

REPORT OF THE IMPROVEMENT AND ASSURANCE BOARD

Nottingham City Council's Improvement and Recovery Plan 2021 -24

Introduction

The Improvement and Assurance Board has been appointed by the Secretary of State for Housing, Communities and Local government to fulfil the following roles:

To provide external advice, challenge and expertise to Nottingham City Council in driving forward the development and delivery of their three-year Recovery Plan.

To provide assurance to the Secretary of State on Nottingham City Council's progress in delivering this Plan.

This will involve:

Providing regular advice, challenge and support to the council on the full range of their improvement activities, and in particular on delivery of the recommendations in Max Caller's non-statutory review, and of the three year recovery plan to restore the financial viability of the council's capital programme and revenue budget.

Providing written commentaries on the Council's progress to the Secretary of State each quarter, including recommending the use of Best Value powers (such as the appointment of Commissioners) if the Council fails to demonstrate progress. These commentaries will be published.

The Improvement and Recovery Plan 2021 – 2024

The Authority's Recovery and Improvement Plan for 2021 -24 has been approved by the City Council and the Improvement and Assurance Board has considered its purpose, direction and contents in seeking to address the previously identified significant failings in governance, finance and commercial operations.

The Strategic Council Plan has taken account, in large part, the findings identified by Max Caller's team and the approach to recovery advocates a series of fundamental changes to the council's strategic planning, its constitution, financial resilience and the culture of the organisation.

The Plan provides a detailed exposition of how the local authority is developing and implementing its recovery:

A new Strategic Plan

A revised Constitution and a new governance framework

A balanced budget approach over a three year period (MTFS)

Review of commercialisation and scrutiny of all company interests

Consideration of Council debt levels and reserves

Undertaking an asset disposal exercise as appropriate

Skills training for members and officers

Continuing to create a new culture for the organisation

Emphasis on service delivery and the prioritisation of key services

The Council's commitment to fundamental change is illustrated, in part, in the tone and content of the plan. There is an acknowledgement of the significant shortcomings and failures by the council identified in the Caller report and a desire to rectify these very serious weaknesses in structure, finance and in some parts of service delivery. The scale of the challenge must be addressed including, in particular, the delivery of the Plan.

Implementation of the Plan

Whilst the Board sees this Plan as a positive step forward in effecting the Authority's recovery over the next three years it wishes to draw attention to the following as key to the successful implementation of the Plan.

1. The Strategic Plan, itself, should be clearly stated as one of the deliverables as the highest priority.
2. "Transformation" is key to the success of the plan and this must be given specific emphasis in the delivery of the Improvement Plan.
3. Arrangements should be put in place to accommodate the management of the transition from current ways of working to the new approach bearing in mind the City Council will continue to operate in a difficult environment whilst delivering essential services to its residents. Capacity to achieve this outcome represents a major challenge across the whole organisation.
4. The improvement Plan acknowledges the need for a culture change programme but to effect such a fundamental shift in approach will require a strengthened corporate capacity in order to dissect the delivery of an organisational development strategy, management of behaviours alongside visible leadership at officer and member level.

5. The training and development of the workforce, incorporating cultural change, is an urgent requirement if the council is to embrace new ways of working.
6. The review of governance to include the delineation of the respective roles and responsibilities of the officer and member teams, and clarity of decision making and accountability must be in place at the outset including a programme of coaching to support practical implementation of change.
7. Prudent and consistent financial administration and control is critical to the success of the Plan including prudent policies relating to reserves and debt ratios with a strong budget discipline in terms of both capital and revenue. The evaluation and management of financial risk is a critical consideration in examining the realism of each financial proposal.
8. There is a need to align the MTFs with the Strategic Plan production process.
9. The savings exercises, yet to be evaluated, implicit in the balanced budget approach over a three year period must be practicable, deliverable and achievable in the set time scales. The savings plan should also incorporate the review of the organisational structure, given the proportion of the budget relating to staff, and training may be required in the achievement of planned savings.
10. Whilst asset disposals are to assist in the funding of the capital programme, market considerations should be taken in account regarding the timing of such sales.
11. The plan for reconfiguring the mixed economy in the provision of services should be further developed as soon as is possible including a review of the commissioning strategy and the arrangements for outsourcing.

12. A considerable amount of attention is devoted to tackling the current concern about the commercialisation programme of the Council but this should be underpinned by an extensive training familiarisation exercise for all key personnel if knowledge and expertise is not to be lacking as the council addresses the current portfolio of companies.

13. Reviewing and delivering change, in the Council's interests in the companies will be a substantial piece of work. Nottingham City Council needs to ensure adequate capacity, know-how and process is in place to make good strategic decisions. Stricter prioritisation of activities may be required, focusing on companies that represent a material financial or service delivery risk. This is in addition to taking steps to reducing duplication and increasing simplification.

14. There is evidence in the plan of a performance monitoring regime at both member and officer level but this must be supplemented by a clear articulation of how the council would address failure and underperformance to ensure the plan remains robust. Strong and effective political leadership is key. The respective responsibilities and accountability of members and officers must be prominent here.

15. The plan illustrates the virtue of citizen and community engagements in the progress towards a new configuration of service provision but more information on how this will be achieved would demonstrate the transparency and accountability of the Authority.

16. There must be much greater concentration on key essential services in planning and service delivery including Adult Care and Children's Services.

Conclusion

These observations are not presented in any way to undermine the progress that the council has made in seeking to produce a radical and fundamental reform in the structure, organisation, resourcing and delivery of change.

However, they point to the substantial challenges ahead if Nottingham City Council is to achieve success in fulfilling the plan's objectives over the next three years whilst securing and maintaining financial resilience throughout that period and beyond. The detailed specifics of plans and budgets have yet to be determined and these will be scrutinised by the Board to test whether they are achievable and meet the underlying requirements of the quality of service delivery consistent with managed risk and sound governance. Political and managerial strong leadership underpins the achievement of an effective and successful delivery of the plan.