

NOTTINGHAMSHIRE COUNTY COUNCIL - ANNUAL GOVERNANCE STATEMENT 2021/22

1. SCOPE OF RESPONSIBILITY

- 1.1. Nottinghamshire County Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards. Public money must be safeguarded and properly accounted for, and used economically, efficiently and effectively. The Authority has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency, and effectiveness. The Localism Act 2011 has, among other things, established a general power of competence for local authorities.
- 1.2. In discharging this overall responsibility, the County Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, including the arrangements for the management of risk.
- 1.3. This statement meets the requirements of the Accounts and Audit Regulations (England) 2015 in relation to the publication of an Annual Governance Statement (AGS).

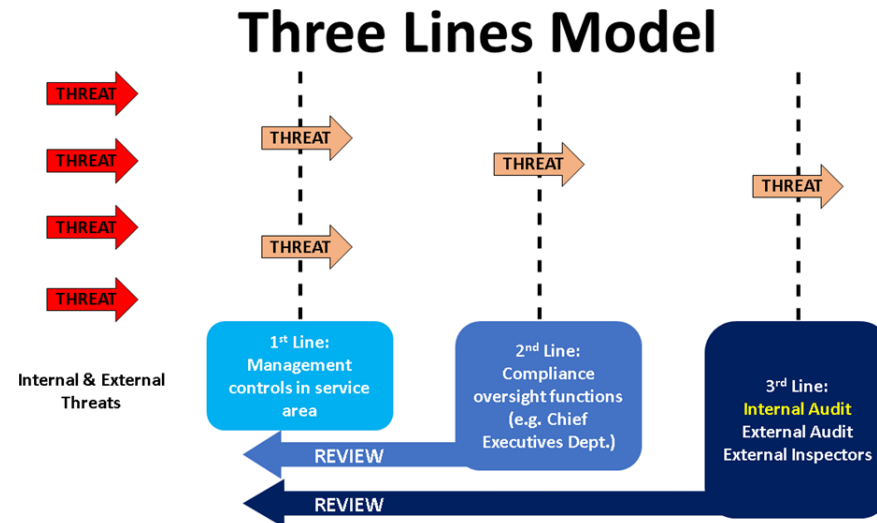
2. THE LOCAL CODE OF CORPORATE GOVERNANCE

- 2.1. Nottinghamshire County Council has adopted a Local Code of Corporate Governance. The Code is subject to annual review and approval by the Governance and Ethics Committee, and it is published on the Council's [website](#).

- 2.2. The Code is based on the seven core principles of good governance, as recommended in the CIPFA/SOLACE Framework for 'Delivering good governance in Local Government' (2016 Edition).

3. REVIEW OF EFFECTIVENESS

- 3.1. The Authority has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework. This Statement sets out the outcome of the latest review for the financial year 2021/22. The outcomes are set out in terms of the extent to which the Council has applied in practice the seven core principles of good governance.
- 3.2. The Council operates a 'Three Lines Model' to deliver assurance about the effectiveness of its governance arrangements, as depicted in the following chart.



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- 3.3. The evidence to assess effectiveness with the Local Code in 2021/22 is drawn from a range of sources across the three lines of defence, as summarised below.

1st Line

- Assurance statements from Corporate Directors concerning the application of key governance controls in their areas of service

2nd Line

- In-year governance updates to the Governance & Ethics Committee
- Review of core governance issues dealt with by the Council and its committee structure
- Assurance mapping
- Governance & Ethics Committee's annual report

3rd Line

- Head of Internal Audit's annual report (draft report)
- Reports of External Auditor
- Other external inspections (risk management review, BACS bureau inspection, BSI health & safety accreditation)

- 3.4. The in-year governance update reports to the Corporate Leadership Team and to the Governance & Ethics Committee prompt a review of the significant governance issues facing the Council, along with progress against the AGS Action Plan. In effect, the update reports provide for an in-year refresh of the AGS, to enable it to be used pro-actively throughout the year as part of the Council's governance framework.
- 3.5. Where any issues of concern are highlighted by the review, these issues are noted below in section 4 of the Statement, along with the key actions planned to address them.

