

Notice of Meeting



Orbis Joint Committee

Date & time

Friday, 6 July 2018
at 2.00 pm

Place

Council Chamber,
BHCC, Hove Town
Hall, Norton Road,
BN3 3BQ

Contact

Mark Wall
Room 167, Hove Town Hall
Tel 01273 291006

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SURREY



**Brighton & Hove
City Council**

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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 Mark Wall on 01273 291006.

Members of the Committee

Councillor David Elkin (East Sussex County Council), Councillor Bob Standley (East Sussex County Council), Councillor Helyn Clack (Surrey County Council), Councillor Denise Turner-Stewart (Surrey County Council), Councillor Les Hamilton (Brighton & Hove City Council) and Councillor Andrew Wealls (Brighton & Hove City Council)

AGENDA

1 PROCEDURAL BUSINESS

(a) Apologies for Absence: To receive apologies for absence where Councillors are unable to attend a meeting.

(b) Declarations of Interest:

- (a) Disclosable pecuniary interests;
- (b) Any other interests required to be registered under the local code;
- (c) Any other general interest as a result of which a decision on the matter might reasonably be regarded as affecting you or a partner more than a majority of other people or businesses in the ward/s affected by the decision.

In each case, you need to declare

- (i) the item on the agenda the interest relates to;
- (ii) the nature of the interest; and
- (iii) whether it is a disclosable pecuniary interest or some other interest.

If unsure, Members should seek advice from the committee lawyer or administrator preferably before the meeting.

(c) Exclusion of Press and Public:

To consider whether, in view of the nature of the business to be transacted, or the nature of the proceedings, the press and public should be excluded from the meeting when any of the following items are under consideration.

NOTE: Any item appearing in Part Two of the Agenda states in its heading the category under which the information disclosed in the report is exempt from disclosure and therefore not available to the public.

A list and description of the exempt categories is available for public inspection at Brighton and Hove Town Halls.

2 MINUTES

(Pages 5
- 12)

To consider the minutes of the meeting held on the 12th April, 2018 (copy attached).

3 2017/18 BUDGET OUTTURN

(Pages
13 - 20)

To inform the Joint Committee of the 2017/18 Orbis Outturn and to seek

approval of transfers to and from the Orbis operating budget.

- | | | |
|----------|---|--------------------|
| 4 | PROPERTY SERVICE UPDATE | (Pages
21 - 36) |
| | This report provides an update of the progresses made to-date and an outline of the key outcomes expected for the Financial year 2018/19. | |
| 5 | ORBIS PERFORMANCE FRAMEWORK | (Pages
37 - 42) |
| | To provide an update to the Joint Committee on the development of the Orbis Performance Framework. | |
| 6 | CONSISTENCY OF SERVICE DELIVERY | (Pages
43 - 62) |
| | To ensure the Joint Committee is informed on progress being made in the integration and transformation of service delivery within the partnership. | |
| 7 | SURREY COMMERCIAL SERVICES | (Pages
63 - 66) |
| | This report is to ensure that the Joint Committee continues to be informed on developments within the partnership. | |
| 8 | ORBIS REVIEWS | (Pages
67 - 70) |
| | A number of reviews will be taking place throughout May to September 2018. This report is to ensure that the Joint Committee continues to be informed on developments within the partnership. | |
| 9 | ORBIS JOINT COMMITTEE FORWARD WORK PROGRAMME | (Pages
71 - 74) |
| | For Members to consider and comment on the Committee's Forward Plan. | |

Geoff Raw
Chief Executive
Brighton & Hove City Council

Philip Baker
Assistant Chief Executive
East Sussex County Council

Joanna Killian
Chief Executive
Surrey County Council

Published: Thursday, 28 June 2018

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Thank you for your co-operation

MINUTES of the meeting of the **ORBIS** Joint Committee held at 2.00 pm on 12 April 2018 at Members Conference Room, County Hall, Penrhyn Road, Kingston uponThames, Surrey, KT1 2DN.

These minutes are subject to confirmation by the Committee at its meeting on Friday, 6 July 2018.

(*present)

Elected Members:

- * Councillor David Elkin (Co-Chair)
- * Councillor Tim Oliver (Co-Chair)
- * Councillor Denise Turner-Stewart
- * Councillor Bob Standley
- * Councillor Andrew Wealls
- * Councillor Les Hamilton

In attendance

Sheila Little, Director of Finance, Orbis, Surrey County Council
Kevin Foster, Chief Operating Officer, East Sussex County Council
David Kuenssberg, Executive Director for Finance and Resources,
Brighton & Hove City Council
Adrian Stockbridge, Head of Performance, Strategy and Change, Orbis
Louise Lawson, Senior Principal Accountant, Surrey County Council
Brian Smith, Head of Business Operations (South), Orbis

10/18 APOLOGIES FOR ABSENCE [Item 1]

There were no apologies of absence.

11/18 MINUTES OF THE PREVIOUS MEETING 19 JANUARY 2018 [Item 2]

The minutes of the meeting held on 19 January 2018 were agreed as a true record of the meeting.

12/18 DECLARATIONS OF INTEREST [Item 3]

There were no declarations of interest.

13/18 PROCEDURAL MATTERS [Item 4]

a MEMBERS' QUESTIONS [Item 4a]

There were no Member questions.

b PUBLIC QUESTIONS [Item 4b]

There were no public questions.

14/18 FEBRUARY BUDGET MONITORING [Item 5]

Declarations of interest:

None

Witnesses:

Sheila Little, Director of Finance, Orbis and Surrey County Council
Kevin Foster, Chief Operating Officer, East Sussex County Council
David Kuenssberg, Executive Director of Finance and Resources, Brighton & Hove City Council
Louise Lawson, Senior Principal Accountant, Surrey County Council
Adrian Stockbridge, Head of Strategy, Performance and Change, Orbis

Key points raised during the discussion:

1. Officers set out the forecast £2.4m underspend of Orbis operating budget at year end.
2. The Committee noted that the forecast underspend was made up of £1.1m of 2018/19 savings having been delivered earlier than anticipated; and the remaining £1.3m was predominantly delivered through the holding of vacancies in anticipation of future restructuring.
3. Officers explained that the Partnership had needed to draw on less earmarked investment funds than anticipated. The Partnership had spent more on redundancies than planned, however this was counteracted by the delivery of additional early savings.
4. Members acknowledged the level of agency spend, which had been included in the report following a request from SCC's Corporate Services Select Committee to review agency staffing spend. It was explained that agency staff were mainly used for specialist roles, short term project work or to cover business critical vacancies. Members were satisfied that, at 4%, the level of agency spend was not an outlier. Officers further explained that a few high cost posts were due to be challenged as they had been occupied by agency staff for a long term tenure.
5. Officers highlighted that the agency staffing figures were for SCC and ESCC only. Members noted that BHCC usage of agency staff was high, particularly within IT & Digital, however there had been a 20% decrease in agency staff usage.
6. Members were informed that the Head of Strategy, Performance and Change was due to brief HR regarding the profile of spend and level of agency spend; and to review workforce strategies. Officers agreed to bring an update on this piece of work to the next meeting of the Joint Committee.

