

# NOTTINGHAMSHIRE COUNTY COUNCIL - ANNUAL GOVERNANCE STATEMENT 2023/24

## 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).

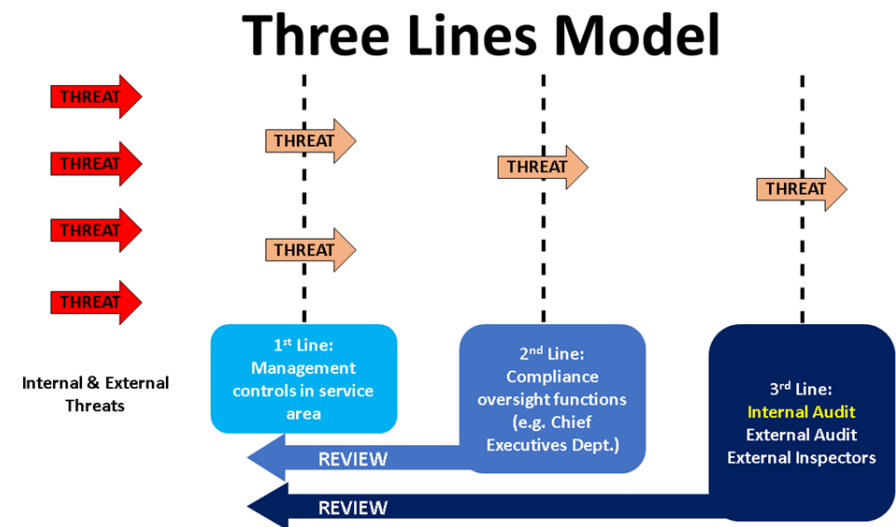
## 2. THE LOCAL CODE OF CORPORATE GOVERNANCE

- 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 2023/24. 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 2023/24 is drawn from a range of sources across the three lines of defence, as summarised below.

### **1<sup>st</sup> Line**

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

### **2<sup>nd</sup> 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

### **3<sup>rd</sup> 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 2023/24
  - 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: **Substantial**

### Compliance with the Local Code

The policies, procedures and practices set out in the Local Code of Corporate Governance remained in force during 2023/24. Corporate Directors report the following levels of compliance with key Council procedures relevant to this aspect of governance:

Procedure ↓	dept <sup>1</sup> →	ASC&PH	C&F	Place	Ch. Exec.
Staff code of conduct		Substantial	Substantial	Substantial	Substantial
Scheme of delegation		Substantial	Substantial	Substantial	Substantial
Staff register of interests		Substantial	Substantial	Reasonable	Substantial
Register of gifts and hospitality		Substantial	Substantial	Substantial	Substantial

### Improvements & developments during 2023/24

In May 2022 a Leader and Cabinet model of governance became operational. A cross party Member Working Group reconvened in March 2023 to consider the operation of the new governance model and recommendations were approved at the Full Council in July 2023.

As part of the review of the governance arrangements the Centre for Governance and Scrutiny (CfGS) has undertaken an independent review of the scrutiny function. The recommendations of the independent review were reported to Governance and Ethics Committee on 17 April who approved the recommendations and

requested Overview Committee to develop and oversee implementation of an action plan.

Corporate Leadership Team have been hosting a series of workforce engagement events between February and April 2024. These events are designed to inform the development of our future organisational operating model. Engagement is helping to identify the key features that will define how we work effectively as an organisation, realising our ambitions to continue to be a forward looking and resilient council.

The Council has launched a series of staff engagement sessions to gain insights on a range of range of topics such as early help and prevention, partnership working, culture, and future ways of working. This approach intends to create and sustain a positive and inclusive culture that reflects collective values and behaviours and enables staff to shape the future of the Council.

### Gaps and challenges

Levels of compliance and developments made during 2023/24 combine to provide the basis for reasonable assurance however, the principal challenge lies in capacity to progress the actions and focus areas identified to provide greater assurance. It should be emphasised, however, that the Council maintains a solid governance framework and the identified actions represent opportunities to strengthen the arrangements still further.

<sup>1</sup> 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: **Substantial**

### **Focus for 2024/25**

A key focus will be developing and implementing the action plan following the independent scrutiny review. In preparation for the County elections in May 2025 the member training and induction pack will be reviewed and rolled out to new and returning members after the elections.

Further engagement and development/approval of the future organisational operating model, ensuring ongoing consultation with the workforce, elected members and partners.

