



# Nottingham City Council Recovery & Improvement Plan 2021 – 2024

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## Foreword

This document presents our Recovery and Improvement Plan, to confirm and provide assurance to the Government that Nottingham's response to the Non-Statutory Review (NSR) of the Council is positive and being undertaken at pace, building on work already underway in response to the Public Interest Report on the Council's governance of Robin Hood Energy (PIR) published in August 2020.

Nottingham is a vibrant, diverse and ambitious city. We are home to the "Nottingham Declaration on Climate Change", and maintain a nationally leading position on carbon reduction with the ambition to be carbon neutral by 2028. We pioneered Early Intervention and Community Care models and maintain award winning parks, leisure and cultural facilities for the benefit of our citizens. Our support for cyclists, and our bus and tram systems are celebrated nationally and internationally.

We are looking forward to the opening of Nottingham Castle following a comprehensive renovation which has transformed this world-class facility, together with a new city centre College Hub building and broader inward investment from those that want to be part of our success over the coming years. Notwithstanding the impact of Covid-19, the building blocks for our success are being put in place.

Nevertheless, as Leader and Chief Executive, we recognise the seriousness of the financial, governance and operational challenges we face, and it is going to take a significant collective effort from all at the Council to address them and reach a sustainable position.

However uncomfortable the findings of the review are for both the political leadership - who determine the Council's policies and are the

ultimate decision makers, and officers - who manage the Council's day-to-day operations and provide advice on policy, we remain determined and confident in our organisation's capacity and capability to change.

We are under no illusions about the size and scale of the challenge ahead of us, but working constructively with the Government, our partners, and the people of Nottingham, we are confident we can take the necessary actions, at the required pace, and to the desired quality, to deliver the fundamental changes needed.

We need to achieve a sustainable balanced budget, in the context of a refreshed policy framework and direction for the Council, with transparent, effective and efficient decision making, and having regard to the resources that are available to us to deliver this on behalf of the people of Nottingham.

Over the next three years, the organisation will go through significant and at times disruptive change, but we will not lose sight of our ambition, values and commitment to fairness, inclusivity and equality for all.

We are committed to ensuring that we continue to deliver the quality statutory and day-to-day local services that help keep the city safe and clean, and that we work in partnership with the communities we serve to build a prosperous city that offers residents the opportunity to realise their potential.

**Cllr David Mellen**  
Leader of the Council



**Mel Barrett**  
Chief Executive



## Introduction

Nottingham City Council has taken bold decisions over the last decade to improve Nottingham's neighbourhoods and the city centre environment, through capital schemes, improving housing stock, and better public areas such as parks and neighbourhood centres. New libraries, a new leisure centre, and investment in public spaces have brought about improvement, but the level of financial risk that comes with these investments has not been considered systematically and governance of these schemes has not always been tight enough.

Following the election of a new political leadership in 2019, the Council has embarked on a series of significant changes in order to strengthen both the governance and financial stability of the Council. This has included establishing the Companies Governance Executive Sub-Committee, and launching a Strategic Review of Robin Hood Energy which has resulted in a decision to transfer customers to an existing energy supplier and to progress the orderly winding up of the company.

There have also been considerable changes to the senior management of the Council following the departure of the previous Chief Executive in April 2020, including the appointment of a new Chief Executive and an Interim Chief Finance Officer to drive forward Council policy, supported by strengthened management arrangements.

The Report in the Public Interest (PIR) into the City Council's governance of Robin Hood Energy was published on the 11<sup>th</sup> of August 2020 and revealed significant failures in the Council's

governance of RHE, including a need to improve the council's strategic financial management, overall corporate governance and organisational culture. Progress has been made against an Action Plan in response to the PIR, including establishing a Governance Improvement Board to oversee and support improvement in the Council's wider governance arrangements.

The Council was subsequently approached by MHCLG with regard to the possibility of a Best Value Inspection being undertaken. An agreement was reached in October 2020 for a rapid Non-Statutory Review (NSR) to be undertaken, led by Max Caller CBE.

The NSR has rightly highlighted serious and significant areas of concern for the Council, and elected members and senior officers are clear that the Council cannot continue as it has in the past, and we fully accept the recommendations in the NSR.

Nottingham City Council is committed to continuing the improvement journey commenced in relation to the PIR, which will supplement the response to the NSR, for the benefit of the citizens of Nottingham who rely on the Council to provide well planned, effective, and value for money services.

The Council has adopted a spirit of partnership working and collaboration with MHCLG to date and this will continue. The Council looks forward to receiving additional support from the Non-Executives who will form the Improvement and Assurance Board, and the insights on best practice they will bring, and will identify and allocate the necessary resources to deliver the required recovery and improvement.

Delivering this plan will lead to real and positive change, with lessons learned being applied to a new Council Plan for 2023 to 2027, in line with the council's electoral cycle.

# Governance & Assurance

## Aims & Principles

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In order to place the Council on a sustainable financial footing in the medium term and to protect the delivery of essential services to residents, there is a need to make changes to how the authority operates.

This is required to keep in balance the delivery of a positive vision for the city and the regeneration and renewal required, whilst maintaining essential services to residents within the available financial envelope, and ensuring timely, transparent and accountable local decision-making.

This will mean rationalising the number of organisations delivering core council services, reducing duplication, increasing efficiency, and will involve taking difficult, but necessary decisions in the short term, in order to ensure that the Council can deliver the desired outcomes within a financially sustainable framework over the medium term.

Nottingham City Council, with targeted support from the Government and the Local Government Association (LGA), will undertake a three year recovery plan to deliver the above, based on the following priorities and principles:

The High Level Priorities for the Recovery Plan are:

- Delivering a sustainable financial footing for the Council in the medium term and protecting delivery of essential services to residents.
- Focusing on providing the best quality core service we can afford, whilst continuing to be safe, clean, ambitious and proud for Nottingham.
- Implementing a Council wide cultural change and improvement programme, to remedy the long standing cultural issues identified by the PIR and NSR.
- Continuing to use our leadership role in Nottingham to unite residents, businesses and partners around a common purpose, and to make a clear case for a better deal for Nottingham.
- Supporting our businesses, partners and residents with the recovery from Covid-19.
- Demonstrating excellence in public administration and effective governance.

## Objectives

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The Recovery Plan will deliver:

- An ambitious, fully costed and deliverable refreshed Council Plan for the City and its recovery from the impact of Covid-19

- Clarity on the complementary but different roles of elected members and officers
- The wholesale cultural changes needed to affect meaningful progress.
- A sustainable Medium Term Financial Strategy.
- A refreshed and affordable Capital Strategy and system of Capital Governance.
- A clear plan for reducing and managing our overall levels of debt over the medium to long term.
- A revised approach to the management of the Council's assets.
- A sustainable approach to the Council's company holdings.
- A refresh of the Council's Policy Framework – to ensure it is affordable and deliverable.
- A refreshed Performance Management Framework.
- A modernised Constitution and decision-making process.
- A clear Member/Officer Protocol to support the above.
- Changes to Executive Portfolios to provide clarity of role and link clearly with senior officer structures.
- A programme to build our capacity and invest in the development of our people.

## Plan Delivery

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We understand the need to provide the Improvement and Assurance Board with the necessary confidence that Nottingham City Council has the capacity and desire, alongside the right

targeted support from the Government, to deliver on the Recovery Plan.

The successful delivery of the plan will also require us to build on the strengths of the partnership with MHCLG, develop the support already received from the Local Government sector as a whole, and engage and harness the good will and commitment of City Council staff.

To help provide that assurance, the following sections set out our proposed:

- Prioritisation
- Key Deliverables
- Governance Arrangements
- Programme Management Plan
- External Support from the LGA and others

## Prioritisation

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Our focus will be on addressing the most pressing and urgent issues first, including a detailed savings plan, delivering a robust budget for 2021/22 and establishing an Improvement and Assurance Board to oversee the ongoing development and implementation of the Recovery Plan.

The prioritisation of deliverables in the Recovery Plan has been set in response to the findings of the NSR and PIR, acknowledging their criticism of the pace and robustness of Council decision-making, and of delays in taking the appropriate action when issues have been identified previously.

A clear programme management plan, and dedicated resource to support it, will ensure Recovery Plan activity is undertaken with the appropriate pace, robustness and quality.

## Governance of the Recovery Plan

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A governance structure has been developed based on the introduction of an external Improvement and Assurance Board. The Improvement and Assurance Board will be key to both monitoring the progress of the Recovery Plan, and providing assurance to MHCLG and wider stakeholders that they can have confidence that the improvements set out in the Plan are being delivered.

The Improvement and Assurance Board will be chaired by Sir Tony Redmond, and membership will include the Leader of the Council alongside a number of independent external members, who will be appointed by the Secretary of State to provide oversight and confidence in the delivery of the Recovery and Improvement Programme.

A number of arrangements will be put in place to ensure the timely delivery of the Recovery and Improvement Programme. An Officer Recovery Programme Board, chaired by the Chief Executive and made up of key Corporate Directors and other officers from within the Council, will progress individual programmes and projects within the overarching Recovery and Improvement Plan. This work will be supported by a Programme Management Office (PMO), to ensure the Recovery Plan is delivered within its parameters.

Lead officers will be accountable and provide assurance of progress to lead Portfolio Holders, who are in turn accountable to the Leader of the Council, other councillors, and of course the people of Nottingham who elect them.

The process for formal decision making will be undertaken in accordance with normal local government practice, including through the City Council's Corporate Leadership Team, Executive Board and Full Council, as appropriate, recognising that a simplified and prompt decision making process will be required to ensure delivery of the plan at the required pace. Links and updates will also be provided to Overview and Scrutiny Committee, Audit Committee and Full Council as appropriate.

The use of a PMO working closely with those officers leading work-stream themes and their underpinning projects will provide assurance that the Plan is being delivered, or if variances occur, that these are identified at the earliest opportunity and mitigation plans are developed to keep that work-stream on track.

This will be done through the creation of a rigorous monitoring process focussing on delivery against milestones, risks, financial implications, and issues that need to be escalated to ensure the programme's success.

The PMO will also provide an oversight and support role to a wider selection of programmes across the Council, to ensure that this work is delivered with the same rigour as the Recovery Plan, and a "One Council Approach" is taken to managing risk and resource deployment across the organisation for all of its significant project work.

Each of the Themes of the Recovery and Improvement Plan will form programmes of work. Colleagues delivering these programmes will be responsible for delivering their projects and making sure that the appropriate project documentation, controls and performance management frameworks are in place, to ensure that the projects run effectively.

## Plan Management

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To support delivery of the Recovery and Improvement Plan, a more detailed programme management plan has been developed.

The Programme can be summarised as setting out how the Council will deliver a sustainable balanced budget, in the context of a refreshed policy framework, with transparent and efficient decision making, having regard to the resources that are available.

Given the wide range of those themes, i.e. the Council's finances and policy framework, the scope of the Programme is considerable.