Assessment of compliance

- 3.6. The following pages set out a concise assessment of compliance with the Local Code of Corporate Governance.
- 3.7. For each aspect of governance in the Local Code, the assessment is framed in terms of the following:
- The evidence for compliance with the Code in 2021/22
 - Brief details of any improvements and developments during the year
 - Identifying any gaps in compliance or areas in which there are significant challenges
 - The focus in the year ahead, to address gaps, to meet challenges or to continue with current developments

A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

Assessed assurance level for compliance with the Code of Corporate Governance: **Reasonable**

Compliance with the Local Code

The policies, procedures and practices set out in the Local Code of Corporate Governance remained in force during 2021/22.

Corporate Directors report the following levels of compliance with key Council procedures relevant to this aspect of governance:

Procedure ↓	dept ¹ →	ASC&PH	C&F	Place	Ch. Exec.
Staff code of conduct		Reasonable	Substantial	Substantial	Substantial
Staff induction		Reasonable	Substantial	Substantial	Substantial
Scheme of delegation		Substantial	Substantial	Substantial	Substantial
Staff register of interests		Reasonable	Substantial	Reasonable	Reasonable

Improvements & developments during 2021/22

Good progress was made with planned developments in relation to organisational culture. As part of the launch of 'The Nottinghamshire Way' Programme, members of the Corporate Leadership Team and senior members took part in a series of question-and-answer sessions and focus groups, to provide the opportunity for discussion on a range of subjects from health and well-being, communications, what the future of work will look like and organisational culture. This approach will generate ongoing dialogue between colleagues to help create and sustain a positive and inclusive culture that reflects collective values and behaviours to ensure that people are supported

and working together effectively to deliver the ambitions and priorities set out in the Nottinghamshire Plan.

Implementation of the 'Nottinghamshire Way' programme will be supported by leaders and managers from across the Council. To sustain progress and ensure that all managers at all levels have the necessary knowledge, skills and confidence a new cross-council Leadership Development programme has also been launched.

The Council's decision in principle in September 2021 to change to the Cabinet/Executive model of governance overtook the planned review of the Council's Constitution. Re-drafting of the Constitution to reflect the new governance model, new terms of reference and procedure rules for the new structure were developed by a Member Working Group, led by the Chair of Governance and Ethics Committee, and approved by Full Council on 31st March 2022. These form the basis of the new governance arrangements which will be implemented following the Council's Annual General Meeting in May 2022.

The Member Working Group will remain in place to keep the operation of the new arrangements under review and to enable further phases of work to be undertaken during 2022. There will be a formal review of the arrangements after 12 months operation and recommendations made to Full Council as appropriate.

The scale of this task, and the timescale for it, necessarily meant that other planned actions for 2021/22 had to be delayed. Notably, this included a review of the Member Code of Conduct and the arrangements for the register of interests.

¹ Key to Council departments: ASC&PH – Adult Social Care & Public Health; C&F = Children & Families; Ch. Exec. – Chief Executive's

A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

Assessed assurance level for compliance with the Code of Corporate Governance: Reasonable

A review of the Council's approach to conducting Equality Impact Assessments (EIAs) has been completed, led by the Council's Equalities Officer. A new on-line proforma, management tools, guidance and training have been developed and are being rolled out during April 2022.

Gaps and challenges

The principal challenge with this area lies in capacity to progress the range of actions identified. It should be emphasised, however, that the Council maintains a solid framework in this area, including review and validation of the new governance arrangements by an independent external legal advisor. The actions completed and still underway provide opportunities to strengthen the arrangements still further.

Focus for 2022/23

The primary area of focus will be the implementation of the Cabinet model of governance from May 2022, and to keep its operation under close review as it beds in during the year.

Work will continue to roll out 'The Nottinghamshire Way' across the Council by involving employees in developing the next phases of activity and engaging managers through the new Leadership Development Programme.

The actions which remain in progress from the 2021/22 Governance Action Plan will be prioritised, focussing on the following:

- A review of the model Members Code of Conduct and supporting LGA guidance and to make recommendations to Full Council on any changes proposed to the existing Council Member Code of Conduct

- Register of interests – to complete the review of the current arrangements and bring forward proposals for any changes needed.

B. Ensuring openness and comprehensive stakeholder engagement

Assessed assurance level for compliance with the Code of Corporate Governance: **Substantial**

Compliance with the Local Code

The Council's former, strategic plan, 'Your Nottinghamshire, Your Future', ended in 2021. In its place, the 'Nottinghamshire Plan' was approved, setting out a new nine-point plan to deliver a 10-year vision for a healthy, prosperous, and greener future for everyone in Nottinghamshire.

