

Notice of Meeting



Orbis Joint Committee

Date & time

Monday, 5
December 2016 at
9.30 am

Place

Members' Conference
Room, County Hall,
Kingston-upon-
Thames, KT1 2DN

Contact

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This meeting will be held in public. If you would like to attend and you have any special requirements, please contact Andrew Baird on 020 8541 9019.

Members of the Committee

Councillor Denise Le Gal (Cabinet Member for Business Services and Resident Experience, Surrey County Council) and Councillor David Elkin (Lead Member for Resources and Deputy Leader, East Sussex County Council)

AGENDA

1 APOLOGIES FOR ABSENCE

To receive apologies for absence.

2 MINUTES OF THE PREVIOUS MEETING

(Pages 1
- 8)

To agree the minutes of the last meeting as a correct record of the meeting.

3 DECLARATIONS OF INTEREST

All Members present are required to declare, at this point in the meeting or as soon as possible thereafter

- i. Any disclosable pecuniary interests and / or
- ii. Other interests arising under the Code of Conduct in respect of any item(s) of business being considered at this meeting

NOTES:

- Members are reminded that they must not participate in any item where they have a disclosable pecuniary interest
- As well as an interest of the Member, this includes any interest, of which the Member is aware, that relates to the Member's spouse or civil partner (or any person with whom the Member is living as a spouse or civil partner)

Members with a significant personal interest may participate in the discussion and vote on that matter unless that interest could be reasonably regarded as prejudicial.

4 PROCEDURAL MATTERS

4a Members' Questions

The deadline for Members' questions is 12pm four working days before the meeting (29 November 2016).

4b Public Questions

The deadline for public questions is seven days before the meeting (28 November 2016).

5 BRIGHTON & HOVE CITY COUNCIL JOINING THE ORBIS PARTNERSHIP.

(Pages 9
- 26)

To seek approval from the Orbis Joint Committee to proceed with Brighton & Hove City Council (BHCC) joining the Orbis Partnership on behalf of Surrey County Council and for the Orbis Joint Committee to recommend East Sussex County Council Cabinet approve BHCC joining the Partnership.

6 DATE OF NEXT MEETING

The next meeting of the Orbis Joint Committee will be held on 20 January 2017.

Philip Baker
Assistant Chief Executive
East Sussex County Council

David McNulty
Chief Executive
Surrey County Council

Published: Friday, 25 November 2016

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Agenda Item 2

MINUTES of the meeting of the **ORBIS** Joint Committee held at 2.00 pm on 21 October 2016 at Committee Room, County Hall, Lewes.

These minutes are subject to confirmation by the Committee at its meeting on Monday, 5 December 2016.

Elected Members:

- * Councillor David Elkin
- * Councillor Denise Le Gal (SCC)
- * Councillor Les Hamilton (BHCC) (non-voting)
- * = in attendance

Officers in attendance:

East Sussex County Council (ESCC)

Kevin Foster, Chief Operating Officer
Leatham Green, Programme Director, People and Change
Philip Baker, Assistant Chief Executive
Marie Greenan, Orbis Programme Co-ordinator
Martin Jenks, Senior Democratic Services Advisor

Surrey County Council (SCC)

John Stebbings, Chief Property Officer
Adrian Stockbridge, Orbis Programme Manager

Brighton and Hove City Council (BHCC)

David Kuenssberg, Executive Director for Finance and Resources (BHCC)

Also in attendance:

Neil Sartorio, Director, EY
Adele Jenkins, Manager, EY
Councillor Trevor Webb (ESCC)

54/16 APOLOGIES FOR ABSENCE [Item 1]

Apologies for absence were received from Sheila Little, Orbis Finance Director.

55/16 MINUTES OF THE PREVIOUS MEETING [Item 2]

The minutes of the meeting held on 18 July 2016 were agreed as a true record of the meeting.

56/16 DECLARATIONS OF INTEREST [Item 3]

None were received.

57/16 ORBIS JOINT COMMITTEE FORWARD PLAN [Item 4]

The Chief Property Officer introduced the report.

Key points raised during the discussion:

1. The Committee discussed the forward plan and asked if it would be possible to add a Service Spotlight report to the agenda for the April 2017 meeting.

Resolved:

That the Orbis Joint Committee approve the Forward Plan.

Actions/ further information to be provided:

Officers to consider adding a Service Spotlight report to the April 2017 committee meeting.

58/16 ORBIS BUDGET MONITORING REPORT - JULY [Item 5]

The Committee considered the Orbis Budget Monitoring report, which was introduced by the Chief Property Officer.