To help narrow this down, the early stages of the Programme will focus on the process for delivering a balanced Medium Term Financial Strategy and an ongoing policy framework which is both affordable and deliverable.

A number of programmes, projects and work packages have already been identified to help define activity and the scope of the Programme more tightly. These are summarised at a high level in the later sections of this Recovery Plan, please see the individual Themes and Milestones sections.

It is likely that over time, given the extent of the Recovery and Improvement Plan and its duration, that other work will be added or potentially sometimes removed, from the Programme. This will only be done in order to ensure that its long-term objectives continue to be met, and will take place with reference to a clearly defined change protocol.

## Links to other non-Recovery Plan Activity

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The Recovery Plan covers the work the City Council needs to undertake to deliver on the aspirations we have set out to improve and transform the City Council over the next three years.

However, this does not reflect all of the activity the Council is involved in, such as continuing to delivery important statutory and day-to-day services, supporting our city and residents in recovering from Covid-19, and significant projects to support sustainable growth and development of the city and provide opportunities for residents to realise their full potential.

To ensure this is recognised and appropriately managed, the scope of the Recovery Programme, but not the Recovery Plan, will be widened to include the governance and management arrangements of a number of other significant projects and pieces of work that the Council is undertaking.

The rationale for this is twofold; first these projects in themselves consume both resource (people and finance), and decision making capacity. Given the ambitions of the Recovery and Improvement Plan itself and the Council's wider resource constraints, it is essential that it manages its resources effectively.

Secondly; the formation of the Improvement and Assurance Board and appointment of its Non-Executive Members by the Secretary of State for their subject matter expertise provides the opportunity to benefit from their considerable knowledge and experience across a range of Council activity.

## Resources and Management

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The Council recognises that over the period of this Plan the way it conducts business will change, with the shape of this work being determined by its revised budget and policy framework.

In the short term, it is also acknowledged that the scale and the pace required to successfully deliver this Recovery and Improvement Plan will inevitably lead to a need to provide further resource into the Council on a short term basis. Resourcing requirements will be determined through the creation of Resource Plans for each of the Themes within the Plan, and appropriate allowances will be made to finance this requirement in the Council's budget setting process. The Council will ensure that this resource does not become core to its ongoing functions and is capable of being quickly stepped down once the specific pieces of work required by the Plan have been carried out.

## External Support

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We have taken on board feedback from MHCLG and other sources about, at times, being too internally focused, and will seek out sector appropriate support from external agencies where necessary.

We cannot successfully undertake our transformation journey without external support and a willingness to learn from the best practice of others.

We will continue to share and learn from best practice from elsewhere – including use of “off the shelf” solutions where appropriate, to support the pace of our modernisation and improvement journey.

We will also actively seek out robust “check and challenge” from external organisations such as the Chartered Institute of Public Finance and Accountancy (CIPFA), the Centre for Governance and Scrutiny (CfGS) and the LGA, to improve the credibility and transparency of the Recovery and Improvement Plan and its programmes, and provide additional assurance for Government.

The LGA has already provided considerable support to the City Council to date, demonstrating the strength of the sector and the willingness of our partners to collaborate and help us in our improvement journey.

This support has included:

- Provision of a Mentor for the Chief Executive.
- Support to the Nottingham City Council Governance Improvement Board.
- All Portfolio Holders will be offered Councillor Mentors.
- Independent challenge and review of our work on revised Committee Terms of Reference.
- Independent review of our progress on delivering the Action Plan in response to the PIR.

Additional support can provide robust check and challenge which will improve credibility and transparency, and additional assurance for Government.

### Governance:

- Support, advice and challenge on changes to NCC's Constitution.
- Support, advice and challenge on embedding a new Member/Officer Protocol.

- Training and development for the Audit Committee.
- Training and development for the Scrutiny Committee.

## **Organisational Culture & Leadership:**

- Advice to Leader and CEO as required.
- Dedicated mentoring advice to Leader (in place via Baroness Blake).
- Dedicated coaching, mentoring advice to CEO (in place via Dame Stella Manzie).
- Dedicated role mentoring and 1-2-1 mentoring for each Portfolio Holder.
- Facilitated team session(s) with Full Executive.
- Facilitated session(s) with elected members.

- Workforce development/cultural change (supplier potentially sourced and funded by LGA).
- Offer of a series of member development sessions and Leadership.

## **Companies and Joint Ventures:**

- Review of governance of external companies in the light of the PIR on RHE.
- Advice and support on bringing services back in-house, or leaving them out in an ALMO or other arrangement.

## **Financial Stability:**

- Challenge and advice on the financial strategy.

## Monitoring Progress

The proposed approach is to measure delivery of the plan against the identified milestones by exception in order ensure any variance from the original plan is understood and justified.

Additional metrics will be developed to measure longer term impact and progress towards key outcomes. This is likely to include staff surveys and taking views from Members in relation to organisational culture, information garnered from the annual citizen survey, and perception surveys from businesses and partners in terms of the council's openness to collaborating and the effectiveness of joint working. These are expected to be few in number and focus on the measures that provide the clearest indication of movement towards a more sustainable financial position. Current proposals are summarised below.

Where practical, the City Council will make use of existing measures and reporting mechanisms rather than duplicate effort.

In addition, it is anticipated that individual projects are likely to require additional reporting arrangements particular to them. The Improvement and Assurance Board may also have a view on metrics they would want to see reported at regular intervals. Their view will be sought as an early item of business for the Board.

### Financial Sustainability

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Budget year to date (YTD) variance and Forecast Variance will be monitored using the existing period reporting process. Quarterly figures with commentary will be produced as part of the suite of KPIs

for the Improvement and Assurance Board. A mechanism will be developed to distinguish between business as usual (BAU) resources and those consumed on a temporary basis to deliver specific action plan objectives. This will help establish the underlying budget position.

Total capital receipts from asset sales by class will be reported on a quarterly basis against predefined targets. Capital receipts figures could also include a measure of losses/gains on sale against balance sheet asset valuations.

The quantum of principal repayments will be reported on a quarterly basis along with forecasts for annual total debt. Actual debt levels will be reported on an annual basis. These are measured against predefined targets. The cost of servicing debt will be monitored and reported on a quarterly basis to the Improvement and Assurance Board as an indicator of both affordability of debt levels and taking into account the structure of liabilities.

### Culture, Organisation and Workforce Development

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Nottingham City Council already undertakes annual employee surveys in addition to the daily contact individuals have with each other and with management. These will allow progress to be measured on the effectiveness of the council's managerial leadership and staff satisfaction in undertaking their roles and provide useful insight into the wellbeing and fulfilment of our employees, as well as shedding some light on where the organisation could do more to help them achieve their full potential.



## Risk Management

Due to the scope of the Recovery and Improvement Plane, the identification and appropriate management of risk will be key to its overall success.

Risk identification and management will take place at all levels within the Recovery Programme in line with the Council's Risk Management Framework. Individual projects within each Theme will be responsible for carrying out an initial risk analysis of their area and then reviewing and updating this on at least a monthly basis.

### **Risk Analysis and Recording**

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Risks will be identified and then analysed to understand their potential impact. Risks will be scored to determine their opening likelihood and impact using the Council's standard risk scoring methodology. This will allow risks to be RAG rated and used as a tool for prioritising management focus and action. The means of treating each risk will also be determined on a "tolerate, terminate, treat, transfer" basis and logged on a standard template.

The risk log will be updated on at least a monthly basis by the relevant project team, who will also provide a current risk score to reflect how their treatment has impacted on the risk.

### **Risk Monitoring**

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The monitoring regime being introduced through the Recovery Programme will require the reporting of risk from project level up to

Theme level, and then again to the Officer Recovery and Improvement Programme Board. Lead Officers will be responsible for providing assurance to Portfolio Holders. This process will be overseen by the PMO, who will ensure that risks are aggregated and that plans for the treatment of risk are appropriate and acted upon.

Programme risk reporting will be added to the forward plans for Audit Committee, having regard to that committee's important role, and to Overview & Scrutiny Committee to ensure appropriate oversight of Executive decisions and Officer risk management arrangements.

The importance of risk management will be reinforced through regular risk monitoring reporting, to ensure it is reported and acted upon at senior leadership level, and assessed and mitigated appropriately throughout the organisation.

In order to increase members' oversight of any risks identified by the PMO, all risks identified will be incorporated into the Council's Risk Register and reported to Audit Committee.

By incorporating all risks identified by the PMO into the Council's Risk Register, an additional level of oversight by Audit Committee will be added to provide assurance to elected members that risks are not being considered in isolation from the wider risks to which the Council is already subject and have been identified in the Risk Register.

The establishment of this chain of reporting and the use of the PMO means that not only are risks reported in an accurate and timely manner, but that an understanding of risk across the whole Recovery Programme is created. In turn, this will allow the Recovery Programme Board to manage the combined Programme risk against its risk appetite and take action where the two are not aligned.

## Key Programme Risks

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The following risks have been identified as the Recovery Programme's most significant high level risks:

- Loss of confidence by MHCLG leading to statutory intervention.
- Loss of confidence in the City Council by the citizens who live here.
- Insufficient resourcing of transformation programmes and related projects.
- Officer and Councillor resilience, fatigue and demoralisation.
- The potential for Covid-19 to impact on plan delivery in the event of requirements for the Council to support mass vaccination, or a significant change in the trajectory of the pandemic.
- That the Council is unable to set a balanced and sustainable MTFS over a three-year period that delivers statutory services.
- That the Council's generation of capital receipts does not reach the levels or timescales required to balance its financial needs.
- That organisational structures and culture prevents the delivery of the Recovery Programme to the required manner and timescales.

## Culture

Delivery of any change programme will succeed only where the culture of the organisation supports it. This plan includes a number of organisational, structural and developmental objectives that aim to create the conditions in which a positive culture can thrive, however, cultural change is ultimately about the choices and behaviours of individuals.

The Political and Officer leadership understand and embrace their responsibilities to consistently model the behaviours they seek for the organisation as a whole. Positive cultural change will be supported by proactive communication and engagement with colleagues, recognised trade unions and partner organisations.

The PIR and NSR both identified issues with the wider organisational culture that need to be addressed:

- The organisation's pride in itself and the dedication of its employees (as evidenced by its response to the Coronavirus pandemic for example), are impressive, and are strengths that can be built on.
- Evidence-based decision-making should explicitly be part of our culture, and bringing forwards challenging/contrary evidence should not be seen as demonstrating a lack of commitment to the Council's ambitions.
- Nottingham's strong narrative of being different, whilst positive in terms of ambition and innovation, has created a blindness to learning from best practice and innovation elsewhere. As

budgets have becoming tighter, this approach has proved increasingly difficult for the city.

- Setting a positive future for the city and council will be less about doing for, and more about doing with our residents and communities, with our citizens more actively engaged in determining how our services are delivered.

For the Recovery and Improvement Plan to be successful, we recognise that the wider culture at Nottingham City Council also needs to change.

