

Financial Management Assurance from KLOEs – Budgetary Control

Congruent plans
Corrective actions
In-year forecasting
Overspending minimised

Effective monitoring & reporting
Budget pressures
Income stream maximisation
Underspending redirected to pressures

1st Line



Positive assurance

Corporate Directors' Annual Assurance Statements.

- Budgetary control processes carried out.

Dept	Assurance Level
ASCPH	Substantial
C&F	Reasonable
Place	Reasonable
Chief	Substantial
Exec's	Substantial

2nd Line



Positive assurance

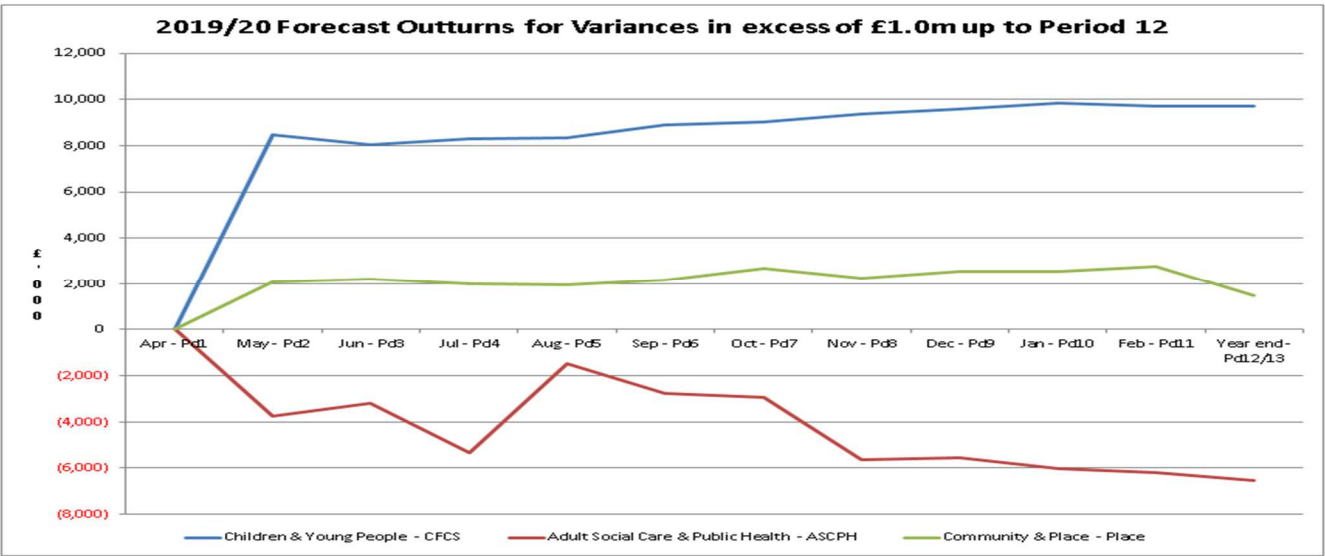
- Close in-year budget monitoring and reporting – monthly financial monitoring report to the Finance & Major Contracts Management Committee, including a focus on volatile budgets.

2nd Line



Positive assurance

- Compliance with forecasting system - 87% budget lines approved without intervention
- Monitoring of fluctuations shows in-year forecasting is reasonably reliable.
- The recorded net overspend within the Committees at the 2019/20 year-end was £4.2m

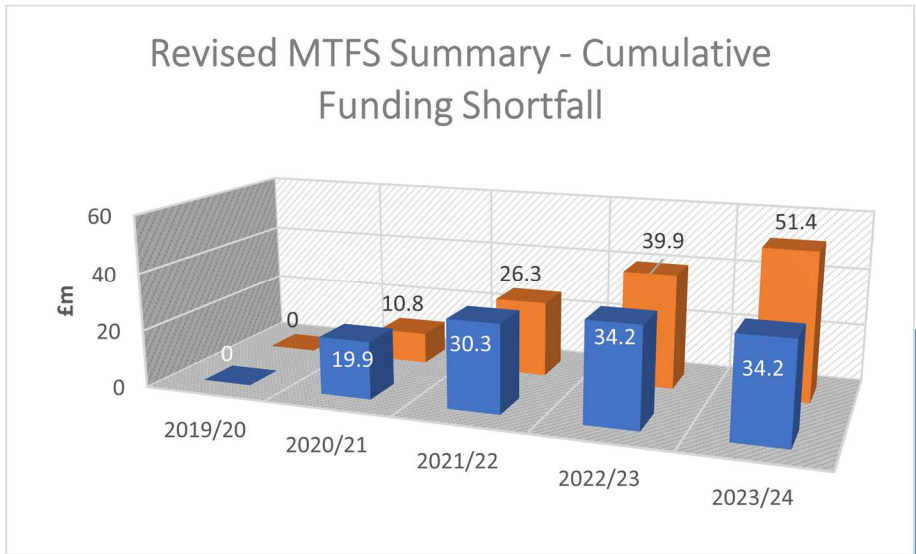


2nd Line



Mixed assurance

- Covid-19 impact on the budget and MTFS approved in February 2020
- anticipated shortfall in funding for the current year likely to be £10.8m (to be met from reserves) and over £26m in 2021/22. The new shortfall scenario (years 2023/24 requiring more work) is likely to look like this



2nd Line



Positive assurance

- 2019/20 Year end: Summary Capital Programme Position

Committee	Revised Budget £'000	Total Outturn £'000	Variance £'000
Total	119,634	119,841	207

3rd Line



Positive assurance

- Internal audit of budget forecasting (Mar 2020)



REASONABLE ASSURANCE

Financial Management Assurance from KLOEs – Financial Compliance

Compliance with budget holder duties

Financial Regulations compliance

1st Line**Positive assurance**

Corporate Directors' Annual Assurance Statements.

- Compliance with Financial Regulations

Dept	Assurance Level
ASCPH	Substantial
C&F	Substantial
Place	Substantial
Chief Exec's	Substantial

2nd Line**Positive assurance**

- The Chief Executive's Department is comprised of a range of professional staff delivering routine and ad hoc advice to other managers and Councillors. An important focus of this input is to assist the organisation in complying with internal and statutory regulations.
- Financial, constitutional and HR-related comments are provided for all committee reports as a matter of routine.

