

**MINUTES** of the meeting of the **RESOURCES AND PERFORMANCE SELECT COMMITTEE** held at 10.00 am on 12 March 2024 at Council Chamber, Woodhatch Place, Reigate, Surrey, RH2 8EF.

These minutes are subject to confirmation by the Committee at its meeting on Wednesday, 15 May 2024.

**Elected Members:**

\*Nick Darby  
Will Forster  
\*Tim Hall  
\*David Harmer  
\*Edward Hawkins  
\*Robert Hughes (Chairman)  
\*Robert King  
\*Steven McCormick (Vice-Chairman)  
\*John O'Reilly  
Becky Rush  
rLance Spencer  
\*Lesley Steeds (Vice-Chairman)  
\*Hazel Watson

\*present at the meeting  
r=remote attendance

**1/24 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS [Item 1]**

Apologies were received from Will Forster. Lance Spencer attended remotely.

**2/24 MINUTES OF THE PREVIOUS MEETINGS: 8 DECEMBER 2023 [Item 2]**

The minutes of the Resources and Performance Select Committee held on 8 December 2023 were formally agreed as a true and accurate record of the meeting.

**3/24 DECLARATIONS OF INTEREST [Item 3]**

Hazel Watson declared a non-pecuniary interest as a governor of Ashcombe School, a Multi-Academy Trust.

Tim Hall declared he was the resources chairman for one of the Council's maintained primary schools, and a governor for another maintained school.

#### **4/24 QUESTIONS AND PETITIONS [Item 4]**

No questions or petitions received.

#### **5/24 REMOVAL OF PAYROLL SERVICE FROM MATS AND ACADEMIES [Item 5]**

##### **Witnesses:**

David Lewis, Cabinet Member for Finance and Resources

Anna D'Alessandro, Director of Finance Corporate and Commercial (Interim s151)

Tom Holmwood, Head of HR Operations

##### **Key points raised during the discussion:**

1. A Member asked what background information and analysis the Cabinet decision to stop providing the payroll service to Multi-Academy Trusts (MATs) and academies was based on. The Cabinet Member for Finance and Resources explained that the Council was in the process of transitioning from SAP to Unit4 and there was awareness of the challenges. The Enterprise Resource Planning (ERP) systems were based on a set of standard processes which were rolled out to all users including MATs. A gradual move away from the payroll service by the MATs had already started over the previous 18 months. MATs were independent businesses that had no obligation to use the Council's payroll service. An Accent survey, carried out in 2022 to understand MATs' views of SCC's payroll service, contributed to the decision. Three different options were prepared to determine how the Council would proceed; continue to deliver a payroll service with investment; continue the payroll service only for maintained schools; deliver corporate service only. It was decided to continue the payroll service only for maintained schools and MATs were given more than the statutory notice of termination of the service. The Cabinet Member believed that transition of MATs from the Council's payroll service to independent services went well, and the necessary support was provided.
2. The Director of Finance Corporate and Commercial (Interim s151) reiterated that the transition went smoothly. The 2022 survey portrayed a deterioration in the payroll service provided to MATs and set off a chain of events. By the time the Cabinet report was delivered, there was already a significant reduction in the income from MATs and Academies and the assumption was that this would continue. Financial implications were mapped

against a set of strategic criteria such as reputational impact and customer service.

3. The Member asked specifically what budget implications were considered. The Director of Finance Corporate and Commercial (Interim s151) explained that an options appraisal went to Cabinet, with around eight options reduced to three viable options. To continue providing the payroll service to MATs required a £600,000 investment of one-off project costs and ongoing costs to set up and maintain the MATs. To get the service fit for purpose, there was a request for another two full-time equivalent administrator posts, costing £80,000 on an ongoing basis. The budget was also in an overspend position. The income budgeted from the MATs was £1.2 million, on a declining trajectory. When the options were taken to Cabinet, the Council had already received notice of £400,000 loss of income, and an assumption of another £400,000 loss was made, forecasting an ongoing deficit at the end of 2024/25.
4. A Member asked why only 30% of Academies and MATs were satisfied with the service. The Director of Finance Corporate and Commercial (Interim s151) explained it was due to several reasons such as a lack of effective management and oversight; lack of good processes; lack of resource planning; and lack of effective use of technology, such as a macro being used that was not fit for purpose. The maintained schools followed the Council's terms and conditions and had the same pay dates, whereas the MATs had different pay dates, different terms and conditions and other requirements. These operational issues caused many problems.
5. The Cabinet Member for Finance and Resources noted the principle of whether local authorities should run a payroll service for MATs, that were independent organisations with separate requirements. There were other specialist payroll providers available in the market that could meet MATs requirements.
6. The Member asked if the operational issues highlighted should have been fixed long ago and suggested if it had been, income could have been generated. The Director of Finance Corporate and Commercial (Interim s151) agreed. By the time the issues were brought to her attention, the income was on a declining trajectory. The Council was not in the business of providing a payroll service. Maintaining MATs would have required a lot of change and investment to deliver a good service.

