

My Ref: MB / DM

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Nottingham

City Council

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2 January 2024

Dear Max

PROPOSED INTERVENTION – NOTTINGHAM CITY COUNCIL

Thank you for your letter of 13 December 2023 confirming that the Secretary of State is minded to intervene in Nottingham City Council, and outlining the terms of the proposed intervention package including the appointment of Commissioners. Your letter also invited the Council to make representations prior to a final decision being made and these representations are set out below.

We note that it is proposed to appoint a Lead Commissioner, with two other Commissioners leading on Finance and Transformation respectively, to build on and increase the pace of the Council's improvement to date.

Following the failure of Robin Hood Energy the Council has undertaken a significant amount of work to improve its management arrangements in relation to Council owned companies whilst the Improvement and Assurance Board (IAB) has been with us. This includes last year bringing back in house Nottingham City Homes and Nottingham Revenues and Benefits. Companies were an initial area of focus for the Improvement and Assurance Board with a dedicated external IAB member allocated to this area of the council's operations and we note that the proposed revised intervention arrangements does not contain a specific lead person for companies which would appear to be an acknowledgement of the progress we have made in this regard.



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The Council has also demonstrated effective risk management in providing appropriate support for the re-opening of Nottingham Castle on a more solid footing, following the failure of the independent Trust that had previously operated it, together with supporting the recently concluded financial restructuring of Nottingham Tramlink following the challenges they faced during the Covid 19 pandemic.

Additional progress made in the last year has included driving forward the devolution arrangements for the East Midlands County Combined Authority, together with our partners, which will see an election held for a new directly elected Mayor on 2 May 2024. In addition, the work of our Public Health team has been acknowledged nationally.

Notwithstanding the progress we have made in a number of areas, it is acknowledged that greater pace is required across the breadth of our demand-led services in relation to adult social care and children's services. With regard to the latter, it will be important that this continues, reflecting our improvement work supported by the Department for Education and the evident progress being noted by Ofsted in their recent monitoring visits.

Significant measures are being taken in relation to financial sustainability and the Council is taking robust action both in terms of managing the in-year position as well as the 2024/25 budget and Medium-Term Financial Plan beyond that. Spending controls introduced as part of the Section 114 (3) report were agreed by Full Council to continue to 31 March 2025, and the council is currently consulting on £35 million of proposed cuts, including a proposed reduction of over 500 posts. Therefore, the current request for Exceptional Financial Support to allow the Council to use its capital resources for revenue purposes in the short term should be seen in that context.

Our resolve to continue to drive improvement remains undiminished. We have valued the support and challenge of the Improvement and Assurance Board over the time we have spent working together. Given the depth of knowledge and working relationships built up between the Council and the Improvement and Assurance Board members, we believe that the continued retention of that structure with enhanced powers could successfully support the Council's recovery, and we have previously indicated a preference for that arrangement rather than the appointment of Commissioners.

However, we acknowledge that a decision on the appointment of Commissioners is one for the Secretary of State to make. We would ask that if a decision to appoint Commissioners is to be made that it is done so expeditiously and that a period of transition with the existing Improvement and Assurance Board is incorporated, so that the change to increased intervention can be managed as seamlessly as possible.

We look forward to hearing from you.

Yours sincerely

A handwritten signature in black ink, appearing to be 'MB', enclosed within a light grey rectangular box.

Melbourne Barrett
Chief Executive
Nottingham City Council

A handwritten signature in black ink, appearing to be 'D. Mellen', enclosed within a light grey rectangular box.

Cllr David Mellen
Leader of the Council
Nottingham City Council