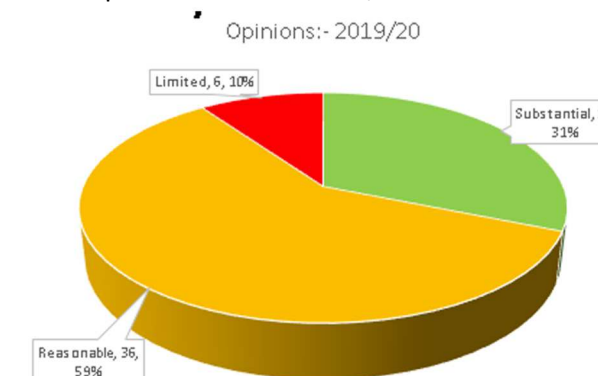
2nd Line

- Financial Control Statement - reported monthly within the Chief Executive's Department, to provide a focus on a range of compliance issues. The evidence available from the period 12 report is summarised as follows:
 - ✓ Effective use of accounting procedures - accounting code maintenance
 - % budget lines <£1,000 – 26% - % virement lines <£1,000 – 37%
 - % journal transfer values posted to direct pay codes – 0.2% of debit values & 0.17% of credit values - increased from 63% last year
 - ✓ Compliance with budget forecasting procedure
 - High level of compliance – as detailed above under 'Budgetary Control'
 - ✓ Reconciliation of bank and holding accounts
 - All reconciliations up to date
 - ✓ Monitoring of accounts payable indicators
 - 95% paid within terms
 - Low number and value of open invoices and invoices entered over 30 days
 - ✓ Monitoring of sales ledger debt
 - % of total outstanding debt over 6 months old (by value) – 24%
 - ✓ Bad and doubtful debts monitoring
 - The number of write-offs has increased slightly from 71 per annum in 2018/19 to 77 in 2019/20, however, the total value has reduced by £269k which is approx. 33% per month less than the previous fy and this is not excessive (£46k per month).
 - ✓ Payroll monitoring
 - Total value of net pay – monthly payments are relatively consistent
 - Low number and value of net pay advances
 - ✓ Pay overs monitoring
 - Statutory pay overs (tax, national insurance, statutory maternity pay, etc) are up to date
 - ✓ VAT issues
 - No significant issues have arisen
 - ✓ Capital issues
 - No significant issues have arisen

3rd Line**Positive assurance**

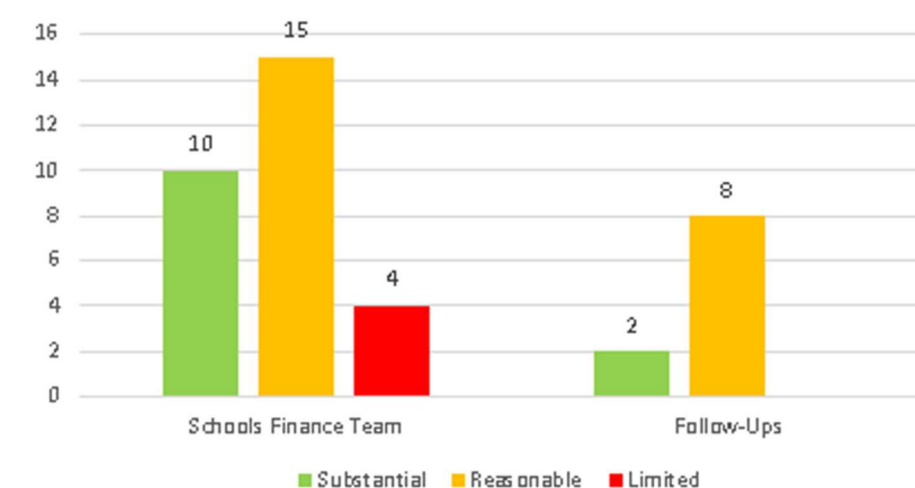
- Chief Internal Auditor (Group Manager – Assurance) provides a rolling 12-month view of opinions issued by Internal Audit on the adequacy of the Council's system of internal control, governance and risk.

Internal Audit opinions issued in 2019/20



Within the above, the following relates to schools

Schools Audits 2019/20



Financial Management Assurance from KLOEs – Financial Prudence

Treasury management framework
Finance charges minimised

Investment strategy
Returns on investments

1st Line



Positive assurance

1st Line staff provide assurance that the Council’s Treasury Management Framework and Investment Strategy is applied on a daily basis.

2nd Line



Positive assurance

- Strong compliance with the Council’s Treasury Management Strategy, as reported to the Finance & Major Contracts Monitoring Committee each month.
- - ✓ Effective cashflow management (March 2020 Committee report)
 - ✓ Prudent investment activity – outstanding investment balances totalled approximately £60m at the start of the year and approximately £59m at the year-end
 - ✓ A snapshot of the return on investments at the half yearly position (Sept 2019) was as follows

Table 2: Snapshot return on Investments	Balance	Return
	£m	%
Total	43.4	0.73

Over the same period the average 7 day LIBID was 0.57%

- ✓ Borrowing managed within the limits of the prudential code (Report to County Council Dec 2019 – Treasury Management Mid-Year Report)

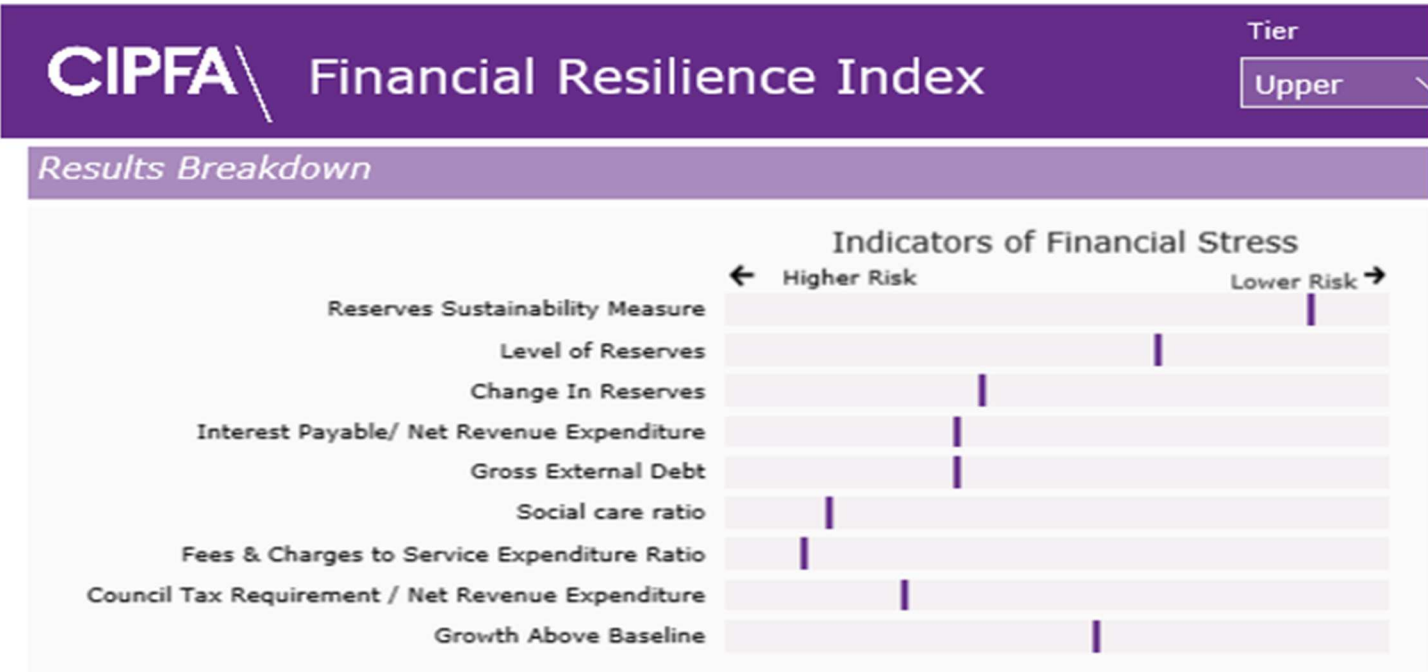
⚠ PWLB interest rates decreased over the first half of the financial year. This decrease included a degree of instability due to Brexit. Recent drops in interest rates due to Coronavirus are likely to have an impact on future income.