7. A Member asked if learning had been taken from other local authorities who dealt with the same situation and successfully kept MATs on the payroll service. The Director of Finance Corporate and Commercial (Interim s151) could not provide a definitive answer, but there was no known recent learning. The Council was now ensuring it looked at other organisations and how payroll was dealt with. It had become apparent that a lot of local authorities were withdrawing from providing a payroll service to MATs due to its complexity, and in consideration that it was not a usual service for local authorities to provide.
8. A Member asked for an elaboration on what market research was carried out in spring 2022 and if it could be shared with the Committee. The Director of Finance Corporate and Commercial (Interim s151) agreed to share the Accent report with the Committee.
9. A Member asked why there was there a time lag between when the market research was completed, in spring 2022, and when it was taken to Cabinet, in May 2023. The Director of Finance Corporate and Commercial (Interim s151) explained that after the market research, the resources team and Head of HR Operations wanted to improve the payroll service. Within six months of this, it was clear that the payroll service provided to MATs could not be improved. Another issue had occurred with statutory maternity pay which caused some anxiety with the schools. It also became clear that the confidence of a lot of the MATs was irrecoverable. There was also several months to complete a detailed options appraisal to go to Cabinet.
10. A Member asked if the decision to stop providing the payroll service to bureaus could had been taken sooner than May 2023. The Director of Finance Corporate and Commercial (Interim s151), explained that a quicker decision could had been made if the Accent Survey was commissioned sooner and six months had not been taken to try and improve the service. The statutory maternity pay issue also did not arise until December 2022. It would have been better to take the decision to Cabinet before the start of 2023.
11. A Member asked if any consultation with the MATs took place prior to the Cabinet decision. The Director of Finance Corporate and Commercial (Interim s151) confirmed there had been no consultation beforehand.
12. The Member asked if all the MATs were contacted. The Cabinet Member for Finance and Resource explained that 105 education

settings were interviewed as part of the accent survey but did not know what proportion this was.

13. The Director of Finance Corporate and Commercial (Interim s151), confirmed that the Council had stopped using the SAP system for payroll as of December 2023 and the transition to Unit4 was successful. A Member asked if the Council was currently providing payroll services to any external organisations and was informed that only maintained schools and corporate employees were currently supported by the Council's payroll service.
14. The Member requested insight into the level of payroll queries the Council was receiving, compared with 2023, and if there was a clear methodology for a customer to report an issue with the payroll service. The Head of HR Operations said the number of payroll queries had doubled since last year's but was now on a downward trajectory. The way the Council received payroll queries had been redesigned to ensure that all queries, from whichever direction, went through the helpdesk. This provided better statistics and allowed visibility of root cause of problems. The Cabinet Member for Finance and Resources noted the school clinics being run for schools, were ensuring a better level of engagement and support for schools. The Director of Finance Corporate and Commercial (Interim s151) added it was recognised that communication with schools could have been better. There was now a forum in place to communicate with schools since Unit4 went live. There were now subgroups from the Head of HR Operations' team that meet separately with headteachers to discuss any issues and resolutions.

**Actions:**

1. The Director of Finance Corporate and Commercial (Interim s151) to share the 2022 Accent report on payroll customer satisfaction.
2. Accent surveyed 105 education settings; The Director of Finance Corporate and Commercial (Interim s151) to provide what proportion of SCC's academy customers participated in the survey.
3. The Head of HR Operations to provide how many payroll queries the Council is receiving per month since Unit4 went live and how this compares with the same period last year.

