

NOTTINGHAMSHIRE COUNTY COUNCIL - ANNUAL GOVERNANCE STATEMENT 2020/21

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 regulation 4 of the Accounts and Audit Regulations (England) 2011 in relation to the publication of an Annual Governance Statement (AGS).

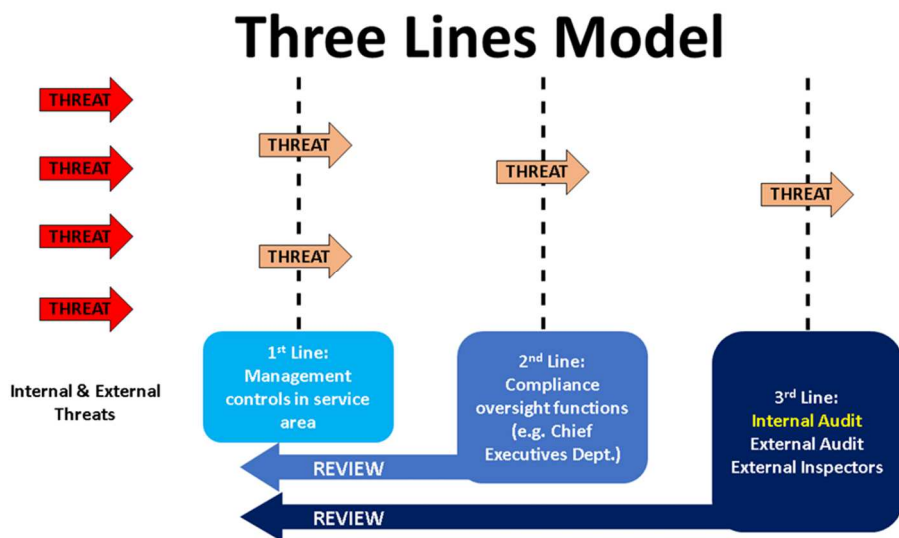
2. THE LOCAL CODE OF CORPORATE GOVERNANCE

- 2.1. Nottinghamshire County Council has adopted a Local Code of Corporate Governance. This 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 2020/21. 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.



1st Line

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

2nd Line

- Quarterly 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)

- 3.3. The evidence to assess effectiveness with the Local Code in 2020/21 is drawn from a range of sources across the three lines of defence, as summarised in the boxes opposites.
- 3.4. The quarterly 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 a quarterly 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.

NOTTINGHAMSHIRE COUNTY COUNCIL - ANNUAL GOVERNANCE STATEMENT 2020/21

Impact of COVID-19 pandemic on the AGS

- 3.6. The finalisation of the AGS for 2019/20 was delayed due to the impact of the COVID-19 pandemic. Timescales for completion of the financial accounts and the accompanying AGS were extended by statute to the end of November 2020, to allow all councils to focus on their response to the national emergency. This relaxation came with the expectation that the AGS should reflect the up-to-date governance position at the time of its publication. Consequently, this latest AGS represents an updated statement for the full financial year, 2020/21.
- 3.7. The timescale for publishing the final accounts and AGS for 2020/21 has also been extended, to the end of September 2021. However, this decision has been taken as a result of the Government accepting the recommendation of the Independent Review of Local Authority Financial Reporting and Audit (the Redmond Review), rather than being due to the ongoing impact of the pandemic.
- 3.8. The Council's response to the COVID-19 pandemic has required a widespread refocusing of its operating model and supporting governance arrangements. The lasting impact of the pandemic on the Council, and its recovery from it, remains unclear, but it will be profound. The quarterly process to refresh this statement will continue in the coming year to prompt regular re-assessments of the Council's governance.

Assessment of compliance

- 3.9. The following pages set out a concise assessment of compliance with the Local Code of Corporate Governance.
- 3.10. 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 2020/21
 - 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 2020/21.

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 | Reasonable | Substantial | Substantial |
| Scheme of delegation | | Substantial | Reasonable | Substantial | Substantial |
| Staff register of interests | | Reasonable | Substantial | Reasonable | Reasonable |

Improvements & developments during 2020/21

Planned developments for this aspect of governance have been hampered significantly by the impact of the pandemic. Significant resource and focus had to be concentrated on the Council's implementation of its emergency response, within the bounds of both national and local regulatory frameworks. In the early part of the year this included the priority of establishing the Council's arrangements for holding virtual committee meetings, and towards the end of the year the priority of preparing for Covid-secure local elections. The Council's response to the pandemic also required a significant, corporate effort to establish, monitor and maintain an effective

approach to the redeployment of staffing resources into critical services.