RESOLVED:

The Joint Committee noted the updated budget position and reviewed the Partnership's staffing and agency expenditure as requested by SCC's Corporate Services Select Committee.

15/18 ORBIS OPERATING BUDGET 2018/19 [Item 6]

Declarations of interest:

None

Witnesses:

Sheila Little, Director of Finance, Orbis and Surrey County Council

Kevin Foster, Chief Operating Officer, East Sussex County Council

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

Adrian Stockbridge, Head of Strategy, Performance and Change, Orbis.

Key points raised during the discussion:

1. Officers introduced the report, highlighting that the inclusion of Brighton & Hove City Council into the Joint Operating Budget took the budget to £66m.
2. Members noted the proposed contributions of each authority was likely to be: BHCC 21%, ESCC 24%, SCC 55%.
3. Members noted that the risk ratings attached to various savings in the report were coded as either green or amber. Officers explained that green meant that the savings were on track to be delivered and there was confidence that these were achievable; whilst amber meant there were some barriers to delivery that needed to be overcome before the savings would be delivered.
4. Members questioned what the savings related to. It was explained that as most of the Joint Operating Budget is staffing costs, the savings are all as a result of reduction of headcount.
5. The Orbis Director of Finance explained that within Finance, the green saving was related to the delivery of centres of expertise to streamline service delivery. The amber saving was related to the front facing service elements which would need more engagement before changes could be implemented.
6. Members questioned how the savings were proportioned, and officers explained that savings are proportionate to costs, in line with the agreed contribution ratios.
7. Officers explained that there were different processes across the three partner authorities which needed to be reviewed to ensure consistency. An example of this was staff monitoring. The Orbis Director of Finance explained that in SCC, this is currently done quarterly, whereas in ESCC, this has been reviewed monthly. It was confirmed that a risk based approach was to be taken across all three authorities to allow consistency and Members noted that this would have some effect on the savings being made.
8. Members enquired about the management non-staff costs as detailed in the report. It was explained that this was a pension adjustment.
9. Officers informed Members that savings were more achievable across the three partner authorities due to economies of scale. Members noted that having three partners provided more resilience and best practice.
10. There was some discussion about how overheads were accounted for. It was explained that this was part of the Managed on Behalf of (MoBo) budget and was sovereign specific. Officers explained that if a service

was to move location as it was cheaper elsewhere, any savings after costs would be returned to the relevant sovereign authority.

11. Members questioned where the incentives lay to move services to the most economic location. It was explained that this and all similar financial choices were kept under review. The level of complexity regarding a specific decision would dictate whether it formed part of 'business as usual' or if it needed to be treated as an issue requiring special consideration.
12. Officers explained that a piece of work on demand management was currently being undertaken to ensure services were being delivered right first time. Members acknowledged that this was particularly important in Business Operations, where a lot of the work was transactional.
13. It was noted that in some areas, the focus on demand management to achieve improved efficiency could feel like a decrease in the level of service being received, particularly as procedural compliance is enforced. It was explained however, that signposting customers to the correct process would usually reduce failure demand, speed up transactions and allow more focus to be placed on strategic activity.
14. Members questioned the savings risk rating against the Property service, as £751k was rated as amber. It was explained that work was ongoing in Property; and it was suggested that the Chief Property Officer could bring an update to the next Joint Committee meeting under the 'service update' item. Members agreed that this would be useful.

RESOLVED:

The Joint Committee agreed the recommended level of 2018/19 contributions to the Orbis Joint Operating Budget for approval by ESCC and SCC Cabinets and BHCC.

16/18 STAFF SURVEY [Item 7]

Declarations of interest:

None

Witnesses:

Sheila Little, Director of Finance, Orbis and Surrey County Council
David Kuenssberg, Executive Director of Finance and Resources, Brighton & Hove City Council
Adrian Stockbridge, Head of Strategy, Performance and Change, Orbis

Key points raised during the discussion:

1. Officers introduced the report by explaining that Orbis staff had participated in the Surrey Best Companies staff survey, with a response rate of 64%.
2. Members noted that the pattern of scores mirrored the overall Surrey results, with 'My Team' and 'My Manager' amongst the highest scoring areas; and 'Fair Deal', 'Leadership' and 'Giving Something Back' amongst the lowest scoring areas.
3. Members noted that there had been some confusion within the 'Leadership' category as the survey cited the leader to be David McNulty, former Chief Executive of SCC. This was because the survey

was commissioned by Surrey and therefore written as though it was sovereign specific. It was acknowledged that this would have had some impact on the 'Leadership' scores across the Partnership.

4. Members were informed that some measures had been identified following analysis of the survey results. These included increasing visibility of management and creating action groups with staff to discuss issues and gain feedback on set areas. An example of this was an upcoming session on 'Giving Something Back', to discuss volunteering and whether the Orbis Partnership was doing enough to support communities.
5. Members noted that 'Fair Deal' scores had decreased across all three partners, but scored the lowest within BHCC. An officer explained that the Director of Best Companies had talked about the potential to change the perception of pay through the inclusion of benefits and their value as part of the overall pay package.
6. Members were informed that given the restructures that had taken place across the Orbis Partnership, a backwards trend in some areas of the survey was expected. It was highlighted, however, that within 'My Team' and 'My Manager' scores improved, which was a positive result as managers had put a lot of effort into leading through change.
7. Officers explained that the survey was the last one of a three year contract with Best Companies and that the tool for future surveys had not yet been decided.
8. Members suggested that the annex to the report was quite complicated. It was suggested that a focus on three or four key metrics would simplify things; and that it would be useful for a summary of actions being taken and next steps to come to a future meeting for the Committee to review.