The Council complied with the requirements of the Transparency Code in 2021/22, and all other requirements of the Local Code for this aspect of governance were maintained during the year.

Improvements & developments during 2021/22

The primary planned development for 2021/22 was the new Council Plan, which was approved and published in November 2021.

The process of formulating the new Plan was shaped to address feedback from the Big Notts Survey, in which over 12,000 residents shared their aspirations for the future.

Further, improved channels of communication and engagement are under consideration as part of one of the cross-cutting programmes of transformation - the Improving Resident's Access Programme. This includes ensuring residents have access to advice, information and guidance at an early stage to help keep vulnerable people safe and promote independence. This programme includes a strand of activity relating to improving accessibility through digital development.

Gaps and challenges

Government's plans for devolution were released in February 2022 in a 'Levelling Up' White Paper. Devolution offers the opportunity to receive extra powers and money from Government and bring

decisions closer to home, so they better reflect the needs and ambitions of our communities and local businesses.

It is great news that Nottinghamshire and Nottingham have been named in the White Paper as one of the first nine areas in England invited to seek a devolution deal. This is in recognition of all the collaborative work that has been undertaken locally in 2021/22. Leaders of all the local councils in Nottingham and Nottinghamshire met in October 2021 and agreed on a joint vision for devolution. Since then, outline business cases have been scoped for the following priority themes identified in the case for change:

- Enabling and supporting young people through their journey to adulthood
- Education and Skills
- Environment
- Economy
- Connectivity and Infrastructure
- Land and Housing

Policy Committee in March 2022 received a progress report on this work that also gave approval to continue negotiations with Government, about a potential Level 3 devolution deal across Nottingham, Nottinghamshire, Derby and Derbyshire

Focus for 2022/23

Continuing discussions locally and with Government about the devolution options for our area, in order to agree the best way forward.

Continued development of the digital development strand of the transformation programme.

C. Defining outcomes in terms of sustainable economic, social, and environmental benefits

Assessed assurance level for compliance with the Code of Corporate Governance: **Reasonable**

Compliance with the Local Code

The Council maintained a dual focus during the year on meeting its short-term priorities for the immediacy of the pandemic, alongside planning for the long-term through the launch of the new Council Plan. The five programmes of work the Council established to re-set its priorities for the national emergency continued to be pursued, notably in the Adults Social Care and Health Department. A number of interim recovery plans were put in place across the Council to provide a bridge into the renewal phase signalled by the new Council Plan.

The Council's Medium-Term Financial Strategy (MTFS) also remained in place, to keep under regular review the financial impact of the pandemic and other significant pressures for the Council.

Improvements & developments during 2021/22

The development of the strategic 'Nottinghamshire Plan' is fundamental to this aspect of governance. Accompanying the new Plan is a revised approach to the Council's Planning & Performance Management Framework. This brings a move away from the four supporting Departmental Strategies that were a feature of the previous framework, in favour of a Council-wide Annual Delivery Plan. Each Annual Plan will set out the Council's targeted aims to progress the strategic plan each year, and how the Council will work collectively to deliver them. Progress will be charted through the year by a new 'Vital Signs' reporting.

At the more detailed level in the new framework, the service planning template has been refreshed to ensure a strong link through to the Annual Delivery Plan and 'Nottinghamshire Plan'. A first set of plans using the new template was in progress at the close of the year.

The Council completed a key restructure to establish the Strategic Insight Unit (SIU) within its Transformation and Change service. This included the appointment of a new Service Director and Group Manager, who are now working to embed the work of the SIU and the significant contribution it can make to inform the future direction of Council services.

Having declared a climate emergency in May 2021, the Council went on to appoint its first Environment Ambassador and took a lead role in the COP26 Regional Roadshow for the East Midlands in November 2021.

Gaps and challenges

Performance reporting in 2021/22 was necessarily grounded in service committee core data sets. This ensured a continuing focus on the immediate priorities of the pandemic, whilst also allowing capacity to develop the new Council strategy and the refresh of the Planning and Performance Management Framework.

Focus for 2022/23

Launch of the Council's first Annual Delivery Plan and implementation of the revised Planning and Performance Management Framework through the strategic lead of the SIU.