Work will continue to engage with staff as we shape the future blueprint for the Council. The approach to this will be informed by an updated communication and engagement strategy.

## 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 'Nottinghamshire Plan' is established in setting out a ten-point plan to deliver a 10-year vision for a healthy, prosperous, and greener future for everyone in Nottinghamshire and progress is reported in the Councils Annual Report.

The Council complied with the requirements of the Transparency Code in 2023/24, and all other requirements of the Local Code for this aspect of governance were maintained during the year.

### Improvements & developments during 2023/24

Work continues to ensure strong assurance of the delivery of the Nottinghamshire Plan and Annual Delivery Plan. We published our 2022/23 Annual Report and developed the Council's 2024/25 Annual Delivery Plan, which was approved by Cabinet on 28<sup>th</sup> March 2024.

The planned Overview Committee Scrutiny Review on consultation and engagement was completed and reported back to Overview Committee in June 2023. Building on the 2022 budget survey, which at the time saw the highest number of responses received for a budget consultation run by the County Council in recent years; the latest 2023 budget survey continued this positive uptrend, having been completed by a total of 3,911 respondents. 6. This is a significant improvement of 59% over the 2,454 responses received in 2022, and particularly noteworthy against comparable budget consultations conducted by the Council in recent years, which had not exceeded 1,400 responses. A summary of survey responses was published and considered at Full Council on 8 February 2024.

We are making good progress with our transformation projects to improve the quality and accessibility of information, advice and

guidance to people and communities. We are working collaboratively with partners through the Integrated Care Board to scope and procure a system-wide community directory, creating one key point of access for people seeking information about the help and support that is available in their communities. We are also undertaking a review of all of the Council's website content to ensure that it is accurate, up-to-date, accessible, meets statutory requirements and aligns with our current standards.

### Gaps and challenges

Compliance with the Local Code and the work developed throughout the year provides evidence of substantial assurance. To ensure this level of assurance is maintained the Council continues to strengthen the ways in which we engage residents and support them to access timely information, advice and guidance.

### Focus for 2024/25

Completion of transformation projects outlined above to improve information, advice and guidance available to people and communities.

Explore options to further enhance consultation and engagement opportunities for residents, building on recommendations from the Overview Scrutiny Committee review regarding maximising opportunities to share learning and best practice across the Council.

## 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 its dual focus during the year on meeting its short-term priorities, alongside long-term planning through the Nottinghamshire Plan. The Council continued to implement and monitor the achievement of ambitions across the Council to support the Nottinghamshire Plan.

The Council's Medium-Term Financial Strategy (MTFS) remained in place and was kept under regular review to monitor the financial impact of significant budget pressures for the Council.

### Improvements & developments during 2023/24

As outlined in section B, we have now implemented an Annual Delivery Plan and assurance process across the Council. We have also refreshed our service planning processes, ensuring the 'golden thread' to the Nottinghamshire Plan and Nottinghamshire Way.

During 2023/24, Transformation and Change have led the development of a refreshed Data Strategy for the Council, approved by Cabinet in December 2023. Through a data transformation project within the Forward Looking and Resilient Council programme, we are working with colleagues across all departments through a Data Working Group to develop and deliver a detailed implementation plan to support this. The Council's Policy and Research team have also worked to develop a new Performance and Quality Management Framework to support with a set of consistent principles and tools for the workforce to consider as they seek to improve the quality and performance of their teams/services and in demonstrating the impact of any change. The Council has worked with external experts to develop and adopt a benefits

realisation framework and toolkit. This has been launched within the Transformation and Change Group initially and is being embedded in programme/project tracking and reporting structures. An Organisational Change Board has been established, enabling us to triangulate our learning and improvement actions and integrating consideration performance, finance risk and transformation activity. This is supported by refreshed monitoring arrangements for delivery of MTFS savings and pressure mitigations (coordinated by the Portfolio Office), robust tracking of programme/project delivery and a new Vital Signs performance dashboard.

### Gaps and challenges

Whilst progress has been made during the year to provide a reasonable assurance level, we are committed to continue improve our integrated assurance as a Council around performance, quality, risk and finance to provide further assurance.

The need to embed strong evaluation and benefits realisation approaches, to evidence the impact of our transformation and change activity as a Council continues.

### Focus for 2024/25

Implementation of a new Data Strategy and Action Plan for the Council.

Roll out and embedding of the Council's Performance Management Framework, to strengthen our performance culture and create consistent, Council-wide expectations in relation to performance and quality management.

