



## LEAD MEMBER FOR RESOURCES

**DECISIONS** to be made by the Lead Member for Resources,  
Councillor Nick Bennett

**TUESDAY, 30 MARCH 2021 AT 3.00 PM**

**COMMITTEE ROOM, COUNTY HALL, LEWES**

**++Please note, the Lead Member will not be present in person, but will be taking the decisions remotely++**

### **AGENDA**

- 1 Decisions made by the Lead Cabinet Member on 3 February 2021 (*Pages 3 - 4*)
- 2 Disclosure of Interests  
Disclosure by all Members present of personal interests in matters on the agenda, the nature of any interest and whether the Members regard the interest as prejudicial under the terms of the Code of Conduct
- 3 Urgent items  
Notification of any items which the Lead Member considers urgent and proposes to take at the appropriate part of the agenda.
- 4 Human Resources & Organisational Development (HR&OD) Shared Service Review  
(*Pages 5 - 8*)  
Report by the Chief Operating Officer
- 5 Any non-exempt urgent items previously notified under agenda item 3
- 6 Exclusion of public and press  
To consider excluding the public and press from the meeting for the remaining items of the agenda on the grounds that if the public and press were present there would be disclosure to them of exempt information as specified in Category 1 of Part 1 of Schedule 12A to the Local Government Act 1972 (as amended), namely information relating to any individual.
- 7 Write off of debts 2020/21 (*Pages 9 - 20*)  
Report by the Chief Operating Officer
- 8 Any other exempt items previously notified under agenda item 3

PHILIP BAKER  
Assistant Chief Executive  
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22 March 2021

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NOTE: As part of the County Council's drive to increase accessibility to its public meetings, this meeting will be broadcast live on its website and is accessible at:  
[www.eastsussex.gov.uk/yourcouncil/webcasts/default.htm](http://www.eastsussex.gov.uk/yourcouncil/webcasts/default.htm)

## LEAD MEMBER FOR RESOURCES

DECISIONS made by the Lead Member for Resources, Councillor Nick Bennett, on 3 February 2021 at County Hall, Lewes

++ The Lead Member was not present in person, but took the decisions remotely ++

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### 22 DECISIONS MADE BY THE LEAD CABINET MEMBER ON 26 JANUARY 2021

22.1 The Lead Member approved as a correct record the minutes of the meeting held on 26 January 2021.

### 23 REPORTS

23.1 Reports referred to in the minutes below are contained in the minute book.

### 24 SUMMERDOWN SCHOOL - 125 YEAR FREE SCHOOL LEASE TO THE SOUTHFIELD TRUST

24.1 The Lead Member considered a report by the Chief Operating Officer.

#### DECISIONS

24.2 The Lead Member RESOLVED to (1) authorise the Chief Operating Officer to agree and enter into a Department for Education standard 125-year Free School Lease for premises adjacent to Cross Levels Way, Eastbourne known as Summerdown School; and

(2) authorise Property Services to agree terms in line with the standard Department for Education 125-year Free School Lease at a peppercorn rent.

#### Reasons

24.3 Summerdown School will be constructed by the Education and Skills Funding Agency and will be operated as a Free School by The Southfield Trust. The newly created school will become a Free School, as outlined in the Education Act 2011 and section 6A Education and Inspection Act 2006. All new schools since February 2012 are to be opened as a Free School based on this legislation.

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**Report to:** Lead Member for Resources

**Date of meeting:** 30 March 2021

**By:** Chief Operating Officer

**Title:** Human Resources & Organisational Development (HR&OD) Shared Service Review

**Purpose:** To inform the Lead Member of the recent review of the East Sussex County Council Human Resources & Organisational Development Shared Service and seek his endorsement to the outcomes

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## RECOMMENDATIONS

The Lead Member is recommended to agree:

1. The withdrawal of the Human Resources and Organisational Development function from the Orbis Partnership;
  2. That the Terms of reference of the Orbis Joint Committee be amended to reflect recommendation 1, and;
  3. That authority be delegated to the Chief Operating Officer in consultation with the Assistant Chief Executive to take any actions considered necessary to give effect to and in consequence of the recommendations above including, but not limited to, making amendments to the Inter Authority Agreement.
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## 1. Background

1.1 The East Sussex County Council (ESCC) Human Resources & Organisational Development (HR&OD) Service has been delivered within the Orbis partnership since the partnership was established in 2015. The Orbis partnership is an evolving vehicle for delivering services to the Council. The partnership, and the services which fall within it, are kept under regular review to ensure that the arrangements are fit for purpose and optimise value for money.

1.2 Originally incorporating all three partner Councils' HR&OD Teams, Surrey County Council withdrew their HR&OD Service in 2018 to enable the service to provide the focussed support needed to the significant transformation programme they had embarked upon. Since then, the ESCC and Brighton & Hove City Council (BHCC) HR&OD Services have continued to be delivered through the partnership. In order to deliver further savings of £450,000 p.a. as part of the medium-term financial plans covering the period 2019/20 to 2021/22, a number of integrated posts were established within the structure during 2018 and 2019.