RESOLVED:

The Joint Committee noted the report and the approach being taken at an Orbis wide and a service specific level.

17/18 BUSINESS OPERATIONS SERVICE UPDATE [Item 8]

Declarations of interest:

None

Witnesses:

Brian Smith, Head of Business Operations (South)

Adrian Stockbridge, Head of Strategy, Performance and Change, Orbis

Key points raised during the discussion:

1. The officer introduced the report and explained that the journey towards service integration for the SCC and ESCC service had been impacted by the addition of BHCC to the Orbis Partnership. The staff headcount doubled from 250 to 500 as a result of BHCC joining.
2. Members were informed that the initial task undertaken was a review of the management structure, with some reorganisation to realise savings.
3. The officer explained that the next steps of integration were underway, with some role deletions to reduce duplication; and the bringing together of staff onto one or two sites instead of across all three.

4. There was some discussion about the introduction of robotics to remove the need for repetitive processes to be carried out by staff, enabling them to focus on more value-added tasks.
5. Members noted that a process relating to the administration of a teacher pension which would typically take a full time equivalent two days to complete could be done in 15 minutes with the introduction of robotic processing.
6. Members enquired about the cost of the robotics. Officers explained that sometimes robots would be bought in for a specific purpose. This was exemplified in that a pensions backlog was cleared by a robot brought in for £3000 for a three month period. It was added however, that buying was not the only option as some of the robotic coding had so far been carried out in house by existing staff. It was currently considered to be sustainable using in house talent, however future procurement of robots was possible, subject to the submission of a valid business case.
7. Officers explained that there was no budget for robotics, however any initial outlay would be gained back through the efficiencies it delivered.

RESOLVED:

Members noted the service update.

18/18 EY MARKET INSIGHT [Item 9]

Declarations of interest:

None

Witnesses:

Adrian Stockbridge, Head of Strategy, Performance and Change, Orbis

Key points raised during the discussion:

1. Members were informed that the report had been delayed and therefore would be circulated electronically upon receipt.

RESOLVED:

The Joint Committee noted that the report would be circulated electronically upon receipt.

19/18 ORBIS PERFORMANCE FRAMEWORK [Item 10]

Declarations of interest:

None

Witnesses:

Adrian Stockbridge, Head of Strategy, Performance and Change, Orbis

Key points raised during the discussion:

1. The Head of Strategy, Performance and Change explained that the framework being developed would allow both the Orbis Leadership Team and Members to review performance of the Partnership by a series of measures.

2. Members were informed that the Performance Framework was due to launch in line with the new financial year and that an update and overview on performance could be provided to each future meeting of the Joint Committee.

RESOLVED:

The Joint Committee noted the progress being made in developing an Orbis Performance Framework and reviewed the initial datasets provided in the Part 2 report.

20/18 INTER AUTHORITY AGREEMENT (IAA) [Item 11]

Declarations of interest:

None

Witnesses:

Sheila Little, Director of Finance, Orbis and Surrey County Council
Kevin Foster, Chief Operating Officer, East Sussex County Council
David Kuenssberg, Executive Director of Finance and Resources, Brighton & Hove City Council

Key points raised during the discussion:

1. The Director of Finance introduced the report, explaining that an Inter-Authority Agreement (IAA) was a legal requirement of the Partnership.
2. It was explained that an interim one year IAA was in place for 2017/18 to reflect Brighton & Hove City Council joining the Partnership in May 2017 in shadow form.
3. Members noted that it was necessary to bring BHCC fully into the Partnership from 2018/19, providing equal status to all Partners.

RESOLVED:

The Joint Committee endorsed the Inter-Authority Agreement between the three Councils.

21/18 EXCLUSION OF THE PUBLIC [Item 13]

RESOLVED: That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information under the relevant paragraphs of Part 1 of Schedule 12A of the Act.

22/18 ORBIS PERFORMANCE FRAMEWORK [Item 14]

RESOLVED:

That the information within the Part 2 report be noted, in conjunction with the recommendation made in the Part 1 report (item 10).

23/18 INTER AUTHORITY AGREEMENT (IAA) [Item 15]

RESOLVED:

That the information within the Part 2 report be noted, in conjunction with the recommendations made in the Part 1 report (item 11).

24/18 PUBLICITY OF PART 2 ITEMS [Item 16]

It was agreed that non-exempt information may be made available to the press and public, where appropriate.

25/18 FORWARD WORK PROGRAMME [Item 12]

Witnesses:

Adrian Stockbridge, Head of Strategy, Performance and Change
Sheila Little, Director of Finance, Orbis and Surrey County Council
Kevin Foster, Chief Operating Officer, East Sussex County Council
David Kuenssberg, Executive Director of Finance and Resources, Brighton & Hove City Council

Key points raised during the discussion:

1. Members agreed to receive a service update from Property at the next Joint Committee meeting in July.
2. Members noted that a Performance Monitoring update would become a standing item at future meetings, as per the Budget Monitoring report.
3. There was some discussion about the draft procurement strategy and whether any other strategies were under review. Officers explained that most services would have three sovereign specific strategies to accompany an overarching integrated service strategy.
4. Officers agreed that they would bring a report on the consistency of service delivery and degree of integration to the next meeting in July.

RESOLVED:

Members noted the Forward Work Programme as amended.

26/18 DATE OF THE NEXT MEETING [Item 17]

The Committee noted that its next meeting would be held on Friday 6 July 2018 at Hove Town Hall.

Meeting ended at: 3.34 pm

Chair

**EAST SUSSEX COUNTY COUNCIL,
SURREY COUNTY COUNCIL AND
BRIGHTON & HOVE CITY COUNCIL**



ORBIS JOINT COMMITTEE

DATE: 6 JULY 2018

LEAD OFFICER: KEVIN FOSTER (CHIEF OPERATING OFFICER, EAST SUSSEX COUNTY COUNCIL), MICHAEL COUGHLIN (EXECUTIVE DIRECTOR FOR CUSTOMERS, DIGITAL & TRANSFORMATION, SURREY COUNTY COUNCIL) & DAVID KUENSSBERG (EXECUTIVE DIRECTOR FINANCE & RESOURCES, BRIGHTON & HOVE CITY COUNCIL)

SUBJECT: 2017/18 BUDGET OUTTURN

SUMMARY OF ISSUE:

To inform the Joint Committee of the 2017/18 Orbis Outturn and to seek approval of transfers to and from the Orbis operating budget.