Embed the benefits realisation framework and toolkit across the whole Council.

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

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

### Compliance with the Local Code

Key aspects of the Local Code remained in place and stood up well to the continuing financial challenges:

- The financial challenge were 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 ongoing demand pressures.
- The Council's Risk, Safety and Emergency Management Board varied the frequency of its meetings throughout the year to respond in an agile way to the fluctuating pattern of emergencies and flooding.

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

Procedure	dept <sup>2</sup>	ASC&PH	C&F	Place	Ch. Exec.
Stakeholder engagement for service change		Substantial	Substantial	Substantial	Substantial

### Improvements & developments during 2023/24

The Council had reviewed the portfolio of transformation and change projects, working to create one organisational change portfolio which captures and monitors all major change activity across the organisation. The content of the portfolio has been reviewed to ensure alignment with strategic, financial and other drivers for change to ensure that it is fit for purpose. Transformation

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

and change initiatives are now more closely aligned with delivery of the Council's budget-setting cycle and MTFS.

### Gaps and challenges

The predominant challenge continues to be financial sustainability in view of significant increases demand and cost for essential services. The nature of central government funding for local government continues to be an obstacle to effective, long-term planning but the assessed funding gap over the life of the Medium-Term Financial Strategy is £36m. The current 4-year MTFS incorporates a balanced budget for 2024/25 and 2025/26 following a review of pressures and inflation.

It will be essential to continue to deliver Cross-Council transformation programmes to capture the contribution these will make to both reducing existing cost pressures and to avoiding further cost going forward.

### Focus for 2024/25

To continue to deliver Cross-Council transformation programmes to ensure their contribution to 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 2023/24.

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

Procedure	dept <sup>3</sup>	ASC&PH	C&F	Place	Ch. Exec.
Use of research and benchmarking		Substantial	Reasonable	Reasonable	Reasonable
Use of partnerships and collaborations		Substantial	Reasonable	Substantial	Substantial
Protocols in place for partnership		Reasonable	Substantial	Substantial	Substantial
Compliance with financial regulations		Substantial	Substantial	Substantial	Substantial
Staff induction		Substantial	Substantial	Substantial	Reasonable
Regular & effective EDPR's		Reasonable	Reasonable	Reasonable	Reasonable

### Improvements & developments during 2023/24

The Council's People Strategy 2022-2026 was approved by Personnel Committee in January 2022 and featured the development of annual action plans to support delivery of the workforce aspects of the Nottinghamshire Plan.

During 2023/24 a Workforce Review has been underway within the context of a national picture of increasing workforce challenges in a number of key service areas and more broadly across the Council.

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

A resourcing strategy has been developed with a comprehensive delivery plan to ensure that the Council has an affordable, sustainable workforce with the knowledge and skills it requires now and for the future. This has resulted in some successful outcomes this year and slight reduction in the level of risk as a result.

We are nearing the end of delivering a comprehensive leadership development programme as well as an Aspirant leader programme. These continue to be delivered in to 2024 and a plan to embed the learning further is underway.

Workforce planning continues to be developed across the Council focusing on a range of tools such as career paths and succession planning. This work is developing across the public sector to ensure a systems wide view rather than internal only.

We have developed an extended Occupational Health offer this year to support the wellbeing of our staff. This has included a range of mental health tools such as a mental health OH Nurse, stress toolkit and a range of resilience and mental health awareness tools and training.

Our hybrid working strategy and guidance has been reviewed through extensive engagement across the Council including recognised trade unions. New versions will be rolled out during 2024.



## **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**

### **Gaps and challenges**

Corporate Directors views on the levels of assurance and work undertaken to develop capacity and capability provide a reasonable level of assurance for this year's statement. To strengthen the assurance level that can be provided work will continue to identify and put flexible plans in place to address the key recruitment, retention, resourcing and capacity challenges faced by the Council now and for the foreseeable future.

### **Focus for 2024/25**

Implementation of the resourcing strategy and delivery plan. Some key elements of this will be an Employee Value Proposition, new Employee Performance Development Framework (EPDR), senior leadership microsite and recruitment training for managers. This will be supported by the roll out of new Workforce Planning tools and embedding this approach within the Service Planning process to identify potential issues at an early stage and work collaboratively to develop and implement solutions across the Council. Managers will be supported to use our career path and succession planning tools.

To review the learning from the implementation of the final phases of the Leadership Development Programme and align the learning and embedding of it as part of the Forward Looking and Resilient Council programme.