We will assess and reset the cultural norms and expectations in Nottingham, and, working with our staff and the Local Government Association, will scope out and deliver a comprehensive workforce development and cultural change programme. The aim of this programme is to deliver positive lasting cultural and behavioural change in the organisation, taking full account of the council's absolute commitment to equality, diversity and inclusion.

Our people are our most valuable asset and have demonstrated extraordinary resilience and commitment to public service over the last 9 months. In the face of the most severe health crisis since the Second World War, frontline staff have continued to deliver essential services to residents and protect our most vulnerable citizens.

Change will be disruptive, but it can also be positive if we take our people with us. This means ensuring that voice of all colleagues can be heard, embracing and celebrating the strength of diversity, and ensuring there is real equality of opportunity for all.

## Plan Structure

### 1. MTFS

Delivering a balanced budget and Medium Term Financial Strategy (MTFS) for the period 2021/22 to 2024/25, funded by sustainable core income and stable revenue streams.

### 2. Assets

Releasing capital from the Council's fixed asset portfolio through an accelerated programme of disposal and realisation, building on the work of the Asset Rationalisation Programme.

### 3. Companies

Reaching a clear determination on the future of each Council company.

Setting a clear direction for all Council companies and commercial activity within a coherent and effectively managed commercial strategy.

### 4. Capital Programme & Debt Management

Ensuring the capital available to the Council is wisely invested in delivering against our core commitments, and that debt levels are sustainable in the medium and long term.

### 5. Constitution

Creating a new and "fit for purpose" Constitution for the Council that provides for efficient, effective and accountable decision making, with clear roles and responsibilities for Officers and Members.

### 6. Organisation & Culture

Ensuring the Council organises itself and its resources effectively and efficiently, and is able to deliver the required change at pace and at scale.

### 7. Delivery Options

Making sure the Council is using all the tools available to deliver good outcomes for the people of Nottingham, the communities they live in and the local economy.

### 8. Policy Framework

A refreshed Council Plan for 2019-23 that enables the City Council to live within its means, with a longer term revised policy framework that clearly articulates our priorities and purpose to citizens, businesses, partners and other stakeholders.

Sustainable Finances				How We Deliver		Council Plan	
1. MTFS	2. Assets	3. Companies	4. Capital Programme & Debt Management	5. Constitution	6. Organisation & Culture	7. Delivery Options	8. Policy Framework

Three Year MTFS	Asset Disposal Strategy	Council Owned Company Review	Capital Strategy	Updated Constitution	Setting Top-Level Goals	Procurement Strategy	Priorities
2021/22 Budget	Operational Assets	Company Governance	Debt Management Strategy	Member / Officer Roles and Responsibilities	Performance Management Framework	People Services and Commissioning	Statutory Duties
Savings Proposals	Community Asset Review	Commercial Strategy	Review of Capital Schemes	Member Development Programme	Simplifying the Officer Structure	Reshaping Frontline Delivery	Outcomes
			Programme Controls	Review of Portfolios	Culture & Workforce Development	Rationalisation of Customer Access Channels & Digital Strategy	Indicators

## Theme One: MTFS

### **2021/22 Budget and Savings Proposals**

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This work-stream will start with focussing on the 2021/22 budget, where a proposed budget will be submitted to the Council's Executive Board in January 2021, to commence the formal consultation process. Once adopted, the budget will be monitored through the introduction of new budget oversight procedures to ensure savings are tracked and delivered. These procedures will be approved by Executive Board, and ensure that both members and officers are clearly sighted on the budget and the key risks surrounding it, and have a joint responsibility for managing these.

### **3 Year MTFS and Transformation Programme**

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We will deliver a sustainable Medium-Term Financial Strategy (MTFS) for 2021/22 – 2023/24. This will be based on the work of Themes 2-8 which all support delivery of a sustainable MTFS.

The 2021/22 budget will also contain the rolling three year MTFS, and clearly set out the parameters against which this will be managed and delivered. In addition, this work-stream will develop a Debt Management Strategy which will aim to manage the Council's overall debt downwards over MTFS time horizons.

This work-stream will underpin the work on the MTFS and is key to ensuring that the Council has a sustainable budget going forward.

The work-stream will create an Integrated Transformation Programme which develops a long-term funding envelope for core services and reduces the reliance on commercialisation.

Having set the affordability envelope, the Integrated Transformation Programme will agree on the key areas of service reform required across the organisation, and align outcomes to budgets to ensure that Council's objectives are met within the parameters of that envelope. Projects will then be set up to deliver the agreed programme.

The PMO will assist this programme in providing oversight to the projects which sit underneath it. To ensure that this happens in an efficient and effective way, all projects will be required to develop appropriate Project Management Plans and Business Cases and be subject to the overall monitoring and governance regime set out as part of the wider Recovery Programme.

### **Spending Controls and Oversight**

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This work-stream builds on the previous two work-streams to ensure that sustainable budgets continue to be delivered in the short and medium term, moving to a framework of entrenched sustainability in the long term.

It will continue to embed the processes set out earlier and in the milestones below to carry on this work, fully understanding the resources required to deliver these programmes and budgeting for these accordingly.

## Key Objectives

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- A balanced budget for 2021/22 and sustainable MTFS up to 2024/25.
- Reduced reliance on commercialisation.
- Core Services are affordable for the long term.
- Greater budget oversight, with Members and Officers sighted and jointly accountable.

## Key Deliverables

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The outputs that will be delivered through this work-stream will be:

- Balanced budget for 2021/22.
- Affordability envelope for core services 2021/22 to 2024/25.
- Integrated Transformation Programme, backed with appropriate resources and project documentation.
- Sustainable MTFS for 2021/22 to 2024/25.
- Debt Management Strategy.
- New budget oversight procedures.

## Key Activities

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The key activities of this work-stream are:

- Delivery of Medium-Term Financial Strategy and balanced budget for 2021/22 – 2024/25.

- Align new corporate plan within the authority's affordability envelope.
- Significant project work across the Council on the key areas of service reform identified through the Integrated Transformation Programme.

## Key Risk

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Key high level risks identified at this stage are:

- That the Council is unable to set a balanced and sustainable MTFS over a three year period that delivers statutory services.
- That key areas of service reform do not happen at the required level / pace.
- Funding settlements and / or income drop materially, thereby further reducing the affordability envelope on which the MTFS will be founded.

Should these risks become issues the following mitigation strategies will be considered:

- Increase in asset disposals.
- Developing contingency plans within the service reform proposals.
- Developing a list of further potential reforms that could be brought into the Integrated Transformation Programme as required.

## Actions

Work-Stream	Actions/Milestones	Timescale
2021/22 Budget and Savings Proposals	Agreement of Executive on 19 <sup>th</sup> January to budget proposals for consultations – balanced for 2021/22 – expected gap close to zero.	Jan-2021
	Evaluation of Finance Settlement implications.	Jan-2021
	Review of consultation responses and endorsement at Executive Board 16th February 2021.	Feb-2021
	Individual savings implementation plans and EIA/HIAs in place.	Feb-2021
	Full Council budget discussion and approval at 8th March meeting.	Mar-2021
	Monthly and quarterly monitoring of budget and tracking of savings. Members and Officers jointly accountable via Budget Oversight arrangements.	Q1 2021/22
	Tracking of saving through a member/officer forum with corrective action and mitigations where necessary to keep on track.	Q1 2021/22
Three Year MTFS and Transformation Programme	Develop long-term affordable envelope for core services, reducing reliance on commercialisation - establish as new spend base.	Jan-2021
	PMO established with operating protocols and ToRs to assure transformation.	Jan-2021
	Invest to Save approach developed and funding identified.	Jan-2021
	Work continues to establish programme of work and business cases / PIDs.	Feb-2021
	Investment / Resourcing needs identified.	Feb-2021
	Agree on key service reform areas and align outcomes to budgets to ensure that the plan both meets the Council's objectives and is within an affordable envelope (C Tax, Bus Rates, RSG and specific grants, core fees & charges).	Mar-2021
	Develop long-term plan for reducing Council debt levels to mitigate the likelihood and subsequent impact of any MHCLG imposed borrowing cap.	Mar-2021
	Programme established and business cases / PIDs developed for approval.	Mar-2021

Work-Stream	Actions/Milestones	Timescale
	Develop Business cases / PID / Implementation Plans.	Q1 2021/22
	Launch and run consultations on areas impacting service users and staff.	Q1 2021/22
	Programme delivery through monthly Board with agreed implementation and resources plans.	Q1 2021/22
	Monitoring of spend and savings proposals.	Q1 2021/22
	Project launches (see integrated transformation programme below).	Q2 2021/22
	Project milestones, deliverables, risks, accountabilities, interdependencies etc determined.	Q2 2021/22
	Project milestones monitored and necessary corrective actions taken via PMO (ITP).	Q3 2021/22
Spending Controls	Member oversight panel established to oversee progress on transformation through dashboard / exceptions reporting.	Feb-2021
	Review of overall resourcing plan.	Feb-2021
	Approval of Business Cases and PIDs – Alignment of programme with resource needs.	Mar-2021
	Early identification of likely resources and expenditure pressures and impacts of transformation programmes.	Mar-2021
	Monthly monitoring of progress. Officers held to account for delivery. Mitigations agreed for Amber and Red items.	Q1 2021/22
	Early member workshops on priorities and pressures from April 2022.	Q1 2021/22
	Early draft budgets agreed identifying further work to establish a fully funded 4-year programme.	Q2 2021/22
	Draft budget agreed for 12-week consultation period to end Christmas 2021.	Q3 2021/22
	MTFS approvals cycle – outcome-based budgets on a 2-year firm/2-year indicative basis.	Q4 2021/22

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**Accountability**

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<b>Lead Councillor</b>	Porfolio Holder for Finance.
<b>Lead Officer</b>	Strategic Director of Finance.

## Theme Two: Asset Management

Our Asset Management Strategy aims to generate sufficient capital receipts using asset rationalisation and disposal to meet both the current commitments within the capital programme, and provide additional cash flow into the Council to mitigate budget pressures and fund a transformation programme.

These assets will include:

- Commercial property assets.
- Land.
- Operational assets.
- Community assets.
- Companies (as identified through Theme Three).

### Asset Disposal Strategy

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Key to the delivery of the Recovery Plan is the acceleration of the Council's asset rationalisation programme and the generation of capital receipts.

This work-stream will incorporate a review of potential receipts across a number of property holdings (operational properties, the investment portfolio and the trading account). The review will consider the implications of each potential disposal, including issues such as revenue loss, maintenance liabilities, and upcoming legislative requirements which may affect valuations.

As part of an earlier phase of this programme a pipeline of c.£100 million of sites that could be disposed of has already been identified, and a number of disposals made over the past 18 months.

This work-stream will accelerate and put forward further recommendations for sites to dispose of, and then carry out disposal in the manner which will leverage the greatest value within the timescales set out in Theme One.

### Operational Assets

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As the Council moves through the budget setting process, the decision taken on changes to service delivery will make a number of operational assets redundant.