**Resolved:**

The Resources & Performance Select Committee welcomes the improved communication with payroll customers and recommends that:

1. Customers of the payroll service continue to be promptly notified of any problems occurring and the resolutions.
2. Stakeholders affected by a Cabinet decision should, where appropriate, be consulted and consultation feedback supplied to Cabinet Members before the decision is made.
3. Cabinet decisions directly affecting stakeholders should be shared with them all (a) at the earliest opportunity and (b) at the same time as each other.

**6/24 EQUALITY, DIVERSITY AND INCLUSION UPDATE [Item 6]**

**Witnesses:**

Mark Nuti, Cabinet Member for Health and Wellbeing, and Public Health (EDI Lead Member)

Natalie Bramhall, Cabinet Member for Land and Property

Michael Smith, Chief of Staff to Chief Executive, and EDI Lead

Nikki Parkhill, Head of Equality, Diversity and Inclusion

Shella Smith, Director for People and Change

Sarah Richardson, Assistant Director - People Strategy & Organisational Development

Simon Crowther, Director for Land and Property

Glenn Woodhead, Assistant Director for Workplace & Facilities

Clare Burgess, Sight for Surrey Chief Executive

**Key points raised during the discussion:**

1. The Chairman asked how exactly they would work with partner organisations, residents, and the Council workforce to establish a framework for Equality, Diversity, and Inclusion (EDI). The Head of EDI explained that it was related to the 2030 vision of ensuring that no one was left behind. The EDI team was currently developing an evidence base to understand which residents, and who in the Council's workforce was being left behind and why. There was a good understanding of geographical communities and priority places, but a lack of understanding around areas such as identity, disability, gender, and sexual orientation. The evidence base would provide a starting point to understanding these areas. It was known that partner organisations, such as voluntary and statutory sector organisations, were interested in this piece of work, and the EDI team would be working with them to develop a

framework/strategy in how to work together to ensure there was that right support with the right timeliness. Things already in place would be identified in order to ensure that resources would be prioritised to the right place.

2. The Chairman asked what external organisations were represented in the accessibility forum. The Head of EDI explained this was an internal forum that brought together trade union representatives and representatives from the Council's staff network. The Head of EDI highlighted the Disability Partnership Group which had a range of stakeholders such as Sight for Surrey, the Coalition of Disabled People and Healthwatch.
3. In reference to the Committee's June 2023 recommendation on using the voluntary, community and faith sector to get people with disabilities work-ready, the Chairman noted it was not clear who was being worked with to fulfil this. The Head of EDI explained there was a list of organisations that were delivering work-readiness training, funded by the Council, which could be shared with the Committee. A Department of Work and Pensions' 2-year funded programme for community-based organisations provided employment support for those with health conditions and disabilities. Part of the EDI work would look at the opportunities available at the Council. There had been early conversations to try to identify work experience, supported internships and other paid roles across the organisation, where new approaches could be tried to give people the opportunity to see what it was like to work at the Council, and looking at the support alongside this with the skills development piece. The Cabinet Member for Health, Wellbeing and Public Health added that the Council had recently secured funding as one of 12 national sites under the individual placement supporting primary care model, which would help provide employment support to adults with long term disabilities to help them access and maintain work.
4. The Director of People and Change drew attention to the workplace adjustments that were in place to enable disabled colleagues to continue to work or take jobs within the Council. A focus had been on making the Council's recruitment practices as inclusive as possible, by reviewing it, such as how jobs were being advertised, where jobs were being advertised and what job adverts said. There would be inclusive leadership training provided to all managers at the Council later this year.