Work will continue to support the wellbeing of our employees and continue to roll out a wide range of support, aligned to identified needs.

## 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 2023/24. The continuing demand pressures required flexibly to align with, and support, the delivery of services within corporate budget objectives.

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

Procedure ↓	dept <sup>4</sup> →	ASC&PH	C&F	Place	Ch. Exec.
Carrying out risk mitigation actions		Substantial	Reasonable	Substantial	Reasonable
Data protection compliance		Substantial	Reasonable	Substantial	Reasonable
Budgetary control		Substantial	Substantial	Substantial	Substantial
Reliance on Core Business systems		Substantial	Reasonable	Substantial	Reasonable

The Council's assurance mapping process continues to provide assurance for each of the eight dimensions of governance. It is anticipated that the current exercise will not identify any significant matters of concern. The Chief Internal Auditor is preparing his annual report and draft indications are that this is likely to deliver 'Reasonable Assurance' about the Council's arrangements for governance, risk management and control.

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

### Improvements & developments during 2023/24

The Internal Audit Team continues to provide and expand a 'Continuous Assurance' report to statutory officers to provide assurance over the Council's core systems and processes. The approach has now been developed to include potential fraud indicators. Pro-active work by the Internal Audit Team has ensured that the implementation of Priority 1 recommendations achieves target levels to provide assurance over management implementation.

A Risk Management Framework has been drafted and work with Zurich continues to develop both Corporate and Departmental Risk Registers. Zurich have continued to support the Council with these developments whilst recruitment of permanent inhouse resources are completed.

### Gaps and challenges

Compliance with the Local Code is good and specific work has been undertaken to develop the internal control environment which provides the basis for the reasonable assurance level.

### Focus for 2024/25

Ensure the momentum generated by Zurich for the implementation of the risk management framework is effectively maintained by the Council.

## 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 2023/24. 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 2023/24. The service has updated 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 2023/24, and it conducted its duties without encumbrance.

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

- Internal Audit Progress and Termly Planning
- Reports of Internal Audit and External Audit
- the Committee continued its transparent practice of reviewing all Ombudsman judgments received during the year, including the Ombudsman's annual report.

### Improvements & developments during 2023/24

In May 2022 a Cabinet model of governance became operational, the details of which were developed through a cross-party Member Working Group. The Member Working Group reconvened in March 2023 to consider the operation of the new governance model and recommendations were approved at the Full Council in July 2023.

### Gaps and challenges

Compliance to the Local Code through the evidence of established procedures and assurance provided to and by the operation of the Governance & Ethics Committee provides substantial assurance. As referenced above, progress has been made to improve the implementation of performance management arrangements and work remains to embed these processes.

Along with many other local authorities, the timeliness of external audit reporting to the Council has continued to be problematic due to national capacity issues in the sector, beyond the control of the Council. Despite these problems, the external auditor's unqualified opinion on the financial statements had been received along with the Annual Audit Report.

Pro-active work by the Internal Audit Team has seen the assurance obtained through the implementation of Priority 1 recommendations maintain target levels and efforts will continue to ensure this continues to be achieved.

### Focus for 2024/25

Continue to contribute to the consultation on the future delivery of timely external audit reporting.

Continue to maintain impetus 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
<b>Cabinet/Scrutiny model of corporate governance</b>	<p>Full Council at its meeting on the 31st March 2022 approved a revised model of governance which was implemented following the Annual General Meeting on 12th May 2022. It was agreed that the member working group would remain in place to deal with any issues arising and undertake a review of the operation of the new model after 12 months. The member working group reconvened in March 2023 to consider the operation of the new governance model and made recommendations to Full Council which were approved at its meeting in July 2023.</p> <p>To inject both independence and best practice suggestions into the review of the scrutiny arrangements, the Centre for Governance and Scrutiny (CfGS) was engaged. This is an independent body which is a centre of expertise in scrutiny matters and who assist organisations to achieve their outcomes through improved governance and scrutiny.</p> <p>The CfGS has undertaken an independent review engaging with all political groups and officers whose roles involve scrutiny activity to gather information, feedback initial observations and engage members in improving how scrutiny works at the Council and ensure the approach is member-led.</p> <p>Four key areas were identified in relation to ownership, understanding and engagement of members with the scrutiny process; effective access to information by members; work programming and managing overlaps between different scrutiny committees.</p>

