

## FINANCIAL MANAGEMENT – BUDGETARY CONTROL

### 1st Line

Corporate Directors' Annual Assurance Statements provide strong assurance that budgetary control procedures are complied with.

### 2nd Line

Close in-year, monthly budget monitoring with due focus on volatile budgets. Net savings (all departments) at period 10 of £5.514m. Forecast underspend in capital programme of £3.334m. Balanced budget agreed for 2022/23.

Medium Term Financial Strategy (MTFS) shows cumulative budget shortfall of £29.1m over the next 4 years which is lower than previously predicted.

### 3rd Line

Reasonable assurance from Internal Audit on budget forecasting procedures and financial resilience.

Substantial assurance from Internal Audit on Compliance with the CIPFA Financial Management Code (FM Code) – March 2022.



**Opinion:**  
Green

**Rationale:**  
Significant budget challenge facing the Council. Budgetary control procedures are strong.

### Developments & Actions:

- Relevant actions included in the Annual Governance Statement (AGS) Governance Action Plan: Continued campaigning for the Fair Funding review to take place.

## FINANCIAL MANAGEMENT – FINANCIAL COMPLIANCE

### 1st Line

Strong assurance that the Council's Financial Regulations are complied with.

### 2nd Line

Provision of timely and effective professional advice to front-line services.  
Strong culture of compliance.

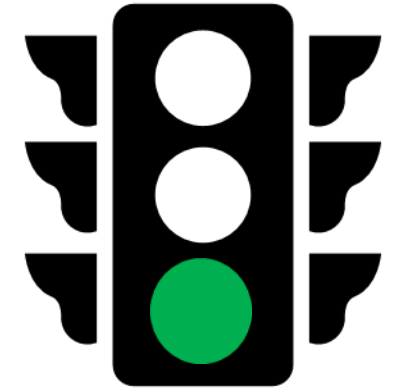
Monthly monitoring confirms good levels of compliance with core financial procedures, including budget monitoring.

Review of the financial impacts (Government Delta-2 returns) now established as business as usual.

### 3rd Line

Rolling 12-month reports of the Chief Internal Auditor confirm a reasonable level of internal control is in place.

Substantial assurance from Internal Audit of FM Code.



**Opinion:**  
Green

**Rationale:**  
Strong assurance available from all three lines of defence.

### Developments & Actions:

- The first year of compliance with the FM Code has now been concluded.
- No further developments or additional actions are identified.

## FINANCIAL MANAGEMENT – FINANCIAL PRUDENCE

### 1st Line

High degree of assurance of compliance with the Treasury Management Framework and Investment Strategy.

### 2nd Line

Strong compliance with the Council's Treasury Management Strategy. Monthly reporting to Finance Committee. Period 10 updates in the capital programme and cashflow forecasts identified that borrowing was less than expected. Strong cashflow management and bank reconciliation procedures. Returns on prudent investments achieved in an increasingly challenging environment. Borrowing managed within the limits of prudential indicators.

### 3rd Line

Positive assurance from Internal Audit of Financial Resilience and Continuous Audit.

CIPFA indicators of financial stress for 2020/21 show the Council as responding prudently to its known financial challenges.



**Opinion:**  
Green

**Rationale:**  
Prudent approach to addressing known financial challenges.

### Developments & Actions:

- No developments or additional actions are identified.

## FINANCIAL MANAGEMENT – VALUE FOR MONEY (VFM)

### 1st Line

Corporate Director assurance statements provide reasonable assurance that service provision is under ongoing review and opportunities to collaborate and aid VFM are being sought.

### 2nd Line

Mixed levels of progress with transformation projects from performance dashboard.

The transformation model and programme are delivering savings but still are in a state of transition.

Under-achievement of savings have been reported to Departmental Committees, along with forecast overspends.

### 3rd Line

External Auditor provided unqualified conclusion re VFM for 2020/21 and is changing focus to ensure VFM is obtained through expenditure reviews.



**Opinion:**  
Amber

### Developments & Actions:

Relevant actions included in the AGS Governance Action Plan:

- The options for change cases for the cross-departmental transformation programmes were expected to be completed by Autumn 2021, but are delayed to Spring/Summer 2022.
- Continuous assurance feeds to the Corporate Leadership Team and Governance & Ethics Committee.