Nonetheless, some progress has been possible with the action plan in this area, for instance with improving the consistency with which Equality Impact Assessments (EIA) are carried out across the Council. Work to establish a programme of management training has been commissioned through the Corporate Equalities Group, working with the self-managed staff support groups. It is now planned to review the entire equalities training offer, including EIAs, to ensure it remains current with recent developments. A dedicated Equalities Officer has been appointed and is progressing this work, alongside the production of new guidance on the timing and necessity for completing EIAs and refreshed training support which will align with the wider equalities learning offer. Advice and guidance continue to be provided to managers across the Council undertaking service reviews or making changes to how work is delivered on content and necessity for EIAs to be completed as part of consultation processes.

A new Committee Structure with changes to some Committees and revised terms of reference were agreed by Full Council at its Annual General Meeting on 27th May 2021.

Member training has been a further area of development over the past year. As the year progressed, attention focussed on preparations for the development and rollout of a comprehensive Member induction and mandatory training programme for implementation after the 2021 elections. The member induction programme was developed by a cross party member working group and approved by Governance and Ethics Committee and is now

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**

being implemented. Feedback received from members to date has been positive.

Following an external Health and Safety audit by British Standards Institute in January 2021 Nottinghamshire County Council received accreditation to ISO45001 for its Health and Safety Management System.

Gaps and challenges

The principal challenge with this area lies in capacity to progress the actions identified. It should be emphasised, however, that the Council maintains a solid framework in this area and the identified actions represent opportunities to strengthen the arrangements still further.

Focus for 2021/22

The Corporate Leadership Team is taking part in a series of question and answer sessions, to provide the opportunity for discussion on a range of subjects from health and well-being, how we communicate and what the future of work will look like. The aim of the sessions is to develop the conversation about organisational culture; what it is like to work for Nottinghamshire County Council in 2021, what colleagues value and what they would like to change.

The actions which remain in progress from the 2020/21 Governance Action Plan will be prioritised, focussing on the following:

- Constitution review – the scope for a revised package of work will be approved by Governance and Ethics Committee in June

2021 and a cross party member working group established to progress the work and report back to Governance and Ethics Committee before final approval at Full Council

- Governance and Ethics Committee will also commission a review of the new model Members Code of Conduct and supporting LGA guidance and make recommendations to Full Council on any changes proposed to the existing Council Member Code of Conduct
- Register of interests - outcomes from the review of the current arrangements are expected to be completed by end of 2021/22 and further progress will be reported back in the Autumn.

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 strategic plan, 'Your Nottinghamshire, Your Future', was published to run from 2017 through to 2021. Following the local elections in May 2021, a new Council Plan for the next four years is being developed with the new administration.

The Council complied with the requirements of the Transparency Code in 2020/21, and all other requirements of the Local Code for this aspect of governance were maintained during the year.

Improvements & developments during 2020/21

The Council regularly monitored progress with a number of action plans arising from external reviews conducted the previous year:

- The LGA Peer Challenge – key progress with this plan concerns approval of a revised model for transformation and change, which is now being implemented to drive forward the Council's modelling of sustainable savings plans. An important, underpinning programme of work is to improve our customers' experience through digital development, the need for which was highlighted in the LGA's report.
- The Ofsted inspection of children's services – Children & Young People's Committee has monitored progress against the plan, focussing on the Council's safeguarding response to Covid, alongside a review of the department's self-evaluation of practice and progress against the areas for improvement identified during the inspection.

- Independent Inquiry into Child Sexual Abuse (IICSA) – an update report to the Children & Young People's Committee in September 2020 reported good progress against the action plan.

Gaps and challenges

The Council has signalled its intention not to formally revisit local government reorganisation, instead focussing its energies on recovering from COVID-19, rebuilding our economy and bringing forward transformative plans for our diverse range of people- and place-related services. In doing so, plans will encompass the Council's aspiration for devolution and for building on the Government's 'Levelling-Up' White Paper, which is due soon. We will want to examine all aspects of public sector reform, through conversations with our partners about working more closely together, aligning our services and looking at structures that might be both beneficial and acceptable to all.

Focus for 2021/22

Work has commenced to prepare the new Council Plan and the opportunities that presents to engage fully with all our partners and stakeholders over the summer of 2021.

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 Plan 'Your Nottinghamshire – Your Future 2017-2021' and its Planning & Performance Management Framework remained in place during 2020/21, but the pandemic required an extraordinary response. Five programmes of work were established to manage and govern the Council's work with its partners over the year, effectively re-setting the Council's priorities for the immediacy of the national emergency:

- Support for vulnerable adults
- Support for vulnerable children and families including schools
- Community Support and Resilience
- Support for Business and the local Economy
- Corporate Resilience

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

Improvements & developments during 2020/21

The established regime for performance reporting at Committee level was unavoidably disrupted during the first national lockdown, but this was restored in the second half of the year as the schedule of Committee meetings returned. This period also saw the Council establish its Resilience, Recovery & Renewal Committee, along with agreed terms of reference for its areas of responsibility.

The revised model for transformation and change includes the establishment of a Strategic Insight Unit (SIU). The SIU will become a centre for strategic thinking, working across the Council and with our external partners and stakeholders. The Unit will play a lead role going forward in keeping the authority sighted on how its

transformation programme needs to adapt to meet future challenges.