RECOMMENDATIONS:

The Joint Committee is asked to note:

1. Orbis operating budget variance of -£2.5m at year end.
2. £1.5m spend on Orbis investment and redundancies.
3. Services achieved £5m efficiencies by year end.
4. Agency expenditure of £2m (4% of staffing).

The Joint Committee is asked to approve:

5. £0.07m transfer to the Orbis operating budget.

REASON FOR RECOMMENDATIONS:

The Joint Committee is responsible for ensuring the sound financial management of the partnership, delivering the business plan and monitoring the investment.

DETAILS:

Orbis Joint Operating Budget 2017/18 Outturn

6. The 2017/18 Joint Operating Budget was £50.7m including £3.9m planned efficiency savings. The outturn was £48.2m, a variance of -£2.5m comprising of one-off savings of £1.4m and early delivery of 2018/19 savings of £1.1m.
7. The Joint Operating Budget variance was mainly from staffing (-£2m), where services held vacancies ahead of delivering a further £4.6m of

savings in 2018/19 or where restructures took place earlier than anticipated. There also variances on non-staffing and income. The pension administration service expenditure and income budget variances offset each other (£0.6m). The remaining income variance of -£0.5m related to one-off income from BHCC for staff costs prior to joining the partnership (-£0.2m) and on-going additional income from activities such as financial support of investment properties.

8. The full year variance has changed by -£0.1m since the estimate at the end of February, reported to the Committee in April.
9. Table 1 shows the 2017/18 Joint Orbis Budget outturn by service and the revenue contribution for each authority.

Table 1 2017/18 Joint Operating Budget by service

	Outturn		
	Budget	Actual	Variance
	£000s	£000s	£000s
Business Operations	5,306	5,133	-173
Finance	9,068	8,319	-749
HR&OD	4,675	4,484	-191
IT&D	16,987	16,312	-675
Management	1,974	1,557	-417
Procurement	3,216	2,957	-259
Property	9,456	9,404	-52
Total Net Expenditure	50,681	48,166	-2,516
Subjective Analysis			
Staffing	55,235	53,285	-1,950
Non-Staffing	6,575	7,198	623
Total Expenditure	61,809	60,482	-1,327
Income	-11,128	-12,316	-1,189
Net Expenditure	50,681	48,166	-2,516
Contributions			
ESCC	15,342	14,580	-761
SCC	35,340	33,586	-1,754
Total	50,681	48,166	-2,516

Management costs include an adjustment to ensure that the method of calculating pension contributions is similar in both ESCC & SCC.

Orbis Investment

10. The 2017/18 Orbis investment expenditure was £0.4m and the cost of Orbis redundancies was £1.1m
11. The 2017/18 approved budgets for Orbis Investment totals £1m. This is primarily for the Orbis Programme Team, external advice and core IT, this expenditure was £0.4m. The variance to budget is mainly due

to reduced spend on external advice and vacancies in the programme team. Further investment funding is subject to business case approval before proceeding.

12. Redundancies are approved by the employing authority subject to a robust business case. The redundancy expenditure was £1.1m, this is higher than originally estimated at the time of the original Orbis business plan, however these are partly delivering additional early savings.
13. Table 2 shows the 2017/18 investment and redundancy expenditure outturn.

Table 2: 2017/18 Orbis Investment

	Plan	Outturn	FY Var
	£000	£000	£000
Programme Level	160	125	-35
Enabling Programme Support	266	78	-188
Total Programme Expenditure	426	203	-223
External Advice	350	196	-154
Core IT	165	57	-108
Orbis IT	110	25	-85
Contribution from BHCC	-67	-80	-13
Total Approved Investment	984	401	-583
Redundancy	400	1,060	660

Efficiencies

14. The 2017/18 Joint Operating budget included challenging efficiency savings and increased income targets of £3.9m. Services are putting plans in place to achieve a further £4.6m in 2018/19, as detailed in the Orbis Business Plan.
15. Services delivered £3.9m planned efficiencies and, as reported above, £1.1m of the 2018/19 Orbis Joint Operating budget savings were delivered early as reflected in table 3 below.

Table 3: 2017/18 Efficiencies

	Plan	Outturn
Efficiency Saving	2017/18	2017/18
	£000	£000
Business	-500	-673
Finance	-525	-755
HR&OD	-400	-591
IT&D	-1,099	-1,549
Management	-100	-100
Procurement	-345	-395
Property	-906	-958
	-3,875	-5,021

Staffing

16. The Orbis Joint Committee is responsible for managing all aspects of the Joint Operating Budget, including staffing. The staffing budget is set on the estimated establishment needed to deliver services, after deducting costs for an estimated level of vacancies.
17. There was a -£2m staffing variance where services held staff vacancies to deliver future savings and completed restructures early. This is no change to the amount previously reported. Table 4 provides a breakdown of the staffing for each service.

Table 4: Full year staffing variance

Staffing	Outturn		
	Budget	Actual	Variance
	£000	£000	£000
Business Operations	9,772	9,553	-219
Finance	10,161	9,467	-694
HR&OD	4,595	4,499	-96
IT&D	17,319	16,891	-428
Management	449	405	-44
Procurement	3,063	2,889	-174
Property	9,876	9,581	-295
Total Net Expenditure	55,235	53,285	-1,950

18. The staffing expenditure includes agency staff, this was 4% of total staffing spend. The use of agency staff is avoided where possible however there are a limited range of circumstances where it is appropriate, for example specific skills for a project or to cover business critical vacant posts in the short term. Table 5 shows the 2017/18 agency spend by service.