D. Determining the interventions necessary to optimise the achievement of the intended outcomes

Assessed assurance level for compliance with the Code of Corporate Governance: **Reasonable**

Compliance with the Local Code

Some key aspects of the Local Code remained in place and stood up well to the continuing challenge of the pandemic:

- The financial challenge of the pandemic and other pressures was constantly assessed and regularly reported, alongside consideration of their impact on the Medium-Term Financial Strategy
- The Council's business continuity plans for critical services continued to be tested by the ongoing pandemic, notably in adults' social care. The Council's Risk, Safety and Emergency Management Board oversaw and co-ordinated cross-Council support to these services, which felt the continuing impact of the pandemic the most keenly
- The Board varied the frequency of its meetings throughout the year to respond in an agile way to the fluctuating pattern of emergencies, which also included fuel shortages and winter storms.

Corporate Directors report a reasonable level of compliance, overall, in terms of stakeholder engagement for service change and development:

Procedure ↓	dept ² →	ASC&PH	C&F	Place	Ch. Exec.
Stakeholder engagement for service change		Reasonable	Substantial	Substantial	Substantial

² Key to Council departments: ASC&PH – Adult Social Care & Public Health; C&F = Children & Families; Ch. Exec. – Chief Executive's

Improvements & developments during 2021/22

The Council continued to implement its redefined approach to transformation and change. A revised structure for the teams working in this area of service was rolled out and is supporting progress with the four cross-Council transformation programmes and two underpinning workstreams. Scoping documents for each of these programmes were approved, and full 'Options for Change' cases were under preparation at the close of the year.

The Council completed implementation of the CIPFA Financial Management Code, following a shadow year of operation and progress reports to the Finance Committee. This demonstrated that 14 of the 17 standards were met and the requirements of the remaining three were exceeded.

Gaps and challenges

The predominant challenge remains financial sustainability. The assessed funding gap over the Medium-Term Financial Strategy is £14m to £15m per year (after consideration of local tax decisions). Covid-19 and other emerging pressures, notably the impact of sanctions on Russia and Belorussia, present a continuing and significant risk to the Council's strategic plan.

The short-term nature of central government funding for local government is an obstacle to effective, long-term planning. Analysis of the Council's reserves confirms sufficient balances at present to manage the potentially significant financial shocks that may arise over the coming year.

D. Determining the interventions necessary to optimise the achievement of the intended outcomes

Assessed assurance level for compliance with the Code of Corporate Governance: Reasonable

It will be essential to bring through the full 'Options for Change' cases for the transformation programmes to clearly assess the contribution these will make to both reducing existing cost pressures and to avoiding further cost going forward.

Focus for 2022/23

To finalise 'Options for Change' cases for the current transformation programmes. To keep these programmes under review, to ensure they remain aligned with the MTFS and strategic objectives in the 'Nottinghamshire Plan.'

E. Developing the entity's capacity, including the capability of its leadership and the individuals within it

Assessed assurance level for compliance with the Code of Corporate Governance: **Reasonable**

Compliance with the Local Code

The policies, procedures and protocols set out in the Local Code of Corporate Governance remained in force during 2021/22.

Corporate Directors report the following levels of compliance with key Council procedures relevant to this aspect of governance:

Procedure ↓	dept ³ →	ASC&PH	C&F	Place	Ch. Exec.
Use of research and benchmarking		Substantial	Substantial	Substantial	Reasonable
Use of partnerships and collaborations		Reasonable	Substantial	Substantial	Reasonable
Compliance with financial regulations		Substantial	Substantial	Substantial	Substantial
Staff induction and development		Reasonable	Substantial	Substantial	Substantial

The ongoing pandemic continued to impact the Council's Members and staff, posing a test of its leadership and of its capacity to maintain delivery of critical services. Council staff continued to play a full and active role in the response to the pandemic with its Local Resilience Forum (LRF) partners, and its Corporate Leadership Team (CLT) and Risk, Safety and Emergency Management Board (RSEMB) have managed the Council's own response.

Improvements & developments during 2021/22

The interim 'Workforce Resilience and Recovery Strategy (Sept 2020 – Sept 2021)' provided a route map to transition to a new People Strategy 2022-2026. This was approved by Personnel

Committee in January 2022. The new Plan will feature the development of annual action plans to support delivery of the workforce aspects of the Nottinghamshire Plan.

A key development alongside this was the launch of the 'The Nottinghamshire Way' Programme to embed cultural change and new ways of working and enable the successful delivery of the refreshed priorities set out in the Nottinghamshire Plan.