Issue	Comment
	<p>The findings of the review have been considered by the enlarged member working group, including Chairman and Vice Chairman of Overview Committee, and have also been reported to Governance and Ethics Committee before passing on the responsibility for developing an action plan and monitoring progress to Overview Committee. Work is already underway on implementation of some of the recommendations and further work will be progressed through a member task and finish group reporting back to Overview Committee.</p>
<b>Devolution</b>	<p>The East Midlands Combined County Authority (EMCCA) was formally established in February 2024. The new mayoral combined county authority includes the areas covered by Nottinghamshire County Council, Derbyshire County Council, Derby City Council and Nottingham City Council (the 'Constituent Councils'). The inaugural mayoral election took place on 2 May 2024.</p> <p>Following consideration of responses to a public consultation, the Constituent Councils approved a final version of the proposal to establish the EMCCA in March 2023 and delegated authority to their respective Chief Executives to submit the Proposal to the Secretary of State, jointly and in consultation with each other, once the Levelling Up and Regeneration Bill received Royal Assent. The Proposal was formally submitted to the Secretary of State on 1 November 2023 following the coming into force of the relevant provisions of the Levelling Up and Regeneration Act 2023 (LURA).</p> <p>Council agreed at its 7 December 2023 meeting to the creation of the EMCCA, with the Council as a constituent member. At the same meeting, Council also consented to the making of the relevant legislation required to formally establish the EMCCA. The Regulations to create the EMCCA were passed on 28</p>

Issue	Comment
	<p>February 2024. The first meeting of the EMCCA Board took place on 20 March 2024 with the Leader and Deputy Leader of the Council representing Nottinghamshire County Council as Constituent Council members of the EMCCA Board.</p>
	<p>A critical milestone was reached in January 2024 with the approval of the provisional Assurance Framework by DLUHC. This document sets out how the EMCCA will use public money responsibly, and transparently and its approval unlocked a further £250,000 of central government capacity funding alongside early access to the £38 million a year East Midland investment fund agreed as part of the devolution deal.</p>
	<p>The combined authority is now established as an independent institution with responsibility for day to day running of the new organisation and delivery of the programme transferred to EMCCA. The election of the Mayor took place on 2<sup>nd</sup> May 2024 who will now work with the constituent members and other partners to deliver this programme of activity.</p>
	<p><b>Climate change</b></p>
	<p>At its Annual General Meeting on 27/5/2021, the Council declared a Climate Emergency, and made a commitment to achieving carbon neutrality in all its activities by 2030. The Cabinet Member for Transport and Environment has subsequently received a number of reports on progress including reviewing the Corporate Environment Policy to incorporate the 2030 target, receiving the Councils Greenhouse Gas Reports for 2019/20, 2020/21, 2021/22, 2022/23 and agreeing numerous projects funded through the Green Investment Fund to support a Carbon Reduction Plan which was approved in February 2023. A review of the Corporate Property Strategy, and a comprehensive set of building design standard, both of which align with the Carbon Reduction Plan, are nearing completion.</p>

Issue	Comment
	<p>Highways &amp; Transport colleagues continue to look at ways to green the internal and grey fleet.</p>
	<p>Departmental working groups are established where necessary, and the Employee Green Initiatives Group has been relaunched and supported on an ongoing basis. A Carbon Literacy Training package has been developed and is being offered to all Members and Officers with over 180 staff and members now having been trained, and a complimentary eLearning programme is under development. Work continues to embed climate change impacts within all Council decisions.</p>
	<p>A net Zero Framework is in preparation for approval and publication in summer 2024 setting out how the Council proposes to work with partners and communities to help deliver carbon reductions across the whole of Nottinghamshire using the Councils statutory responsibilities, scale of influence, and purchasing power. The Net Zero Framework is currently going through the stakeholder engagement and political approvals process.</p>
	<p>Discussions have been held with Zurich to ensure the potential impacts of climate change on communities, council services and budgets are effectively captured in future iterations of the County Councils corporate risk register, and to help inform investment and operational priorities.</p>
	<p><b>The transformation agenda</b></p>
	<p>As previously reported there has been significant progress on reviewing the corporate transformation portfolio, as per the commitment in the Nottinghamshire Plan Annual Delivery Plan for 2023/24 (Action 10.11) to align with the Council's strategic aims and ambitions. The Council has moved to a whole organisation portfolio approach, seeking to make all change activity connected and visible. Governance has been refreshed to create clear line</p>