1.3 There are now 15 such integrated posts, including the four Heads of Service. The expectation of these posts when established was that they would operate on the basis of a 50/50 split between the two Councils. To ensure that the current arrangement meets the requirements of ESCC going forward, and that it delivers value for money against ESCC's financial contribution, a review of the shared service arrangement was commissioned by the Chief Executive.

## 2. Supporting Information

2.1 The review was undertaken between October and December 2020. Attached at Appendix 1 is a summary of the review findings. The review concluded that going forward, the shared service arrangement did not meet ESCC's strategic development requirements or achieve value for money. The recommendation therefore was the withdrawal of the ESCC HR&OD Team from the shared service.

## Financial Implications

2.2 Affordability was one of the key considerations of the review and financial modelling has been undertaken to assess the additional cost to ESCC of withdrawal.

2.3 The additional cost of putting in place a sovereign HR&OD structure is approximately £70k p.a. This needs to be considered in the context of the £450,000 p.a. savings achieved from the shared HR&OD service from 2019/20 onwards, as well as the approximate £500k p.a. savings delivered by the sovereign ESCC HR&OD Team in the 3 years prior to 2019/20.

2.4 For 2021/22, the Business Services Department will seek to manage the pressure arising in the HR&OD Service from within the overall budget. The on-going cost for 2022/23 onwards will be considered as part of the overall RPPR process as the MTFP is developed for future years.

## Implementation

2.5 Discussions with BHCC have taken place and an agreed approach to the disaggregation of the shared service arrangement reached. Service resilience and stability for both Councils are key considerations and we are therefore working jointly to ensure an orderly and smooth transition to new sovereign arrangements. To that end, it has been agreed that there will be a period of transition between March to June 2021 with new sovereign HR&OD structures being established in both ESCC and BHCC from 1 July 2021.

## **3. Conclusion and Recommendations**

3.1 The review of the HR&OD Shared Service has concluded that the current model does not meet East Sussex County Council's strategic development requirements or provide value for money for ESCC and as such, the ESCC HR&OD Service should be withdrawn from the Shared Service arrangement.

3.2 Set against this background, the Lead Member for Resources is recommended to agree to the withdrawal of the HR & OD function from the Orbis partnership, and to delegate authority to undertake the actions needed to achieve this outcome or in consequence of it.

**PHIL HALL**  
**Chief Operating Officer**

### Contact Officers:

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LOCAL MEMBERS: All

BACKGROUND DOCUMENTS: None

## **HROD Shared Service Review**

### **The Brief**

The purpose of the review is to assess the ability of the HROD shared service arrangement to meet the current and emerging requirements of Services in East Sussex and to deliver value for money against ESCC's financial contribution.

Commissioned by the Chief Executive on behalf of the Corporate Management Team, the review acknowledges the critical role to be played by HROD in supporting the Council through a significant period of change, given Covid-19 response and recovery, ongoing organisational financial challenges, and the launch of a renewed health and social care programme.

The review has therefore considered how these requirements for HROD support can be resourced and met successfully. It also provided a timely opportunity to review the existing shared service arrangements from an ESCC perspective.

The review engaged with key stakeholders in ESCC (via the HR Management Board), senior HROD managers and integrated HROD staff, and the senior Orbis and HROD partnership leads in BHCC, to:

- build a clear understanding of current and emerging requirements for HROD support to ESCC, and
- assess the ability of the HROD shared service arrangements to meet those requirements; presenting options for how the requirements can be met and value for money assured.

### **Executive Summary**

Feedback indicates that the ESCC HROD Service is historically strong, benefitting from experienced, knowledgeable staff with a good appreciation of organisational needs; and that the shared service model has to operate across the very different organisational cultures, ways of working and industrial relations of ESCC and BHCC.

While expected to operate with roughly a 50/50 split of integrated resource between the two councils, it is acknowledged that there has been, and continues to be, a strong demand pull on integrated posts towards BHCC. While the day-to-day service to ESCC has so far been maintained successfully, this is unlikely to be sustainable. Furthermore, the capacity for service development, innovation and engagement in corporate initiatives is significantly reduced. The lack of focus on the development of the service will inevitably lead to its deterioration.

Options for the future of the Service have been reviewed against three criteria of value for money, achievement of requirements and deliverability. No change in the model does not achieve VFM or meet future requirements.

While it might be possible to retain the shared service model with an explicit recognition of the demand pull and rebalanced financial contributions, the lack of HROD synergy between the two organisations means this is unlikely to be a sustainable model. By contrast, withdrawal from the shared service will achieve VFM and will better enable ESCC to achieve its future requirements.

This option is considered affordable at a slightly higher cost (approx 3% of ESCC HROD salary costs).

The recommended option for ESCC therefore is withdrawal from the shared service. Should ESCC decide on withdrawal as the preferred option, careful planning is advised on a number of issues, notably the need to provide support to BHCC through a transitional period while it creates its own HROD sovereign structure.

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