

**MINUTES** of the meeting of the **ORBIS** Joint Committee held at 2.00 pm on 12 October 2018 at Members' Conference Room, SCC, County Hall, Penrhyn Road, Kingston-upon-Thames KT1 2DW.

These minutes are subject to confirmation by the Committee at its meeting on Monday, 21 January 2019.

**Elected Members:**

- \* Councillor David Elkin (Chair)
- \* Councillor Denise Turner-Stewart
- \* Councillor Bob Standley
- \* Councillor Andrew Wealls
- \* Councillor Les Hamilton
- \* Councillor Charlotte Morley

**In attendance**

Andrew Baird, Regulatory Committee Manager/ HOSC committee manager  
Michael Coughlin, Executive Director (Customers, Digital and Transformation)  
Ross Duguid, Acting Assistant Director Procurement  
Kevin Foster, Chief Operating Officer  
David Kuenssberg, Executive Director for Finance and Resources (BHCC)  
Louise Lawson, Senior Principal Accountant  
Adrian Stockbridge, Head of Performance, Strategy and Change, Orbis

**10 APOLOGIES FOR ABSENCE [Item 1]**

Apologies were received from Denise Turner-Stewart

**11 MINUTES OF THE PREVIOUS MEETING [Item 2]**

The minutes of the Orbis Joint Committee meeting held on 6 July 2018 were agreed as a true record of that meeting.

**12 DECLARATIONS OF INTEREST [Item 3]**

There were none.

**13 PROCEDURAL MATTERS [Item 4]**

**a. MEMBERS' QUESTIONS [Item 4a]**

There were none.

**b. PUBLIC QUESTIONS [Item 4b]**

There were none.

## 14 ORBIS JOINT COMMITTEE FORWARD WORK PROGRAMME [Item 5]

### **Declarations of interest:**

None

### **Witnesses:**

Adrian Stockbridge, Head of Strategy Performance & Change, Surrey County Council

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

1. Members discussed potential services within the Orbis Partnership that it would be beneficial for the Committee to receive an update on. It was decided to delay agreement on which service to receive an update from in January 2019 until the end of the meeting as discussions during the meeting could reveal issues that the Committee may wish to consider in more detail through a Service Update.

### **Actions/ further information to be provided:**

None

### **RESOLVED:**

That the Orbis Joint Committee reviewed and approved its forward plan

## 15 AUGUST BUDGET MONITORING [Item 6]

### **Declarations of interest:**

None

### **Witnesses:**

Michael Coughlin, Director of Customer, Digital and Transformation, Surrey County Council

Kevin Foster, Chief Operating Officer, East Sussex County Council

David Kuenssberg, Executive Director of Finance and Resourcing, Brighton and Hove City Council

Louise Lawson, Senior Principal Accountant, Surrey County Council

Adrian Stockbridge – Head of Strategy, Performance & Change, Surrey County Council

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

1. Clarity was sought on why the Full Year Variances for Services within the Orbis Partnership had been omitted from the report. Officers indicated that spending across service areas was difficult to predict several months prior to the end of the financial year due to a lack of clarity around potential areas of underspend and overspend. Members were, however, advised that there was the likelihood of an underspend of £100,000 within the Finance Team, a saving which would benefit all partners. Further information was requested on whether the savings forecast for Orbis in 2018/19 were achievable and the Committee was advised that there was uncertainty around some of the savings projected but that steps were being taken to mitigate the risks to delivering these.

2. Discussions turned to the Orbis Joint Operating Budget for the financial year 2018/19, the Brighton and Hove City Council (BHCC) contribution to which had been increased by £0.2 million. Members were informed that this was a technical adjustment in BHCC's financial contribution to Orbis as funding allocations had been moved from one area of the budget to another. This enabled the variance to be agreed through BHCC's Targeted Budget Management process. Officers agreed to highlight variations in BHCC's contribution to Orbis more clearly through financial reporting mechanisms in future.

3. Further information was requested on the overspend within the Property Service. The Committee was advised that it may be necessary to recruit more staff into the Property Service to meet core objectives. Members heard that the Service was holding a number of vacancies and that a restructure would be undertaken in 2019 to determine posts that could be deleted.

4. Clarity was sought on progress that had been made in implementing the recommendations made through the Internal Audit report. Members were advised that the audit had taken place immediately following BHCC's inclusion in the partnership which meant that delivering against these recommendations was about continued integration. Specific reference was made to the work of the Finance Team which was working to automate more aspects of its financial reporting and the support that it provided to individual services with the partnership.

5. The Committee was advised that the Property & Design Service within BHCC had resisted efforts to integrate with Orbis which had not been as proactive as other BHCC services in terms of integration with Orbis which had created some challenges around implementing Orbis budget processes. Efforts were being made to ensure that this service plays a bigger part in budget processes. BHCC would become part of the budget setting and management process from the 2019/2020 financial year and this would support a sense of shared ownership of the Orbis budget. Members heard that BHCC had long established processes in place for managing service budgets and that there had been some challenges associated with moving onto Orbis budget management processes.

**Actions/ further information to be provided:**

1. Variations to BHCC's contribution to the Orbis Partnership budget to be highlighted more clearly within BHCC's financial reporting in future.

**RESOLVED:**

That the Orbis Joint Committee:

- i. noted the Orbis operating budget variance of -£0.2m at year end;
- ii. noted the £1m estimated full year spend on Orbis investment;
- iii. noted the year to date spend of £0.8m on redundancies;
- iv. noted the agency expenditure of £0.6m (2% of staffing);
- v. noted the Services plan to achieve £4.6m efficiencies by year end;
- vi. noted the Audit report on Orbis budget management; and
- vii. approved the £0.04m transfer to the Orbis operating budget.