Key points raised during the discussion:

1. The first year (2016/17) of the Orbis Business Plan has an efficiency savings target of £1.8 million. The Orbis Partnership is on track to achieve the 2016/17 efficiency savings target and is forecast to achieve an additional £0.5million of savings mainly due to holding some posts vacant. There is some uncertainty around achieving the efficiency savings targets in Business Operations for income & staffing and e-invoicing, but officers are comfortable that the Partnership will deliver the savings target for 2016/17.
2. Members asked if holding vacancies, particularly in Property and Information Communication Technology (ICT) functions is likely to cause any slippage in the delivery of the efficiency targets. The Chief Property Officer responded that that holding posts vacant would not affect the delivery of the efficiency targets. Orbis is taking a structured approach to filling vacancies and is taking the opportunity to review roles to ensure recruitment only takes place where necessary.
3. The Committee noted that current Orbis investment expenditure is mainly on redundancies and asked whether the remaining budget will be spent this year. The Programme Director, People and Change explained that the redundancies were mainly voluntary redundancies and a voluntary severance scheme is being offered to staff across the Partnership. The Chief Operating Officer added there are some voluntary severance discussions in progress with staff, which are not reflected in the figures. There will be expenditure on ICT during this year and the investment expenditure budget is on target to be spent.
4. The Committee commented that they were surprised by the slippage on the e-invoicing efficiency targets and asked for further information on this and the income & staffing risks. The Orbis Programme Manager responded that there had been a slight delay in incorporating suppliers into the e-invoicing system. The Chief Operating Officer added that the Partnership had not made e-invoicing from suppliers mandatory at first, but is now doing this after giving them notice to register on the e-

invoicing system. The Committee asked for an update to be provided on these two issues.

Actions/ further information to be provided:

The Committee requested an update on the e-invoicing project including details of the income risks and possible delayed savings from the Head of Business Operations.

Resolved:

The Orbis Joint Committee:

- i. noted the services forecast -£0.5m budget variance at year end on the Joint Operating Budget and zero variance on the investment fund.
- ii. noted the services are forecast to achieve £1.8m efficiencies by year end.

59/16 ORBIS OPERATING BUDGET 2017/18 [Item 6]

The Committee considered a report on the Orbis Operating Budget for 2017/18, introduced by the Chief Operating Officer.

Key points raised during the discussion:

1. The efficiency savings targets for 2017/18 are challenging but are achievable. They include additional areas of search for savings for each partner, which have been reported as part of the budget setting process for East Sussex County Council (ESCC) and are to be reported for Surrey County Council (SCC). The response to the need for additional savings is a partnership approach, which has targeted the 'managed on behalf of' (MoBo) budgets (such as procurement and facilities management) rather than taking money from operational budget which is mainly made up of staff costs.
2. The Committee commented that there was not much detail on the savings being proposed for each of the service areas in 2017/18. The Chief Property Officer responded that all six services are working on detailed plans, which will be fed back to the Joint Committee towards the end of December.
3. The Committee noted that all the savings targets are green and asked if they were challenging enough. The Chief Operating Officer responded that the existing targets are challenging but manageable, taking into account the need maintain business as usual whilst making the efficiency savings. The Partnership has carried out a Red, Amber, Green (RAG) rating of the 2017/18 and 2018/19 efficiency savings plans, and will keep them under review.

Actions/ further information to be provided:

Further information on the savings plans for 2017/18 for the six services.

Resolved:

The Joint Committee:

- i. noted the latest position of the 2017/18 Joint Operating budget; and
- ii. agreed to recommend the level of 2017/18 Orbis Joint Operating Budget savings to the respective Cabinets.

60/16 ORBIS BRIGHTON AND HOVE CITY COUNCIL (BHCC) UPDATE [Item 7]

Councillor Hamilton introduced the Orbis BHCC Update report, which also contains the report which went to the BHCC Policy, Resources and Growth Committee on 13 October 2016.

Key points raised during the discussion:

1. Councillor Hamilton reported to the Committee that the recommendations of the BHCC Policy, Resources and Growth Committee report to join the Orbis Partnership had been agreed. There is cross party support for this proposal and the unions are also supportive. BHCC are in position to proceed with the proposal to join the Orbis Partnership. ESCC and SCC can now commence their due diligence process.
2. The Director of Finance and Resources (BHCC) commented that the due diligence process has been a very useful process, which has built up trust and understanding of the Partnership within BHCC. The trade unions are supportive of the proposal as it is positive for staff and offers opportunities for them.
3. The Committee noted that work has started on service integration plans and that services will be integrating at different times. It is likely that service integration will commence in 2016/17 and budget integration will take place from 2018/19.
4. The Director of Finance and Resources (BHCC) commented that the BHCC plans for efficiency broadly align with those of the other partners. For example, all three authorities want to update their Human Resources (HR) and Finance computer systems. BHCC also brings a Revenue and Benefits service into partnership, which will be an asset in attracting work from other authorities.
5. The Committee advised that as part of due diligence process, the compatibility and cleanliness of data and systems should be checked before integration and the migration of data. This is an important lesson learnt from previous experience of ESCC and SCC integration.
6. The decision to admit BHCC into the Orbis Partnership will be a decision for the respective Cabinets. It has yet to be decided when it would be the best time to do this is. The Committee discussed whether the respective Cabinets would accept a decision in principle, prior to completing the due diligence process. The Committee agreed that having clarity on the proposals and undertaking the due diligence process properly, were important. The Committee suggested that a decision in principle approach should be explored for the ESCC and SCC Cabinet decision to admit BHCC into the Partnership.

Actions/ further information to be provided:

None.

Resolved:

The Orbis Joint Committee noted the report presented to the Brighton and Hove City Council's Policy, Resources and Growth Committee on the 13 October 2016.

61/16 ORBIS AND ERNST & YOUNG (EY) CONSULTANCY PARTNERSHIP UPDATE [Item 8]

The Chief Operating Officer introduced the report and welcomed Neil Sartorio and Adele Jenkins from EY to the meeting. The report covers the first three months of work after securing a transformation partner.

Key points raised during the discussion:

1. Neil Sartorio (EY) explained why EY were delighted to have been selected as the Orbis transformation partner. Orbis has succeeded in delivering shared services where attempts by other local authorities have failed. EY operates a partnership ethos in the way it works with the public sector, in order to get a mutual benefit for both organisations. EY views the work with Orbis as a way to make the most of the strengths of both organisations; to share in the success of delivering the Orbis Business Plan and; to maximise opportunities for innovation and support on future challenges.
2. Adele Jenkins (EY) outlined her previous involvement with Orbis and current work. Initial work has sought to identify areas of work to focus on with the Orbis Leadership Team. There are three tiers of work:
 - Governance, including the Shadow Board.
 - Mobilisation and the Secondment programme
 - Delivery of the Business Plan.
3. The Committee asked for further detail on the benefits for each organisation of the transformation partnership with EY. There is a shared aspiration to make Orbis successful. The secondment model is a tangible model for sharing resources and developing expertise within both organisations. There are benefits in terms of business innovation, with the opportunity to develop joint technology such as Artificial Intelligence (AI) and robotics with joint intellectual property (IP) ownership.
4. The Committee highlighted that the ability of the Orbis Partnership to manage growth successfully is a key issue. EY responded that in their view the current priority is to deliver existing services. The market for local authority services is very vibrant, but focus will be important as there are many potential customers and suppliers. The way Orbis maintains responsibility to sovereign bodies is very attractive to public sector organisations, but the Partnership must be brave enough to turn

down business and look after existing services. It is important to have aspiration and maintain the unique selling point of a public sector body, providing public sector services. There will be things that EY will recommend Orbis take up, but it is important not to lose the uniqueness of Orbis.

5. EY outlined examples of successes of transformation work with other public sector and private sector organisations. Some work has involved the use of behavioural science thinking, such as 'nudge' theory to work with local communities around the delivery of services and demand management in a time of austerity.

Resolved:

The Orbis Joint Committee noted the progress being made by EY and Orbis on key elements of the work plan in demonstrating the value of Public and Private Sector Partnership

Actions/ further information to be provided:

None.

62/16 ORBIS PEOPLE AND CHANGE UPDATE REPORT [Item 9]

The Programme Director, People and Change introduced the report on the People and Change programme.

Key points raised during the discussion:

1. The People and Change programme is working to create resilience, share expertise and develop opportunities for staff growth and development across the Partnership. This is being delivered through a number of workstreams:
 - The EPIC+ development programme, including THINK, to provide people with real experience of tackling business challenges.
 - Awards to acknowledge the achievement of staff, celebrate success and to grow the reputation of Orbis as the compelling alternative.
 - Shared Services Summit with Orbis, One Source and LGSS to share experience and develop future collaboration.
 - Innovation, with a focus on continuous improvement to encourage debates amongst staff at a local level, and to solve problems in a different way.
2. The Committee commented that the EPIC+ programme was an exciting way to give staff the opportunity develop skills, whilst doing something different. The Committee asked how this programme is being delivered. The Programme Director, People and Change explained that the EPIC+ programme has been launched with 27 people participating, who will be allocated to one of six business challenges. Individuals will nominate what they would like to do and will be offered a mentor. The programme is targeted at high performing and ambitious people with the potential to

develop further. This enables Orbis to grow its own talent and is good for behaviours and culture.