3rd Line



Mixed assurance

- This shows Nottinghamshire’s position relative to other County Councils
- Its use is limited as data relates to the 2018/19 financial year



3rd Line



Positive assurance



Peer Challenge

Nottinghamshire County Council has good financial management in place and there is a history of the organisation setting balanced budgets. It has a good record of delivering savings and protecting frontline services.

Financial Management Assurance from KLOEs – Value for Money

Service provision review
Options for change
Transformation programme delivering

Use of benchmarking
Value for money achieved

1st Line

2nd Line

3rd Line



Positive assurance

Corporate Directors’ Annual Assurance Statements

- Ongoing review of services and use of benchmarking

Dept	Assurance Level
ASCPH	Substantial
C&F	Substantial
Place	Reasonable
Chief Exec’s	Reasonable

- Partnerships and collaborations to aid VFM

Dept	Assurance Level
ASCPH	Substantial
C&F	Substantial
Place	Substantial
Chief Exec’s	Reasonable

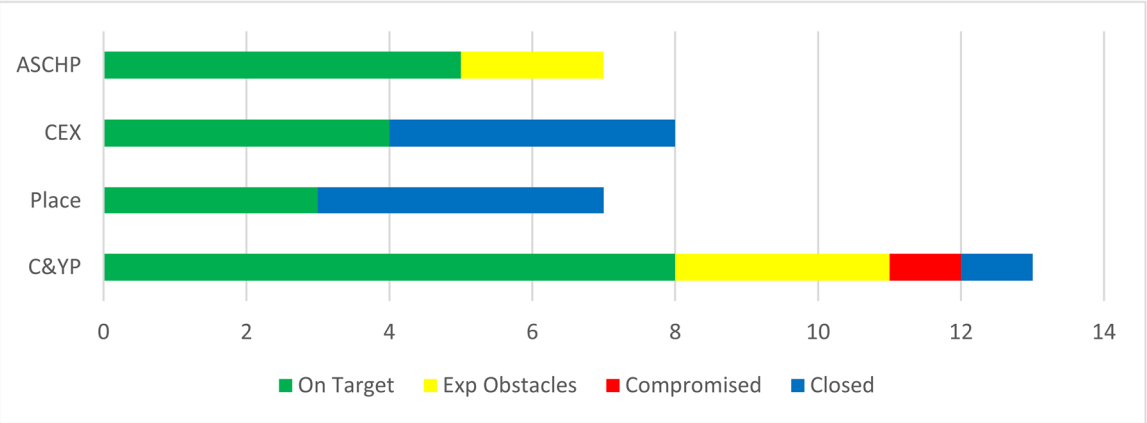


Mixed assurance

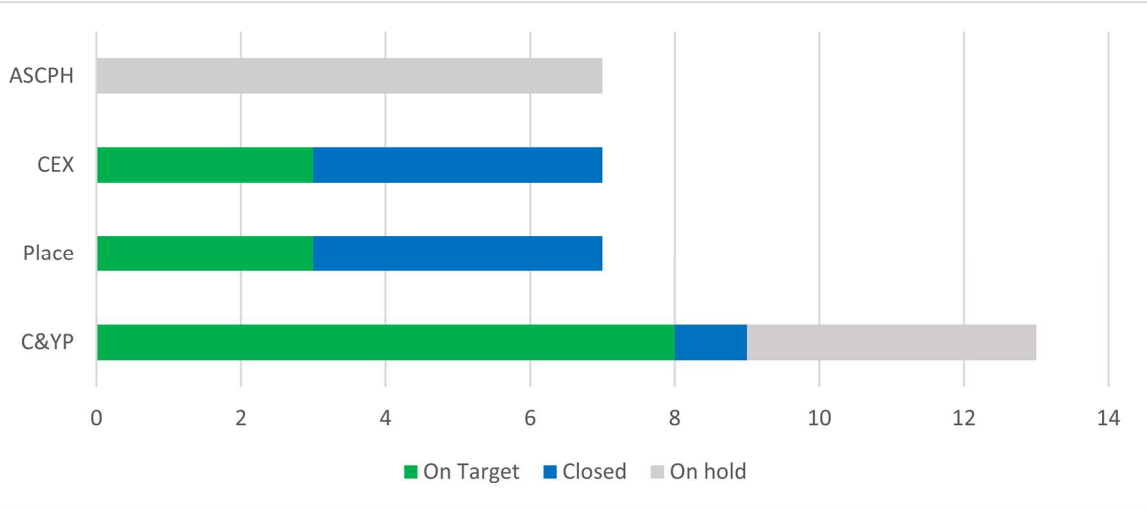
CLT reports – April 2020 set on performance, finance and transformation progress:

Dept	CLT Performance Dashboard Summary	Budget Draft Outturn March 2020
	% measures on track	Overspend /underspend £’000
ASCPP	71%	-6.530
C&F	54%	9.690
Place	71%	1,489
CEX	92%	-468
Total	72%	4,181

Progress with transformation projects – Feb 2020



Due to Covid 19, a number of projects have been put on hold, resulting in the following project status in March 2020:



Positive assurance

- External audit unqualified opinion - annual letter 2018/19 – [Grant Thornton](#).
- Value for Money conclusion Unqualified conclusion:- ‘the Council put I place proper arrangements to ensure economy, efficiency and effectiveness in its use of resources.’
- The Council applies a stringent monitoring regime and the MTFS is monitored and aligned to the vision of the Council and adjusted where necessary.