A new council-wide Leadership Development Programme has also been approved by Personnel Committee to ensure sufficient leadership capacity and confidence to drive new ways of working and ensure delivery of the ambitions set out in the Nottinghamshire Plan. The roll out of this two-year programme is now underway.

The Employee Opportunities and Workforce Development Strategy was approved by Personnel Committee in September 2021 to ensure a range of opportunities are available to attract and retain employees and that our people have the relevant knowledge, skills and experience. These include apprenticeships, the graduate development programme, traineeships, work experience, secondments.

An updated induction programme was delivered for Members following the local elections in May 2021.

Gaps and challenges

A key challenge is to blend the positives employees have experienced from the ability to work more flexibly, with action to address the negatives, notably issues of isolation, concern over the

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E. Developing the entity's capacity, including the capability of its leadership and the individuals within it

Assessed assurance level for compliance with the Code of Corporate Governance: Reasonable

loss of team working and the need to improve the accessibility of wellbeing support for employees. A range of activity is underway to broaden dialogue on these issues between staff and their managers.

Focus for 2022/23

Implementation of the People Strategy, the continued roll out of the Nottinghamshire Way and corporate Leadership Development Programme and implementation of the Employment Opportunities and Workforce Development Strategy.

F. Managing risks and performance through robust internal control and strong public financial management

Assessed assurance level for compliance with the Code of Corporate Governance: **Reasonable**

Compliance with the Local Code

All elements of the established framework set out in the Local Code were in place during 2021/22. The continuing circumstances of the pandemic required some aspects of this part of the Code to be applied flexibly to align with, and support, the demands of the Council response. Notable examples are:

- The Risk & Emergency Management Board and the four departmental Risk & Emergency Management Groups met more frequently than usual to oversee the Council's response. The frequency of meetings was stepped up and down as required, and to remain aligned with the pattern in place with partners in the Local Resilience Forum
- The Internal Audit termly plans were kept under continual review to ensure the input of internal audit was targeted at delivering timely and agile assurance on new and changing processes. This ensured an appropriate balance between proportionate control and speed of service delivery,

Corporate Directors report the following levels of compliance with key Council procedures relevant to this aspect of governance:

Procedure	dept ⁴	ASC&PH	C&F	Place	Ch. Exec.
Carrying out risk mitigation actions	→	Substantial	Substantial	Substantial	Reasonable
Data-sharing and governance		Reasonable	Reasonable	Reasonable	Substantial
Budgetary control		Substantial	Substantial	Substantial	Substantial

⁴ Key to Council departments: ASC&PH – Adult Social Care & Public Health; C&F = Children & Families; Ch. Exec. – Chief Executive's

The Council's assurance mapping process was being compiled at the close of the year, ready for reporting to the Governance & Ethics Committee in June 2022. The overall assessments reported in June 2021 for each of the eight dimensions of governance covered by the process are set out below:

Aspect	Rating	Aspect	Rating
Financial management	Green	People management	Amber
	Green		Green
	Green		
	Amber	Information governance	Amber
Performance management	Amber	Transformation	Amber
Risk management	Amber	Commissioning and procurement	Amber
Asset management	Amber		

It is not anticipated that the current exercise will identify any significant matters of concern.

The Group Manager – Assurance is preparing his annual report as Head of internal Audit for 2021/22, for presentation to the Governance & Ethics Committee in June 2022. Draft indications are that this is likely to deliver 'Reasonable Assurance' about the Council's arrangements for governance, risk management and control.

F. Managing risks and performance through robust internal control and strong public financial management

Assessed assurance level for compliance with the Code of Corporate Governance: Reasonable

Improvements & developments during 2021/22

The Internal Audit team completed a series of three reviews of the Council's response to the pandemic and its plans for recovery and renewal. All three reports returned positive assurance that effective management arrangements have been maintained across the range of governance dimensions covered by the reviews.

An external review of the Council's approach to risk management was carried out in the spring of 2021, and an action plan was agreed by the RSEMB and the Governance & Ethics Committee to implement the several improvements recommended. Progress over the past year has focussed on establishing a clear distinction between the management of operational and strategic risks. Improved reporting of operational risks was implemented and, at the close of the year, a first, corporate strategic risk register was in development.

The Information Governance Board widened its remit to cover Cyber Security arrangements in the Council. This is bringing a settled approach to keeping risk levels across information and cyber security under close review.