Gaps and challenges

Pandemic response plans at both the corporate and individual service level were the necessary focus for planning in 2020/21. The established approach to service planning was re-instated for 2021/22, with all plans being prepared by the end of March 2021.

Focus for 2021/22

Work is underway to prepare the new Council Plan, following the local elections in May 2021. This will set out the vision and strategic objectives for the Council over the next four years.

A comprehensive Covid Recovery Plan will come to Policy Committee in July 2021, along with a new Hybrid Working Policy, which will cover employees and Members.

Alongside this, the opportunity will be taken to review the Planning & Performance Management Framework, to align with the new Council Plan and to embed the work 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

The cornerstones of the Local Code remained in place and stood up well to the impact of the pandemic:

- Reporting against corporate plans and transformation programmes was restored as soon as was practicable following the imposition of national lockdown restrictions
- The financial challenge of the pandemic was constantly assessed and regularly reported, alongside consideration of its impact on the Medium-Term Financial Strategy
- The Council's business continuity plans for critical services were thoroughly tested by the pandemic and were largely found to be resilient.

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 | Reasonable | Substantial | Substantial |

Improvements & developments during 2020/21

In response to a key finding of the LGA Peer Challenge in 2019, the Council engaged the services of an external partner to input specialist expertise in redefining the Authority's approach to transformation and change. A two-phase process was followed; a diagnostic approach in the first phase, with the second phase setting out the key themes and transformation journey for the

medium-term. This led to a proposed, new model for transformation and change going forward, which was approved by the Improvement & Change Sub-Committee and is currently being implemented.

Performance reporting to the Corporate Leadership Team adapted well to align with the revised objectives of the Council for the pandemic response. This ensured senior managers received the daily business intelligence required to manage the delivery of critical services. Alongside this, a Financial Resilience Group was stood up for much of the year to ensure a tight focus on the financial impacts of the pandemic.

The Council has also progressed shadow implementation of the CIPFA Financial Management Code, with periodic updates to the Governance & Ethics Committee.

Gaps and challenges

The predominant challenge is the financial one. Going into the pandemic, the Council had a balanced budget for two years and a strategy to work with its external partner to unlock the savings needed for the following two years of the MTFs. Covid-19 presented a significant challenge to those plans, and its full impact remains uncertain. Much will depend on a number of factors, namely:

- Government funding decisions
- The future progression of the pandemic
- Progress against the national roadmap
- Legacy implications for services as a consequence of Covid-19.

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

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**

Focus for 2021/22

To drive through implementation of outstanding actions from 2020/21, which had to be suspended to enable the required focus on the pandemic response. These relate to proposed improvements to performance reporting at a number of levels within the reporting hierarchy, and these will now be reviewed to align with the overarching review of the Planning & Performance Management Framework.

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: **Substantial**

Compliance with the Local Code

The policies, procedures and protocols set out in the Local Code of Corporate Governance remained in force during 2020/21.

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 | ↓ | Significant | Reasonable | Substantial | Substantial |
| Use of partnerships and collaborations | → | Significant | Reasonable | Substantial | Substantial |
| Compliance with financial regulations | | Reasonable | Substantial | Substantial | Substantial |
| Staff induction and development | | Reasonable | Reasonable | Substantial | Substantial |

The impact of the pandemic on the Council’s Members and staff has been significant, posing a severe test of its leadership and of its capacity to maintain delivery of critical services. Council staff continue 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.

Through the leadership of these senior officer groups, and with the support and guidance of senior Members and the Policy

³ Key to Council departments: ASC&PH – Adult Social Care & Public Health; C&F = Children & Families; Ch. Exec. – Chief Executive’s

Committee, the Council’s response was successfully refocused around the five programmes of work outlined above.

Improvements & developments during 2020/21

A ‘Workforce Resilience and Recovery Strategy (Sept 2020 – Sept 2021)’ was developed and approved by Personnel Committee to provide a route map to transition to a new People Strategy.

In preparation for the local elections in May 2021, a new induction programme for Members was developed by a cross party member working group, approved by Governance and Ethics Committee and implemented in May 2021.

Gaps and challenges

A further employee survey was undertaken in April 2021. Staff focus groups with members of the Corporate Leadership Team during the past 12 months explored issues in more depth. These clearly highlighted some of the positives employees experienced from the ability to work more flexibly. The pandemic has also led to issues of isolation, concern over the loss of team working and the need to improve the accessibility of wellbeing support for employees. The survey this year also highlighted the need for clear communication and engagement with employees going forward about future ways of working.

Focus for 2021/22

Development of, and transition to, a new People Strategy to support delivery of the new Council Plan.