Transformation Partner

- The Council is working with an external transformation partner to carry out a series of deep-dive diagnostics , looking at how the Council could achieve better outcomes using resources differently. A key element of this programme is to help redefine the Council’s approach to intelligence and insight-led transformation, building a new model to move the organisation forward.



Limited assurance from Internal Audit review of Corporate Commissioning 2019/20.

Compliance with Planning & Performance Management Framework
Effective performance management
Use of benchmarking
Progress of transformation programme

Performance Management Assurance from KLOEs

Target performance levels to deliver Council Plan
Accountability for performance
Actual performance levels achieved

1st Line



Positive assurance
Planning & Performance Management Framework was in operation and complied with in 2019/20

Corporate Directors’ Annual Assurance Statements
➤ Performance management & benchmarking processes

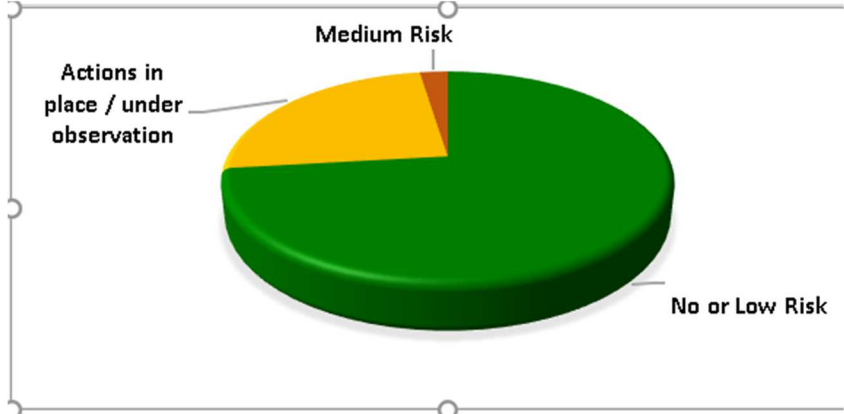
Dept	Assurance Level
ASCPH	Substantial
C&F	Substantial
Place	Reasonable
Chief Exec’s	Reasonable

2nd Line



Positive assurance
Monthly report to Corporate Leadership Team on 41 key Council-wide service and strategic performance measures.

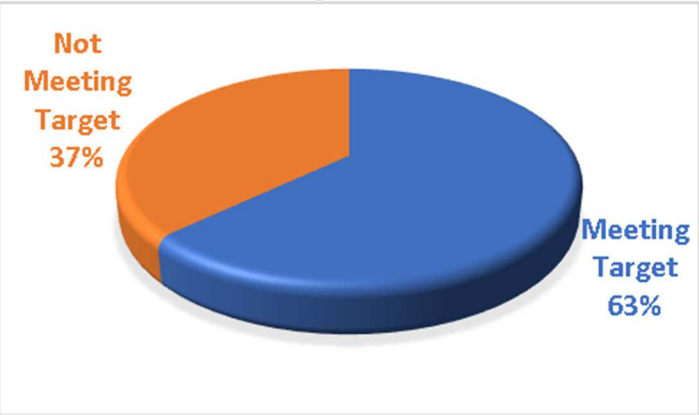
Position up to April 2020



2nd Line



Mixed assurance
Half-Yearly Reports to the Improvement & Change Subcommittee on the Council Plan, covering he revised 27 core [measures](#) which focus on whether plan commitments are being achieved:



Quarterly reporting of Adults Social Care & Public Health Department and Place Department core data sets to service committees:

ASCH - Jan 2020			Place - Sept 2019		
Meeting Target	Not Meeting Target	No Target Set	Meeting Target	Not Meeting Target	No Target Set
12	17	5	8	5	1

Half yearly reporting of Chief Executive’s Department core data set to Improvement and Change Sub Committee

CEX Corporate Health Measures – Sept 2019		
Meeting Target	Not Meeting Target	No Target Set
5	2	10

➤ Scope to make improved use of benchmarking tools as part of routine, corporate performance reporting

3rd Line



Positive assurance



Council’s children’s services had an Ofsted inspection in October 2019 resulting in retention of the Council’s Good rating.



Mixed assurance




Peer Challenge

The Council is strong in individual service areas but has capacity to be more corporate and cross-cutting to deliver on its corporate and strategic priorities.



Risk Management Assurance from KLOEs	
Risk management strategy & framework	National, regional and local horizon scanning
Established risk appetite	Risk registers maintained
Risk mitigation actions carried out	Risk management informs key decision-making
Exposure to significant risks is minimised	Focus on high priority risks
Prompt actions taken where risks materialise	


1st Line

-  **Positive assurance**
- Risk Management Framework was in operation 2019/2020
 - Risk, Safety & Emergency Management Groups (RSEMGs) in operation
 - Appropriate insurance cover in place during 2019/2020
 - Corporate Risk Team active in responding to significant incidents (floods & COVID-19)
- Corporate Directors’ Annual Assurance Statements
- Corporate risk register mitigations carried out


Dept	Assurance Level
ASCPH	Substantial
C&F	Substantial
Place	Substantial
Chief Exec’s	Reasonable

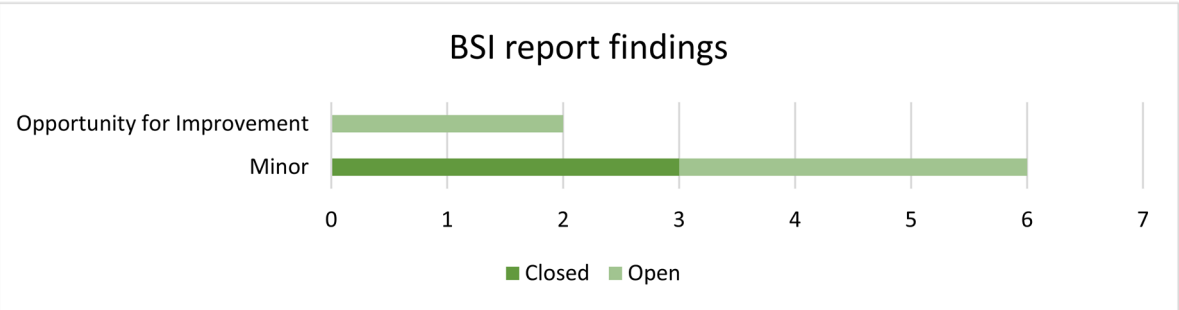
2nd Line

-  **Mixed assurance**
- RSEMB and RSEMGs met regularly, and the corporate risk register has been brought up to date for the impact of Covid-19
-  Risk scores have increased for 5 corporate risks
- Internal Health & Safety inspections
In 2019/20 internal audit inspections were carried out at 10 Council sites and 60 schools. These identified 29 ‘Major Nonconformities’, and follow-up activity has confirmed that corrective actions for 21 of these have already been implemented.
 - Annual Review of Health & Safety report to Personnel Committee – delayed due to Covid-19, Interim report submitted in July 2019 confirming BSI OHSAS 18001 certification to 2021.