Resolved:

The Orbis Joint Committee noted the ongoing work of the People and Change workstream in Orbis.

Actions/ further information to be provided:

The Committee suggested that progress on the People and Change workstream could be presented as a Service Spotlight report at the April 2017 Committee meeting.

63/16 DATE OF NEXT MEETING [Item]

The next meeting of the Orbis Joint Committee will be held on 20 January 2017.

Meeting ended at: 3.35 pm

Chair

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**EAST SUSSEX COUNTY COUNCIL AND
SURREY COUNTY COUNCIL**



ORBIS JOINT COMMITTEE

DATE: 5 DECEMBER 2016

LEAD OFFICER: KEVIN FOSTER (CHIEF OPERATING OFFICER, EAST SUSSEX COUNTY COUNCIL) AND JOHN STEBBINGS (CHIEF PROPERTY OFFICER, SURREY COUNTY COUNCIL)

SUBJECT: BRIGHTON & HOVE CITY COUNCIL JOINING THE ORBIS PARTNERSHIP

SUMMARY OF ISSUE:

To seek approval from the Orbis Joint Committee to proceed with Brighton & Hove City Council (BHCC) joining the Orbis Partnership on behalf of Surrey County Council and for the Orbis Joint Committee to recommend that East Sussex County Council Cabinet approve BHCC joining the Partnership.

RECOMMENDATIONS:

It is recommended that the Orbis Joint Committee:

- i. Approve, subject to the agreement of the Cabinet of East Sussex County Council and the satisfactory completion of the necessary assessments, to BHCC joining Orbis as a founding partner and to BHCC joining the Orbis Joint Committee upon completion of the IAA.
- ii. Delegate authority to the Chief Operating Officer (COO) of East Sussex County Council, in consultation with the Deputy Chief Executive of Surrey County Council, the Lead Member for Resources for East Sussex County Council and the Cabinet Member for Business Services and Resident Experience for Surrey County Council, to:
 - a. determine whether the results of the assessment referred to above are satisfactory; and
 - b. to take any actions necessary arising from or to give effect to the integration of BHCC in the Orbis partnership including (but not limited to) agreeing the timings and terms of the integration, and the terms of the Inter-Authority Agreement (IAA) and any other agreements the COO considers appropriate.

REASON FOR RECOMMENDATIONS:

Approval of these recommendations is necessary to move to the next phase of integrating BHCC into the Orbis Partnership, it is recommended that agreement be given to BHCC joining the Orbis partnership and the Orbis Joint Committee subject to the completion of the necessary assessments.

Consideration of the assessments and the decision as to whether the results are satisfactory is delegated to the relevant officers in consultation with Lead Members together with finalising the terms and timings of their inclusion. By proceeding to a more detailed planning and delivery phase it will enable a robust approach to be developed and provide the necessary

powers of delegation to progress at the pace required.

Regular updates and progress reports on this will be provided to the Orbis Joint Committee

DETAILS:

Background

1. Cabinets approved the Orbis three year Business Plan in October 2015 that set out the roadmap to achieve integrated back office services between Surrey and East Sussex County Councils. The business plan detailed the benefits of the partnership but also stated the ambition to grow and attract additional customers and potential partners.
2. Brighton & Hove City Council (BHCC) have been part of the initial and ongoing development of the Orbis Partnership and have always been offered the ability to be a founding partner along with East Sussex County Council (ESCC) and Surrey County Council (SCC). It was recognised that BHCC would not be able to progress initially at the same pace as ESCC and SCC and therefore Orbis have been supporting BHCC in assessing the fit of Orbis to BHCC vision and priorities
3. In December 2015 BHCC gained approval from their Policy, Resources and Growth Committee to join Orbis following a detailed options appraisal process. This decision was subject completion of a number of tests around savings and efficiencies that would be enabled in order to meet the BHCC medium term financial plans.
4. BHCC concluded these tests during the summer of 2016 and approval was gained at the Policy, Resources and Growth Committee on 13 October 2016 to proceed with their request for integration of BHCC services into the Orbis partnership.
5. The attraction of a new partner to Orbis in its first year of the Business Plan is both exciting and an endorsement of the partnership. Working in partnership provides further opportunities to deliver services in new and innovative ways to improve quality, resilience and to contribute to the financial challenges of each Sovereign Authority.
6. As a City Council and unitary authority, BHCC will enhance what Orbis can offer. They will bring more knowledge and expertise and provide further opportunities to share best practice across three Partners.
7. As well as working informally with BHCC with a view to BHCC joining the partnership, more formal arrangements already exist with BHCC through the Orbis Public Law partnership and the OPL Joint Committee of which BHCC are a full member.

