Appointment of Commissioners to Nottingham City Council – FAQs

In a letter to the Chief Executive dated 22 February 2024, the Government has advised that the Secretary of State will appoint Commissioners to Nottingham City Council. This follows the initial "minded to" letter of December 2023. Statutory Intervention through Commissioners is a very significant step to take and therefore this guide on Frequently Asked Questions (FAQs) has been produced to explain what this could mean. Over time we will receive more information from government, and from the Commissioners. We intend to update these FAQs when new information becomes available.

If you have any questions that are not answered here, please submit your question to lnternal.comms@nottinghamcity.gov.uk. We will then arrange to have your question answered in an updated version of these FAQs that can be shared with all colleagues.

What does this mean?

Ministers have written to Nottingham City Council to say that they have put Directions in place to appoint Commissioners until 22 February 2026. The appointment of Commissioners for Nottingham City Council means that certain council powers and responsibilities will be handed to the Commissioners for two years. It is intended that most decisions should still be made by the authority but with the oversight of the Commissioners. If by the end of two years, Government is not happy with progress, this period may be extended.

What are Commissioners and what powers would they have?

Commissioners are private individuals with relevant experience personally appointed by the Secretary of State to exercise powers on the Secretary of State's behalf.

The proposed functions to be exercised by the Commissioners are broad and wide ranging, but can broadly be summarised as functions relating to:

- Governance, scrutiny and decision-making
- Financial governance, scrutiny, and financial management
- The Council's operating model and redesign of services
- Performance management of senior officers
- The appointment and dismissal of statutory officers
- Defining the structure of senior officers within the Council and all functions relating to recruitment of these posts

The full list can be found in the letter which is published here: <u>Nottingham City Council Letter to the</u> Chief Executive

There are also actions that, through Secretary of State direction, the council is required to undertake, including to agree and appraise the council's Improvement Plan (Together for Nottingham) to the satisfaction of the Commissioners within the first three months, secure continuous improvement in all services, and to undertake such other measures as the Commissioners require. The Commissioners will need to report to the Secretary of State on progress made at six monthly intervals.

The Commissioners' preferences around the detailed working arrangements and protocols between Senior Officers, Councillors and Commissioners will need to be understood - some work has already taken place to prepare for this process. In the event that the council is not able to progress our improvement programme, then the Commissioners would have the power to take decisions over it.

Who has been appointed as Commissioners?

- Lead Commissioner Tony McArdle
- Commissioner Margaret Lee
- Transformation Commissioner TBC

Why is this happening?

The Government-appointed IAB has repeatedly raised concerns about the pace of change within the council, and the reported overspends that led to the issuing of a Section 114 notice in late 2023 give further concern about the council's finances. The letter also points to the need to maintain momentum around the budget setting period for 2024/25.

What is Nottingham City Council's response?

Nottingham City Council is proposing an extensive budget package that will have a significant impact over the coming weeks and months, but remains committed to making sure that its services are effective, high quality and represent good value for money. We have consulted on a series of budget proposals designed to ensure the deliverability of our plans and the sustainability of our finances and are refreshing the Strategic Council Plan and Medium-Term Financial Plan to that effect.

What happens next?

Commissioners have now been appointed with effect from 22 February 2024 and replace the Improvement and Assurance Board, chaired by Sir Tony Redmond and the September 2022 Directions.

The Council will now look to understand the detail of what the Commissioners will require of us and how they want to work with the Council. As more information becomes available it will be shared with colleagues.

What does this mean for the services that Nottingham City Council provides to residents?

Commissioners will work with Nottingham City Council on its improvement journey and will seek to ensure that the council complies with its Best Value duty across all of our services. The services residents rely on will be impacted by the budget measures proposed by the Council following the Section 114 notice, Commissioners have the power to propose amendments to budgets.

I work for Nottingham City Council. Will jobs be impacted or lost?

The proposed budget savings for the 2024/25 financial year include a reduction in staffing within the Council, and some very significant changes to the work that we do. It is important to note that all of our work, whether delivering statutory services or other key priorities of the Council, may be affected by the Commissioners. We have an obligation to ensure that all of our services provide Best Value and are deliverable within our budget. Through our recovery and improvement work and transformation programmes we have been seeking to improve outcomes within a deliverable budget and the budget proposals made for the coming financial year are the next step in that process.