In order to minimise the ongoing revenue costs of maintaining underused or unused operational assets, and to maximise capital receipts, the disposal of these assets will also be managed within the Asset Management Theme.

### Community Asset Review

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The Council has a number of properties that are let to community groups for minimal rents, often where this is the case without the renting organisation being responsible for either building liabilities or associated community outputs.

We will develop and implement a new Community Asset Policy and change our approach to community asset leases, to ensure asset values are maintained, community assets are fully utilised and that underutilised facilities are made available for asset disposal. This will include:

- Consideration of transition to Full Repairing and Insuring (FRI) leases as standard.
- Consideration of applying fair market rates to community asset leases, supported by grants to meet rental costs consistent with an agreed basis of occupation.

## Key Objectives

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- Deliver a flow of capital receipts at the level and within the time parameters as required by Theme One.
- To manage the revenue impacts of any disposals as far as possible.
- To deliver and implement a new framework to maximise the value of community assets to residents.

## Key Deliverables

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The outputs that will be delivered through this work-stream will be:

- Generation of an agreed level of capital receipts over a set time period.
- Reduce current and future property related liabilities through the disposal process.
- Framework for how community assets will be delivered in future.

## Key Activities

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The key activities of this work-stream are:

- Development of approach to investment and operational property and community based assets.
- Accelerated assets disposal planning.
- Developing policy and changes to leasing arrangements for community assets.
- Review and rationalisation of the Council's operational properties, taking into account budget proposals, future service requirements and maintenance / running cost / liabilities to the Council.

## Key Risk

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- That the Council's generation of capital receipts does not reach the levels or timescales required to balance its financial needs.
- That in generating receipts the Council creates larger long term revenue pressures on its base budget.

Should these risks become issues the following mitigation strategies will be considered:

- Expanding the pool receipts are generated from. The initial pipeline of c.£100 million of potential receipts are former operational properties and land which can be disposed of with little revenue consequence. Additional lists of properties will be drawn up and brought forward as required by the acceleration process to ensure receipt targets can be met.

- A system of adjusting forecast receipt value by time in order to ensure realistic expectations of what can be achieved with certain properties is already in place.
- In order to manage revenue consequences the existing performance of property holdings will be reviewed to ensure

that their efficiency is maximised (for example around voids, debt collection, rent reviews etc.), to ascertain how far any loss can be contained. If further mitigation is required after this, it will be picked up in realistic income assessments within the MTFS.

## Actions

Work-Stream	Actions/Milestones	Timescale
Operational Assets	Review of 2021/22 budget savings to identify assets that will become surplus and timescales, agree with service areas to move these into the asset disposal programme.	Jan-2021
	Confirmation of vacant buildings to move into the asset disposal programme.	Feb-2021
	Review the case for the corporate landlord approach and agree with CLT as to how further rationalisation opportunities will be identified and managed through this approach. (This is likely to stem partly top down, with corporate direction given on future asset requirements, and bottom up as service areas identify more surplus assets).	Q1 2021/22
	Engagement with service areas following the agreement of an approach CLT to create an extended rationalisation programme run to tight deadlines.	Q1 2021/22
Asset Disposal Strategy	Timetable for review of all asset classes agreed and assessment method developed to select which ones to take forward.	Jan-2021
	Review of asset rationalisation programme and refresh of strategy.	Jan-2021
	Recruitment of Interim Head of Disposals to oversee programme.	Jan-2021
	Review of disposal process, identifying options for accelerating and generating greater financial returns.	Mar-2021
	Implementation of monitoring and review process.	Mar-2021
Community Assets Review	Develop and adopt a community asset property policy.	Mar-2021
	Review community assets to identify potential properties for disposal or a change in terms.	Mar-2021

Work-Stream	Actions/Milestones	Timescale
	Lead Councillor and Lead Officer to engage with ward councillors in relation to any community assets identified for disposal or that result in change of current occupier.	Ongoing
	Re-negotiation of phase 1 of community asset contracts (with a view to moving to disposal or changing terms).	Q3 2021/22
	Re-negotiation of phase 2 of community asset contracts (with a view to moving to disposal or changing terms).	2022/23

### Accountability

Lead Councillor	Leader of the Council, advised by Asset Rationalisation Board.
Lead Officer	Corporate Director of Development & Growth.

## Theme Three: Companies

Nottingham City Council has commenced a review of the structures, management and governance arrangements for its companies in response to the PIR.

The report from the NSR builds on the PIR, further emphasising the need for the Council to consider the future direction for all its company interests.

### Council Owned Company Review

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Nottingham City Council will conclude the current review of its companies, and has commissioned CIPFA to provide independent analysis of company information, performance, financials, strengths and weaknesses, and the Council's exposure to risk.

This work will inform individual decisions on whether to maintain, revise focus, in-house or divest from Council companies.

Once CIPFA have completed their analysis, it will be presented, alongside the initial review completed by the Council to a private session of the Audit Committee for recommendations.

Given the relatively large portfolio of company interests, a risk based approach will be taken to prioritising the sequencing of this activity based on the following factors:

- Type of ownership (subsidiaries, associates, JVs and minority interests).
- Companies showing early signs of financial distress.

- Levels of debt to NCC and requirements for comfort from the parent.

Where there are relatively straightforward and self-apparent opportunities to in-house functions with minimal risk of destabilisation, these will be fast tracked to a delivery stage.

Enviroenergy has been established as the immediate priority. Given the complexity and inherent links to waste management, the district heating scheme and capital programme, the majority of the activity in relation to this company is contained within Theme Four: Capital Programme.

Companies currently under consideration for in-housing are:

- Enviroenergy
- Nottingham Revenue and Benefits
- Nottingham City Homes

### Company Governance

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The work already undertaken to review and revise the arrangements for the governance of Council owned companies will continue, and be split between Theme Seven: Constitution and this theme.

The Companies Theme will focus on the development of Council policy with regard to executive and non-executive directors,

establishing a clear role for senior officers through a Shareholder Executive function and Company Loans Board function, ensuring all forms of parental support to companies within the group are subject to effective controls and clear decision making, and supporting the Companies Governance Sub-Committee and the Council more generally.

## Commercial Strategy

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Where Council companies offer reasonable levels of assurance of future financial returns, the City Council will seek to maximise this benefit through the development and application of an overarching commercial strategy. This will include an assessment of directly delivered charging activity and the treatment of surpluses generated by services that are able to compete in mature markets.

## Key Objectives

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- Provide greater visibility of company performance and risk profile of the wider City Council group.
- To reduce overall complexity and simplify the management and oversight of all core Council activities by reducing the number or alternative delivery vehicles.
- To strip out duplication of overhead and management costs by bringing core functions in house where there is no imperative to maintain externalised delivery vehicles.
- To identify opportunities to generate capital receipts to the Capital Programme through divestment of interests in profitable activities that are outside the City Council's core competence.

- To establish robust shareholder controls and assurance mechanisms for those companies Nottingham City Council maintains.

## Key Deliverables

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The outputs that will be delivered through this work-stream will be:

- Overarching Commercial Strategy.
- Reinstatement of company analytics.
- Options appraisal for Enviroenergy (within six months).
- Decisions on the direction for each subsidiary and associate.
- Completion of decision making process and in-sourcing of NRB if appropriate.
- Executive and Non-Executive Director Policy Statement.
- Establishment of Officer Shareholder Executive function which can also act as Company Loans Board.

## Key Activities

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The key activities of this work-stream are:

- Enviroenergy – completion of commercial deal with FCC, rapid options appraisal for capital investment options including potential private capital, decision on company structure and delivery vehicle.
- Review of companies (supported by CIPFA).
- Management of in-housing process for selected companies.
- Evaluation of divestment and disposal options.

→ Strategy and policy development.

## Key Risk

→ Devaluation of subsidiaries.

→ Destabilisation of companies who may have legitimate short-term needs for comfort or support arising from the current pandemic.

→ Loss of opportunity for financial returns as a result of decision making delays.

## Actions

Work-Stream	Actions/Milestones	Timescale
Commercial Strategy	Draft Commercial Strategy covering aims of commercial activity and proposed actions by company (insource, divest, sell, further due diligence).	Mar-2021
	Review of internally delivered fees and charges income including profitability levels (pre and post Covid) growth options and options to withdraw from non-surplus generating activity.	Q2 2021/22
Company Governance	Critical monthly quantitative analysis – prepare company and summary reporting for management and CGESC.	Feb-2021
	Establish the terms scope and remit for a Shareholder Executive function and seek agreement with CLT and the Executive.	Jan-2021
	Establish resourcing plan and recruit internally / externally.	Feb-2021
	Establish relationship with CGESC.	Feb-2021
	Go Live date incorporating analytics as above.	Mar-2021
Council Owned Companies Review	Complete internal desktop review of current information and CIPFA review.	Feb-2021
	Desktop review and CIPFA analysis to be presented to a private session of Audit Committee for recommendations.	Mar-2021
	Develop immediate options analysis for Enviroenergy.	Jan-2021

Work-Stream	Actions/Milestones	Timescale
	Integrate with wider end-to-end review undertaken by the Corporate Director of Development and Growth.	Feb-2021
	Commence member and company engagement and draft plans for insourcing on a phased timeline.	Mar-2021
	Agree approach for all other companies.	Mar-2021
	Plan taken to March 2021 Executive Board.	Mar-2021
	Undertake in-sourcing activity on NRB (dependent on outcome of options appraisal).	Q1 2021/22
	Complete NRB insource (subject to outcome of options appraisal).	Q3 2021/22
	Review lessons learned from NRB that can be applied to NCH.	Q3 2021/22
	Establish support to non-subsidiary associated companies (e.g. Futures, Nottingham Playhouse Trust, Groundworks, Marketing Nottingham) - Discovery Phase.	Mar-2021
	Enviroenergy strategic review completed.	Mar-2021

## Accountability

<b>Lead Councillors</b>	Portfolio Holder for Employment and Community Protection and Portfolio Holder for Housing and Planning.
<b>Lead Officer</b>	Strategic Director of Finance.

## Theme Four: Capital Programme

A sustainable capital programme, and the strategy and controls to shape and manage it, is a critical contributor to the overall financial recovery of the City Council. A review of our capital programme will look to stabilise the current programme and put it on a sustainable footing for the longer term. We will develop an effective Capital Strategy and a strengthened governance and control framework to allow the authority to achieve this.

### Capital Strategy

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A revised capital strategy will enable the organisation to understand why and how it allocates capital resources, and ensure effective decision making, governance and controls of the programme are in place to enable a sustainable programme going forward.

The revised strategy will include a clear prioritisation process and associated governance framework.

The review will also consider how the programme can be financed in the short, medium and long term, taking into account changes to the Public Work Loans Board regulations and other relevant issues.

### Debt Management Strategy

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Nottingham City Council recognises the need to reduce its current level of external debt to a more sustainable level. In addition to establishing clear priorities for the Capital Programme and raising the funds to reduce the risk of critical service failures, the Council

will use capital raised through the Asset Disposal programme to pay down existing debt over time.