Supporting information

8. Officers set out their ambitions for Orbis to grow in the Business Plan which stated the following:

New partners have the ability to help shape and influence how services will be delivered in the future. They will have the opportunity to keep Orbis compelling, ensure it remains fit for purpose, ultimately benefitting from the established services and ways of operating.

9. Orbis is about creating a sustainable shared service delivered in the public sector with a strong public sector service ethos. It is strengthened through growing the

business it delivers which enables greater collaborative buying power and streamlining of processes to provide better, more efficient services. Increasing partners as well as customers provides for richer experience and knowledge.

Opportunities

10. Additional partners will enhance the Partnership and offer further opportunities in a number of key areas. For BHCC these opportunities have been identified as (but not limited to) the following:
 - *The ability to retain services and funding within the public sector.*
 - *Enhanced reputation for Orbis/sovereign partners.*
 - *Greater economies of scale.*
 - *Additional services not currently in the scope of Orbis (i.e. Revenues & Benefits).*
 - *Increased resilience through sharing and aligning resources.*
 - *Opportunity to build a greater geographical presence which helps to support wider strategic aims such as collaboration and partnership working with local authorities and public and third sector bodies in the South East.*
 - *The close proximity of Brighton to Lewes provides an opportunity to review the location of service delivery.*
 - *Consolidation of IT systems leading to reduced cost of ownership and the ability to negotiate better deals.*
 - *As a unitary authority, BHCC has alternative approaches and expertise and will be a valuable addition to the partnership.*
 - *A greater number of partners improves the ability for successful lobbying.*
 - *The ability to share procurements/contracts to reduce costs.*

Scale

11. Orbis currently has a net operating budget of circa £53m and approximately 1400 staff. The addition of BHCC adds another £20m approximately to the net budget and increases the total staffing to just over 2000 Full Time Equivalent employees (FTE). Orbis was already the largest local government shared service in the UK with two partners, adding a third increases the scope and scale of the partnership further still.

BHCC Joining Principles and Actions

12. BHCC has completed their assessment on whether it is advantageous for them to join the Orbis Partnership. Orbis will now work with BHCC to complete the necessary assessments which will provide a better understand of the implications of BHCC joining the partnership with a view to seeking to ensure that a number of key principles and requirements can be met. This is best undertaken by working as though the extended partnership is in place.
13. To complete this test and to ensure the process for BHCC joining the partnership is managed in the most effective way, a number of key principles and actions have been developed in conjunction with BHCC that will enable the test judgement to be made. These principles are detailed in Appendix 1.
14. It is anticipated that the assessment will conclude that that the key principles and objectives will be met with regard to BHCC joining Orbis. This expectation is based on the experience BHCC and Orbis have gained from our joint working over the last 18 months. However, it is appropriate to complete this assessment. Once

satisfactorily completed a new Inter Authority Agreement (IAA) will be signed. It is recommended that the consideration of the results of the assessment be delegated to the Chief Operating Officer, East Sussex County Council and the Deputy Chief Executive, Surrey County Council in consultation with the Lead Members along with authority to approve the terms of the agreement (and any associated agreements) formalising the arrangements with BHCC.

Service Integration

15. Orbis has an approach to delivering service integration the details of which are attached at Appendix 2.
16. The journey to fully integrating services (identified as the convergence phase in Appendix 2) will take time. It is important to build relationships and ensure that different approaches, delivery models and sovereign requirements are all understood.
17. Each service within Orbis is currently assessing how BHCC will fully integrate into their specific service delivery. For some services (eg finance) it will be possible to initiate the convergence phase immediately while for other services more time it will be necessary to spend more time on the co-ordination and collaboration phase,.
18. In the short term this may lead to some services being run in parallel under the appropriate Orbis Service Lead whilst developing detailed plans for integration of the service at an agreed later date.

Governance (Member & Officer)

19. The Orbis Partnership operates under a Joint Committee structure that was approved by the Cabinets of East Sussex County Council (ESCC) and Surrey County Council (SCC) respectively in February 2015.
20. The Joint Committee currently comprises two Members but can expand to up to six Executive (Cabinet) Members, an equal number being appointed by the Leader of ESCC and the Leader of SCC from among their respective Executive (Cabinet) Members.
21. The Joint Committee has delegated to it by each Council the authority to oversee discharge of the services.
22. The purpose of establishing the Joint Committee was to facilitate an effective joint approach between the councils in delivering the services. The Joint Committee will provide performance management for Orbis to ensure value for money assurance to the Councils.
23. BHCC appointed a Lead Member to observe the Joint Committee in April 2016; once the IAA is signed BHCC will become a full member of the Orbis Joint Committee with voting rights.
24. Officer governance is steered by the IAA which specifies the appropriate structure for effective decision making and to provide appropriate oversight of operations.
25. A review of the governance will be undertaken to incorporate BHCC and to ensure arrangements are fit for purpose. Appendix 3 shows the governance arrangements for Orbis