Table 5: Agency non-agency staffing expenditure

	Agency Outturn	Non Agency Staffing	Total Staffing Outturn	Agency %
	£000s	£000s	£000s	
Business Operations	203	9,349	9,553	2%
Finance	288	9,179	9,467	3%
HR&OD	47	4,452	4,499	1%
IT&D	1,181	15,710	16,891	7%
Management	6	399	405	2%
Procurement	271	2,617	2,889	9%
Property	118	9,464	9,581	1%
Total Net Expenditure	2,114	51,170	53,285	4%

Orbis Operating Budget Transfers

19. In accordance with the process set out in the Inter Authority Agreement (IAA) the service delivery requirements of each authority are under review. This work is ongoing and analyses whether there have been significant changes in service delivery. In addition, it has become apparent that some joint operating budget costs should now be included or excluded from the budget when using the IAA principles. For example the Orbis element of the ESCC Amey contract was estimated, now this contract has ended the true costs should be reflected in the Orbis budget. Appendix 1 lists all of the costs that should be included or excluded from the joint budget, in line with agreed IAA principles.
20. The Committee is asked to approve these adjustments which reduce the Orbis Joint Operating budget by £0.07m and changes the ESCC contribution from £14.8m to £14.7m, the BHCC and SCC contributions remain the same, at £13.4m and £34.4m respectively. This does not change the current 21/24/55 ratio; nor impact on the affordability for any authority as the budgets for these costs are in their medium term financial plans classified as sovereign budget. The Committee is advised to recommend this level of contributions to each authority's Cabinets.

WHAT HAPPENS NEXT:

21. The Orbis Leadership Team will review the position each month and report this to the Joint Committee. All Members will be briefed in the months the Committee does not have a meeting.

Contact Officers:

Louise Lawson – Senior Principal Accountant

Appendices:

Appendix 1 – Detail of budget transfers

Sources/background papers:

None

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Adjustments to Orbis Joint Operating budget and Managed on Behalf of Budgets in BHCC, ESCC & SCC

BHCC / ESCC / SCC	Service	Description	2018/19 Adjustment				Notes
			Joint Budget £000	BHCC MoBo £000	ESCC MoBo £000	SCC MoBo £000	
ESCC	Procurement	Public Health recharge income	80.0		-80.0		1
ESCC	Procurement	External income	-36.4		36.4		2
ESCC	Property	Facilities management net movement	-166.0		166.0		3
ESCC	IT&D / B. Ops	SAP income	7.2		-7.2		4
SCC	Property	Moves manager	45.0			-45.0	5
			-70.2		115.2	-45.0	

Notes - reason for transfer

- 1 2017/18 transfer from ASC was net of Public Health income, this should remain as MoBo
- 2 Procurement rebate income is external and should be applied to Orbis, this is baseline budget
- 3 When FM was provided by Amey an artificial transfer was made between Orbis & MoBo to reflect the estimated Orbis related work. This movement reflects the true position following the end of the Amey contract.
- 4 SAP hosting costs are MoBo, this transfers income budget from orbis to MoBo where costs are incurred
- 5 Moves management is moving from fees (MoBo) to staffing (Orbis)

MoBo: Managed on Behalf of

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**EAST SUSSEX COUNTY COUNCIL,
SURREY COUNTY COUNCIL AND
BRIGHTON & HOVE CITY COUNCIL**

ORBIS JOINT COMMITTEE



DATE: 6 JULY 2018

LEAD OFFICER: JOHN STEBBINGS, CHIEF PROPERTY OFFICER

SUBJECT: PROPERTY SERVICE UPDATE

SUMMARY OF ISSUE:

The Orbis Property Function is progressing its integration journey required to deliver the efficiencies identified in the original Orbis Business plan.

This report provides an update of the progresses made to-date and an outline of the key outcomes expected for the Financial year 2018/19.

RECOMMENDATIONS:

It is recommended that:

1. The Joint Committee notes the progress made
2. The Joint Committee is sighted of the Property plans to reach full integration by April 2019.

REASON FOR RECOMMENDATIONS:

To ensure the Joint Committee is kept informed about the progress to-date and understands the approach being taken for the Property Services Function with regards to their Orbis aspirations to integrate.

DETAILS:

Service Update for the Property Services Function.

1. The Property Development Function started the Orbis journey towards full of integration soon after Brighton & Hove City Council formally joined the Partnership.
2. Due to the challenging aspirations to achieve significant efficiencies during 2018/19 and set a sustainable platform for the future, the Senior Management Team agreed that a transformation journey was required.

3. The journey started in May 2015 and since then has been led by the Property Services Chief Property Officer and his Senior Leadership Team.
4. A simple framework based on key principles was adopted:
 - Deliver against savings
 - Everything is integrated
 - Focus on enabling and adding value to the Customer
 - Increase standardisation and reduce duplication
 - Future proof the Partnership
 - Maximise organisational self-sufficiency
 - Exploit technology and all enabling resources
 - Enable decision making to take place closest to the issue
 - Operate with a commercial mindset
5. The attached Appendix 1 captures the progresses made so far and key achievements and projects as well as the timeline of achievements of integration so far.

RISK MANAGEMENT AND IMPLICATIONS:

6. The plans for 2018/19 will identify the financial and non-financial risks along with proposed treatments.

Financial and Value for Money Implications

7. The cost of the proposed next steps required to achieve the new Property Integrated model and consequent funding are incorporated in the Orbis Business Plan.

WHAT HAPPENS NEXT:

8. Detailed plans focused primarily on the Property service and the development of staff skills will be produced / co-created in collaboration with Staff, Stakeholders, Orbis IT&D, Procurement, Finance and Business Operation Colleagues.

Contact Officer:

John Stebbings, Chief Property Officer– Orbis, 020 8213 2554

Consulted:

Michael Coughlin – Executive Director for Customers, Digital and Transformation

David Kuenssberg - Executive Director of Finance & Resources

Kevin Foster – Chief Operating Officer

Adrian Stockbridge – Head of Strategy, Performance & Change

Appendices:

Appendix 1 - Service Update slides.

Sources/background papers:

None

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orbis

Property Service Update July 2018

Surrey County Council

156 fte

317 operational buildings (excluding
412 schools)



Surrey

East Sussex

Brighton & Hove

East Sussex County Council

74 fte

299 operational sites
(excluding 195 schools)



Brighton & Hove City Council

103 fte

292 operational buildings (excluding
193 schools)





Property Services has responsibility for a variety of different types of requirements across the 3 sovereign authorities in extensive and diverse property portfolio of corporate, operational and non-operational premises.