-  **Evidence showing no or limited assurance**
- No established procedure to determine the Council’s corporate risk appetite
 - Six monthly updates on risk management to Governance & Ethics Committee did not occur in 2019/20 due to emergency response pressures

3rd Line

-  **Positive assurance**
- External health & safety reviews by BSI on 6 aspects of H&S
- BSI report findings



Category	Value	Status
Opportunity for Improvement	2	Open
Minor	6	Closed
- Periodic review by Council’s insurer: 7 property reviews in 2019/20 identified 6 important actions and one advisory action. It is the responsibility of a site’s Nominated Property Officer to complete any remedial actions and provide updates to the Risk and Insurance Team.
 - Internal audit review of vacant property management (Mar 2018)
- Progress with implementation of the agreed recommendations (8 Priority 1 & 7 Priority 2) is being monitored by the Governance & Ethics Committee. Update report to G&E November 2019 reported positive progress.

Asset Management Assurance from KLOEs

Asset strategy and management plans
Asset Inventory
Condition Surveys

Valuations updated
Planned and remedial maintenance

1st Line



Positive assurance

- Phase 1 of the Property Transformation Programme established:
 - Corporate Property Strategy 2018-23
 - over 20 operational processes were created or updated
 - corporate landlord model of operation
- Report to Policy Committee Feb 2020 – Investing in Nottinghamshire - Making the Best Use of Council Premises. Proposals re: management of the property portfolio
- The P2 property system is maintained as the Council's formal property register. Voluntary registration of all Council property assets has been completed with Nottingham District Land Registry to confirm absolute title.
- Established Nominated Property Role in place for all properties.

2nd Line



Emerging assurance

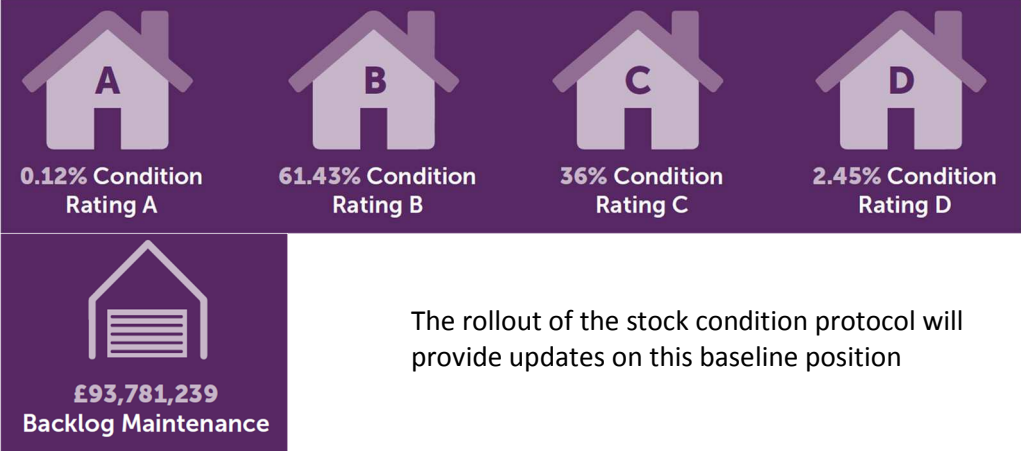
- Actions are progressing to strengthen oversight and monitoring
Phase 2 of the Property Transformation Programme is now complete and due to report to Policy Committee. It will provide for 2nd Line assurance arrangements:
- complete the P2 property system improvements
 - development and use of performance indicators
 - deliver a more robust case management process
 - complete the Service Asset Management Plans which feed the Property Asset Management Plan
 - progress the corporate landlord model
 - establish a quality assurance culture within Property Services

2nd Line



Mixed assurance

Property condition and maintenance headlines from Corporate Strategy 2018-23:

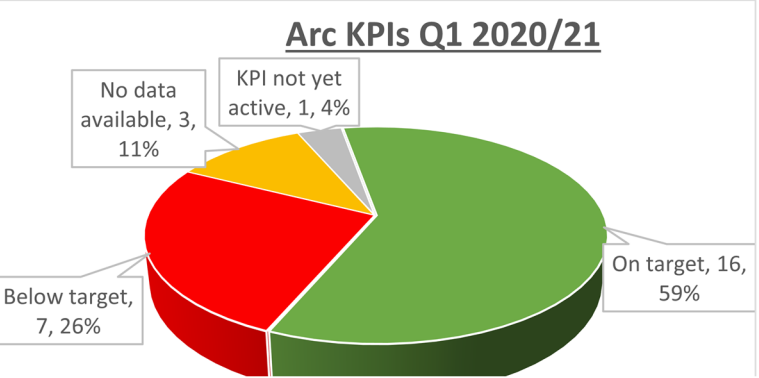


The rollout of the stock condition protocol will provide updates on this baseline position

1st Line



Mixed assurance



1st Line



No assurance currently available

- Work is in progress to put Strategic Asset Management Plans in place
- New and improved protocol for stock condition surveys agreed and now being rolled out following completion of the property transformation programme

2nd Line



Positive assurance

- Legal Services checklist in place for all properties acquired and disposed of
- Adherence to Code of Practice on Local Authority Accounting in the United Kingdom 2019/20 asset valuation guidelines issued by CIPFA and production of asset values is noted in annual financial accounts.

3rd Line



Positive assurance

- Governance & Ethics Committee received a positive update on progress with implementing the Internal Audit recommendations on the management of vacant property - these are being followed up by Internal Audit
- Property Compliance Internal Audit report February 2019.



REASONABLE ASSURANCE

3rd Line



Positive assurance

- British Standards Institute report BS OHSAS 18001 certification renewed per Personnel Committee November 2019
- Externally Audited Statement of accounts 2018/19
- Insurer inspections of sample properties have identified few issues to address

3rd Line



No assurance currently available

- Stock safety compliance with BSI safety standard OHSAS 18001 was in place until December 2019, but a new review was due in January 2020.