### Review of Capital Schemes

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There will be an immediate review of the current Capital Programme, aiming to create headroom and ensure it is sustainable through reprioritising, reviewing and reducing the projects in it.

It will also ensure all liabilities and future commitments to the Council are fully reflected and accounted for. In particular this review will ensure that the likely commitments arising from the urgent investment required in Enviroenergy and the District Heating Scheme are fully understood.

We also recognise the importance of finding a long term solution for the former Broadmarsh Shopping Centre. Given the current uncertainty about the future shape of city centres, the Council will continue to explore all available options to work with others in the context of a rapidly evolving operating environment.

The review will include both the General Fund and Housing Revenue Account capital programmes, but primarily focus on the General Fund as the area for significant change.

### Strengthened Programme Controls

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We will implement a strengthened Governance and Control Framework. This will ensure that projects only commence once they

have gone through the new prioritisation process, and are then subject to a support, monitoring and assurance package to improve delivery.

Controls will also extend to the management of benefits post-delivery to help inform ongoing performance and future investment decisions.

## Key Objectives

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- To create a fully funded capital programme delivering a revised list of projects.
- To fully understand and make allowance for known potential liabilities within the capital programme (for example District Heating and the former Broadmarsh Shopping Centre).
- To create a revised capital strategy which ensures the effective prioritisation of projects and funding supplemented by strengthened programme controls.
- To ensure effective ongoing monitoring of approved capital schemes to highlight and manage unforeseen circumstances in relation to them.

## Key Deliverables

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The outputs that will be delivered through this work-stream will be:

- A clear and agreed prioritisation process for the current programme.
- A funded and sustainable capital programme, fully reflecting known liabilities, over the medium to long term.
- Revised Capital Strategy.

- Strengthened Governance and Control Framework.
- Establishment of Capital Board to approve all new capital schemes and monitor ongoing schemes.

## Key Activities

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The key activities of this work-stream are:

- A full review of the capital programme to remove de-prioritised schemes and add in future liabilities (for example around Enviro Energy and the former Broadmarsh Shopping Centre).
- Creating a revised Capital Strategy incorporating a prioritisation process.
- Delivering a strengthened Governance and Control Framework and ensuring that this is put into practice across the Council.

## Key Risk

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- That known commitments and future liabilities outweigh the available level of funding for the capital programme.
- District Heating Scheme infrastructure failure.
- That either the new prioritisation process and/or the strengthened Governance and Control Framework are not adopted consistently across the Council.

Should these risks become issues the following mitigation strategies will be considered:

- Further de-prioritisation and/or re-phasing of the capital programme.
- Increasing the level of capital receipts that need to be generated or amending their profile.
- Work with HR, Organisational Development and Internal Audit to ensure that appropriate control mechanisms and cultural change are embedded in the roll out of the prioritisation process and strengthened Governance and Control Frameworks.

## Actions

Work-Stream	Actions/Milestones	Timescale
Debt Management Strategy	Debt Management Strategy to be approved at Executive Board.	Feb 21
	Debt Management Strategy to be approved at Full Council.	Mar 21
Capital Strategy	Establish prioritisation approach to selection of schemes.	Jan-2021
	Update and link treasury management strategy to emerging asset strategy including asset disposals and rationalisation.	Jan-2021
	Capital and revenue linkages developed through work on corporate plan.	Feb-2021
	Asset Management strategy and revised TPS by approval at Executive Panel 16th February (including accelerated list of disposals).	Feb-2021
	Draft Capital Strategy (in line with MTFP).	Mar-2021
	Final Capital Strategy agreed at Full Council (in line with MTFP).	Mar-2021
	Regular quarterly review points.	Q3 2021/22
Programme Controls	Establish Capital Board to oversee capital programme and scheme approvals as well as funding - ToR's agreed.	Feb-2021
	Capital Board meets monthly to provide steer and oversight of the programme.	Feb-2021
	Capital Board to provide quarterly report to the Audit Committee detailing any material impacts on the capital programme. Materiality to be defined in the Capital Board's Terms of Reference.	Q1 2021/22

Work-Stream	Actions/Milestones	Timescale
	Capital Board meeting monthly to review overall programme and funding as well as individual scheme scrutiny prior to Executive Board.	Mar-2021
	Priorities kept under review within overall affordable and approved resource envelope.	Mar-2021
	Targets set - monitoring of asset disposals and contribution to capital funding pot.	Mar-2021
	Regular quarterly review points.	Q3 2021/22
	Draft revised programme controls (presented to first meeting of Capital Programme Board).	Feb-2021
	Revised programme controls agreed and implemented.	Feb-2021
	Regular quarterly review points.	Q3 2021/22
Review of Capital Schemes	Identify potential alternative sources of funding / methods of removing projects from balance sheet.	Feb-2021
	Draft Capital Programme (in line with MTFS).	Jan-2021
	Final Capital Programme agreed at Full Council (in line with MTFS).	Mar-2021
Review of Capital Schemes (Broadmarsh)	Complete Big Conversation.	Jan-2021
	Submit Business Case for LEP funding.	Feb-2021
	Conclude review of strategic options and timeframe for decision making.	Mar-2021
	Based on the outcome of the review of strategic options for the site the following indicative milestones may be subject to alteration or refinement.	Q1 2021/22
	Establish budget projections and associated financial risks for the Council with mitigation planned.	Q1 2021/22
	Initial advice from Broadmarsh Advisory Group on design principles and commercial strategy.	Q1 2021/22
	Contractor demobilisation.	Q1 2021/22
	Outcome of LEP funding.	Q1 2021/22
	Full advice from Broadmarsh Advisory Group on creative vision and commercial approach.	Q2 2021/22

Work-Stream	Actions/Milestones	Timescale
	Confirm commercial delivery approach and commence implementation.	Q2 2021/22
	Planning Masterplan finalised.	Q3 2021/22
	Phase 1 Demolition Complete.	Q4 2021/22
Review of Capital Schemes (District Heating Scheme)	NCC decision on 'bringing in-house' or alternatives.	Jan-2021
	Strategic Options Appraisal completed; investment appraisal finalised and NCC financial implications agreed.	Jan-2021
	EE Board appraised of position and take appropriate decision on legal status.	Feb-2021
	EE brought 'in house' (subject to decision).	Mar-2021
	Investment plan drawn up.	Q1 2021/22
	EE 'business' rapid operational review and implementation.	Q1 2021/22
	Executive Board decision to approve investment plan.	Q1 2021/22
	Market testing for 3rd party investment.	Q1 2021/22

## Accountability

<b>Lead Councillor</b>	Leader of the Council, in conjunction with Portfolio Holder for Finance, advised by Capital Board.
<b>Lead Officer</b>	Strategic Director of Finance, in conjunction with Corporate Director for Growth and Development.

## Theme Five: Constitution

Taking on board the recommendations of the External Auditor's recent PIR on Robin Hood Energy, and the recommendations of the NSR, Nottingham City Council will institute a new constitution to improve transparency, governance and accountability for council decision making.

We will deliver a new constitution within six months, including improved Audit and Overview & Scrutiny functions that hold the City Council to account, with a focused work programme that monitors key council projects, and tracks performance against corporate metrics that give a "whole council" view of our activities, including the Council's finances.

### **Governance Improvement Programme**

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Nottingham City Council has already started the process of reviewing and improving its system of governance and internal control, through our ongoing Governance Improvement Programme and the Governance Improvement Board (which met for the first time in December 2020). Our response to the PIR details the actions the Council is taking and will take up to June 2021.

The subsequent report of the NSR team builds on the findings and recommendations of the external auditor, and as a result there is significant overlap in the actions and activities required by both. In order to streamline management and reporting arrangements, and maximise the efficient use of limited resources, the Governance

Improvement Programme will be rolled into the overall Recovery and Improvement Programme.

The actions contained within the PIR Action Plan are included within Themes Five and Three.

### **Updated Constitution**

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Nottingham City Council's Constitution has been the subject of review since October 2020, following the adoption by Full Council of the Action Plan in response to the PIR.

This work focuses primarily on the Committee structure and functions, and on their Terms of Reference. This work will now continue alongside a comprehensive rewriting of the whole Constitution, with the aim of simplifying it and enabling the Council to make effective decisions, and implement the broader change programme at the rate required.

This work will emphasise the separation and independence required between the Executive and Non-Executive roles within the Constitution, and strengthen the roles of the Overview & Scrutiny Committee and Audit Committee.

In addition, all Members and Officers will need to undertake mandatory company director training to reinforce their roles and responsibilities, before acting as a company director of a council owned company.

## Member / Officer Roles & Responsibilities

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The NSR has highlighted the need to bring greater clarity to the different roles of Councillors and Officers, and their responsibilities to the organisation as a whole. A new Member/Officer Protocol will be adopted to establish a shared set of expectations for Officers and Councillors.

## Review of Portfolios

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A refreshed portfolio structure that reduces overlap.

The review will support the Leader of the Council in the delegation of executive roles and responsibilities, giving clarity of purpose, avoiding cross over of duties where possible, and avoiding gaps in responsibility.

## Member Development Programme

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The elected members of the City Council have a unique and central role. They are individuals elected by citizens to set the policy agenda for the Council, are the ultimate decision makers, and in turn are accountable to the public.

The Council is committed to investing in ongoing support to the role of Councillors, building on their existing knowledge, community links and skills base.

The additional support offered by the LGA and other authorities, and the opportunity to discuss the experience of Members in similar authorities with members of the Improvement and Assurance Board, will create an opportunity for Councillors to examine how they apply their experience and local knowledge to the policies and services benefitting local people, in the new Nottingham context.

## Key Objectives

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- To establish and embed best practice principles of corporate governance throughout our decision-making processes and Constitution.
- To provide clarity of the complementary roles of Officers and Councillors, and establish clear lines of accountability including the adoption of a new Member/Officer Protocol.
- To establish clear and well understood boundaries between the responsibilities of Officers and of Councillors.
- To ensure Executive and Non-Executive committees are able to fulfil their respective roles through clarification of their terms of reference.
- To simplify the current Portfolio groupings to reduce overlap.
- To simplify decision making during the delivery of this plan.

## Key Deliverables

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The outputs that will be delivered through this work-stream will be:

- A new Member / Officer protocol.
- Revised terms of reference for Council Committees.
- A modernised Constitution.
- Committee development programme.
- Review of Portfolios.

## Key Activities

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The key activities of this work-stream are:

- Consultation with the Executive and Committee Chairs.
- Sourcing external specialist support.
- Producing documentation.
- Formal approval/adoption processes.
- Communication/training on changes to processes and procedures.
- Scheduling and delivery of training packages.

### Key Risk

- Availability of specialist support within the required timescale.
- Remote delivery of training and DPIA requirements.
- Lack of clarity/awareness of new roles or procedures among Councillors or Officers.
- Unintentional delays to decision-making, or the creation of bottle necks because of constitutional changes.