The Internal Audit Team has established a monthly 'Continuous Assurance' report to the three statutory officers. This is providing a rolling and regular review of high-level indicators of control over the Council's core systems and processes, such as payroll, creditors, debtors and other, predominantly financial operations.

The Council currently meets the standard required to maintain its Bacs Approved Bureau status, and an action plan continues to be progressed to implement the recommended improvements raised in the inspection report last year.

Gaps and challenges

An external review of the Council's risk management approach has identified opportunities to strengthen its arrangements and thereby progress towards becoming a more risk mature organisation. Whilst progress is being made across most of the agreed actions, capacity to implement the improvements at a reasonable pace is a key challenge.

The Information Governance and Cyber Security Board, and the relevant teams in the Chief Executive's Department, have a continuing focus on the challenge that cyber security poses to all organisations, across all sectors.

Focus for 2022/23

Making significant progress with the implementation of the agreed improvements to corporate risk management.

Maintaining a keen focus on cyber security, to ensure the Council is equipped to continue meeting the challenge posed by this threat.

G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability

Assessed assurance level for compliance with the Code of Corporate Governance: Substantial

Compliance with the Local Code

The evidence collected from the sources of assurance set out above at 3.2 confirmed that the key policies, procedures and practices identified in the Local Code of Corporate Governance remained in force during 2021/22. The requirements of the Transparency Code were complied with.

The Head of Internal Audit's Annual Report will be presented to the Governance and Ethics Committee in June 2022, and it is expected to confirm the Internal Audit service remained compliant with the Public Sector Internal Audit Standards in 2021/22. The service will update its Quality Assurance and Improvement Plan for the coming year. The service's direct lines of access to all senior Members and officers continued during 2021/22, and it conducted its duties without encumbrance.

The Governance and Ethics Committee continued to receive assurance from key reporting sources during the year:

- Reports of Internal Audit and External Audit
- Summary reports on complaints received by the Council
- Whistleblowing update
- the Committee continued its transparent practice of reviewing all Ombudsman judgments received during the year, including the Ombudsman's annual report.

Improvements & developments during 2021/22

Last year's Statement highlighted the impact of the pandemic on the conduct of its public Committee meetings. These were all restored to in-person meetings after the May 2021 local elections, but with the retained benefit of live streaming, which had been implemented during the lockdown period.

Gaps and challenges

As referenced above, the implementation of the revised Planning and Performance Management Framework will bring a refreshed approach to reporting the annual performance of the Council.

Along with many other local authorities, the timeliness of external audit reporting to the Council has been problematic. This arises from known, national capacity issues in the sector. At the close of the year, the external auditor's annual report on the Council's arrangements to secure value for money had not been received.

The timeliness with which agreed actions arising from internal audit reports are implemented has seen a decline. Whilst the pandemic undoubtedly impacted management capacity to meet some target dates set prior to the pandemic hitting, renewed efforts are now required to make improvements going forward.

Focus for 2022/23

Implementation of the revised Planning and Performance Management Framework to report on progress against the Annual Delivery Plan.

Pressing for improvement in the timely delivery of external audit reporting.

Renewed impetus, through the Governance and Ethics Committee, to drive through agreed actions from internal audit reports in a timely manner.

4. SIGNIFICANT GOVERNANCE ISSUES

- 4.1. The list of significant governance issues for the Council is refreshed in-year through the Corporate Leadership Team and the Governance & Ethics Committee. The following is the latest update for this Statement.

Issue	Comment
Cabinet/Scrutiny model of corporate governance	
	Following Full Council approval in principle in September 2021, proposals for the implementation of an executive system (Leader and Cabinet model) of governance were developed through a member working group. The arrangements for the new governance system were approved by Full Council on 31st March 2022. The new system of governance will come into effect in May 2022 and kept under review by the member working group with a formal review after 12 months in operation.
Devolution for Nottingham and Nottinghamshire	
	The Government released its Levelling Up White Paper in February 2022, which outlines plans for devolution. This offers the opportunity to receive extra powers and money from Government and bring decisions closer to home, so they better reflect the needs and ambitions of local communities and businesses. Nottinghamshire and Nottingham are named in the White Paper as one of the first nine areas in England invited to seek a devolution deal. Leaders of all the local councils have agreed on a joint vision for devolution in our area, and outline business cases have been scoped for the priority themes identified in the case for change. This includes the potential Level 3 devolution deal across Nottingham, Nottinghamshire, Derby and Derbyshire. Discussions are underway locally, as well as across the 4 upper-tier authorities and with Government about the options for our area, in order to agree the best way forward.