People Management Assurance from KLOEs – Safe Working Environment

Health and Safety Policies
Routine Health and Safety Audits
Health and Safety Executive Reporting

Incident reporting
Committee and Leadership reporting
Safety & Emergency Management Board

1st Line

 **Positive assurance**

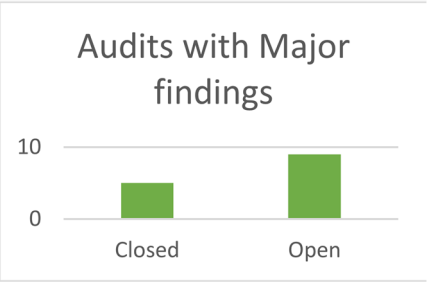
- Health & Safety policies and procedures are available to all staff and updated. Currently being reviewed as the standard is being migrated from BS OHSAS 18001 to ISO 45001.
- Number of HSE reportable incidents compares favourably with the CIPFA benchmark average. There were 21 incidents in 2018/19, and 21 in 2019/20



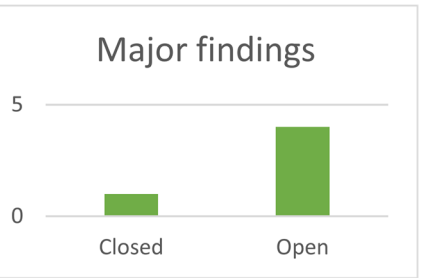
2nd Line

 **Positive assurance**

Internal health & safety team audits
In the first 9 months of 2019/20 there were 10 corporate and 60 school audits. Major non-conformities were found on 14 of the audits, and these are followed up and closed:



Internal health & safety team inspections
In the first 11 months of 2019/20 there were 36 inspections. Only 5 had a Major non-conformity, which are followed up and closed:



2nd Line

 **Positive assurance**

Payments in respect of Employers liability claims for health & safety incidents (below) show a reducing trend.

Financial Year	Claims Received	Liability Accepted	Repudiated	Total Cost
2018/2019	28	10	18	£317,406
2019/2020	20	2	18	£265,936

2nd Line

 **Mixed assurance**

A children’s department workforce health check in 2019 recorded that 79% of staff felt that there were adequate processes in place to monitor their safety. Whilst this was reasonably high, the comments provided by some staff would suggest that there needs to be a more consistent approach to staff safety.

3rd Line

 **Evidence showing actions in progress to address recent concerns**

Internal Audit review of Health & Safety (May 2018)



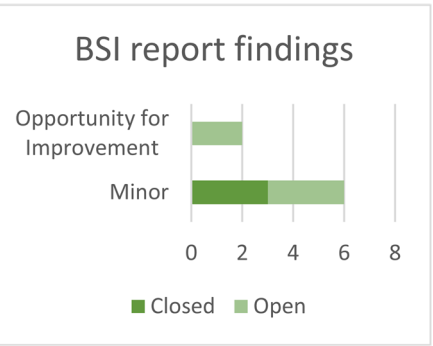
The 3 Priority 1 actions are still in progress (the other actions are cleared).

3rd Line

 **Positive assurance**

bsi.
Certificate of Registration Certification to Occupational health & safety standard BS OHSAS 18001. From Oct 2019 until March 2021.

BSI inspections identified minor findings, which are being addressed



3rd Line

 **Positive assurance**


No Health & Safety Executive fines or enforcement notices in the year.

People Management Assurance from KLOEs – Staffing Capacity

Workforce Planning
One – to – One meeting and EDPR delivery
Personnel Committee reporting

Application of VCDR Process
Management Monitoring
Human Resources Policies and Procedures

1st Line

 **Positive assurance**
Corporate Directors' Annual Assurance Statements

- Undertaking regular and effective EPDRs

Dept	Assurance Level
ASCPH	Reasonable
C&F	Substantial
Place	Substantial
Chief Exec's	Reasonable

- ☒ All policies and procedures available to all staff in the Personnel Handbook on the intranet.

1st Line

 **Positive assurance**

- ☒ Programmes in progress:

- Apprenticeships Levy

currently funded (Oct 2019)	Future plans
296	324 (or more)
- Graduate Development Programme

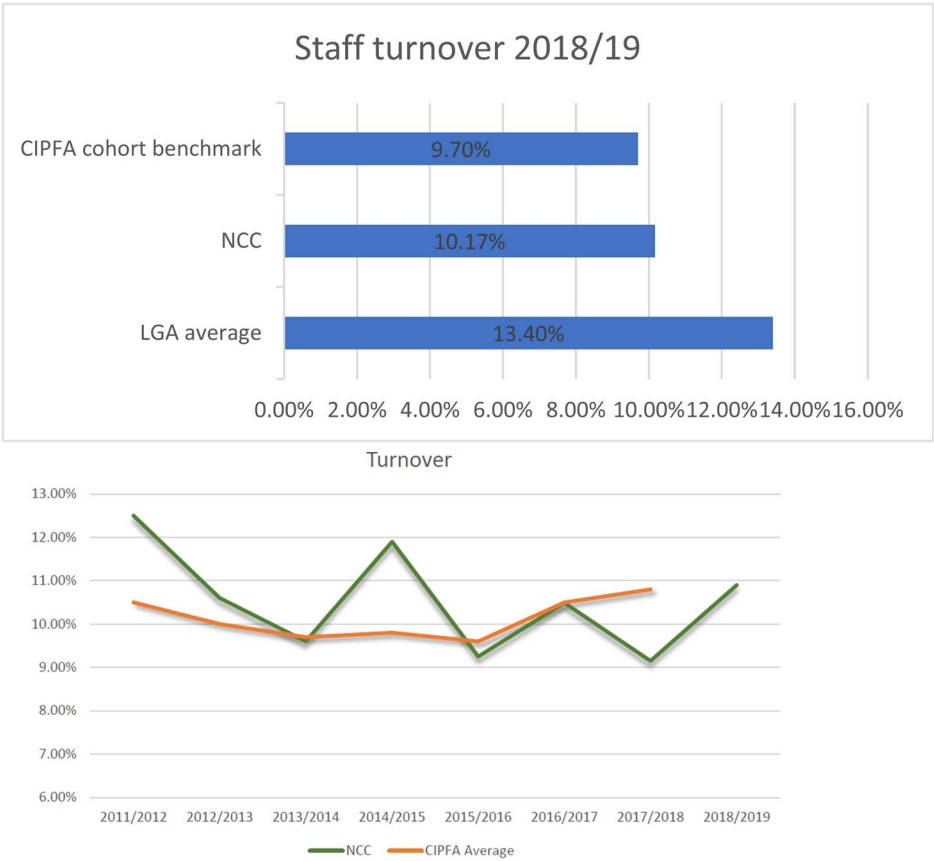
Cohort 1 started 2018	cohort 2 started Sept 2019
6	5
- Work Experience Programme.