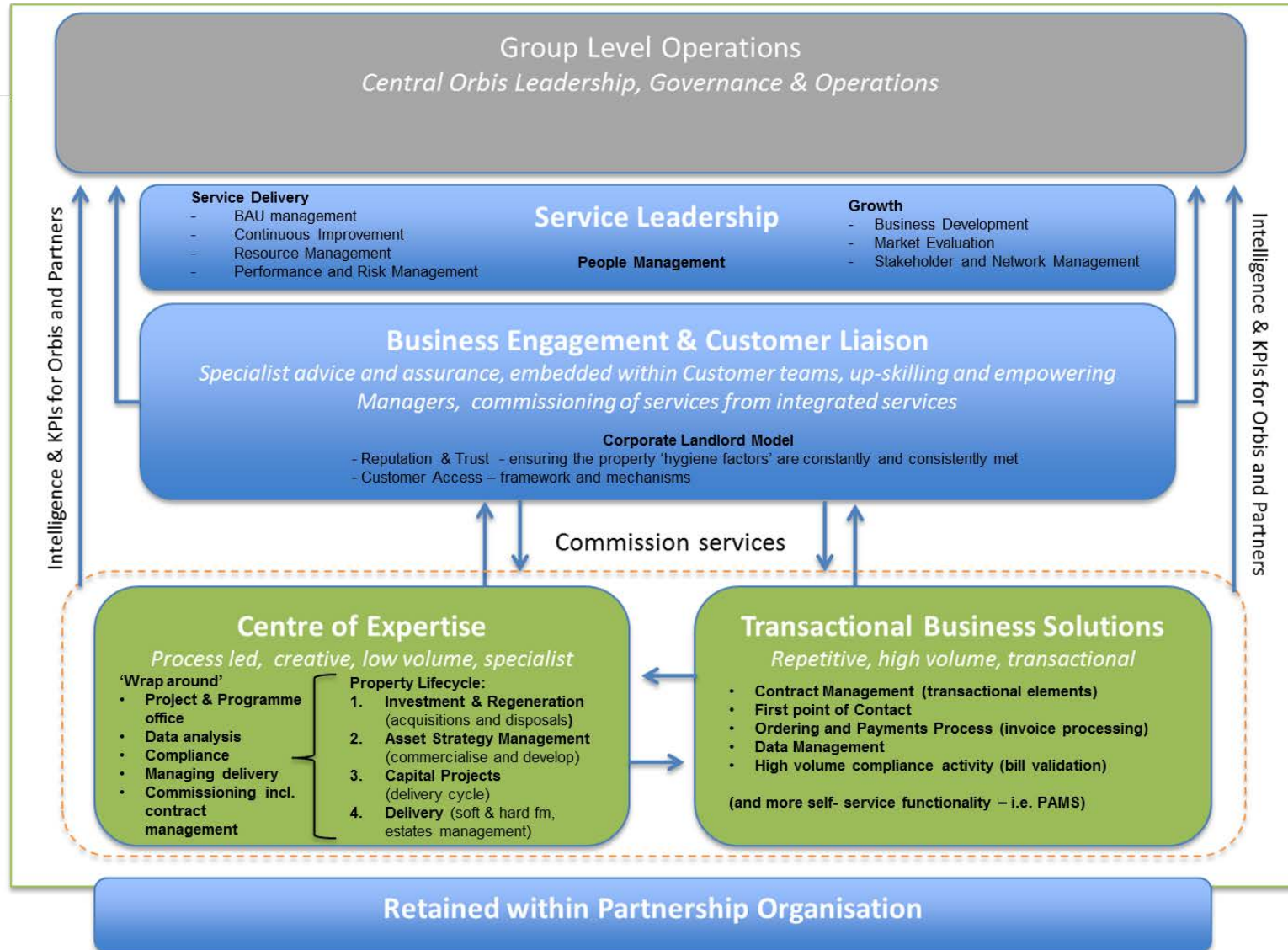
Our service delivers every aspect of Property including designing new buildings and schools, managing, maintaining, refurbishing and adapting existing buildings, acquiring and selling property assets, and managing tenancies, leases and other agreements.

We are based across Surrey, East Sussex and Brighton and work together to get the best result for our communities.

Property Future Model



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Senior Leadership Team



John Stebbings Chief Property Officer

Claire Barrett	Pete Hopkins	Angela Dymott	Keith Brown	Tina Glen	Peter Hall
Deputy Chief Property Officer	Lead Asset Strategy Manager	Assistant Director, Property & Design	Schools & Capital Programmes Manager	Head of Property Operations	Investment & Disposal Manager
Responsible for deputising for the Chief Property Officer, Sovereign Lead for SCC, the Estates Function, the Maintenance Teams including the Helpdesk, The Programme Team, The Commercial Team and the System and Services delivery teams which include Project Support, across SCC & ESCC	Responsible for the Joint Venture project in SCC, non schools projects and assets projects across SCC & ESCC. Responsible for effective forward planning and implementation of strategic changes in the organisation's estate to meet corporate and service priorities.	Responsible for the Property Function across BHCC. Sovereign Lead for BHCC	Responsible for running and delivery of the schools programme across ESCC & SCC.	Sovereign Lead for ESCC. Responsible for the Maintenance Function across SCC & ESCC, including the Area Facilities Officers, reception ,Contract Management and Arb services,.	Responsible developing, delivering and monitoring the investment and disposal strategy across ESCC and SCC in accordance with each organisation's specific investment, income and regeneration objectives.

Sovereign Requests and Requirements

Orbis 2021: Business Priorities



Future of Orbis Property: Vision and Direction

Serve Our Customers

Place the customer at the heart of everything we do

Page 30

Customer Access Strategy

Develop our People

Have a workforce who are proud and passionate and given the opportunity to succeed and flourish

Career Development

Staff Engagement

Create conditions for success

Embed a partnership culture, empowering our people to make decisions based on the right thing for our business and our customers