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 2020/21. The circumstances of the pandemic required 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 much more frequently than usual to support the Corporate Leadership Team in managing 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,
- New performance and business intelligence products were put in place to inform the Corporate Leadership Team's decision-making in managing the effectiveness of the Council response.
- Increased vigilance and information-sharing relating to potential fraud threats arising from the pandemic. The Annual Fraud report for 2020/21 sets out the current assessment that, whilst the incidence of fraud remains low, the Council recognises the significant threat level that fraud poses, and it remains proactive in its stance against it
- Close involvement of the Information Governance Team around the Council's partnership working to ensure compliance with the General Data Protection Regulations.

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

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 | | Significant | Reasonable | Substantial | Reasonable |
| Data-sharing and governance | | Significant | Reasonable | Substantial | Reasonable |
| Budgetary control | | Substantial | Reasonable | Substantial | Substantial |

The Council's assurance mapping process continued to develop in 2020/21, with three new aspects of governance being incorporated. The overall assessments reported for each of the eight dimensions of governance now covered by the process are set out below:

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

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

The Group Manager – Assurance provided his annual report as Head of internal Audit for 2020/21. This provided 'Reasonable Assurance' about the Council's arrangements for governance, risk management and control.

Improvements & developments during 2020/21

Following closure of the Information Governance Improvement Programme, ongoing monitoring of data protection risks and compliance is dealt with by the Information Governance Board.

Responsibility for corporate risk management was transferred into the Assurance Group of the Chief Executive's Department, to secure closer alignment with wider assurance activities.

The Council currently meets the standard required to maintain its Bacs Approved Bureau status, and an action plan has been formulated to address the recommended improvements raised in the inspection report.

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.

The Information Governance 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 2021/22

Agree and implement a refreshed approach to risk management for the Council This will incorporate an updated Risk Management Policy and Strategy and the subsequent programme of training for relevant officers and Members to ensure its successful implementation.

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 2020/21. The requirements of the Transparency Code were complied with.

The Head of Internal Audit's Annual Report confirms the Internal Audit service remained compliant with the Public Sector Internal Audit Standards in 2020/21, and it has updated its Quality Assurance and Improvement Plan for 2021/22. The service's direct lines of access to all senior Members and officers continued during 2020/21, 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
- 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.

Existing provisions under the Council's Constitution for broad delegations to Corporate Directors were utilised to carry out service-related, operational decisions. These are widened further during times of emergency, to exercise the powers of the County Council. Emergency decisions and any decisions made under the Urgency Procedures set out in the Council's Constitution were taken after discussion with Group Leaders and reported back to the next, appropriate Committee or Council meeting. A summary was reported to Policy Committee.

Improvements & developments during 2020/21

The impact of COVID-19 on the Council's well-established governance framework has been significant, with all Committees cancelled as in person meetings in compliance with Covid requirements and operated virtually in accordance with Covid Act provisions and government guidance. This was successfully implemented for the whole of the Committee system until the provisions expired after the May elections. The Council has responded to the Government's Call for Evidence in relation to Local Authority Meetings in support of a flexible approach allowing for hybrid meetings to take place in future if required.

The Council's assurance mapping process was further expanded for 2020/21, providing for a comprehensive overview of eight aspects of the Council's governance arrangements.

Gaps and challenges

If hybrid meetings are not permitted there may be ongoing challenges in facilitating all meetings face to face.

Focus for 2021/22

Consideration will need to be given to the approach to in-person, virtual and hybrid committee meetings going forward, in compliance with emerging government guidance.

4. SIGNIFICANT GOVERNANCE ISSUES

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

| Issue | Comment |
|----------------------------------|--|
| Climate change | At its Annual General Meeting on 27/5/2021, 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. All other committees of the Council are expected to adhere to this principle through the decisions they take. Progress against the commitment will be reported regularly to Full Council. |
| The transformation agenda | The Council has brought the engagement with its external partner to a conclusion. An Interim Service Director is in post and is working to implement the outputs from the review. Proposals were approved by the Improvement & Change Sub-Committee in November 2020 to establish four cross-cutting transformation programmes, with two underpinning strands of work. The staffing structure for corporate transformation and change has been approved by the Sub-Committee; enabling into this structure is currently in progress. This features the establishment of a Strategic Insight Unit, along with revised business processes, governance arrangements and co-ordination with departmental service improvement activity. 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 |

| Issue | Comment |
|---|---|
| | the Council's emerging 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 budget is heightened and remains a key area of focus. The Financial Resilience Group reviewed all aspects of the financial impacts over the summer and an updated MTFS was presented to the Finance & Major Contracts Management Committee. The regular review of the financial impacts and the regular Government returns are now established as business as usual and the Financial Resilience Group has been wound down. Maintaining the flow of transparent, financial data for Councillors remains a key priority. The Council will still have a financial gap over the MTFS and Policy Committee in October 2019 set out a new model for transformation (Achieve/Transform/Save) and since then identified a number of key transformation programmes to enable the Council to address this gap leading to future financial sustainability. |
| Fair Funding & Business Rates Retention | Progress has been delayed again due to the pandemic, and the Council continues to campaign for the promised Fair Funding Review to occur. It is hoped that this work will be undertaken in 2021. |
| Pressure on core systems of internal control | The findings of Internal Audit over recent Termly Audit Plans are not identifying a concerning number of areas in which only limited assurance can be provided over the effectiveness of internal controls. However, the Group Manager – Assurance has reported to the Governance & Ethics Committee a decline in implementation rates for agreed actions following audits. Understanding the impact of the pandemic on the internal control |