placements arranged in 2018/19	Further placements by Aug 2019
58	10
- Leadership Development Programme
Refreshed at July 2019 committee

2nd Line

 **Positive assurance**

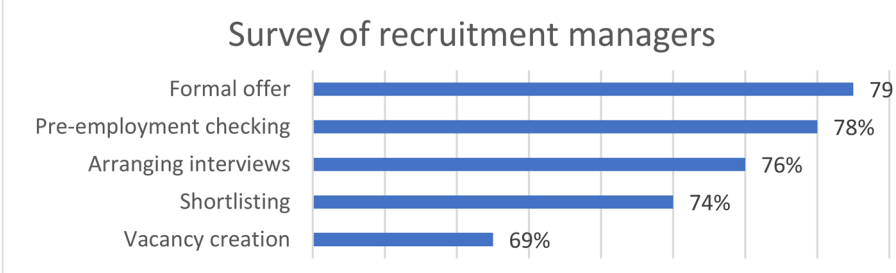
Staff turnover indicates no trend of concern. It is within the range of other councils, and recent past NCC experience:



2nd Line

 **Positive assurance**

Survey of managers using the recruitment process (to Feb 2020) gave positive scores:



2nd Line

 **Mixed assurance**

Workforce Modelling by each department, as part of the Workforce Plan, is still in progress. This should identify future workforce needs – employee numbers, skills, knowledge and experience – to deliver the council's objectives and priorities.

No comprehensive data on the number and proportion of staff who have done training, as training has been recorded on different systems over the years. Recent emphasis in some areas:

- health & safety
- mandatory training. Reported positively to CLT, but not in context of the number of employees who ought to take the training:

Updated Measures	Latest	Target	Previous	Good is...	Risk
Number of mandatory training completed (Q3)	818	N/A	1190	High	

3rd Line

 **Positive assurance**



LGA peer challenge (June 2019) highlighted the 'My Learning My Career' learning and development portal as an example of good practice.

Internal Audit review of Recruitment (June 2018)



All actions now cleared except one recently actioned and still to be checked by internal audit.

People Management Assurance from KLOEs – Staff are Motivated

Equalities policies and procedures
Staff satisfaction surveys
Incident monitoring

Routine reporting of key indicators
Workforce diversity statistics
Stonewall equality index

1st Line



Positive assurance

✔ The council’s job evaluation processes and single status agreement ensure that staff in the same positions receive equal pay regardless of their diversity.

A children’s department workforce health check in 2019 recorded positive scores of between 78% and 98% over 14 questions. The following are of significance:

93%	of staff felt listened to and supported by their managers
88%	of eligible staff had received an EPDR within the last 12 months
80%	of staff stated that the introduction of Smarter Working and more flexible working arrangements had been beneficial to their work-life balance and their well-being
80%	of staff rated their job roles as rewarding
78%	of staff who had experienced change, stated that they had felt supported through the change process

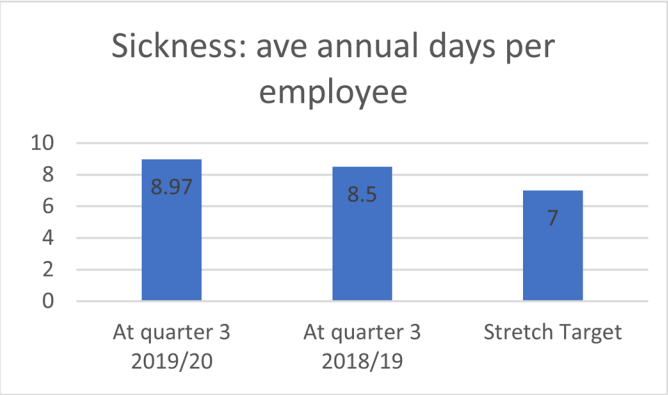
In the Adults department a similar survey was last carried out in early 2018,

2nd Line



Mixed assurance

Sickness absence has increased since last year and is above the stretch target.



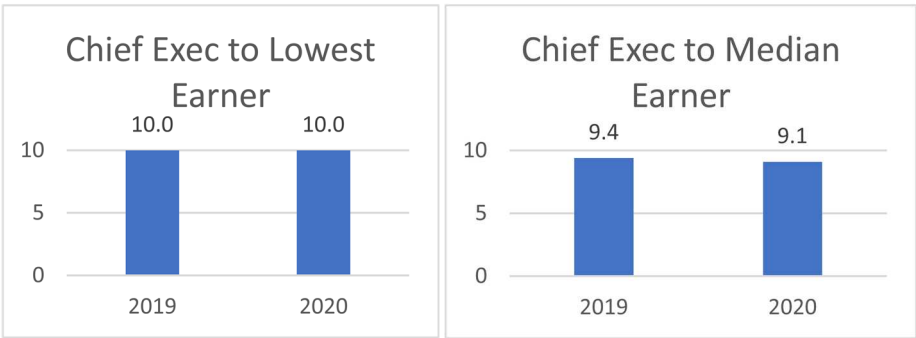
A further increase to 9.3 days annual sickness was reported in quarter 4. This is noted separately as it was affected by the start of coronavirus related sickness. Coronavirus sickness was not analysed separately until 1 April 2020.

2nd Line



Positive assurance

The Pay Multiple – the ratio of the Chief Executive’s pay to the lowest and median earners – is calculated as at 1 Feb each year. There is no national or local target for the multiple, but it is in line with Government recommendations, and has slightly improved:

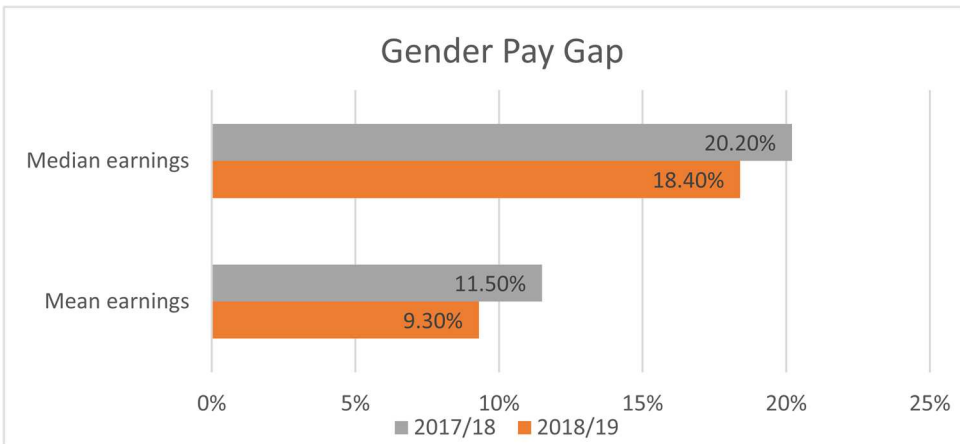


2nd Line



Mixed assurance

The gender pay gap has narrowed, although there remains a gap.