Standardised Processes

Comms Strategy

Orbis Property Services

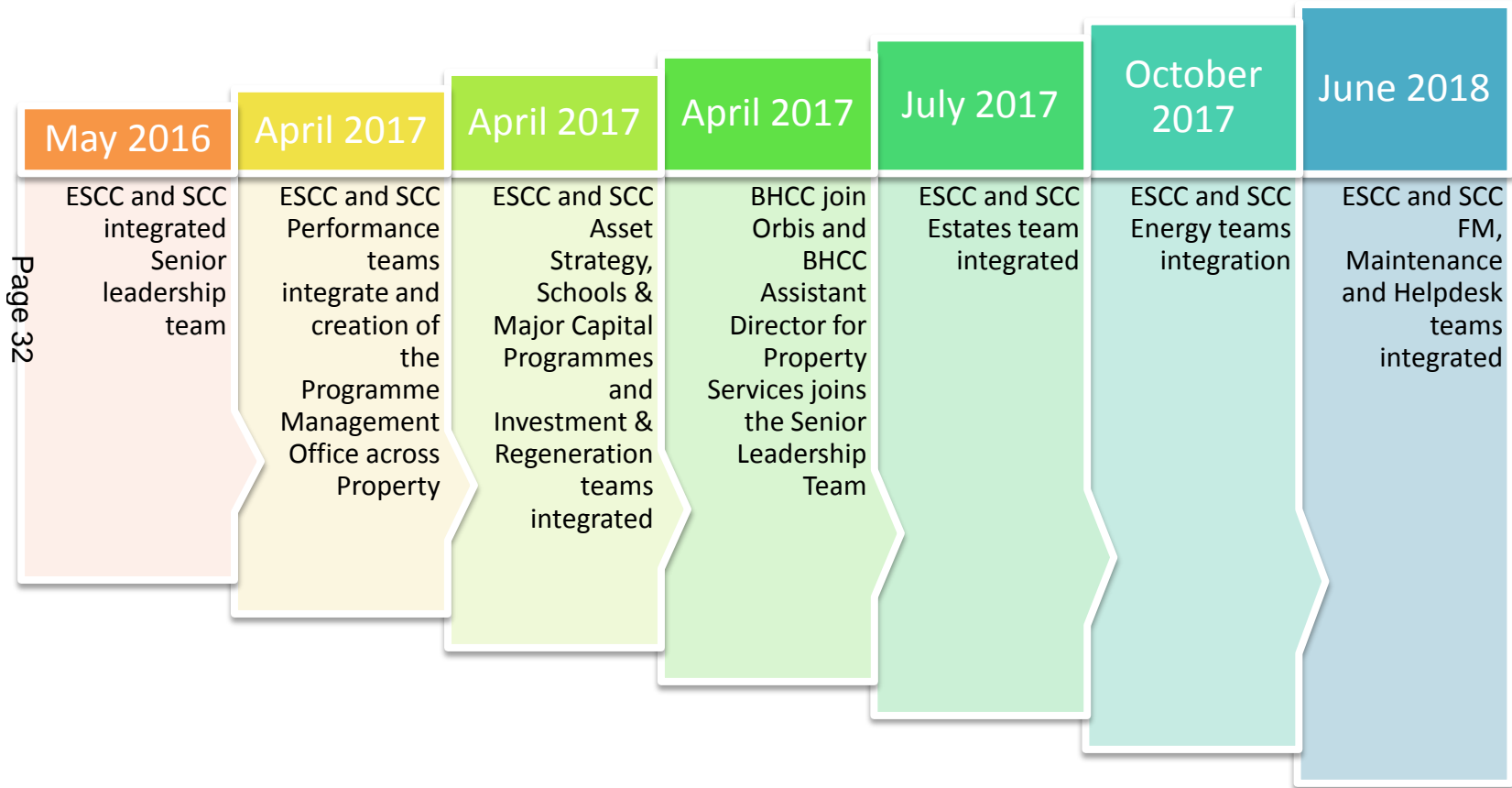
“One Professional Property Service for the public sector”: What this means to us

- ✓ A service that people want to join
- ✓ Being resilient through financial sustainability, a shared infrastructure and shared business processes
- ✓ Focus on what we can do, not what we can't
- ✓ One team, one approach, one Orbis
- ✓ Demonstrating and sharing our successes
- ✓ A service that staff feel proud to work for
- ✓ Strong relationships with our customers across the public sector ensuring there are clear routes to access our services
- ✓ Being part of and influencing a unique new model of delivery for the public sector (the compelling alternative)
- ✓ Learning from each other

Timeline



June 2018: Delivering the model for Orbis Property to
2021 as one Property Function



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Efficiencies

	2016/17		2017/18		2018/19	
	Target	delivered	*Target	delivered	Target	delivered
Orbis	-96	-96	-906	-906	-901	
SCC	-955	-955	-740	-740	-360	
BHC	-789	-789	-1437	-952	0	
ESCC	-144	-144	-74	-74	0	
	-1984	-1984	-3157	-2672	-1261	0

Additional one-off savings		
16/17	17/18	18/19
- 620	- 52	
- 2,365	- 1,754	
-	-	
- 1,016	- 761	
- 4,001	- 2,567	-

Key Successes

Awards

- Cradle Hill Primary School, Seaford (ESCC)– secured “Innovation in Project Delivery” at the NFB Awards 2018 ceremony and also secured Performance Beyond Compliance – for the Considerate Constructors Scheme.
- Hastings Library (ESCC) - achieved the Considerate Constructors Scheme Bronze Award (Grade II listed heritage refurbishment project)
- New Teaching block and Reigate Parish School (SCC) achieve the Award for Excellence in Architectural Technology
- Grade II listed windmill has been awarded the 2017 Public & Community Award from the Sussex Heritage Trust (BHCC)

Structure

- Fully integrated Senior Leadership Team
- Fully Integrated Property teams across ESCC & SCC as in line with original business plan

People

- Property Staff Engagement Group is operating across all three partners
- EPIC Behaviour of the month celebrated in the monthly newsletter, now implemented across all Orbis as part of the 'naturally epic campaign'

Partnership Projects

- Hard FM Strategy developed across all three partners. Schedule go-live Spring 2019
- Soft FM Strategy developing across all three partners

Key Challenges

- Balancing travelling time v business needs
- Differing organisational requirements
- Managing political changes
- Embedding of cross authority structures
- Integrating IT systems & the ability to work seamlessly across the partnership

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**EAST SUSSEX COUNTY COUNCIL,
SURREY COUNTY COUNCIL AND
BRIGHTON & HOVE CITY COUNCIL**



ORBIS JOINT COMMITTEE

DATE: 6 JULY 2018

LEAD OFFICER: KEVIN FOSTER (CHIEF OPERATING OFFICER, EAST SUSSEX COUNTY COUNCIL), MICHAEL COUGHLIN (EXECUTIVE DIRECTOR OF CUSTOMERS, DIGITAL & TRANSFORMATION, SURREY COUNTY COUNCIL) & DAVID KUENSSBERG (EXECUTIVE DIRECTOR FINANCE & RESOURCES, BRIGHTON & HOVE CITY COUNCIL)

SUBJECT: ORBIS PERFORMANCE FRAMEWORK

SUMMARY OF ISSUE:

To provide an update to the Joint Committee on the development of the Orbis Performance Framework.