Issue	Comment
	<p>of sight and accountability for transformation across the organisation.</p> <p>The Annual Delivery Plan describes how the Council works collaboratively, both across the Council and with partners, to continue the development of our cross-cutting transformation programmes. This will help us to test new and improved ways of working, service delivery and systems and help create the conditions to enable us to make a difference for the County's communities and residents. The Annual Delivery Plan and budget process have been more closely aligned, this ensures proposed savings and efficiencies are aligned with other areas for delivery in 24/25.</p> <p>The Transformation and Change group, continue to work closely with projects leads and subject matter experts in departments to support delivery of transformation programmes, monitoring and reporting of our change, working with senior responsible and accountable officers to track delivery.</p>
<b>Financial resilience and sustainability</b>	
	<p>The recent significant increases in inflation and specific increases in external costs for essential services continues to impact on the Council through additional budget pressure bids. The importance of effective management of the most volatile elements of the annual budget is heightened and remains a key area of focus. 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.</p>
	<p>Cabinet approved the Budget proposals for 2024/25 on 8 February 2024 were debated and agreed at Full Council on the 22 February 2024. This set out the 4-year MTFS funding gap of £36m, with a balanced budget in 2024/25 and 2025/26. This followed a review of pressures and inflation together with mitigations and efficiencies. The report set out the assumptions underlying the MTFS and followed public consultation and review</p>

Issue	Comment
	<p>by Overview Committee through the year. The level of contingency and reserves were agreed considering a full review of the risks inherent within the MTFS.</p>
	<p>The Period 11 monitoring report identifies a forecast in-year underspend of £7.9m (1.3% of the Council's Net Budget Requirement), with identified additional income from business rates and interest earned which have been partly offset by significant pressures arising from increasing demand on our social care services, including SEND Transport, and the impacts of inflation. Management actions have taken place through the year which have mitigated the impacts of these increasing pressures.</p>
<b>People Strategy and the Nottinghamshire Way</b>	
	<p>A workforce review is ongoing with a primary focus on resourcing as it is an area of risk for the Council. There is a strategy and delivery plan in place which is seeing positive outcomes in a range of areas. The ongoing review will also be used to support service redesign and develop a new operating model for the Council.</p>
	<p>There is significant cross-Council engagement work taking place, at all levels and across all departments to input into the forward looking and resilient council work stream and future operating model. This engagement includes feedback on elements of the People Strategy and Nottinghamshire Way.</p>
	<p>As part of the People Strategy there are six core areas of work that are being delivered on. Our aim is to ensure that we have a skilled, motivated, cost effective, resilient, sustainable workforce, to support this we are implementing workforce plans and resourcing activity enabling us to recruit and retain staff and develop the skills we need. A core of part of this work is to continue to improve our approach to health and wellbeing, working environment and ways of working. We have made a</p>



Issue	Comment
	number of improvements to our wellbeing offer over the past year and it is a well-regarded service.
<b>Adult Social Care and Health reforms</b>	
	The delay to charging reform set out in the Autumn statement in November 2022 is still in place, therefore the estimated cost of the reforms and resource requirements still present significant risks for the Council.
	More recently the Department of Health and Social Care launched the Accelerating Reform Fund (ARF) to support innovation in Adult Social Care as part of its ambitions set out in the 10-year vision "People at the Heart of care".
	As part of the ARF, the department has jointly won a bid with Nottingham City Council for £943,000 to cover three areas of focus.
	<ul style="list-style-type: none"> <li>• The rollout and expansion of the use of technology to support people receiving care to increase their independence, preventing, reducing and delaying the need for longer term care and support.</li> <li>• Expanding the Shared Lives service for Nottingham and Nottinghamshire, to increase respite placements for informal carers, caring for young adults with learning disabilities, mental health needs and other disabilities.</li> <li>• Creating a digital directory for community assets, including events, support groups, activities and organisations, that can be used by the whole system within Nottingham and Nottinghamshire.</li> </ul>

Issue	Comment
	Furthermore, the new Care Quality Commission (CQC) led assurance and inspection regime has commenced with neighbouring Local Authorities selected for pilots and full assessments. Learning from our regional neighbours and the feedback from our Annual Conversation in July 2023 and a recent Peer Review as part of sector led improvement, will mitigate against the reputational risk this new inspection regime poses for the Council. Over the coming months the department will refresh the Local Authority Self-Assessment and Information Return (LASAIR) which was first submitted to ADASS (East Midlands) in February 2023.
	The continued pressures and lack of capacity in the care workforce impacts on the Council's ability to meet its statutory duties under the Care Act and will have a direct influence on any CQC future rating. The department is currently embedding a prioritisation matrix which has been adopted across the East Midlands to support allocation of work according to risk.
<b>Demand for care and support</b>	
	The Council and external care market continues to be impacted by high demand for Adult Social Care support with some people waiting for home-based care and other interventions. The Council has seen an increase in the complexity of support needs for adults requiring social care support leading to increased levels of longer-term services and additional support required for unpaid carers. Demand for adult social care is forecasted to continue to increase driven by preventable disability and chronic disease, in addition to an ageing population.