**16 ORBIS PERFORMANCE MONITORING [Item 7]**

**Declarations of interest:**

None

**Witnesses:**

Michael Coughlin, Director of Customer, Digital and Transformation, Surrey County Council

Kevin Foster, Chief Operating Officer, East Sussex County Council

David Kuenssberg, Executive Director of Finance and Resourcing, Brighton and Hove City Council

Adrian Stockbridge – Head of Strategy, Performance & Change, Surrey County Council

**Key points raised during the discussion:**

1. An introduction to the report was provided by officers who gave the Committee an overview of workforce data that had been collected across the three authorities. Members heard that there were some variations in how this information was collected across the partners and that it was necessary to

standardise and create consistency in the workforce data that was collected across the three authorities. The Committee was advised that Orbis had an ageing workforce profile and, as such, a strategy was being devised to target recruitment towards a younger demographic.

2. The Committee discussed the variation in sickness absence across the three authorities. This was in part explained by the differing methods and timeframes used to monitor sickness absence.

**Actions/ further information to be provided:**

None

**RESOLVED:**

That the Orbis Joint Committee noted the performance statistics presented.

**17 SCC TRANSFORMATION PROGRAMME [Item 8]**

**Declarations of interest:**

None

**Witnesses:**

Michael Coughlin, Director of Customer, Digital and Transformation, Surrey County Council

Kevin Foster, Chief Operating Officer, East Sussex County Council

David Kuenssberg, Executive Director of Finance and Resourcing, Brighton and Hove City Council

Adrian Stockbridge – Head of Strategy, Performance & Change, Surrey County Council

**Key points raised during the discussion:**

1. The Committee received an introduction to the report from officers who provided an overview of Surrey County Council's (the Council) Transformation Programme. Members heard that there was a significant challenge to the SCC's financial sustainability over the coming years and that the Transformation Programme aimed to address this through a rapid and fundamental shift in both culture and service delivery across the organisation. £40 million of savings were required for the 2018/19 financial year to avoid drawing on more of the Council's reserves.

2. Officers advised that SCC had temporarily paused the integration of its HR and Finance teams into the Orbis partnership. This was to ensure that SCC had the resource and capability within these services to support delivery of the Transformation Programme. SCC's HR and Finance Teams would continue to cooperate and collaborate with its Orbis partners but further integration of these services would be on hold until late 2019/ early 2020.

3. Further information was requested on what impact this pause would have on delivery against agreed savings for the financial year 2018/19. It was confirmed that originally budgeted savings within Orbis HR and Finance functions had been achieved. It would be necessary to adapt the integration process in order to deliver the savings targeted to be made in 2019/20.

4. Members were informed that 'bridge roles' had been created for HR and Finance to ensure their continued co-ordinated management across the partnership, which would help to facilitate the integration of these services into the partnership when SCC was in a position to do so. Officers also highlighted the development of an Action Plan to support a process of integration that incorporated the requirements of the sovereign partners. Members requested that the Action Plan be brought to the January meeting of the Orbis Joint Committee to keep them informed about the progress of the integration agenda.

5. The conversation turned to the publication of the Chartered Institute of Public Finance and Accountancy (CIPFA) report on the financial sustainability

of SCC. The Committee heard that comments made about the Orbis Partnership included within the report had been taken out of context and did not reflect SCC's view of its Orbis partners. It was acknowledged that the report had caused some consternation at BHCC and ESCC due to the phrasing of parts of the report relating to Orbis and because Orbis partners hadn't been offered the appropriate opportunity to comment on and suggest amendments to the final report.

**Actions/ further information to be provided:**

1. The Orbis Partnership Integration Action Plan to be included on the Joint Committee's forward work programme for its meeting in January.

**RESOLVED:**

That the Orbis Joint Committee noted the detail of the transformation programme in Surrey and the key areas of focus.

**18 SERVICE UPDATE - PROCUREMENT [Item 9]**

**Declarations of interests:**

None

**Witnesses:**

Ross Duguid, Head of Procurement and Commissioning, Surrey County Council

**Key points raised during the discussions:**

1. The Committee received an introduction to the report from officers who provided an overview of how the Procurement Service within the Orbis Partnership had performed since April 2017. Members were informed that steps had been taken to create a more flexible service and these were summarised for the Committee. In particular, Members heard that a significant amount of work had taken place to improve the efficiency of the Procurement Service through changing the way the Team was structured, improving processes for categorising projects as well as streamlining governance processes. Officers provided an overview of the three teams within the Service and the steps that had been taken since April 2017 in order to make them more responsive to the needs of customers.

2. Further information was sought by Members on steps to join up procurement with district and borough councils within East Sussex and Surrey. The Committee heard that many district and borough councils were receptive to the idea of aligning procurement activity more closely as they recognised the benefits of bringing procurement functions together which included advantages such as increased presence in the market, improved information sharing and reduced duplication of activity.

3. Member agreed that the Committee should receive an update on the Property Service at its meeting in January 2019.

**Actions/further information to be provided:**

1. The Orbis Joint Committee to receive an update on the Property Service at its meeting in January 2019.

**RESOLVED:**

**That the Orbis Joint Committee**

i. note the progress that the procurement department has made in delivering the ambition set out in the above summary; and

ii. The Joint Committee is sighted of the further developments that are planned to address areas that have not yet been delivered.

**19 DATE OF NEXT MEETING [Item 10]**

The Committee noted that its next meeting would be held on 21 January 2019.

Meeting ended at: 3.35 pm

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**Chairman**