5. A Member referred to the LGA peer review's recommendation that the Council should celebrate successes and asked if a list of achievements of things delivered by the Council in the 2023/24 financial year could be shared. The Head of EDI explained that this would be available in the final report of the 2023/24 EDI action plan in May 2024. The Cabinet Member for Health, Wellbeing and Public Health noted the Sunnybank Trust in Epsom who did a lot of work for people with learning disabilities and helping getting people into employment.
6. The Chief Executive of Sight for Surrey explained that only 25% of working age adults with sight loss were in paid employment, and only 37% of working aged people who were deaf and used British sign language as a first language were in employment. A big barrier was the language used in job adverts, such as saying someone must be a driver for a role that did not necessarily require this. The Director of People and Change explained that some work had been done within the Council to improve on this, but it was challenging to do for all roles for an organisation of the Council's size. Council job adverts would be looked at across the board to improve on this further.
7. The Chairman asked the Chief Executive of Sight for Surrey what the issues were with getting people with disabilities work-ready, what training Sight for Surrey offered and if Sight for Surrey received any funding or other assistance from the Council for this. The Chief Executive explained that a pilot employment programme had been run in the past. A range of services was currently offered to help people in their recovery and to get people back into the community. There was success with a 2-year paid internship in collaboration with the Thomas Pocklington Trust, which was restricted to people who were blind, partially sighted, or deaf and blind. An employability service was not currently offered due to lack of funding, but it was in Sight for Surrey's strategy. No assistance was received from the Council for work-readiness and employment training.
8. A Member asked who was providing the training opportunities for under-represented groups in the green skills sector. The Head of EDI explained that the green skills were all related to sustainability and was important given the expected 8% growth in job opportunities for the next seven years. Currently, the providers delivering in this area were East Surrey College, Nescot College and MIT skills. A support package would be going live in April 2024, specifically designed to support underrepresented groups in the 'green skills' sector, such as



women, minority ethnic groups, disabled people and care leavers. There would be around £350,00 of investment in supporting people into work. The three areas of work that the providers would be doing were: making sure people were aware of the training available, through general promotion and targeted work; supporting people to successfully complete training; and supporting people making the step into work, such as with CV development and interview skills.

9. A Member referred to the budget for reasonable adjustments being oversubscribed and asked for assurance that employees would get what they needed. He asked where the funding for reasonable adjustments was coming from and how the funding was being remodelled. The Director for People and Change said there was a statutory responsibility for the Council to provide reasonable adjustments to disabled employees where needed. There was a centralised budget for this within the People and Change Directorate. Work was being done to ensure the budget was the right size, with extra money being taken from elsewhere within People and Change. A workplace adjustments sustainability group had been established, which included representatives from the IT service, Land and Property, Finance and People and Change, to ensure the budget would be correctly sized in future. The Member queried if the reasonable adjustments would stop if the budget was outstripped, or where the extra money would come from. The Director of People and Change clarified that reasonable adjustments would not stop due to statutory responsibilities and extra money would be taken from other areas within the People and Change budget.
10. The Member asked for the size of the budget provided for reasonable adjustments. The Assistant Director of People Strategy & Organisational Development explained that People and Change had budgeted £149,000. As of month 10, the total spend was £314,000.
11. The Chairman asked for confirmation that the Council was using all available Access to Work grants from the Department of Work and Pensions. The Director for People and Change confirmed that employees were encouraged to try to get funding through Access to Work, which the employees would have to apply for themselves. There were some issues with this service, such as waiting times. Often the Council's internal service could react more quickly to any needs an individual had.

12. A Member asked what was being done to move some staff away from a view, noted by the Local Government Association (LGA) Peer Challenge, that Equality Impact Assessments (EIAs) were a 'tick-box exercise'. The Chief of Staff explained the Council had strengthened EIAs through a new officer and the roll-out of an employee training programme that would talk about the importance of the EIA process and look to drive accountability and responsibility at the right parts of the organisation. There were now EIA champions trained in the EIA process in every department and service area. Constant learning from the EIA process was now a focus. The Council was entering into the budget planning cycle for 2025/26 and a key part of this was the EIA assessments for all medium-term financial strategies, change programmes and the transformation occurring, to aid decision-making. Plans had already been implemented, but training was being looked at to strengthen and raise accountability and responsibility. This would be attached to all the decisions and change by threading it through the budget process. The lessons and reflection of what happened would help inform how it would be moved forward in the future.
13. The Member asked if all forms of disability, including those invisible, were considered and treated with equal importance. The Head of EDI reassured the Committee that in the staff network there was a specific focus on neurodiversity, including things such as dyslexia and autism. There was a piece of work around the accessibility of reports and how the council was ensuring communication was accessible for staff, Members, and residents. The Accessibility Officer in the EDI team was helping the Council with accessibility, and there were colleagues working in digital accessibility and inclusion.
14. A Member asked if there were any problems anticipated with implementing the EDI Strategy once funding for the fixed term Accessibility Officer and Digital Accessibility Officers roles ended in 2025. The Chief of Staff explained there were currently no anticipated problems with this. The 2023/24 and 2024/25 action plans were being developed as part of the LGA Peer Review. The accessibility roles were critical to moving forward some of the work, both in the digital space and built assets. There was awareness of the financial envelope and challenges ahead, which was why the two officer roles were of a fixed term nature. The amount of work that was occurring and, in the pipeline, would be used to build the longer-term vision, the budget needs and requirements, as part of the budget-setting period. Resource was in place to deliver the EDI strategy and medium-term

ambitions and longer-term ambitions would be built on over the next year.