Benefits

26. A review of the Orbis benefits and investment case will be required to assess the impact of BHCC joining the partnership; this work will be undertaken as part of developing the IAA.
27. Brighton & Hove City Council set a savings target in excess of 30% for the services in scope of Orbis over the next four years (2016/17 to 2019/20). To put this in context all other BHCC services not in the scope of Orbis also have a target for cost reductions of 30% over the same period. See Appendix 4, table 2 for details on proposed efficiencies for the services in scope for BHCC.
28. The savings targets for BHCC include managed on behalf of budgets (e.g. IT infrastructure) and are front loaded for 2016/17 and 2017/18, the current plan for integrating budgets with BHCC is April 2018. When these two factors are taken into consideration there is significant alignment of savings targets for Orbis and BHCC.
29. For reference, the Orbis Business Plan detailed financial benefits of £8.3m that the Partnership would deliver for East Sussex and Surrey County Council's over a three year period, more details of these savings can be found in Appendix 4 table 1.
30. Subject to the results of the assessments referred to in para 2.5 and 2.6 above, officers are confident that the addition of BHCC into the partnership will not put current plans at risk; in fact a third partner actually creates additional opportunities to explore the potential for increased efficiencies.
31. Part of the next phase of work with BHCC will be to develop a joint financial plan to explore and identify opportunities for further efficiencies, increased quality of services and resilience for the three sovereign partners.

CONSULTATION:

32. The approach taken to develop the integrated services has been collaborative; co-designed with the Orbis Leadership Team and the wider Orbis leadership community in conjunction with staff and Trade Unions.
33. The consultation has included:
 - Trade Unions
 - Orbis staff
 - Orbis leadership community
 - Chief Executives and extended leadership teams of both authorities
34. Engagement with Trade Unions (TU) has remained strong and positive to date. Unions in BHCC have been included in joint TU meetings with regional leads and ESCC/SCC Unions, these meetings are held on a regular basis to ensure an ongoing, open dialogue and the ability for any concerns or challenges to be raised.

RISK MANAGEMENT AND IMPLICATIONS:

35. A full assessment of the impact and associated risks of BHCC joining Orbis will be undertaken as part of the process to formally approve BHCC joining Orbis.
36. An initial risk assessment has been undertaken and a number of key risks have been identified, these can be found in Appendix 5.

Legal Implications

37. An Inter Authority Agreement (IAA) will be developed and agreed for three partners, the IAA will form the legal basis for the partnership and will ensure each sovereign authority is protected.
38. As with the existing IAA between ESCC and SCC, the IAA for three partners will include a number of key elements:
 - Governance
 - Services in scope
 - Budgets
 - Indemnities and Liabilities
 - Branding
 - Staff Management Protocol
 - Disputes
 - Termination

Contact Officer:

Adrian Stockbridge (Orbis Programme Manager) - 07837 170418

Consulted:

Kevin Foster – Chief Operating Officer
John Stebbings – Chief Property Officer
Leatham Green – Programme Director
Philip Baker - Assistant Chief Executive / Monitoring Officer (ESCC)
CMT (ESCC)
4 Way (SCC)

Appendices:

Appendix 1: Principle Actions – Partner joining
Appendix 2: Collaborate to Integrate model
Appendix 3: Orbis Governance overview
Appendix 4: Savings Overview
Appendix 5: Risks

Sources/background papers:

- Orbis Cabinet report and Business Plan October 2015
- BHCC Joint Committee reports - January, April, July & October 2016

Partner Joining Principle Actions

- a) Brighton & Hove City Council (BHCC) are a founding partner of Orbis which means they have the ability to;
 - Help shape the partnership
 - Inform the design of future service delivery in order to place customers at the heart of service design
 - Play an active role in service transformation to meet requirements of local authority clients
 - Benefit from co-developing the shape of services
- b) BHCC joining Orbis will not slow down the delivery of the business plan or efficiencies for any partner, any proposed deviations will be taken to the Orbis Joint Committee
- c) A focused period of activity will take place October - December 2016 that will provide further clarification on timelines and plans for integrating BHCC into the partnership
- d) Work to commence immediately with colleagues in BHCC to engage staff around what it means to be part of Orbis, this will include initiatives such as creating change champions and the opportunity to be involved in development programmes
- e) A service by service assessment to be undertaken to identify timescales and processes for integrating teams
- f) An Inter Authority Agreement to be created and signed by three partners by April 2017. This will form the legal basis and contract for the partnership
- g) A founding partner enhances the Orbis brand and adds further credibility to attracting future potential partners and customers
- h) Impact of key policies across the partners to be reviewed and understood, with a specific focus on:
 - Pay
 - Change/Restructure
- i) Work towards integrated budgets from April 2018

