissioning Group
  - Bassetlaw Clinical Commissioning Group
5. Nottinghamshire County Council is the lead commissioner of ICELS and hosts the ICELS Partnership Support Team. This team manages the contract and supports the ICELS Partnership. The Partnership currently procures the service from the British Red Cross with whom the contract is in place for a full countywide service until 31st March 2023.

6. On average the service handles over £26 million worth of equipment per year with deliveries of over £14 million and collections of £12 million. It visits over 550 homes per day, seven days a week.

## **Strategic Context**

7. The overall role of ICELS is to provide community equipment into people's homes to:
  - support discharges from hospital
  - prevent unnecessary admissions to hospital
  - support on-going frailty
  - prevent further deterioration, e.g. falls prevention, intermediate care
  - support people's choice to remain in their own homes
  - aid rehabilitation and re-ablement
  - assist with children's development
  - provide more specialist equipment when required
8. Equipment is ordered by occupational therapists, physiotherapists and community based nurses who are referred to as 'prescribers'. They use their professional skills and understanding of people's health and wellbeing to identify which pieces of equipment will best meet people's needs. Most prescribers are employed by a health organisation, either working in hospitals or community health services, and some occupational therapists are employed by the local authorities.
9. The service loans equipment to individuals and not to organisations; it is therefore essential that equipment is returned when no longer required by that individual so that it can be re-issued to another individual and is an efficient use of resources. Over 90% of collected items are refurbished and recycled back into use for someone else. The Framework Agreement will require the provider to ensure that any negative impact on the environment is minimised throughout its life.

## **The Procurement Process**

10. The procurement process that will be used is Competitive Procedure with Negotiation. This process incorporates a period of negotiation with Bidders to allow for the development of a more detailed specification and is specifically for complex or high-risk services or products.

## **Service delivery**

11. The length of the contract commissioned under the Framework Agreement is expected to be for a maximum period of 10 years with an initial term of five years and an option to extend for a further five. This is to provide stability and security both to the provider and the Partnership and to allow for the development and fostering of a collaborative relationship.

## **Reasons for Recommendations**

- 12.To allow members an opportunity to ask questions so they understand the process to secure the best solution for the provision of ICELS. Members are asked to agree to receive an update report on the outcome of the tender and award of contract.

## **Statutory and Policy Implications**

- 13.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**

- 14.Pricing will form part of the award criteria, along with quality. The Most Economically Advantageous Tenderer will be selected as the preferred Bidder. It is anticipated that the service will cost approximately £7.7 million per annum.

## **RECOMMENDATIONS**

Committee are asked to;

Note the progress of the work on the ICELS procurement and agree to receive an update report on the outcome of the tender and award of contract.

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

Michael Fowler  
Category Manager, Procurement  
T: 0115 9774360  
E:[michael1.fowler@nottsccl.gov.uk](mailto:michael1.fowler@nottsccl.gov.uk)

### **Constitutional Comments (KK 09/12/21)**

The proposals in this report are within the remit of the Finance Committee.

### **Financial Comments (DG 06/12/21)**

The pooled budget is an annual budget of circa £7.7m and Nottinghamshire County Council contributes annually circa £1.4m for adults and £0.4m for childrens, which is within the departments permanent 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

**10 January 2022****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 2021/22.

**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.
5. The meeting dates and agenda items are subject to review in light of the ongoing COVID-19 pandemic.

**Other Options Considered**

6. None.

**Reason/s for Recommendation/s**

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

## **Statutory and Policy Implications**

8. 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)**

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

## **Financial Comments (NS)**

10. 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 COMMITTEE – WORK PROGRAMME**

<b><u>Report Title</u></b>	<b><u>Brief summary of agenda item</u></b>	<b><u>Lead Officer</u></b>	<b><u>Report Author</u></b>
<b>7 February 2022</b>			
Budget Report		Nigel Stevenson	Nigel Stevenson
Monthly Budget & Capital Monitoring Report 2021/22	Budget Capital Monitoring, Capital Receipts, Capital Variations	Nigel Stevenson	Glen Bicknell
Nottinghamshire Special Educational Needs and Disabilities Programme Latest Estimated Cost Report		Derek Higton	Phil Berrill/Mick Allen
Mill Adventure Base Phase 2 (deferred from November)	Latest Estimated Costs	Derek Higton	Phil Berrill/Mick Allen
Cyber Security Assurance Q2 2021-22	Update report.	Nigel Stevenson	Paul Martin
Children in Care Framework Update		Kaj Ghattaora	Lynn Brammer
<b>21 March 2022</b>			
Monthly Budget & Capital Monitoring Report 2021/22	Budget Capital Monitoring, Capital Receipts, Capital Variations	Nigel Stevenson	Glen Bicknell
ICT Operational Performance Q3 2021-22	Performance Report	Paul Martin	Kirstie Phillips
Smart Ticketing Procurement Update		Kaj Ghattaora	Kaj Ghattaora
PPE Update		Kaj Ghattaora	Kaj Ghattaora
Top Wighay Procurement		Kaj Ghattaora	Kaj Ghattaora

## **FINANCE COMMITTEE – WORK PROGRAMME**

<b>19 May 2022</b>			
Monthly Budget & Capital Monitoring Report 2021/22	Budget Capital Monitoring, Capital Receipts, Capital Variations	Nigel Stevenson	Glen Bicknell
Risk and Insurance Update	Update report	Rob Disney	Claire Dyson
16+ Supported Accommodation		Kaj Ghattaora	Lorraine Dennis
<b>20 June 2022</b>			
Monthly Budget & Capital Monitoring Report 2021/22	Budget Capital Monitoring, Capital Receipts, Capital Variations	Nigel Stevenson	Glen Bicknell
ICT Operational Performance Q4 2021-22	Performance Report	Paul Martin	Kirstie Phillips
<b>TO BE PLACED</b>			
Contracts Awards	Details of local spend	Kaj Ghattaora	Kaj Ghattaora
Top Wighay Office LEC	Latest Estimated Cost Report	Derek Higon	Phil Berrill
Lowmoor & Caudwell LEC	Latest Estimated Cost Report	Derek Higon	Phil Berrill
Property Planned Maintenance Programme (PPMP) 2021/22 LEC	Latest Estimated Cost report of the Property Planned Maintenance programme	Derek Higon	Phil Berrill
Lindhurst and Eastwood LEC	Latest Estimated Cost Report	Derek Higon	Phil Berrill
Demolition Programme Report	Update Report	Derek Higon	Phil Berrill



**FINANCE COMMITTEE – WORK PROGRAMME**

Covid 19 Cultural Service Contract Variations	Progress report	Derek Higton	Mick Allen
Children in Care Framework for Residential and Foster Care Placements	Progress report	Kaj Ghattoara	Lynn Brammer