### Actions

Work-Stream	Actions/Milestones	Timescale
Member / Officer Roles and Responsibilities	Adoption of new Member Officer Protocol.	Jan-2021
Member Development Programme	Committee Development Programme established.	Q2 2021/22
	Completion of Year 1 Committee Development Programme Delivery.	Q4 2021/22
Review of Portfolios	Completion of Portfolio Review.	Mar-2021
Updated Constitution	Adoption of revised Overview & Scrutiny Terms of Reference.	Jan-2021
	Adoption of revised Companies Governance Executive Sub-Committee (Shareholder Panel) Terms of Reference.	Mar-2021
	Adoption of revised Audit Committee Terms of Reference.	Mar-2021
	Adoption of standardised ToRs for all Committees.	Q1 2021/22
	Review of Scheme of Delegation.	Q1 2021/22

Work-Stream	Actions/Milestones	Timescale
	Review of Financial Regulations.	Q1 2021/22
	Update of Management Structure (to follow Officer restructure).	Q2 2021/22
	Review Procedures and Standing Orders.	Q1 2021/22
	Redraft of New Constitution.	Q1 2021/22
	Formal adoption of Constitution.	Q2 2021/22

## Accountability

Lead Councillor	Deputy Leader of the Council, supported by cross party member working group.
Lead Officer	Director of Legal & Governance.

## Theme Six: Organisation & Culture

The Council recognises that in order to drive change at the pace and scale required, we must first ensure that we are able to establish clear organisational goals and individual accountabilities, and have effective mechanisms of monitoring and control.

It is equally important that we recognise the strengths of our workforce, and put in place the support to help our people build on their existing skills and experience.

### Setting Top Level Goals

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The City Council will adopt the procedure outlined in the Joint Negotiating Committee (JNC) for Chief Executives, in order to ensure that the targets set by the Leader for the Chief Executive can effectively flow through the senior officer structure, which in turn will allow the Chief Executive to hold senior officers to account for the delivery of the Council's priorities.

This will support the delivery of the organisation's goals by identifying and clarifying the key objectives, priorities and targets of the Council, and appropriate timescales for their achievement over the period of this plan and in each year.

A clear appraisal process for the Chief Executive will enable a clear cascade of responsibility through the Chief Executive to the rest of the officer structure, which will underpin performance management of the whole organisation.

### Simplifying the Officer Structure

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To ensure these objectives have clear ownership and can be cascaded effectively, the Senior Officer structure will be simplified. The Chief Executive will bring forward proposals for a high level restructure of the organisation to provide greater clarity and focus to the responsibilities of the Corporate Leadership Team.

### Performance Management Framework

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An effective performance management framework (PMF) is integral to the effective delivery of the plan and priorities, as well as clear accountability and good governance.

In the first six months of the plan, the City Council will develop a new performance management framework establishing clear accountability for the delivery of outcomes, and providing an effective and efficient mechanism for enabling and managing performance.

A refreshed Council Plan, new policy framework, and an associated performance management framework are substantial contributors to the ability of Nottingham City Council to deliver good governance and accountability from the top to bottom of the organisation.

## Culture & Workforce Development

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We recognise that changes to structures and performance management arrangements will not in themselves lead to organisational change without the right culture and individual behaviours in place.

For this reason, the Recovery & Improvement Plan will prioritise the delivery of a far reaching and meaningful cultural transformation programme, supported by the Local Government Association, taking full account of the council's absolute commitment to equality, diversity and inclusion.

This will clearly articulate both the current prevailing culture and the desired culture, as well as providing sharp focus to the individual behaviours and competencies that need to change or be developed.

Nottingham City Council also recognises that the scale and pace of change required will place a significant draw on capacity while the organisation seeks to reduce the overall size of the workforce.

The external support available through sector partners including the LGA, CIPFA and other local authorities, and the external members of the Improvement and Assurance Board, will help develop and shape our approach, however there will also be a need to develop or acquire the additional skills and resource levels required in the short term.

The Recovery and Improvement Plan should also be seen as an opportunity for Officers and Councillors to develop new skills and experiences which can benefit the organisation in the longer term

and where possible, we will use the workforce development programme to support this process.

## Key objectives

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- Establish a clear set of organisational goals and the mechanisms to hold the Chief Executive to account, and through the Chief Executive to hold Senior Officers to account for their delivery.
- Ensuring that these goals can be embedded within the activities of the organisation as a whole through clear and effective lines of accountability.
- Provide officers with clarity of focus and easily understood remits for delivery.
- Developing the framework and mechanisms to connect top level organisational aims with individual actions and objectives.
- Create a sharper focus on performance for everyone in the Council and set clear expectations for colleagues.
- Celebrate and build on the local knowledge and passion of Councillors in advocating for their communities as part of a culture that champions Nottingham and its people.
- Set a new standard for personal responsibility and behaviour, and recast the cultural norms of the whole organisation.

## Key activity

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- Reviewing the current organisational aims and establishing an agreed set of priorities for the next three years.

- Revising and simplifying high level officer structure.
- Developing a performance management framework using Outcome Based Accountability.
- Establishing dedicated resource to support effective corporate management of performance.
- Scoping and commissioning an Officer Development Programme.
- Embedding the new performance management framework and culture across the Council.

### Key deliverables

- Top tier Officer restructure.
- CEX performance appraisal procedure.
- Performance Management Framework.
- Officer Development Programme.

### Key Risks

- Skills retention during transformation.
- Adverse impact on colleague morale.
- Change resistance.
- Failure to use the Performance Management Framework and Council Plan effectively within the decision making framework – in other words introduction of new activities without consideration of what needs to change in the PMF and Council Plan.
- Lack of engagement and buy in from senior officers and executive councillors, meaning performance management is not taken seriously enough.
- Failure to agree a refreshed Council Plan means the new PMF does not capture/reflect core council activity, leading to lack of oversight and accountability..
- Failure to provide the resources specified within this plan to ensure the PMF can be successfully delivered, resulting in incomplete, inaccurate and failing performance management.

### Actions

Work-Stream	Actions/Milestones	Timescale
Setting Top-Level Goals	Adoption of CEX Performance Appraisal Procedure.	Mar-2021
	ACOS report 1 on Corporate Director structure.	Feb-2021

Work-Stream	Actions/Milestones	Timescale
Simplifying the Officer Structure	Engagement on Corporate Director proposals.	Q1 2021/22
	Complete outstanding Corporate Director appointments.	Q1 2021/22
	LGA to facilitate an external review of HR practice re EDI focused on recruitment/ selection/progression.	Q1 2021/22
	Stage 1 - facilitated dialogue.	Q1 2021/22
	Stage 2- advisory work recommendations.	Q1 2021/22
	ACOS report 2 on Director HOS structure .	Q2 2021/22
	Director / Head of Service appointments (as required).	Q2 2021/22
Performance Management Framework	Internal review of approach to creating new Performance Management Framework.	Jan-2021
	Core Group comments on and agrees work stream's recommended approach to creating a new PMF and Council Plan.	Jan-2021
	Engagement: <ul style="list-style-type: none"> <li>· Agree methodology at CLT and nomination of lead officer(s) for each department.</li> <li>· Agree methodology with Leadership.</li> <li>· Agree methodology with Executive Councillors.</li> <li>· MHCLG Improvement and Assurance Board comment on proposals.</li> </ul>	Feb-2021
	Departments (through agreed Departmental Lead) to establish representative sample of statutory indicators.	Feb-2021
	Departmental leads to seek sign-off/approval of indicators via PFHs.	Feb-2021
	Draft Performance Management Framework Developed on Statutory Indicators, plus retained elements of the existing CP.	Mar-2021
	Engagement: <ul style="list-style-type: none"> <li>· CLT comment on and agree draft PMF.</li> <li>· Leadership comment on and agree draft PMF</li> </ul>	Mar-2021

Work-Stream	Actions/Milestones	Timescale
	PFHs sign-off the PMF (Outcomes, Priorities and Outputs) that Departments have developed and will target for delivery. PFHs review and comment on the new Plan and agree the impact on their Portfolio.	Apr-2021
	Consult Improvement and Assurance Board on PMF.	Apr-2021
	PMF and CP formally adopted at Full Council.	Q1 2021/22
	Cascade CEX targets to corporate directors.	Q2 2021/22
	Design and Deliver Individual Performance Management Framework.	Q2 2021/22
	Establish objectives and outcomes for Directors and Heads of Service - to include cascade targets from Corporate Plan outcomes and CEX targets (IPR package 2).	Q2 2021/22
	Embed the Director / HOS individual performance framework.	Q3 2021/22
	Design a toolkit to support the new individual performance framework.	Q3 2021/22
	Briefings to all leaders / managers on the individual performance management framework.	Q3 2021/22
	Design and deliver an Individual Performance Framework for non SLMG roles that reflects the outcomes based Corporate Plan Framework and future capabilities / behaviours / performance expectations.	Q4 2021/22
Culture & Workforce Development	Develop and agree Leadership Capability Framework (LCF).	Feb-2021
	Culture mapping - Senior Leadership.	Feb-2021
	Culture mapping – Frontline.	Mar-2021
	CLT session to agree, values and future culture message map and vision.	Mar-2021
	Design comms and message mapping re future desired culture and vision.	Q1 2021/22
	Deliver comms plan and engagement activities re future culture and vision	Q1 2021/22
	Design and Deliver an individual performance management framework (IPR) for Corporate Directors, (IPR package 1)	Q2 2021/22

Work-Stream	Actions/Milestones	Timescale
	Seek LGA resources to fund a coaching (coaching for performance) programme for Corporate Directors / CLT. CEX to determine the remit and use to support cascading of targets.	Q1 2021/22
	Develop Leadership Capability Framework including competencies and behaviours for Directors and SLMG roles, cascading from package 1 (LCF package 2) Creating a clear leadership capability framework that ensures a wide leadership cohort that is fit for the future.	Q2 2021/22
	Comms/Engagement activities re new message mapping and vision, including identification of Change Champions - ongoing. CLT and Directors to be actively involved in messaging and engagement to support and drive the organisational changes) sessions, briefings events to organised and mapped.	Q2 2021/22
	Seek LGA resources support culture change to procure and fund a Leadership Development Programme to support the new leadership capability framework. For Directors / HOS.	Q3 2021/22
	Seek LGA resources to procure and fund an Accelerated Development Programme for people with protected characteristics, to support NCC EDI ambitions.	Q3 2021/22
	Develop non SLMG Leadership Capability Framework, role descriptors to reflect desired behaviours, values, competencies (LCF package 3).	Q4 2021/22
	Develop and deliver non-SLMG workforce performance review (IPR package 3).	Q4 2021/22

## Accountability

Lead Councillors	Portfolio Holder for Health, HR and Equalities and Portfolio Holder for Children and Young People.
Lead Officer	Chief Executive, with Director for HR and OD.