| Issue | Comment |
|-------|--|
| | framework in the Council is key to achieving an appropriate balance between probity and speed of response. |
| | Vulnerability to fraud and cyber security |
| | The Annual Fraud Report was presented to the Governance & Ethics Committee in June 2021. The incidence of internal fraud remains low, but the Council continues to be the target of attacks from external sources, notably in relation to its suppliers' bank details. The Council is keen to maintain a heightened state of vigilance and preparedness to counter all cyber security threats. The Council is also alert to the opportunities that fraudsters seek to exploit from the pandemic situation and is conducting targeted internal audit work in this area. |
| | Controversial/sensitive decisions |
| | The risk of challenge and demonstrations at Council meetings, at which potentially controversial and sensitive decisions are to be taken, is recognised. As the Administration Body for the Nottinghamshire Local Government Pension Scheme, the Council continues to be a focus of attention by the Nottingham Extinction Rebellion group on its stance on investments. The Council's stance and approach on this issue remains under active management. |
| | UK General Data Protection Regulation (GDPR) / Data Protection Act 2018 |
| | The Information Governance Improvement Programme closed in March 2020, having helped the Council make significant improvements in its exposure to reputational and financial risks of breaches in data protection. Ongoing Information Governance risks, their severity and mitigations are regularly considered by the Information Governance Board (IGB). Risks associated with data flows at the end of the UK EU transition period (end Dec 2020) are being actively managed. Incremental improvements will be made to enhance electronic document and records management, exploiting new technologies and progress in this will also be considered by the IGB. The Council submits an |

| Issue | Comment |
|-------|---|
| | annual Data Security and Protection Toolkit self-assessment to NHS Digital (next submission due June 2021). |
| | Move to the Cloud and ICT resilience |
| | The County Council currently stores its software and data within the ICT Data Centre on the County Hall campus. Work continues to provide these services using a 'cloud' based online approach, as part of the plans to use the latest technology to provide more cost-effective ICT Services. The most appropriate ICT systems and applications remain under review, both in light of the response to the pandemic and with a view to the Council's emerging plans for recovery and renewal. The impact of new ways of working for the vast majority of the Council's staff has required an increase in ICT resilience to enable Council staff to work more effectively at home and with the right technology in place. A range of actions have been taken to achieve a stable service, and this will receive continual monitoring and further update reporting to the Finance Committee. |
| | Post-EU transition implications for the Council |
| | The Council has maintained a risk register, since the referendum in 2016, to assess the implications for its continued delivery of local services. This has been updated to reflect the position post Brexit and will continue to be updated to ensure the need for additional mitigations is swiftly identified as the UK's revised relationship with the EU settles in. |
| | Local Government Association Peer Challenge |
| | The LGA Peer Challenge was conducted in June 2019 and its subsequent report recognised a number of the Council's key attributes that underpin the positive findings of the Review Team. A report to Policy Committee in October 2019 agreed an action plan in response to the report's five recommendations. Progress is being monitored by the appropriate committee for each action. |



| Issue | Comment |
|--|---------|
| Ofsted inspection of Children's Services | |
| <p>The inspection endorsed the actions set in train to deliver improvements in discrete aspects of the service, and the Children & Young People's Committee is overseeing implementation. An annual conversation took place between Ofsted and the Children and Families Leadership Team as part of the Ofsted inspection framework in November 2020, at which the Council's safeguarding response to Covid was considered, alongside a review of the department's self-evaluation of practice and progress against the areas for improvement identified during the inspection in October 2019. This was a constructive conversation which recognised the commitment that the Council has displayed to continuing to improve services for vulnerable children and young people. An update report to the Children and Young People's Committee in February 2021 confirmed the progress being made in all improvement areas.</p> | |