Issue	Comment
Climate change	
	At its Annual General Meeting in May 2021, the Council declared a Climate Emergency and tasked its new Transport and Environment Committee to drive measures to achieve the Council's commitment to achieving carbon neutrality by 2030. The Committee has considered two reports to date, setting out progress against the Council's Corporate Environment Strategy and its alignment with the emergency declaration. Additional staffing resources are now being established to progress the strategy and to continue with regular progress reporting to Members, with recruitment to a new Carbon Reduction team due to complete by early summer. In addition, consideration is being given to further investment in the Council's Green Investment Fund across the course of the Medium-Term Financial Strategy.
The transformation agenda	
	The Council's revised approach to transformation and change is progressing four cross-cutting transformation programmes, with two underpinning strands of work. A new staffing structure for corporate transformation and change is now in place, including the establishment of the Strategic Insight Unit, along with revised business processes, governance arrangements and co-ordination with departmental service improvement activity. In addition, successful external recruitment to both the Group Manager, Transformation and Change, and the Service Director, Transformation and Change, posts have taken place. The importance of this work has been compounded by the impact of the pandemic on the County's residents and businesses, alongside the impact on the Council's finances. The scope and focus for transformation and change is being reshaped around the Council's resilience, recovery and renewal objectives.
Financial resilience and sustainability	
	The COVID-19 pandemic has placed significant, unforeseen and additional financial burdens on the Council. The importance of effective management of the most volatile elements of the annual




Issue	Comment
	budget is heightened and remains a key area of focus. The regular review of the financial impacts and the regular Government returns are now established as business as usual, and the Medium-Term Financial Strategy (MTFS) continues to be updated and reported regularly. Maintaining the flow of transparent, financial data for Councillors remains a key priority. The Council still has a funding gap of £29m over the four-year MTFS and, as savings become increasingly difficult to generate, the four cross-departmental Transformation Programmes are essential to delivering reduced, existing cost pressures and cost avoidance going forward.
People Strategy	
	The Council's People Strategy sets out to ensure that the Council is able to attract, retain and develop sufficient employees with the required knowledge, skills experience to deliver the ambitions set out in the Nottinghamshire Plan. This will be delivered through a number of programmes of work. The Nottinghamshire Way Programme will ensure people are working together efficiently and collaboratively to deliver key priorities. The Leadership Development Programme will ensure employees are effectively supported and managed. Action plans to deliver the Employment Opportunities and Workforce Development Strategy will ensure continuous personal and professional development and a pipeline of skilled, knowledgeable and experienced employees.
Health and Social Care reforms	
	The Government's white paper, 'People at the Heart of Care', was published in December 2021, setting out a 10-year vision to transform support and care in England. This will likely bring significant implications for the joint governance of health and social care for the Council and its local partners. These reforms come on top of those currently being implemented as part of the Health and Care Bill, embracing revised structures for the local Integrated Care System and the implementation of a Care Quality Framework for Adult Social Care.



Issue	Comment
Risk management	
	An action plan is in place to address the scope for improvement in the Council's risk management arrangements, following the external 'health check' review in 2021. A clearer distinction is being drawn between the management of operational and strategic risks, presenting the opportunity to link risk management through to strategic planning and reporting in a more impactful way. The changes will culminate in a revised policy and strategy for risk management, and any implications for the risk management framework will be assessed.
Pace of implementing agreed audit recommendations	
	Six-monthly updates to the Governance & Ethics Committee continue to chart a decline in the pace of implementation for agreed actions following internal audit reviews. Whilst the impact of the Council's required prioritisation of the pandemic response is acknowledged as a key factor, the Committee is now focused on driving through agreed improvements to the Council's control framework as expeditiously as possible. The Committee will be updated in June 2022 when any further actions that may be required will be considered.

5. ACTION PLAN

- 5.1. The Governance Action Plan is refreshed in-year and reported to the Governance & Ethics Committee. The latest update of the Plan is set out below.