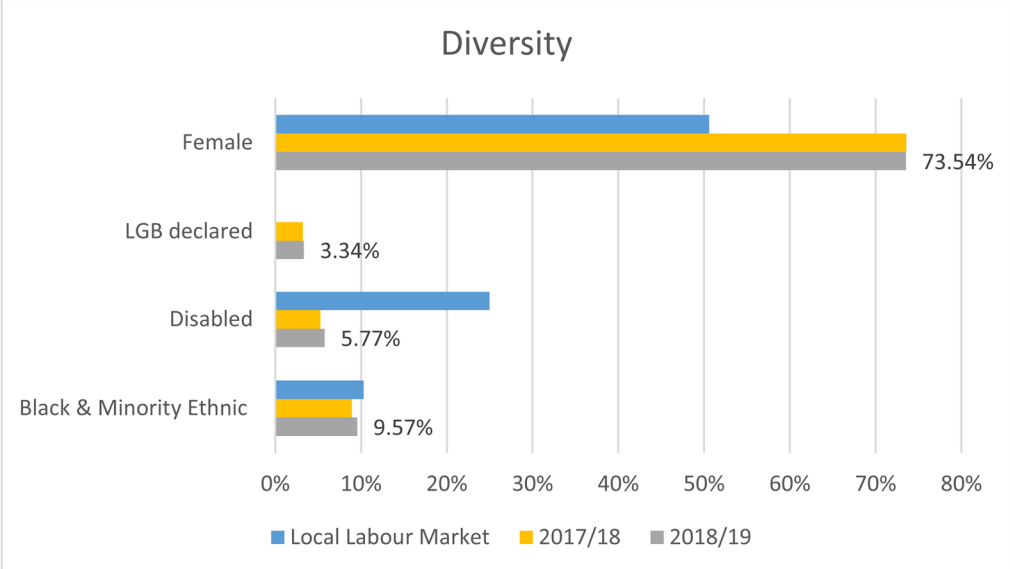


2nd Line



Mixed assurance

Workforce diversity has generally increased, although the proportions of Black & Minority Ethnic and Disabled employees are below the local labour market figures - which includes the City



2nd Line



Mixed assurance

A 2019 survey of adult social care staff focused mainly on recruitment with mixed results as follows:

88%	of staff got an induction
55%	said their induction was sufficient to their job
77%	agreed (or strongly agreed) they enjoy their role in adult social care
44%	agreed (or strongly agreed) there is opportunity for career progression

3rd Line



Positive assurance

Internal Audit review of Sickness Absence Management (Oct 2019)



Action tracking of this will commence in 2020.

People Management Assurance from KLOEs – Staff are Motivated		(Continued)
Equalities policies and procedures		Routine reporting of key indicators
Staff satisfaction surveys		Workforce diversity statistics
Incident monitoring		Stonewall equality index

3rd Line

 *Positive assurance*



LGA peer challenge (June 2019) reported that it ‘found the Council to be an open, friendly and a welcoming organisation with a very enthusiastic and committed workforce that is focused on the needs of residents. Everyone the peer team met was proud to be working for the Council and felt valued and supported in their roles. They are motivated and have a positive approach to delivering the best for the citizens of Nottinghamshire.’

3rd Line

 *Positive assurance*



Disability Confident Employer certification in April 2019 until April 2021.



The council was named in the list of Stonewall LGBT Top 100 Employers 2020. This was the sixth consecutive year.

People Management Assurance from KLOEs – Staffing is Affordable


Routine Budgetary Control
Smarter / Flexible working programme
Agency staff spend monitoring

Benchmarking of Staff Costs
Monthly performance reporting
Staffing demands within MTFS


1st Line

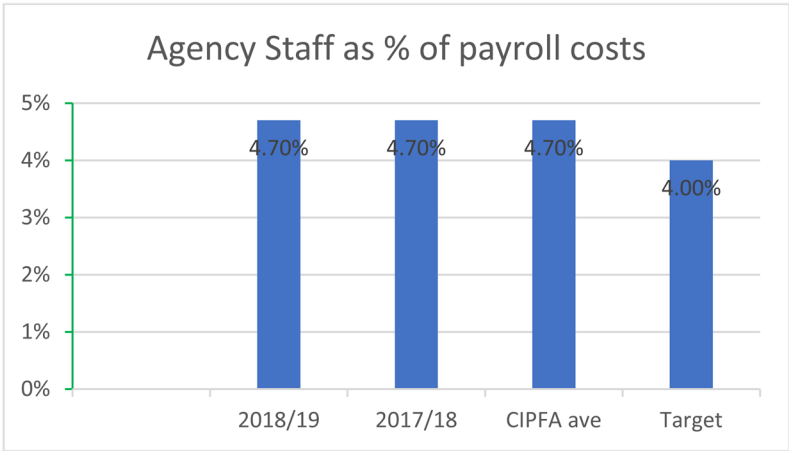
 **No assurance currently available**

2nd Line


 **Mixed assurance**
Staff costs are not itemised separately in the monthly financial monitoring reports to the finance and major contracts management committee , but as staff costs are a significant element of expenditure, their impact is picked up in those reports. For example, the period 10 report to the Feb 2019 committee explained the main overspend, in the children’s department, and included the impact of staff costs such as a £1.3m overspend on social work staffing.




2nd Line

 **Mixed assurance**
Agency staff numbers increased to 311 in March 2019 compared to 214 in March 2018. Their proportion of payroll costs has remained unchanged, and in line with the CIPFA benchmarking average, although above target.



3rd Line

 **Evidence showing actions taken to address recent concerns**
Internal Audit review of Agency Workers & Consultants (Sept 2016)

-  Limited assurance
- 
- 

All actions now cleared except part of one recently actioned and still to be checked by internal audit.