Issue	Comment
	<p>However, over the past 12 months the external homecare market continues to grow with an increased number of hours commissioned and people supported.</p>
	<p>The Council still has a waiting-list for care and support in some areas which continues to present a risk to the individuals concerned and impacts on wider Council services such as an increase in enquiries and complaints.</p>
	<p>Work is underway at a regional level to understand the impact of people waiting in more detail through a project working with people with lived experience, and across our frontline services visibility of demand has improved over the last six months with dashboards in place to support operational managers. These dashboards will be further enhanced by the introduction of a prioritisation matrix for those people waiting to reduce the risk and support demand management and staffing capacity.</p>
	<p>The external market continues to report that they are experiencing improved recruitment, with the outcome that there is the increase in hours of care and support delivered. However, this increased recruitment for some providers is from international recruitment which comes with a number of risks.</p>
	<p>The Nottinghamshire ICS (Integrated Care System) remains one of six ICS' in England to be identified by NHSE for national escalation due to high numbers of people in acute hospital care. Encouragingly a recent review by NHSE showed a marked improvement in the delivery of the action plan with feedback that the ICS is a "mature and evidence driven partnership". The department has contributed extensively to having a data set that produces "one version of the truth" and this was recognised by NHSE colleagues. Although there is still work to be done before</p>



Issue	Comment
	<p>de-escalation is agreed, it was recognised the journey the system has been on to get to this point.</p>
	<p>All the risks identified are set out in comprehensive directorate and departmental risk register.</p>
<p><b>Children's Social Care Reform</b></p>	
	<p>In December 2023, the Department for Education published guidance for reform in children's social care in order to deliver the ambitions within its Stable homes, built on love strategy, published in February 2023. This strategy aims to transform the children's social care system and better meet children's needs through the following "pillars":</p>
	<ul style="list-style-type: none"> <li>• Family help that provides the right support at the right time so that children can thrive with their families.</li> <li>• A decisive multi-agency child protection system</li> <li>• Unlocking the potential of family networks</li> <li>• A valued, supported and highly skilled social worker for every child who needs one.</li> <li>• A system that continuously learns and improves and makes better use of evidence and data.</li> </ul>
	<p>The reform guidance introduces the following changes:</p>
	<ul style="list-style-type: none"> <li>• A national kinship strategy to set out support for family networks providing loving and stable homes to children.</li> <li>• a new children's social care national framework to set out the purpose, principles and outcomes that should be achieved in children's social care.</li> <li>• updates to the Working together to safeguard children statutory guidance which sets out how to safeguard and promote the welfare of children.</li> <li>• a data strategy to set out long-term plans to transform data in children's social care.</li> </ul>


Issue	Comment
<ul style="list-style-type: none"> <li>new approaches to promote fostering to ensure the right homes for children.</li> </ul> <p>Over the next twelve months, Children and Family Services will respond to the reform guidance, through the Local Safeguarding Children Partnership arrangements and through implementation of new models of service delivery as required through the Safeguarding, Inclusion and Support programme.</p>	
<p><b>Experiences and outcomes of children and young people with Special Educational Needs and Disabilities</b></p>	
<p>In January 2023, the Nottinghamshire local area partnership was the first local area in the country to be inspected under the Ofsted/CQC inspection framework exploring the experiences and outcomes of children and young people with special educational needs and disabilities. The inspection report, published in June 2023, concluded with the narrative judgement that “there are widespread and/or systemic failings leading to significant concerns about the experiences and outcomes of children and young people with SEND, which the local area partnership must address urgently.” Priority areas for improvement were identified in the following two areas:</p>	
<p>a. Leaders, NHS Nottingham and Nottinghamshire Integrated Care Board and education, health, and care providers should cooperate to urgently identify, assess and provide for the needs of children and young people with SEND. This includes assessment of needs, timely issuing of EHC plans and holistic oversight of these plans through annual reviews.</p> <p>b. Leaders, including commissioners and providers, should act urgently to identify and address the delays and gaps in access to some health services, particularly speech and language therapy, neurodevelopmental pathways and equipment services. They should also ensure that they use available</p>	