Planned Action	Officer responsible	Target date for completion	Progress status
1. Modelling sustainable savings plans –approval of ‘Options for Change’ cases for implementation	Service Director - Transformation	Spring/summer 2022	 In progress
<p>The Council’s revised approach to transformation and change was approved by the former Improvement & Change Sub-Committee, including the four cross-council programmes and two underpinning strands of work. Scoping documents for each of these programmes have been prepared, with full ‘Options for Change’ cases now in preparation.</p> <p>The newly established Strategic Insight Unit will have a continuing focus on identifying further opportunities for sustainable transformation going forward.</p>			
2. Post-pandemic review: formally review the Council’s response to capture and apply learning for the future. This will build on two reports to date to Policy Committee on the impact of COVID-19.	Chief Executive	To be determined as the course of the pandemic permits	 In progress
<p>Internal Audit has completed three reviews of the organisational response to the emergency, all of which delivered positive assurance.</p> <p>The Emergency Planning Team has reported the outcome of its debriefing survey to the Council’s Risk, Safety and Emergency Management Board. This considered the Council’s management of the emergency through its emergency response framework and through its significant role within the Local Resilience Forum (LRF). A fuller review through the Local Resilience Forum will be conducted in due course.</p>			
3. Implementation of Cabinet/Scrutiny model of corporate governance:	Service Director – Customers,	May 2022	

Planned Action	Officer responsible	Target date for completion	Progress status
incorporating work to review the constitution and operating model	Governance and Employees		In progress
Full Council gave approval in March 2022 to the arrangements for a new Cabinet model of governance to take effect from May 2022 following the Council's Annual General Meeting. Work is now underway to implement the new model using a phased approach. The member working group will oversee implementation of the new model with a formal review after 12 months operation.			
4. Equality Impact Assessments (EIAs) – review the approach with key stakeholders and deliver refresher training workshops for completion of EIAs, along with an online e-learning package.	Service Director – Customers, Governance and Employees	April 2022 for revised version of EIA form	 In progress
The review of EIAs has been completed, led by the Council's Equalities Officer, using a working group from across the Council and in consultation with staff support groups and the recognised trades unions. A revised proforma, guidance and training has been developed and is being launched during April 2022. Ongoing feedback will be sought, and the new arrangements reviewed after 12 months in operation.			
5. Register of Interests – completion of the current review, followed by approval of proposed changes and training on changes as appropriate.	Group Manager – Legal, Democratic & Complaints Head of HR	Sept 2022	 In progress
Progress has been restricted by continuing demands on relevant officers. Proposed revisions to the current system have been developed and now require final approval and implementation.			
6. Planning & Performance Management Framework: review the	Group Manager – Transformation & Change	March 2022	 In progress

Planned Action	Officer responsible	Target date for completion	Progress status
framework in line with the development of the new Council Plan			
The opportunity of the new Council Plan is being taken to refresh the Planning & Performance Management Framework. This will bring forward proposals for business intelligence reporting at all levels in the performance hierarchy. Good progress is being made to align this with a first Annual Delivery Plan and quarterly Vital Signs reporting. Policy Committee, at its meeting in March 2022, is due to consider detailed proposals.			
7. Risk management: agree and implement a revised approach to risk management for the Council	Group Manager – Assurance	March 2022	 In progress
The outcome of the external report on the Council's arrangements for risk management was reported to the Governance & Ethics Committee in September 2021, along with outline details of the action plan now in place to implement the revised approach. The latest progress is included in a separate report to Committee on today's agenda.			
8. Data quality in Mosaic: greater priority given to addressing issues highlighted by routine reporting	Corporate Director – Adults Social Care and Public Health, working with the Group Manager - Assurance	March 2022	 In progress
As part of the 'Simplifying Processes' service improvement programme in ASCH, a consultant has been engaged to review reporting arrangements from Mosaic data. This is embracing standard principles for effective management of information.			

Potential, additional actions for:

- Review of Member Code of Conduct
- Review of Local Code of Corporate Governance part-way through the year – pick up implications from Cabinet/Scrutiny, People Strategy implementation, etc

APPROVAL OF THE LEADER OF THE COUNCIL AND THE CHIEF EXECUTIVE

The Council has adopted a robust approach to addressing these financial, demographic, technological and legislative challenges.

The Governance and Ethics Committee reviewed the local code of corporate governance and this statement at their meeting on 21 April 2022. We are aware of the steps that are being and will be taken to address the above significant governance issues and we are satisfied that these are appropriate. We will monitor their implementation during the course of 2022/23 and beyond.

Signed:.....

LEADER

Signed:.....

CHIEF EXECUTIVE