### Rationale:

Strong focus on ensuring the transformation model and programme continue to drive improvements in VFM.

# PERFORMANCE MANAGEMENT

## 1st Line

Performance and management benchmarking processes in place.

The Planning & Performance Management Framework was refreshed and approved by Policy Committee in April 2019 but is currently being updated. Reporting has been on a Service Committee basis but this is changing to a cabinet system.

## 2nd Line

Good progress against key strategic measures reported monthly to CLT. Over 65% of performance measures classified as low risk.

Vital signs reports will replace the performance reports to CLT and will also be shared with Cabinet.

Quarterly reporting of ASC, Place and C&F core data sets to service committees.

## 3rd Line

Covid-19 phase 3 response & recovery internal audit report overall rating substantial assurance.



**Opinion:**  
Amber

## Rationale:

KPIs are based upon the old Council Plan, and previous objectives. ASC, Place and C&F RAG ratings for performance show some areas of concern. There is uncertainty around the impact changes to the plan and cabinet system are likely to have.

## Developments & Actions:

- The Performance Management Framework is in development, with the implementation of vital signs reports.
- Since the introduction of the new Nottinghamshire Plan (2021-2031), work is still in progress to monitor objectives against the new performance management indicators and under the cabinet system. The first annual report will be published in Spring 2023 so assurance cannot be given until this is in place.

# RISK MANAGEMENT

## 1st Line

Strong assurance that risk management procedures are complied with.

RSEMGs are using a new risk reporting template to inform the RSEMB on the movement of risk for each department.

Risk Management Strategy and Framework in place and positive assurance overall on frontline compliance with mitigating actions for the corporate risk register.

## 2nd Line

Risk, Safety and Emergency Management Board (RSEMB) meet quarterly to cover key risks. Six monthly updates on risk management to Governance & Ethics Committee.

The Corporate risk register is being maintained, is up to date and has incorporated the latest risks.

## 3rd Line

Health check by the Council's insurers identifies scope for improvement in corporate risk management arrangements and risk maturity. Progress against these actions has been made.

British Standards Institution (BSI) awarded the Council ISO 45001 Safety Certification remains in place.



**Opinion:**  
Amber

## Rationale:

There are some gaps in risk management, but actions are being taken to mitigate them.

## Developments & Actions:

- Implement changes to the delivery of corporate risk management, including the establishment of the Council's risk appetite and key risk indicators.
- Departmental risk registers are currently under review.
- Work continues to find additional staffing to oversee corporate risk management activities.
- Awaiting the revision of the Council's Risk Management Strategy and Policy.

# PROPERTY ASSET MANAGEMENT

## 1st Line

Corporate Property Strategy 2018-23 .

“Investing in Notts” applies “overarching principles” for estate management.

Hybrid Working Strategy has assessed office needs.

Service Asset Management Plans still to be produced, but and Asset Management Improvement Programme has been introduced.

## 2nd Line

Corporate Transformation Phase 2 complete. New KPIs in place.

“Climate Emergency” declaration drives a re-examination of the approach to corporate property.

Arc business plan reflects the NCC 10-year vision.

“Corporate Landlord” approach applied.

Q2 2021 95% of statutory inspections on target. 97% of non-statutory inspections on target .

## 3rd Line

Internal Audit Report 2021  
“Covid - Reoccupation of Council Buildings” provides assurance that buildings were safe to re-occupy post Covid-19.

Arc Partnership maintains ISO45001:2018 procurement accreditations .



**Opinion:**  
Green

## Developments & Actions:

- Strategic Asset Management Plans and Property Asset Management Plans to be formulated.
- Opportunities are being sought to extend the new approach to the operational estate (and beyond the Council Office buildings). Drivers are carbon saving, hybrid working and community linkage which are embedded in the transformation programme.
- Examination of co-location of services with the districts. Work has already started in relation to service relocation.

## Rationale:

We consider that appropriate steps are being taken to manage the Council's property assets.

## PEOPLE MANAGEMENT – SAFE WORKING ENVIRONMENT

### 1st Line

Health & safety procedures are in place.

Remote auditing has been introduced by the health & safety team in 2021/22. Site visits were disrupted by Covid in 2020/21, and in 2021/22 there has been a combination of remote auditing and site visits.

### 2nd Line

Incidents rose 15% this year after staff returned from remote working, but are still at only two-thirds of 2019/20 levels.