5. ACTION PLAN




- 5.1. The Governance Action Plan is refreshed on a quarterly basis 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 |
|--|--|------------------------------|--|
| <p>1. Progress reporting against key governance action plans: compliance with agreed progress reporting against key action plans for significant aspects of the governance framework.</p> | <p>Group Manager Assurance to monitor and report compliance with agreed progress reporting</p> | <p>Continuous in 2021/22</p> | <p> In progress</p> |
| <p>1a. LGA Peer Review <i>Recommendations 1 & 2 – developing an inclusive vision for Notts and showing leadership of place</i> Plans for recovering from COVID-19 will encompass the Council’s aspiration for devolution and for building on the Government’s ‘Levelling-Up’ White Paper. We will want to examine all aspects of public sector reform, through conversations with our partners about working more closely together, aligning our services and looking at structures that might be both beneficial and acceptable to all. Work has commenced to prepare for the new Council Plan and the opportunities that presents to engage fully with all our partners and stakeholders. Senior members and directors continue to play an active role in the Nottingham & Nottinghamshire Economic Prosperity Committee.</p> <p><i>Recommendation 3 – reviewing the constitution and operating model</i> Updated procedure rules were agreed by Full Council in December 2019, following consideration by the Governance & Ethics Committee in November 2019 and have been operational since their approval. Work was put on hold during the pandemic and resources redirected to focus on developing and implementing the necessary arrangements for virtual Committee Meetings and broadcasting of meetings. More recently, work has focussed on considering hybrid meeting options. As agreed at the Annual General Meeting (AGM) on May 27th 2021, the Constitution Review will be progressed via Governance and Ethics Committee and a cross party member working group reinstated to progress this work. The AGM also established a new Committee Structure and terms of reference for new and changed Committees for the forthcoming year. Governance and Ethics Committee will also lead work to review the Member Code of Conduct.</p> | | | |





| Planned Action | Officer responsible | Target date for completion | Progress status |
|--|---------------------|----------------------------|-----------------|
| <p><i>Recommendation 4 – modelling sustainable savings plans</i></p> | | | |
| <p>A significant plank of the Council’s response is the implementation of an improved transformation model, and our priority, strategic programmes for the next phase of our improvement through recovery and renewal from the pandemic. The Improvement & Change Sub-Committee approved proposals in November 2020, a feature of which is the establishment of a Strategic insight Unit to identify continuous opportunity for sustainable transformation and change. The Policy Committee will continue to monitor progress in 2021/22.</p> | | | |
| <p><i>Recommendation 5 – developing a corporate and agile approach to change and digital</i></p> | | | |
| <p>The Improvement & Change Sub-Committee approved the ‘Improving Customer Experience through Digital Developments’ cross-council programme in September 2019, incorporating five key themes for deliverables. Under this programme, the MyNotts App was successfully launched and continues to be developed further. Significant progress has also been made with the adoption of Microsoft Office 365. The new cross-council Improving Residents Access transformation programme will incorporate digital development as a key theme and include this as one of its workstreams.</p> | | | |
| <p>1b. IICSA</p> | | | |
| <p>An update report to the Children & Young People’s Committee in September 2020 reported good progress against the action plan.</p> | | | |
| <p>1c. Ofsted inspection of children’s services</p> | | | |
| <p>Following the annual conversation that took place between Ofsted and the Children and Families Leadership Team as part of the Ofsted inspection framework in November 2020, a full report of the meeting will be scrutinised by Children and Young People’s Committee in February 2021. This will detail the constructive conversation around the Council’s safeguarding response to Covid, alongside a review of the department’s self-evaluation of practice and progress against the areas for improvement identified during the inspection in October 2019.</p> | | | |
| <p>1d. Counter-fraud</p> | | | |
| <p>The Annual Fraud Report 2020/21 was presented to the Governance & Ethics Committee in June 2021, incorporating a refresh of the counter-fraud action plan. A further, six-monthly update to Governance & Ethics Committee will be reported</p> | | | |




| Planned Action | Officer responsible | Target date for completion | Progress status |
|--|---|---|---|
| <p>1e. Information Governance risks The Information Governance Board, chaired by the Council's Senior Information Risk Owner (SIRO) and comprising senior representation from each Council Department along with the Data Protection Officer and Caldicott Guardian, meets regularly to keep IG risks under active management.</p> | | | |
| <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.</p> | <p>Chief Executive</p> | <p>To be determined as the course of the pandemic permits</p> | <p> In progress</p> |
| <p>Internal Audit completed its initial review of the organisational response to the emergency, which delivered positive assurance. A follow-up review on the secondary phase of the Council's response has also been carried out and the report is being finalised. 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> | | | |
| <p>3. Equality Impact Assessments (EIA) – review the approach with key stakeholders and deliver refresher training workshops for completion of EIAs, along with an online e-learning package.</p> | <p>Service Director – Customers, Governance and Employees</p> | <p>September 2021</p> | <p> In progress</p> |
| <p>Following a review during 2019/20, a programme of management training, comprising a blend of workshops and online e-learning, was due to commence roll-out towards the end of the year and into 2020/21. Work was being commissioned through Corporate Equalities Group, working with the self-managed staff support groups, to review and progress this. It is now planned to review the entire equalities training offer, including EIAs, to ensure it remains current with recent developments. The new Equalities Officer has further reviewed our EqIA process with a view to producing a new guidance document on the timing and necessity for completing EqIAs and refreshed training support will align with the wider equalities learning offer. It is expected that this EqIA work will be completed and rolled out by September 2021. Advice and guidance continues to be provided to managers</p> | | | |