Colleagues should familiarise themselves with the Service Plans and Divisional Plans submitted for their service which sets out how their services will be delivered within the council's agreed budget. In addition to the proposed budgetary measures, the improvements desired by Commissioners may lead to a change in the Council or to your role. However, Commissioners typically work with Councils to deliver these improvements. The powers that the commissioners will adopt include the following:

• the appointment and dismissal of persons to positions, the holders of which are to be designated as statutory officers, and the designation of those persons as statutory officers under section 112 of the Local Government Act 1972.

The Council's governance framework defines the authority's statutory officers and includes:

- Head of Paid Service & Electoral Registration Officer and Returning Officer the Chief Executive
- Section 151 officer Corporate Director Finance and Resources
- Monitoring Officer Director of Legal and Governance
- Director of Children's Services & Director of Adult Social Services Corporate Director for People
- Director of Public Health Director of Public Health

It is a statutory requirement for the Council to fill all of the above positions. Of these roles, we anticipate that Commissioners will have most of their day-to-day involvement with the Head of Paid Service, the s.151 Officer, the Monitoring Officer and the Director of Children's Services / Director of Adult Social Services.

What does this mean for the democratic process?

Through the powers granted to them, Commissioners will have ultimate decision making authority over functions set out in the formal Directions from the Secretary of State. The Secretary of State's intention is that the powers he is providing to the Commissioners be used to ensure that the Authority takes the necessary steps to achieve the best possible outcome for Nottingham residents and the public purse. The letter to the Council states that Commissioners should not hesitate to exercise their functions if they determine it to be necessary to do so. The exercise of these functions should enable the Commissioners to make sure that the Authority has made sufficient improvement within the next two years to be able to comply with its best value duty on a sustainable basis. Commissioners usually seek to work with officers and members at the authority in order to tackle the failings that have led to the intervention. The letter states that most decisions should continue to be made by the Council, but with the oversight of the Commissioners.

What does this mean for the everyday business of the Council?

In other local authorities that have had Commissioners appointed, they have been located within the Council. It is possible that the Commissioners may have a DLUHC-appointed Chief of Staff to support them. The Council must provide the Commissioners with reasonable amenities, services and administrative support.

I work for Nottingham City Council. What does this mean for the way I do my job?

Certain powers of the Council will be transferred to the Commissioners. This may impact on any decision-making relating to these powers and may lead to changes in the reporting 'chain' – i.e., some decisions may be made by the Commissioners. If you have any concerns or are unsure about what to do, please speak to your line manager. We will work with the Commissioners to understand the immediate impact on our ways of working. More information will follow once it is available.

What will be expected of the Council by the Commissioners?

The Council will be expected to provide all resources and support required by the Commissioners to carry out their role. This includes:

- Any actions that the Commissioners may reasonably require to avoid poor governance, poor financial governance or financial mismanagement
- Allowing full access to premises, documents or employees
- Paying the fees and expenses of the Commissioners as set out in their appointment letters.
- Providing administrative support as required.

We will engage an early dialogue to establish how the Commissioners will undertake their role and conduct their relationship with the Council. This dialogue may require the authority to amend its constitution in some cases. It might cover:

- The Council's vision and outcomes clarity on the outcomes to be achieved and criteria for judging success
- Ways of working including protocols for how the Commissioners will work with members and officers, their expectations, Commissioner Portfolios etc
- Decision-making and Transparency how Commissioners will make decisions
- Governance

How much will the Commissioners be paid and is this budgeted for?

The Government says that in recognition of the nature and scale of the intervention, he has determined fees of £1,200 per day for the Lead Commissioner, £1,100 per day for the Commissioners, and up to a total of 150 days annually for each individual. The Council has been responsible for the costs of the existing intervention via the Improvement and Assurance Board. Existing budgets will be repurposed towards the Commissioners wherever possible.

I or colleagues around me are finding this distressing. What should I do?

If you feel distressed, please speak to your Line Manager and/or consider using <u>PAM Assist</u>, the employee assistance programme which is a free confidential support service.

What should I do if I am asked about this?

It is possible that external stakeholders may ask you for your views about the appointment of Commissioners. Staff are advised to pass any media queries to the Communications Team for their attention.