## Theme Seven: Delivery Options

The formation of a refreshed Council Plan developed under Theme Eight will provide a sharp focus on the outcomes that are most important to the Council and the City. In order to maximise our ability to deliver against these ambitions, it is essential that the Council makes best use of all the tools available to us.

### Procurement Strategy

The Council's buying power is already used to secure best value in the services and products it buys. In order to maximise the gains achievable through intelligent procurement, the Council will review all services to identify opportunities to benefit from the economies of scale achieved by a range of providers.

While all Council services will be evaluated, particular focus will be given to:

- Highly specialised services.
- Low volume services with high fixed overheads or capital cost.
- Services that perform beneath industry benchmarks.
- Services with a disproportionately high management overhead.

In addition, the Council will review existing practice and future opportunities for standardising product specifications and

procurement requirements, and joint procurement with partner organisations.

### People Services and Commissioning

The City Council delivers vital, statutory services that support and protect our most vulnerable children and adults in the city. The rising costs of care present a significant challenge to Local Government and the NHS, and while there are many things we can and will do to manage costs which are listed in this plan, we also recognise the need for a more fundamental and systemic change.

Local Government as a sector has pioneered new models of care which place greater emphasis on understanding the strengths of individuals within a community. These aim to support people to live independently for longer and create the conditions and environment in which children and families can thrive. We want to learn from the best examples of this innovation to develop services for people that produce better outcomes and are also financially sustainable.

We are realistic about the time and sustained effort this will require, and the need to work in partnership with citizens, communities and care organisations. There will be a need for additional action in the short term.

We have already started work on redesigning ways of working, seeking to move to a "strengths based" practice model, and delivering more of our services in partnership with others.

We will also examine how best to use integrated commissioning (covering Adults, Children's and Public Health services) to deliver better services and outcomes for service users.

This work-stream will focus on:

- Different ways of working in Adults, Children's and Public Health services.
- Moving Adults and Children's services to a "strengths-based" practice model.
- New delivery pathways, including delivery through partnerships (e.g. through integrated community health and care).
- Outcome based and integrated commissioning of services between Adults, Children's and Public Health, and key partners such as the NHS."

## Reshaping Frontline Delivery

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The Council operates a number services where financial and operational performance exceeds sector averages, and/or where the Council is uniquely placed to deliver best value to citizens.

Through a review of directly delivered services, the Council aims to build on these core competencies and strip out duplication or overlap between different service offers.

The review of companies and externalised Council services will provide further opportunities to de-layer management structures and strip out waste from our processes.

Maintaining a strong core of universal service provision is vital to the health and wellbeing of Nottingham's communities. It can also

form part of a coherent early intervention strategy by building community capacity alongside effective universal services.

The Covid-19 pandemic has necessitated a rapid reconfiguring of services and reimagining the roles of various Council functions in demand management for health and social care services.

The review of frontline service provision will also consider the changed context in which frontline services are delivered, the new opportunities to support local community groups and volunteers, and the changing needs of our citizens.

## Rationalisation of Customer Access Channels

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Nottingham City Council recognises the opportunities for improving citizen outcomes and experiences while reducing cost through the wide spread adoption of digital processes.

Nottingham has already made progress in terms of channel shift and simplifying transactional processes, however this has not been sufficiently wide spread and systemic to realise the full scale of potential benefits.

The recent rapid development of new digital processes to support the Shielding Scheme for vulnerable residents has demonstrated the transformational potential of existing technologies, and the existing capabilities within the organisation to successfully apply them.

The Digital Strategy work stream, which will run in parallel to the other elements within this Theme, will rapidly consolidate all transactional activity and electronic and telephone contact with citizens, and systematically redesign them to a common digital standard.

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## Key Objectives

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- To maximise our ability to achieve our priority outcomes by increasing the efficiency of service delivery.
- To rationalise and simplify our modes of delivery and influence under a coherent strategy.
- To build on existing core capacity and capabilities in those areas where we excel.
- To reduce the administrative overheads associated with complex and inconsistent delivery methods.
- To make the most of the digital tools at our disposal to make it easier for citizens to transact with the Council, promote a viable self-serve model and reduce duplication.

## Key Deliverables

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The outputs that will be delivered through this work-stream will be:

- Procurement plan for 2021-2023.
- Service benchmarking.
- Consolidated contact centre.
- Digitalisation of existing paper processes.

## Key Activities

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The key activities of this work-stream are:

- Review of current services performance.
- Review of market conditions and opportunities for bought services.
- Production of service specifications and current contract performance across bought in services.
- Cost/benefit analysis of existing services delivery methods.
- Mapping of customer contact points and restructuring of existing contact centre (and similar) teams.
- Redesign of transactional processes.

## Key Risk

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- Data availability and quality for comparative analysis.
- Availability of sufficient resources for the client role and contract management.
- Provider failures/financial distress associated with the current pandemic.
- Change resistance.
- GDPR compliance.
- Payment card industry compliance.
- Resilience of IT infrastructure.

## Actions

Work-Stream	Actions/Milestones	Timescale
People Services and Commissioning	Complete review of high-cost commissioned services and internal provision for Adult Social Care.	Mar-2021
	Development of Children's Social Care workforce development programme.	Mar-2021
	Development of Participation and Engagement strategy for Children's Social Care.	Mar-2021
	Produce scope for review of commissioning to identify opportunities for integrated commissioning and outcome based commissioning.	Mar-2021
	Development of brokerage model for People Services.	Q1 2021/22
	Establishment of Locality Learning Events for Children's Services.	Q1 2021/22
	Undertake review and strategic alignment of the Family Support Pathway, Partnership Workforce Strategy and partnership governance arrangements.	Q2 2021/22
	Development of Adult Social Care workforce strategy.	Q3 2021/22
	Complete refresh of the Children's Services Commissioning Programme.	Q3 2021/22
	Complete review of placement commissioning.	Q3 2021/22
	Development of Carers Strategy.	Q4 2021/22
Procurement Strategy	Refresh of procurement forward plan for 2021/22.	Q1 2021/22
	Develop and implement training, policy and procedural requirements for post EU procurement.	Q3 2021/22
	Implementation of contracts management audit outcomes.	Q2 2021/22
	Review 'make or buy' decision making processes and evaluation criteria.	Q2 2021/22
	Implement the Contract Purchase Agreement function within Oracle Fusion to ensure that all spend is identified and then review all expenditure where contracts have not been procured.	Q4 2012/22
	From the spend data review all expenditure and identify opportunities to amalgamate spend and standardise product specification.	Q4 2012/22
Review procurement by NCC companies and consider options for bringing requirements together.	Q4 2012/22	

Work-Stream	Actions/Milestones	Timescale
Rationalisation of Customer Access Channels	Establish framework for consistent operating model.	Q1 2021/22
	Agree vision, principles and measurements. Agreement on what best value means.	Q1 2021/22
	Consultation, draft, agree and adopt CLT/Leadership.	Q1 2021/22
	Each department to agree to framework through DLTs.	Q1 2021/22
	Agile sprint groups established in each directorate, consultation with stakeholders and schedule programme of rapid review of processes reporting progress through governance arrangements with RAG ratings of findings.	Q1 2021/22
	Agree savings target and business case for any required investment.	Q2 2021/22
	Map current customer access points, journeys and demand volume.	Q2 2021/22
	Establish ongoing schedule based on RAG rating of current performance (R to be prioritised).	Q2 2021/22
	High level information around each service's processes and more granular information at process level. This will be ongoing and pace will be dictated by size of operation, speed of decisions etc.	Q2 2021/22
	Completed Red rated process redesign.	Q3 2021/22
	Review outcomes against business case assumptions and savings target.	Q4 2021/22
	Complete Amber processes and move and complete Green.	2022/23

## Accountability

<b>Lead Councillors</b>	Portfolio Holder for Communities, Highways and Strategic Transport, Portfolio Holder for Leisure, Culture and IT, and Portfolio Holder for Adult Care and Local Transport.
<b>Lead Officer</b>	Strategic Director of Finance in conjunction with the Corporate Director of People.

## Theme Eight: Council Plan

The Council Plan 2019-23 set out the vision for improving our great city while keeping citizens at the heart of everything we do. It is about the future of our city for all who live, work, study, invest and visit here, and is rooted in straightforward values of fairness, inclusivity and equality.

This vision and ambition for the city and its people is unchanged, however the context in which we operate has changed dramatically since 2019, not least, as a consequence of the social and economic impacts of Covid-19. It is clear that if we are to achieve our aims and live up to our aspirations for Nottingham, we must be prepared to rethink what we do and how we do it.

Nottingham City Council will develop a refreshed policy framework, the Council Plan, reaffirming our vision for the next three years, taking full account of the council's absolute commitment to equality, diversity and inclusion, while also ensuring it is deliverable within a reduced funding envelope.

This document will include:

- A clear vision for the City and Council and our strategic priorities for the next three years.
- A robust policy framework to deliver against our priorities within the available resources.
- Effective internal controls and management arrangements to ensure we remain able to fulfil our statutory duties.

### Refresh of Council Plan 2019-23

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The current council plan is made up of a range of activity and commitments. It is a mix of high level indicators, performance measures and actions. We will develop a revised Council Plan for 2019-23 that reflects the City Council's budgetary position over the short and medium term.

We will review the commitments in the current plan against the funding and resources available, confirm our high-level outcomes for the refreshed plan, and include the council's statutory and transformation activity that supports those outcomes. The refreshed Council Plan will provide greater focus on the core and statutory services and activities the Council needs to provide to support our local people, places and partners.

### Key Objectives:

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- The refreshed Council Plan will set out the operating context for the Council, the high-level needs in the city, and our vision for Nottingham, clearly articulating our role in delivering on that.
- The new Policy Framework and refreshed Council Plan 2019-23 to include all of the council's activities to ensure that our whole organisation's performance is visible and managed through the governance and accountability frameworks.

- Establish high-level outcomes using outcome based accountability, with a series of detailed measures under each outcome, so that service activity/outputs are clear, and services are accountable for their contribution to our overall strategic goals.
- Enable performance management at all levels through a “golden thread” that runs from the overall strategic aims and objectives at the top of the organisation, and the outcomes of the refreshed Council Plan, down to service plans and individual colleague appraisal objectives. This will ensure that operational performance and risk has a line of sight to the overall reporting of the council plan performance, as well as clear accountability for the delivery of activities in the plan.
- Enable a strong link to financial performance, corporate risk and our workforce and corporate health. In this way the PMF can enable us to look at performance in association with financial, risk and workforce plans.
- Enable the appropriate performance management of the Chief Executive and Corporate Directors against priorities which can then flow into business plans and team performance objectives.
- Be clear to citizens, businesses and stakeholders what our priorities are and where our resources are directed.
- Explain the governance and accountability mechanisms to ensure the delivery of the plan and to enable citizens to hold us to account.