| Planned Action | Officer responsible | Target date for completion | Progress status |
|---|--|--|--|
| across the Council undertaking service reviews or making changes to how work is delivered on content and necessity for EqlAs to be completed as part of consultation processes. | | | |
| 4. Constitution review: completion of the review of the Constitution, incorporating financial regulations for property transactions. | Group Manager – Legal, Democratic & Complaints | December 2021 |  In progress |
| As above under 1a. LGA Peer Review | | | |
| 5. Register of Interests – completion of the current review by Legal Services, followed by approval of proposed changes and awareness raising. | Group Manager – Legal, Democratic & Complaints | March 2022 |  In progress |
| Progress has been restricted by demands on relevant officers during the pandemic response and preparations for local elections. Outcomes are expected to be completed by end of 2021/22 and further progress will be reported back in the Autumn. | | | |
| 6. CIPFA Financial Management Code – shadow implementation during 2020/21, with periodic progress updates to the Governance & Ethics Committee | Group Manager – Finance Strategy & Compliance | The code is applicable from 1/4/2020, with the planned first full year of compliance being 2021/22 |  In progress |
| <p>The Financial Management Code (FM Code) is designed to support good practice in financial management and to assist local authorities in demonstrating their financial sustainability. The FM Code is based on a series of principles supported by specific standards which are considered necessary to provide the strong foundation to:</p> <ul style="list-style-type: none"> • financially manage the short, medium and long-term finances of a local authority • manage financial resilience to meet unforeseen demands on services • manage unexpected shocks in their financial circumstances | | | |

| Planned Action | Officer responsible | Target date for completion | Progress status |
|--|---|----------------------------|--|
| <p>Unfortunately, there was a delay in publishing local government final accounts data due to the pandemic which caused a delay in publishing the CIPFA Resilience Index data. This data is part of the FM Code assessment and has only recently become available. This data is before the impact of the pandemic upon local government sustainability so of limited use. The intention is to report on our assessment on the FM Code to the Finance Committee before the end of the Summer 2021. In future it is hoped this will form part of the budget process, but this again will depend on the availability of the data.</p> | | | |
| <p>7. Planning & Performance Management Framework: Review the framework in line with the development of the new Council Plan</p> | <p>Group Manager – Transformation & Change</p> | <p>Autumn 2021</p> | <p> In progress</p> |
| <p>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. This revised action will incorporate a number of others which remained outstanding at the end of 2020/21, namely:</p> <ul style="list-style-type: none"> - The assimilation of finance, performance and transformation reporting to the Corporate Leadership Team - Improvements to performance reporting in specific departments, notably in Place and the Chief Executive’s Department - The co-ordinated use of benchmarking tools – this will be taken forward by the Strategic Insight Unit for consideration as part of its array of intelligence sources to inform its work. | | | |
| <p>8. Continuous assurance: introduction of continuous assurance feeds for key corporate processes.</p> | <p>Group Manager – Assurance</p> | <p>October 2020</p> | <p> Completed</p> |
| <p>Good progress has been made with the development of continuous assurance feeds on corporate processes. Consultations on the format and content of the feed have been held with the Corporate and Extended Leadership Teams. The assurance feeds will now be updated regularly, and they are a key source of intelligence for the 2020/21 year-end assurance reports, notably the Head of internal Audit’s Annual Opinion, the Annual Assurance Mapping report and the Annual Governance Statement.</p> | | | |
| <p>9. Audit of recovery and renewal planning: carry out an internal audit review of service planning.</p> | <p>Group Manager – Assurance to arrange for completion of an independent review</p> | <p>October 2020</p> | <p></p> |

| Planned Action | Officer responsible | Target date for completion | Progress status |
|---|---------------------------|---|--|
| In progress | | | |
| Initial scoping work had commenced prior to the pandemic for a review of service planning, to be conducted by Assurance Lincolnshire through the Council's internal audit collaboration. This was suspended due to the pandemic. Internal Audit's Term 1 Plan for 2021/22 includes the completion of a review of 'Post-Covid19 recovery and renewal plans.' | | | |
| <p>10. Transformation Operating Model: agree and implement a revised operating model for transformation in the Council.</p> | Corporate Leadership Team | <p>July 2020 - approval of new model</p> <p>January 2021 – New transformation model fully operational</p> |  Completed |
| Having agreed a new model for transformation, improvement and change at its meeting in July 2020, the Improvement & Change Sub-Committee approved further proposals over the autumn to progress the new model. An Interim Service Director for transformation and change was appointed and he is taking the lead in implementing the revised staffing structures approved by the Sub-Committee in November 2020. Key strategic programmes for change have been agreed, and these will be the focus for the Council's transformation over the next few years. The establishment of a Strategic Insight Unit will provide the drive for continued and sustainable change going forward. | | | |
| <p>11. Transformation best practice: carry out the National Audit Office self-assessment guidance for best practice in Member scrutiny of transformation.</p> | Group Manager Assurance | June 2021 |  In progress |
| This will now be conducted as a piece of internal audit work, using the self-assessment as a basis for the audit programme. The assignment was included in Internal Audit's Term 3 Plan and should help inform current developments in the Council to design and implement a revised model for transformation and change. The report is currently being finalised. | | | |