Issue	Comment
<p>performance data to identify where gaps exist and whether actions taken to address these are effective.</p> <p>In order to respond to the inspection findings and ensure that there is focussed activity which leads to an improvement in children’s experiences and outcomes, the local area partnership has developed and is implementing a priority action plan, which is tracked through an Improvement Board which is independently chaired and has been meeting monthly since June 2023. Progress is additionally scrutinised as a standing item at Children and Families Select Committee and through monitoring from the Department for Education and NHS England, with improvements made to date including the percentage of children receiving their Education, Health and Care Plan improving from 4.5% in 2022 to 28.% in 2023.</p>	
<p><b>Risk management</b></p>	
<p>An action plan has been developed to address the scope for improvement in the Council’s risk management arrangements, following an external ‘health check’. 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. Work has continued with Zurich to revise departmental and corporate risk registers along with developing a risk management framework for subsequent reporting. CLT have reviewed and amended drafts of all the aforementioned documents and will be considering further in April. Work has also continued to recruit a permanent resource to lead on Corporate Risk Management.</p>	

## 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
<p><b>1. Risk management:</b> agree and implement a revised approach to risk management for the Council</p>	<p>Group Manager – Internal Audit &amp; Risk Management</p>	<p>Sept 2024</p>	<p style="text-align: center;">             In progress         </p>
<p>Progress has continued to be made with assistance from Zurich until a permanent internal resource can be recruited. The departmental and corporate risk registers have been revised and updated during the year and work continues to continually refresh them. A new corporate reporting format has been agreed with CLT and the new risk management framework has been developed to reflect the agreed changes. A Risk Management Update report will be presented to the Governance &amp; Ethics Committee to highlight progress against the risk management approach after endorsement by CLT.</p>			
<p><b>2. Data quality in Mosaic:</b> greater priority given to addressing issues highlighted by routine reporting</p>	<p>Corporate Director – Adults Social Care and Public Health.</p>	<p>Sept 2024</p>	<p style="text-align: center;">             In progress         </p>

Planned Action	Officer responsible	Target date for completion	Progress status
<p>The departments approach to data quality continues to be aligned to the requirements set out in the Care Data Matters: a roadmap for better data for adult social care which was first published by the DHSC in February 2023, and updated in December 2023. This guidance introduced a mandatory quarterly submission of our Client Level Data (CLD) for social care activity and support which commenced in July 2023, and from the new financial year will replace the Short and Long Term (SALT) national return.</p> <p>Since the last report the DHSC has developed a draft CLD dashboard, which highlights and support the department in understanding where to focus data quality improvements following the quarterly data submission.</p> <p>The risk levels remain very high and to mitigate this the department continues to develop a Data Quality Framework to address the data gaps and improve reporting and a dedicated data working group provides the governance for the data quality framework and planned activity. Project resource has been secured for the next six months to support and progress this work.</p>			
<p><b>3. Special Educational Needs and Disabilities:</b> addressing improvement areas highlighted by the Ofsted/CQC inspection.</p>	<p>Corporate Director – Children and Families</p>	<p>March 2025</p>	<p style="text-align: center;">             In progress         </p>
<p>The department continues to work with partners to respond to the Ofsted/CQC inspection findings published in June 2023. This work will ensure that focussed activity leads to improvement in children’s experiences and outcomes, the local area partnership has developed and is implementing a priority action plan, which is tracked through an Improvement Board.</p> <p>Progress is additionally scrutinised as a standing item at Children and Families Select Committee and through monitoring from the Department for Education and NHS England.</p>			

Planned Action	Officer responsible	Target date for completion	Progress status
<p><b>4. Childrens Social Care Reform:</b> addressing changes required following the reform guidance.</p>	<p>Corporate Director – Children and Families</p>	<p>March 2025</p>	<p style="text-align: center;">             In progress         </p>
<p>The department continues to progress work to assess the impact of the guidance published by the Department for Education to support the <i>stable homes, built on love</i> strategy across each of the ‘pillars’. This work will continue over the next twelve months through the Local Safeguarding Children Partnership arrangements. This will include the development and implementation of new models of service delivery as required through the Safeguarding, Inclusion and Support programme.</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 19 June 2024. 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 2024/25 and beyond.*

**Signed:**.....

**LEADER**

**Signed:**.....

**CHIEF EXECUTIVE**