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Collaborate to Integrate Model

The journey to an integrated service

5 Cs - Key steps to convergence.

	Contact	Cooperation	Coordination	Collaboration	Convergence
Level of Integration	Experimental	Minimal	Selective		Full
Orbis Staff Commitment	<ul style="list-style-type: none"> Casual Networking 	<ul style="list-style-type: none"> Trust Building 	<ul style="list-style-type: none"> Shared goals with separate administrative framework 	<ul style="list-style-type: none"> Shared vision with changes to working practices and new cross-partner interdependencies 	<ul style="list-style-type: none"> Shared mission and service delivery Common standards and policies Performance Management Integrated structures
Typical Activities & Focus	<ul style="list-style-type: none"> Exploration of differences and commonalities 	<ul style="list-style-type: none"> Information Sharing Identify Opportunities 	<ul style="list-style-type: none"> Planning Joint Projects Process simplification 	<ul style="list-style-type: none"> Implementing joint Projects leading to shared services Process standardisation 	<ul style="list-style-type: none"> Optimised common processes Common infrastructure Partner on-boarding
Forum (Examples)	<ul style="list-style-type: none"> Ad-hoc Contact 	<ul style="list-style-type: none"> Ad-hoc meetings at partner locations Ad-hoc correspondence 	<ul style="list-style-type: none"> Regular Planning Meetings Regular structured correspondence 	<ul style="list-style-type: none"> Virtual project team working (Using partner shared resource pools) 	<ul style="list-style-type: none"> Orbis Virtual Team Delivering Services (using single Orbis resource pool)

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Orbis Governance Structure



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Cost Alignment

Table 1 – Orbis Business Plan Benefits (October 2015)

Table 1	2016/17	2017/18	2018/19	Total
Net Business Plan Savings	£000	£000	£000	£000
Operating Budget				
Property	-56	-540	-1,200	-1,796
ICT	145	-879	-1,118	-1,852
HR	-85	-400	-625	-1,110
Finance	-121	-525	-994	-1,640
Business Operations	-581	-244	-125	-950
Procurement	10	-245	-15	-250
Total Net JOB Growth & Savings*	-688	-2,833	-4,077	-7,598
Managed Budgets - IMT	-280	-110	-110	-500
Pension Fund	-182	0	0	-182
Total Business Plan Net Savings	-1,150	-2,943	-4,187	-8,280
*JOB = Joint Operating Budget				

Table 2 details projected BHCC savings targets

TABLE 2	Projected Brighton & Hove Savings										
	Net Budget 2016-17	Actual 2016-17		2017-18		2018-19		2019-20		Total over 4 years	
	£'000	£'000	%	£'000	%	£'000	%	£'000	%	£'000	%
Property & Design *	3,689	789	21.4%	1,148	31.1%	409	11.1%	406	11.0%	2,752	74.6%
Audit	615	64	10.4%	57	9.3%	38	6.1%	21	3.3%	179	29.1%
Financial Services ~	4,017	322	8.0%	375	9.3%	248	6.2%	135	3.4%	1,080	26.9%
Procurement	514	69	13.4%	48	9.3%	32	6.1%	17	3.3%	165	32.2%
HR & OD	2,957	335	11.3%	278	9.4%	183	6.2%	99	3.4%	895	30.3%
ICT	7,049	434	6.2%	647	9.2%	428	6.1%	234	3.3%	1,742	24.7%
Total	18,840	2,013	10.7%	2,554	13.6%	1,337	7.1%	912	4.8%	6,815	36.2%

* The gross budget for Property & Design is significantly greater than the net budget, so this distorts the savings % against the net budget.

~ Revenues & Benefits not included here as savings are currently under review and there is no comparator data.