15. The Member asked what the timeline was for completing EDI's longer-term vision. The Chief of Staff explained it was a work in progress and would be a part of the EDI annual review, looking at what the 2025/26 process would look like. This would be available around summer 2024. The Cabinet Member for Health, Wellbeing and Public Health noted that once EDI's ethos was embedded within the Council's staff and culture, issues would eventually start to disappear.
16. The Chairman raised that the Committee recently had a tour of Woodhatch Place with Surrey Coalition of Disabled People, to demonstrate work that had been carried out according to the Committee's recommendation of June 2023. The Coalition representatives were impressed with the progress made and the further plans for more work.
17. A Member asked what the estimated cost was for the accessibility issues identified in Surrey Coalition's feedback from the corporate hub tours of autumn 2023, and if it could be confirmed if the 2024/25 capital corporate maintenance budget was sufficient to meet everything required to ensure all buildings were accessible. The Cabinet Member for Property, Waste and Infrastructure explained that it was difficult to ascertain the total cost of the items identified because the items were not costed as one project. The smaller items had been delivered through the facilities management's day-to-day works process. Attempts were made to address numerous items within existing projects, already scheduled to take place. There were other projects involving the complete re-development of areas where accessibility issues were dealt with within the design, such as the Dakota contact centre. There were active accessibility works such as the internal and external signage at Woodhatch. So far, £600,000 had been spent. There would be additional work at Dakota House and Victoria Gate. Further items were still being assessed for feasibility, and a solution was being developed before the items were considered for endorsement at the property panel, the main office client board, and the accessibility forum. There was confidence that the budget was sufficient to cover all reasonable items in the accessible lists.
18. The Member raised that there was no signage in the lifts at Woodhatch Place. The Assistant Director for Workplace & Facilities said he would look into this. The Chairman asked if there was a plan in place to resolve the sometimes-

unpredictable performance of the lifts at Woodhatch Place. The Assistant Director for Workplace & Facilities explained that it had not yet been acted upon, but there was software that would be implemented within the next few months which would allow facilities to pre-empt any issues with the lifts.

**Actions:**

1. The Head of Equality, Diversity, and Inclusion to share a list of achievements of the EDI team in the 2023/24 financial year.
2. The Head of Equality, Diversity, and Inclusion to provide a list detailing what organisations SCC is funding to help people with disabilities be work-ready.
3. In summer 2024, EDI Team to share the longer-term visions within the EDI Strategy.
4. EDI Team to provide a figure for how much money was spent on EDI in the 2023/24 financial year and a breakdown of how it was spent.
5. The Assistant Director for Workplace & Facilities to check the signage in the lifts at Woodhatch to ensure all accessibility signage links together.

**Resolved:**

The Resources & Performance Select Committee recommends that:

1. The recommendations of the LGA peer challenge and those of the three workplace reviews are incorporated into the 2024/25 Equality, Diversity and Inclusion Action Plan.
2. The Council's EDI and People & Change teams work with voluntary organisations representing people with lived experience of disability to help them prepare people with all forms of disabilities for employment, and report back to the Select Committee within 12 months the numbers engaged in work-ready training and outcomes.

*David Harmer left at 12.17pm*

**7/24 PERFORMANCE MONITORING SESSION NOTES 11 DECEMBER 2023 [Item 7]**

The Committee noted the performance monitoring notes.

**8/24 FORWARD WORK PROGRAMME AND RECOMMENDATION TRACKER [Item 8]**

The Select Committee noted the Forward Work Programme and Recommendation Tracker.

**9/24 DATE OF THE NEXT MEETING [Item 9]**

The Select Committee noted its next public meeting would be held on Wednesday, 15 May 2024.

Meeting ended at: 12.20 pm

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**Chairman**