| Planned Action | Officer responsible | Target date for completion | Progress status |
|--|--|---|---|
| <p>12. Social care fraud risk: Continue to monitor implementation of the agreed actions from the internal audit review of the Council's response to social care fraud.</p> | <p>Group Manager – Assurance and Service Directors/Group managers with responsibility for social care services</p> | <p>Periodic updates to the Governance & Ethics Committee through Internal Audit's follow-up procedure</p> | <p> In progress</p> |
| <p>The latest position against the agreed actions from Internal Audit's previous reports on this issue was presented to the Governance & Ethics Committee in March 2021. The next update is due in September 2021.</p> | | | |
| <p>13. Risk management: a) Undertake a review of the Council's approach to risk management, including development of an approach to establishing the Council's risk appetite b) Agree and implement a revised approach to risk management for the Council</p> | <p>Group Manager – Assurance</p> | <p>a) April 2021 b) September 2021</p> | <p> Completed  In progress</p> |
| <p>An external report on the Council's arrangements for risk management was completed and considered by the Risk, Safety & Emergency Management Board in May 2021. Proposals for a revised approach to implement the findings of the review will now be formulated for consideration by the Board, the Corporate Leadership team and ultimately by the Governance & Ethics Committee for approval.</p> | | | |
| <p>14. Vacant property management: further progress report to Governance & Ethics Committee on actions to address the risks identified by the internal audit</p> | <p>Corporate Director - Place</p> | <p>Periodic updates to the Governance & Ethics Committee through Internal Audit's</p> | <p> In progress</p> |

| Planned Action | Officer responsible | Target date for completion | Progress status |
|---|--|--|---|
| follow-up procedure | | | |
| The latest position against the agreed actions from Internal Audit's previous reports on this issue was presented to the Governance & Ethics Committee in March 2021. The next update is due in September 2021. | | | |
| 15. Data quality in Mosaic: greater priority given to addressing issues highlighted by routine reporting | Corporate Director – Adults Social Care and Health, informed by reports of the Group Manager - Assurance | To commence in the 1 st quarter of 2021/22 |  Yet to start |
| This will become a focus for attention from the 1 st quarter of 2021/22. | | | |
| 16. Pension Fund Committee: active management of the Committee's meetings | Service Director – Finance, Infrastructure & Improvement | Ongoing in 2021/22 |  In progress |
| Meetings were held virtually during 2020/21 and will return to being in-person meetings in 2021/22. | | | |
| 17. IICSA Accountability & Reparations: update the Council's response for the findings and recommendations of IICSA in its Accountability & Reparations Report | Corporate Director Children's & Families & Service Director Finance, Infrastructure & Improvement | To be determined following publication of the IICSA report |  Yet to start |
| Further updates and guidance from IICSA are awaited. | | | |

| Planned Action | Officer responsible | Target date for completion | Progress status |
|--|---|---|--|
| <p>18. ICT resilience: keep the resilience of ICT provision, and development of digital working solutions, under frequent review to remain aligned with the Council's operating environment during recovery from the pandemic.</p> | <p>Group Manager - ICT</p> | <p>As part of established reporting to the Finance Committee in 2021/22</p> | <p> In progress</p> |
| <p>Substantial improvements in the resilience of our ICT systems have been made that has supported the Council in its response to the pandemic. An Improvement & Change Sub-Committee report on 22 March 2021 updated Members on all key activity within ICT, which includes a number of programmes to improve resilience such as the Computer Equipment Replacement Programme, Cloud technology and Wide Area Network improvements. Future update reporting will be to Finance Committee in the new Committee structure.</p> | | | |
| <p>19. Fair Funding & Business Rates Retention: continue to be active in campaigning for the Fair Funding Review to take place.</p> | <p>Service Director – Finance, Infrastructure & Improvement</p> | <p>Ongoing pending an announcement from Government</p> | <p> In progress</p> |
| <p>The original plan was for BBR and FFR to be completed by 2020. Unfortunately, successive local government finance settlements have postponed this process, for a number of differing reasons, and therefore implementation into future years. Currently, there is considerable uncertainty as to whether Government has the appetite nor Parliamentary time to pursue this in the original shape when first announced in the Chancellor's Autumn Statement in 2017. The various MHCLG/LGA working groups have not met for over a year and the Local Government Settlement in December 2020 indicated implementation would be subject to future announcements.</p> | | | |

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 July 2020. 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 2020/21 and beyond.

Signed:.....

LEADER

Signed:.....

CHIEF EXECUTIVE