Risks

Risk	Description & Implication	Mitigation
<p>A third partner joining Orbis delays or impacts the delivery of savings or integration of services</p>	<ul style="list-style-type: none"> The need to revise service design and timelines to accommodate requirements of third partner New Partners have the potential to impact on Business-As-Usual operations of Orbis through increased scope of services, capacity needs and political requirements. 	<ul style="list-style-type: none"> Clear plans and timescales in place for integration and savings A full risk/impact assessment to be undertaken and action taken to avoid/minimise impact Revised benefits and invest case created for three partners
<p>Changes in the business strategies of Orbis Founding Partners affect the ability for Orbis to deliver Services effectively</p>	<ul style="list-style-type: none"> There is the possibility that if Partnership Strategies of the Founding Partners diverge, significant changes to the operating model of Orbis will be required in order to avert undermining operations of Orbis. If Partnership Strategies are aligned with other authorities, choices in how Orbis strategies are implemented may be limited. If the structure or function of either Orbis Founding Partner changes, there will be wide-ranging impacts on the Orbis model. 	<ul style="list-style-type: none"> A Joint Committee structure has been agreed, which ensures that all Partners have oversight on the running of Orbis. Orbis Leadership will be visible to the sovereign authorities to present impact of sovereign decisions on Orbis and to action those decisions. A clear defined exit strategy for Orbis partners will be developed as part of the Inter-Authority Agreement (IAA).
<p>Integration timescales differ across services leading to a significant increase in complexity, cost and time.</p>	<ul style="list-style-type: none"> Timeframes for integration of services are not aligned leading to inconsistencies in design and negative impact on customer experience 	<ul style="list-style-type: none"> Continued Orbis Programme overview of service design and delivery Action Learning Set created to share, learn and challenge service design outcomes

<p>The Inter-Authority Agreement (IAA) has not yet been signed.</p>	<ul style="list-style-type: none"> The official agreement between three Orbis Founding Partners has yet to be signed meaning that the commitment to Orbis has not been formalised by all Orbis Partners 	<ul style="list-style-type: none"> <u>An IAA exists between ESCC & SCC and this can be used as the basis for creating an IAA for three partners, therefore reducing the time and risk, a milestone of April 2017 has been set for this to happen</u>
<p>Changes in the expected investment costs and benefits.</p>	<ul style="list-style-type: none"> Orbis may not achieve the identified financial targets either through delayed benefit realisation or increased investment costs. Delays or overruns could lead to unexpected increases in investment cost or delays in benefit realisation. 	<ul style="list-style-type: none"> A clearly defined benefits management process is to be set up to enable the rapid identification of benefits which are unlikely to be realised and which mitigating actions are to be taken <u>A revised financial model to be created detailing the impact of three partners in Orbis</u> Investment costs will be forecast and tracked against those forecasts to allow timely decision Programme management will track both benefits and investment and report regularly by Orbis to the Joint Committee.
<p>The implementation of the integrated Orbis model will involve a high degree of change and has the potential to impact Business-As-Usual services.</p>	<ul style="list-style-type: none"> Changes will be identified across all Business Service functions; services will need to continue to operate whilst changes are being implemented. There may be a 'dip' in service performance whilst the transition to the new operating model is completed. 	<ul style="list-style-type: none"> A clearly defined implementation and change management approach is required to support the transition to the new way of operating. A robust communications strategy will help articulate how service levels may change during the transition period and support expectations management.

<p>Some benefits will have significant reliance upon technology solutions.</p>	<ul style="list-style-type: none"> • Technology solutions will have a high number of dependencies and be time consuming to implement. • Failure to progress with the technology needs can impact the timing or realisation of benefits and cause an increase in investment cost due to overruns. 	<ul style="list-style-type: none"> • Integration of Target Operating Model and IT implementation strategies enables the identification of dependencies at Orbis level • Application of common governance structures provides visibility of IT progress across all current programmes of work, including sovereign authority change programmes, Orbis and any potential ERP (SAP) replacement
<p>Differing terms and conditions can destabilise the working environment.</p>	<ul style="list-style-type: none"> • When staff from different organisations come together, differences in pay or terms and conditions, such as holiday and pension entitlements, can create a disjointed work force 	<ul style="list-style-type: none"> • Development of Pay and Reward Strategy across three partners • Clear communication of expectations for staff based in various Orbis locations and the implications for this • Regular consultation and engagement with recognised trade unions
<p>Staff and stakeholders resisting change.</p>	<ul style="list-style-type: none"> • Current staff and stakeholders may not appreciate the need for change and attempt to deter the change from happening • This will cause delays to the realisation of benefits and higher costs due to overrun 	<ul style="list-style-type: none"> • Development of stakeholder map and identification of risks • Ensure clear communication of the benefits of Orbis to staff and stakeholders • Utilise a communications strategy to engage staff and stakeholders in a positive manner and keep them up to date on Orbis successes

Threat to Orbis' reputation from poor performance.

- If the quality of service degrades either during or after implementation then the reputation of Orbis as well as that of the sovereign authorities will suffer

- Ensure effective programme management is in place at each service line to track performance of services before, during and after changes occur