Reduction in RIDDOR reportable incidents.

Fall in completed Employer Liability Claims, and related costs.

### 3rd Line

BSI ISO 45001 certification is in place for the Occupational Health & Safety Management system. Work continues on the ISO 45003 standard on psychosocial risks to address the mental health impacts of the pandemic.

BSI inspections only identified minor issues, fewer than last year, and they are being addressed.

No HSE fines or enforcement notices.



**Opinion:**  
Green

### Developments & Actions:

- Continue with the introduction of remote health & safety auditing to complement the re-introduction of site visits. Continue work on ISO 45003 standard to address mental health impacts of the pandemic.

### Rationale:

Strong assurance is provided by the good processes within each line of assurance .

## PEOPLE MANAGEMENT – STAFFING CAPACITY & STAFFING AFFORDABILITY

### 1st Line

Procedures in place including the Personnel Handbook.

Online training is well developed, with high usage (35,000 modules completed in the year).

People Strategy 2022-2026 supported by the new Skills Development & Employee Opportunities Strategy to ensure the workforce can meet future needs, and the new Leadership Development Programme.

### 2nd Line

Sickness levels have increased. Excluding Covid the average is 9.52 days (up from 7.07 days).

Staff turnover was relatively low compared to historic levels, during Covid. Post Covid we are seeing an increase in turnover and vacancy levels in key areas.

Apprentices have increased to 241, and the 2021 graduate trainee cohort of 8 was the largest so far.

Agency Staff costs increased from 4% to 5% of payroll.

### 3rd Line

Internal audit report on Recovery from Covid (phase 3) included 'New Ways of Working' and gives Substantial Assurance.



**Opinion:**  
Amber

### Rationale:

Performance has been generally good despite the challenges of Covid. As we move post Covid we are seeing the impact of Covid on our staffing resources and our ability to recruit and retain staff..

### Developments & Actions:

- Workforce Review commissioned to gather evidence in relation to the impacts on staffing resources, analyse the reasons and identify actions to address recruitment and retention issues. (Completion Autumn 2022). Reflect this in updated People Strategy action plans.

## PEOPLE MANAGEMENT – STAFF SATISFACTION

### 1st Line

Positive feedback from Corporate Directors' assurance statements on effective induction for all staff.

Feedback from Corporate Directors' assurance statements on undertaking regular and effective EPDRs was Reasonable.

EPDR completion can only be measured if done on-line. This is increasing but will be promoted further.

### 2nd Line

2021 employee wellbeing survey reported positive satisfaction levels.

Improvement in gender pay gap, and between pay of highest and lowest /median paid employees.

New on-line Equality Impact Assessment toolkit and training launched.

Launch of Nottinghamshire Way Corporate Leadership Development Programmes and positive feedback received.

### 3rd Line

Disability Confident Leader award in September 2021.

Timewise accreditation from Nov 2020 to Nov 2021, which has informed the hybrid working strategy.



**Opinion:**  
Green

### Rationale:

Key actions delivered and positive assurance in several key areas.

### Developments & Actions:

- Widen adoption of online EPDRs and gather qualitative and quantitative data.
- Undertake further wellbeing survey summer/autumn 2022 to monitor progress.
- Encourage staff to share equalities data to improve reporting and monitoring of progress.

# INFORMATION MANAGEMENT

## 1st Line

Corporate Directors' Annual Assurance Statements provide reasonable assurance around compliance with data protection requirements and substantial assurance in the Chief Exec's Dept.

There is a Data Security Incident & Breach Management Procedure.

Mandatory Information Governance training is in place. IG training is below 95% attainment rate required to achieve NHS Digital's DSP Toolkit. However, this is the only area which may not meet the standards and the IG Team have an action plan to address this.

There is a framework in place to help the 1<sup>st</sup> line, including Policies & Standards, the IG Board, Social Media Policy etc.

## 2nd Line

Information management is monitored though the Information Governance & Cyber Security (IGCS) Board. KPIs presently provide mixed assurance.

IGCS Board monitor data breaches and DPIAs. NCC are behind on DPIAs and data sharing agreements. Await recommendations to be followed-up on after Covid-19 reviews.

Risk levels have remained above target levels for major failure of IG, and the prolonged loss of ICT

## 3rd Line

Public Services Network (PSN) Accreditation has been completed and we are compliant until October 2022.

