

# **Nottingham City Council**

## **East Midlands Shared Services Joint Committee**

**Minutes of the meeting held at Loxley House, Station Street, Nottingham on 18 March 2024 from 10.32 am - 11.23 am**

### **Nottingham City Council**

- ✓ Councillor Audra Wynter (Chair)
- ✓ Councillor Pavlos Kotsonis

### **Leicestershire County Council**

- ✓ Councillor Lee Breckon (Vice-Chair)
- ✓ Councillor Peter Bedford

### **Colleagues, partners and others in attendance:**

Simone Hines	- Assistant Director Finance, Strategic Property and Commissioning (LCC)
Shabana Kausar	- Director of Finance (NCC)
Lucy Littlefair	- Head of East Midlands Shared Services
Lee Mann	- Strategic Director of HR and EDI (NCC)
Simon Parsons	- Audit Manager (NCC)
Jill Turner	- Business Development Manager, East Midlands Shared Services
Phil Wye	- Governance Officer (NCC)

### **Call-in**

Unless stated otherwise, all decisions made by the East Midlands Shared Services Joint Committee are subject to call-in. The last date for call-in is 26 March 2024. Decisions cannot be implemented until the next working day following this date.

### **28 Apologies for Absence**

None.

### **29 Declarations of Interests**

None.

### **30 Minutes**

The Board confirmed the minutes of the meeting held on 11 December 2023 as a correct record and they were signed by the Chair.

### **31 East Midlands Shared Services Governance and Joint Committee Terms of Reference**

Lucy Littlefair, Head of East Midlands Shared Services (EMSS), presented the report seeking approval for the Terms of Reference and Rules for the EMSS Joint Committee, highlighting the following:

- (a) for some years the deadline to set annual capital, revenue and staffing budgets for EMSS no later than 1st December in each year has not been reached due to the Leicestershire County Council (LCC) budget setting timeline and the November meeting has invariably been moved to December. It is therefore proposed to move this deadline to the end of December;
- (b) it is proposed that an amendment is made to the frequency of the Joint Committee meetings on the basis that the Head of EMSS jointly meets with the Sponsors for EMSS monthly, meets the LCC Sponsor monthly, as they are responsible for day to day line management, and meets monthly Strategic Finance and HR colleagues, where performance is discussed at a detailed level;
- (c) the frequency of the Joint Committee means that Councillors are receiving updates on operational, rather than strategic matters. Three months is a short timeframe for most strategic updates. The reports, with the exception of the budget, are largely for noting, and the committee should be used for providing strategic direction and challenge to the shared service.

Committee Members agreed that moving to three meetings per year would be most beneficial, as long as they continue to receive quarterly performance reports. There would be the opportunity to call an extraordinary meeting if there was urgent business. Three meetings rather than two would allow members to input into the EMSS business plan in September.

**Resolved to**

- (1) approve changes to the Terms of Reference for the Joint Committee to amend paragraph (v) to “Set annual capital, revenue and staffing budgets for EMSS and no later than 31st December in each year submit these to the Member Authorities for approval as part of the business plan.”;**
- (2) approve changes to the Terms of Reference for the Joint Committee to amend the frequency of meeting to three meetings a year in June, September and December;**
- (3) approve the Rules for the Conduct of Meetings and Proceedings of the Joint Committee;**
- (4) agree to take the preferred changes to each Authority’s Leader for approval**

Reasons for decisions:

- To fulfil the Partnership Agreement requirement to review the governance arrangements and relevant terms of reference annually.
- To ensure that the Committee’s terms of reference are appropriate and allow for the effective and efficient governance of East Midlands Shared Services.

Other options considered:

- To continue with current governance arrangements. Reasons for dismissal this option are in the report.

## **32 East Midlands Shared Services Strategic and Performance Report, Quarter 3 2023-2024**

Lucy Littlefair, Head of EMSS, presented the report providing the Joint Committee with an update on the people, customer, operational and technology priorities and performance for EMSS, highlighting the following:

- (a) in 2022 the Joint Committee agreed the 3-year vision and strategic priorities for EMSS. Appendix A details progress against those priorities and includes updated information and focus for 2024. EMSS have made good progress and largely completed the actions that they are able to solely manage, but it is taking longer to deliver the priorities which require partnership working or are reliant on decisions that can only be taken by the partner councils. This is a reflection of the complexity of shared services, the fact that end to end processes cut across multiple services and differing priorities;
- (b) EMSS cannot operate in isolation and must ensure that it is aligned with the vision for the respective support services. For this reason, the Head of EMSS is on the LCC Sustainable Support Service Programme Board, is working closely with Nottingham City Council (NCC) HR colleagues to redefine the operating model and is expecting to be included in discussions with NCC finance colleagues about potential changes to their model. The Finance Service Centre manager is also involved in LCC's Financial Control Group and Operational Finance Improvement Project Board and NCC's P2P Mobilisation Group;
- (c) technological projects underway with Oracle are the implementation of Oracle Guided Learning and the Fusion Analytics Warehouse modules, and the implementation of seeded payroll functionality that was missing during go-live, related to absence, the Local Government Pension Scheme (LGPS) and the Teachers' Pension Scheme;
- (d) Oracle are also rolling out a new front end for self-service screens called Redwood, this means the look and feel of manager, employee and procurement pages will be different. This will be a significant project to ensure that not only will the system work as expected with the new format but that all guidance and training is updated to reflect the changes. Work is well underway in assessing the impact for partners and a timeline is being developed to ensure that all parties are ready well before the mandatory use of the new screens in early 2025;
- (e) the average number of days absence per FTE has continued to decrease again from 2.69 in Q2 to 2.22. The rates in the Employee Service Centre (ESC) have also fallen from 4.21 in Q2 to 3.54. It is hoped that with the continued extra support for ESC staff this will continue to fall;
- (f) the 2023 LCC Staff Survey indicated that staff were stating that their managers do not support flexible working practices, and they do not feel safe to speak up. Work has begun to investigate why staff are unhappy on these points. On the issue of flexible working formal and informal discussions with staff have confirmed it was