## Key activity

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- Develop an agreed methodology and scope for re-prioritising the commitments in the current Council Plan to 2023.
- Develop a core of 20-30 outcomes, each with a range of priorities, indicators and clear accountability for delivery.
- Develop a refreshed Council Plan that includes:
  - The vision and operating context of the council.
  - Current Council Plan pledges (revised).
  - All statutory responsibilities (organised around key outcomes).
  - New areas of responsibility and action resulting from Covid19 (organised around outcomes).
  - Details of the transformation activities to put the Council onto a sustainable footing.
  - Details of the governance and accountability framework.
  - A statement about our current financial position and how it impacts the above.

## Key Deliverables

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- A refreshed 2019-23 Council Plan.
- A new Policy Framework for the City Council.

## Key Risks

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- The revised Council Plan and new Policy Framework failing to sufficiently take account of both the needs of citizens and

businesses in Nottingham, and the views of the Improvement and Assurance Board.

- Concerns raised in the context of any departure from the existing policy framework.
- The new Performance Management Framework being insufficiently developed (See Theme Six), resulting in a lack of

ability to demonstrate progress against a revised policy framework.

- The ongoing impact of Covid-19 and other changes and impacts deriving from the national policy context.

## Actions

Work-Stream	Actions/Milestones	Timescale
Review and refine existing policy framework and Council Plan	Develop an agreed methodology and approach with political leadership for refreshing the Council Plan in the context of a revised funding envelope, the Recovery and Improvement Plan and the unprecedented challenges of Covid-19 to 2023.	Jan-2021
	MHCLG Improvement and Assurance Board comment on proposals.	Feb-2021
	Seek input and best practice from the LGA and other Core Cities to ensure that our plans take account of learning from elsewhere.	Feb-2021
	Based on agreed list of statutory departmental indicators and the retained Council Plan 19-23 priorities - Set out 20-30 outcomes, as part of an Outcome Based Accountability approach, each with a range of performance indicators, priorities, and outputs, with clear accountability for delivery.	Mar-2021
	Using the outcomes developed as a basis, map a proportionate and indicative set of measures from NCC's statutory duties as further priorities, indicators and performance measures to provide a clear high-level view of the Council's performance against statutory requirements.	Mar-2021
	Use the new MTFP to set the resource envelope for the Council Plan and thereby check the deliverability of the proposed outcomes.	Mar-2021
	Bring the agreed outcomes, priorities, statutory indicators and performance measures together so that a whole organisation approach is firmly developed in the first draft of the refreshed Council Plan.	Mar-2021
	A public consultation on the draft plan could be conducted to allow Nottingham's people, businesses and other key stakeholders to set out their view on what NCC should prioritise.	Mar/Apr 21

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Work-Stream	Actions/Milestones	Timescale
	The new recovery Council Plan is formally adopted at Full Council and the Performance Management Framework is embedded in the practice of officers and Portfolio Holders so that the golden thread flows through the CEX's objectives, the refreshed Council Plan, and through departmental and service plans into individual objectives.	Q2 2021/22

### Accountability

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Lead Councillors	Deputy Leader in partnership with whole Executive.
Lead Officer	Chief Executive.

## Glossary of terms

- ACOS - Appointments and Conditions of Service
- ALMO – Arm’s Length Management Organisation
- BBS – Balanced Business Scorecard
- CEX – Chief Executive
- CGESC – Companies Governance Executive Sub-Committee
- CfGS – Centre for Governace and Scrutiny
- CIPFA – Chartered Institute of Public Finance and Accountancy
- CLT – Corporate Leadership Team
- CR – Compulsory Redundancy
- C Tax – Council Tax
- DH – District Heating
- DLT – Departmental Leadership Team
- EDI – Equality, Diversity and Inclusion
- EE – Enviroenergy
- EIA – Equalities Impact Assessment
- FRI – Full Repair and Insuring Lease
- GDPR – General Data Protection Regulation
- HIA – Health Impact Assessment
- HOS – Heads of Service
- HR – Human Resources
- IT – Information Technology
- IPR – Individual Performance Framework
- ITP – Integrated Transformation Programme
- LCF – Leadership Capability Framework
- LEP – Local Economic Partnership
- LGA – Local Government Association
- LTA – Lawn Tennis Association
- MHCLG – Ministry for Housing, Communities and Local Government.
- MTFP – Medium Term Financial Plan (see also MTFS below)
- MTFS – Medium Term Financial Strategy
- NCC – Nottingham City Council
- NCH – Nottingham City Homes
- NHS – National Health Service
- NRB – Nottingham Revenue & Benefits
- NSR – Non-Statutory Review of Nottingham City Council, led by Max Caller CBE, on behalf of MHCLG.
- PAG – Project Assurance Group

- PID – Project Initiation Document
- PIR – Public Interest Report on Robin Hood Energy (see RHE)
- PMF – Performance Management Framework
- PMO – Programme Management Office – a support function to the Officers accountable for delivering elements of the plan
- PoS – Point of Sale
- PW – Private Wire
- Q1, Q2, Q3, Q4 – Quarter 1 (April to June), Quarter 2 (July to September), Quarter 3 (October to December, Quarter 4 (January to March).
- R&IP – Recovery & Improvement Plan
- RAG – Red, Amber, Green performance management ratings
- RHE – Robin Hood Energy
- RSG – Revenue Support Grant
- SE – Shareholder Executive
- SLMG – Senior Leadership Management Group
- TBC – To Be Confirmed
- TOR – Terms of Reference for a Committee or Board.
- TUPE - Transfer of Undertakings (Protection of Employment)
- VfM – Value for Money
- VR - Voluntary Redundancy

## Index of High Level Deliverables

MHCLG Theme	PRODUCT/OUTCOME	TIMESCALE	Plan Theme / Section	Location
Assurance	<b>Improvement Board established</b> The Board will be in place to challenge, support and improve performance, with the first meeting in January, to agree a commentary on the Council's recovery plan when it is submitted to the Secretary of State, and a forward plan of work to support quarterly evidenced based progress reports.	December 2020		6
Assurance	<b>A three-year recovery plan submitted to the Secretary of State</b> With actions, milestones and accountabilities to restore the financial viability of the Council's capital programme and revenue budget.	January 2021		
Finance	<b>A robust three-year medium-term financial plan</b> With actions to end the reliance on annual budget setting and a plan to restore financial resilience, including through long term cost reduction and building reserves (targets should be included for capital receipts).	January 2021	MTFS	17
Finance	<b>A robust draft budget for 2021/22</b> With a clearly identified funding gap/ask and evidence of significant measures already included to close that gap, including asset disposals.	February 2021	MTFS	17
Finance	<b>A detailed savings plan</b> Including a schedule of who is responsible for each identified saving, an implementation plan, and a description of the process the council will put in place for generating further savings (star chamber model).	January 2021	MTFS	17
Finance	<b>Updated Council Plan</b> To update the council's policy framework and revise its operating model to show clearly that the council can meet its statutory	June 2021	Council Plan	50

	requirements; and that delivery plans have regard to its medium-term financial strategy.			
<b>Finance</b>	<p><b>A detailed asset disposal strategy</b> Including a review of capital assets and a disposal plan. This will include a detailed plan to deliver a very significant increase in capital receipts, for both General Fund and Housing purposes, to fund existing schemes and to fund or co-fund a capitalisation Direction. It will also detail assets or commercial ventures which should be exited, owing to a lack of expertise or rationale for remaining involved. In both cases, the plans will need a clear timetable.</p>	April 2021	Asset Disposal	22
<b>Finance</b>	<p><b>Debt Management Strategy</b> This should reflect an annual step down in external borrowing and include a commitment to quarterly returns on asset disposals.</p>		Capital Programme & Debt Management	30
<b>Governance</b>	<p><b>Council adopts an updated constitution</b> To clearly define roles and responsibilities of members and officers, the framework within which they operate, decision-making processes, performance management and procedures within the Council.</p>	June 2021	Constitution	35
	Reducing or eliminating overlap in Cabinet portfolios, with one Member with specific responsibility for performance and citizen experience.	June 2021	Constitution	36
	Identifying specific skill requirements, training and development needs, as well as potential conflict of interest issues, for Councillors appointed to statutory Committees including Planning, Licensing, Appeals and Audit and Scrutiny, and also to Company Boards, including appointments to Non-Executive Company Chair roles.	June 2021	Constitution	36
	A revised Member Officer protocol clarifying roles and responsibilities as between members and officers.	June 2021	Constitution	36

	A simplified officer structure incorporating a new senior leadership structure with sufficient seniority for strategic financial management (the S151 officer and the Monitoring Officer to report directly to the CE). This structure must ensure that Statutory Officers have effective control and/or oversight of the professional functions that provide advice to the Council. The Chief Executive to ensure sufficient permanent and interim management capacity in place to drive recovery plan at pace	June 2021	Organisation	39
	Implementing the procedure outlined in the Joint Negotiating Committee for Chief Executives, publishing the targets and performance measures agreed and cascading these into the direct reports and to the bottom of the officer structure, with appropriate mechanisms for the Chief Executive to hold officers to account	June 2021	Organisation	39
	Identify and initiate workforce development and cultural change programme for senior officers	June 2021	Organisation	40
	Adopting a standard model of delivery or using the benefits of corporate purchasing.	June 2021	Delivery Options	45
	Clarity on the role of the Audit Committee and adopting relevant Redmond recommendations	June 2021	Constitution	36
	Reforming the working practices of the Overview and Scrutiny Committee so it aligns with best practice, including the Vice Chair to be held by an opposition member.	June 2021	Constitution	36
<b>Commercial</b>	<b>Assessment of the Council's group of companies</b> Include an assessment of which would be unlawful to bring back in-house, and a VfM assessment of current company ownership arrangements vs managed exits, with the aim of reducing risk, cost and avoiding unnecessary duplication. The conclusions should be integrated within the medium-term financial planning.	January 2021	Companies	26

<b>Commercial</b>	<b>Decisions on each company</b> Decisions on the future status of each company within the Council's group of companies, including careful sequencing and prioritisation of these decisions.	Outline Jan 2021, final plan June 2021	Companies	26
<b>Commercial</b>	<b>Decisions relating to Enviroenergy</b> Council to urgently review and determine the future of their district heating scheme, linked to the incinerator investment. Further to this, the Council must develop and implement an investment plan to ensure that residents have heating now and in the future in line with government commitments on climate change and carbon emissions.	June 2021	Companies  Capital Programme & Debt Management	26 27 30
<b>Commercial</b>	<b>Policy statement on roles and responsibilities of nominated non-executive directors and shareholder representatives</b> This statement will also be reflected in the updated constitution. It should establish a common core element for the shareholder agreement together with the company specific elements and effectively impose it onto the companies they retain. It should also commit the Council to increasing its' capacity and capability for managing their commercial operation.	June 2021	Companies	27
<b>Commercial</b>	<b>Council to develop new officer shareholder executive function to support and challenge the Companies Governance Executive Sub-Committee</b> The officer group's functions should include: reviewing financial and operational performance; acting as the loan committee for the council; identifying ways to drive down costs and increase dividends or reduce losses held on balance sheets.	January 2022	Companies	27