Quarterly Continuous Assurance process includes coverage over Information Governance.

Action plans are being implemented to resubmit Cyber Essentials accreditation and to meet Data Security and Protection Toolkit (DSPT) standards.



**Opinion:**  
Amber

## Rationale:

Mixture of positive and negative assurance in areas, but several action plans to remedy the latter.

## Developments & Actions:

- Cyber essentials is on-going and due for resubmission in July 2022.
- Annual penetration testing has been completed, awaiting the report to start the Remediation Plan.
- Data Security and Protection Toolkit action plan to be completed to support achieving 'standards met'.

## COMMISSIONING & PROCUREMENT – STRATEGY AND RESOURCES

### 1st Line

The current procurement strategy is still live and valid, running up to 2023. Work on the new strategy will start mid 2023.

The strategic Commissioning programme was recently paused as a result of demand pressures caused by Omicron and pressures on the home care market. This action is now expected to be complete in October 2022.

The register of contracts is available on the procurement intranet page. The list is published yearly with the next update due shortly.

### 2nd Line

The ASCH Commissioning Board ensures that there is good oversight of its forward commissioning and procurement plan.

The Major Property Projects Board continues to meet on a monthly basis. Any delivery issues reported to but not resolved by the Board are escalated to Committee. Reports are taken to briefings with the Chair of EDAM, EDAM committee itself or FC depending on the nature and severity.

### 3rd Line

Part of the first phase of the Strategic Commissioning Under-pinning Cross-Council Programme, the Council's commissioning intentions will be published. The aim is to move away from departmental based commissioning to cross-council outcome based strategic commissioning and, where possible, aligning commissioning activity with partner organisations.



**Opinion:**  
Amber

### Rationale:

The Strategic Commissioning Programme, had been paused from December 2021, and resumed in April 2022, causing delays in completion.

### Developments & Actions:

- The first phase of the Strategic Commissioning programme is expected to be completed by end December 2022.
- The procurement strategy is to be updated in 2023.

## COMMISSIONING & PROCUREMENT – CONSISTENT AND EFFECTIVE

### 1st Line

Standardised templates and guidance are available on the shared drive and sign posted appropriately.

The Financial Regulations Elearning has just gone live.

Commissioning tools and procurement best practice documents are centralised and available on the shared drive.

### 2nd Line

Regular reporting to Finance Committee, including monthly and quarterly budget monitoring reports.

Financial Waivers are reported to Governance and Ethics Committee Annually. The last waiver report went to Committee in September 2021 and another report is scheduled later this year for 2021-22.

### 3rd Line

The Regional Commissioning Leads Group for Children's services meets fortnightly, and consists of operational and strategic matters.

ASCH commissioning has brought an external body in to look at contract management, this was linked with procurement to ensure consistency.

The last full Ofsted inspection of Nottinghamshire children's services resulted in a "Good" inspection outcome.



**Opinion:**  
Green

### Rationale:

Regular financial reporting is in place. Commissioning tools and procurement best practice documents are available.

### Developments & Actions:

- Financial Regulations Elearning will be updated when the new Financial Regulations are in place. Contract management training has also been written, this is ready to be converted into a Elearning module. Commissioning training is to come.

## TRANSFORMATION AND CHANGE

### 1st Line

A major restructure of the transformation model was introduced for 2021/22.

There has been development of new programmes and projects, and the recruitment of staff to deliver them.

Positive feedback from Corporate Directors' assurance statements on engagement with stakeholders for service changes and developments.

### 2nd Line

There are 4 new cross-cutting programmes, three are on target. One awaits clarification or decision-making before commencement.

In addition to the above there are 2 other underpinning programmes. One is on hold, and one awaits clarification or decision-making before commencement.

### 3rd Line

An internal audit review assessing the arrangements for Transformation and Change against NAO guidance was completed in the early stages of the current transformation model, and provided reasonable assurance.

Proposals for the new approach to transformation were informed by work with the Council's transformation partner.



**Opinion:**  
Amber

### Developments & Actions:

- Delivery of the programmes in the new Transformation model is to continue in 2022/23 including progressing the three programmes that await commencement or are on hold, as well as the three programmes that are currently on target.

### Rationale:

2021/22 was a year of significant development of the new Transformation model, with new programmes, identification and agreement of projects within these, and recruitment of staff to deliver them.