the change to working patterns in the ESC that caused the concern. To understand the concerns about feeling safe to speak up a new survey has been commissioned that seeks greater detail as to how these concerns have arisen;

- (g) customer satisfaction has risen 11% from Q2 to 83% this quarter. All the teams have seen an increase;
- (h) in December, the ESC successfully delivered the 2023-24 pay award for partners, including calculating the back pay owed for all maintained staff to ensure accuracy of payment to them by their new payroll providers.
- (i) the payroll accuracy performance for Q3 is 144 errors out of a total of 43,689 payments (a rate of 0.32%). The improvement in the payroll accuracy can be seen in the decrease of manual BACS payments made across the quarter compared to the same quarter last year. There has been a decrease of 35% or 57 payments.
- (j) Overall, the performance of the ESC has substantially improved since the decision to cease trading with the education sector as part of the ESC Transformation Plan, and focus service delivery on the two partner councils.

**Resolved to**

- (1) note the operational performance of EMSS for Quarter 3 2023-24;**
- (2) note the progress of the projects within the EMSS Business Plan.**

**33      East Midlands Shared Services Financial Update 2022/23 and Final Budget 2024/25-2026/27**

Lucy Littlefair, Head of EMMS, presented the report providing the Joint Committee with an update on the 2023-24 financial performance, final budget for 2024-25 and the proposed budget for EMSS for 2025-26 to 2027-28, highlighting the following:

The draft version of the Medium Term Financial Plan (MTFP) was presented to the Joint Committee at the December meeting. The final MTFP is the same except that it has been updated to reflect pay inflation. This means that the EMSS funding requirement for 2024-25 has increased from £3,000 to £96,000. This is based on assumptions that the pay award will be in line with that for 2023-24, although it is recognised that the Unions have made a claim for a higher increase.

**Resolved to**

- (1) note the financial forecast position for EMSS for 2023-24;**
- (2) approve the final EMSS budget for 2024-25;**
- (3) note the forecasted budget requirements and partnership requirements for 2025 onwards**

Reason for decisions:

- The requirement to provide budget forecast information to the Joint Committee is a key part of the financial management process.

Other options considered:

- The requirement to provide budget forecast information to the Joint Committee is a key part of the financial management process and therefore, no other options were relevant.

### **34 East Midlands Shared Services Internal Audit Plan 2024/25**

Simon Parsons, Audit Manager, NCC, presented the report updating the Joint Committee on Internal Audit work and seeks approval for the EMSS Audit Plan 2023–2024, highlighting the following:

- (a) during 2023, partners were made aware of the challenges experienced by the NCC Internal Audit Team, with NCC priorities and staffing shortages impacting on their ability to complete the featured audits within a reasonable time frame, with the final reporting for 2022-23 concluding in September 2023;
- (b) none of the audit reports for 2023-24 have yet been finalised. Work is expected to continue on these audits until at least the end of the first quarter of 2024-25, when hopefully a Head of Audit opinion can be issued;
- (c) due to uncertainty of resources and vacancies, it is not expected that a full audit plan will be completed for 2024-25. Work is expected to be limited to just follow-up audits in respect of those recommendations made as part of 2023-24 reviews.

Joint Committee member stated their disappointment that audits have not been completed for 2023-24 and stated that they were not willing to approve the 2024-25 audit plan until these had been completed.

#### **Resolved to**

- (1) note the progress and outcomes of the 2022-23 audits and opinion;**
- (2) note the progress of the 2023-24 audits;**
- (3) request that a further report be brought to the Joint Committee in June regarding the 2024-25 audits with an update on resources for and options available.**

Reason for decisions:

- A Robust Audit plan is a key pillar of the governance and assurance framework for EMSS.

Other options considered:

- To approve the 2024-25 audit plan. Rejected due to uncertainty of resources available.

### **35 Exclusion of the Public**

**Resolved to exclude the public from the meeting during consideration of the remaining item in accordance with Section 100A of the Local Government Act 1972, under Schedule 12A, Part 1, on the basis that, having regard to all the circumstances, the public interest in maintaining an exemption outweighs the public interest in disclosing the information.**

### **36 Exempt Minutes**

The Board confirmed the exempt minutes of the meeting held on 11 December 2023 as a correct record.