RECOMMENDATIONS:

It is recommended that:

The Joint Committee notes the progress being made in developing an Orbis Performance Framework and reviews the initial data sets provided.

REASON FOR RECOMMENDATIONS:

The Joint Committee is responsible for the effective monitoring of Orbis Performance

DETAILS:

Background

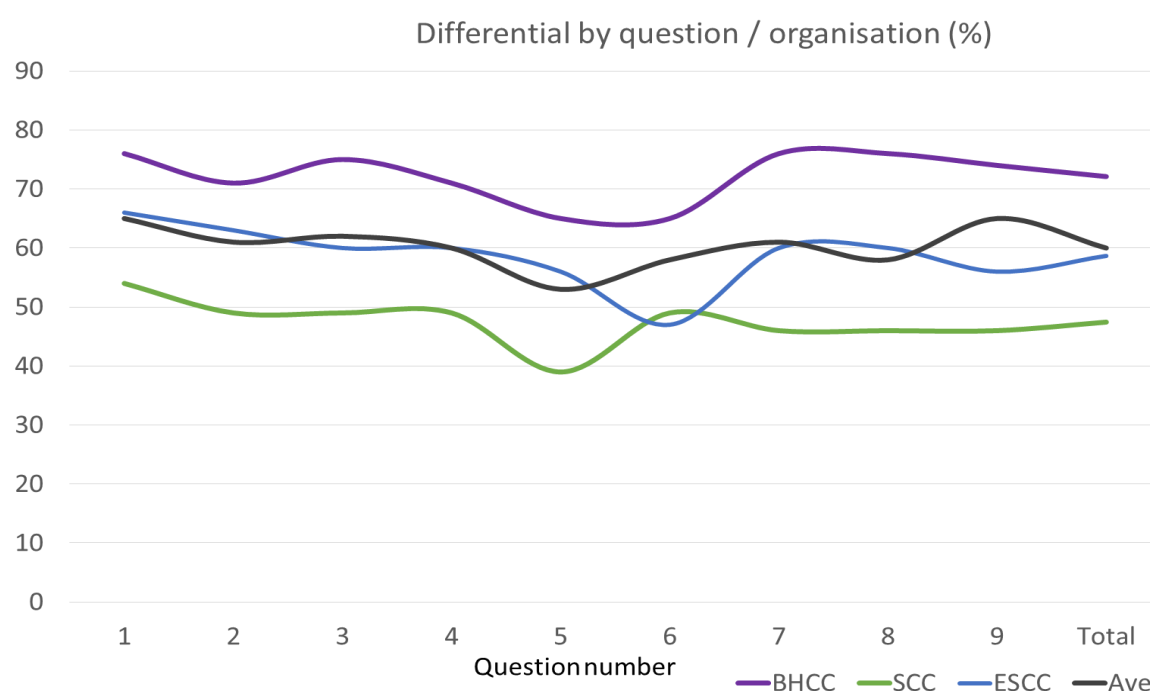
1. The terms of reference of the Joint Committee are to oversee and improve the delivery of the services for the benefit of the each participating council and in particular to:
 - a) Approve the Orbis Business Plan and performance measures
 - b) Monitor the Orbis Business Plan and performance of Orbis
2. A Performance Framework and dashboard continues to be developed to provide the Orbis Leadership team and wider community with the tools and insights needed to evaluate the performance of Orbis. This will also aid more informed decision making and identification of improvement areas.

3. Some initial data sets are now available for review, more detail is provided in this report with initial focus on a number of key areas. Also included is information for a specific survey that was undertaken during May 2018 to gain insight into the three organisations perception of Orbis at this time.

Customer Survey

4. A customer survey was completed by key stakeholders within each Council during May 2018, this sought to ascertain the current level of satisfaction around a number of key criteria.

Chart 1: Customer survey responses by Council



5. The questions asked were “To what extent do you believe Orbis provides”:

- 1) A good understanding of your business and key priorities?
- 2) The support needed to deliver your business and key priorities?
- 3) Accessible Services
- 4) Responsiveness
- 5) Flexibility
- 6) Value for money
- 7) Effectiveness
- 8) Efficiency
- 9) Quality of service

There were a range of five answers from “not at all” to “a large extent”.

6. The survey was sent to 70 key stakeholders across the three organisations consisting of Members and senior officers. There were a total of 49 responses; 19 SCC, 21 BHCC and 9 from ESCC this represents a 70% response rate.

7. Chart 1 details the responses from each respective Council against nine questions and clearly shows the current disparity in perception in relation to Orbis. The percentage rating means broadly that 50% is neutral, so answers above this are more positive in nature, below 50% indicates more of a negative response than positive.
8. The information contained in the survey responses will be used as part of a wider review of Orbis that is being undertaken during the Summer of 2018. More detail of these reviews can be found in the report titled 'Orbis Reviews' Agenda Item 8.

Sickness Absence rates

9. One of the key initial priorities for Orbis performance reporting is to start using data sets to drive insight and further analysis, whilst identifying inconsistencies in data, systems and approach.
10. A primary area of focus is to be able to understand the relative sickness absence rates across the three Councils and within each Orbis Service. As of April 2018 data sets are now being provided that enable this analysis to be undertaken.

Table 1 – absence rates by Council April 2018

Orbis People – April 2018		Per annum calculation (estimate)	Organisation per annum (estimate)
Total Orbis Headcount	1907		
Total Contracted Hours	281352 (37,513 days)		
Total Sickness Hours	3744 (500 days)		
Average sickness days per employee in April	0.26 Days	3 days	
Breakdown by Organisation			
Orbis SCC Per capita Sickness Hours (sickness hours/headcount)	0.84 (0.12 days per month)	1.5 days	0.5 Days
Orbis ESCC Per capita Sickness Hours (sickness hours/headcount)	1.89 (0.25 days per month)	3 days	5.57 Days
Orbis BHCC Per capita Sickness Hours (sickness hours/headcount)	3.6 (0.5 days per month)	5.76 days	9 Days

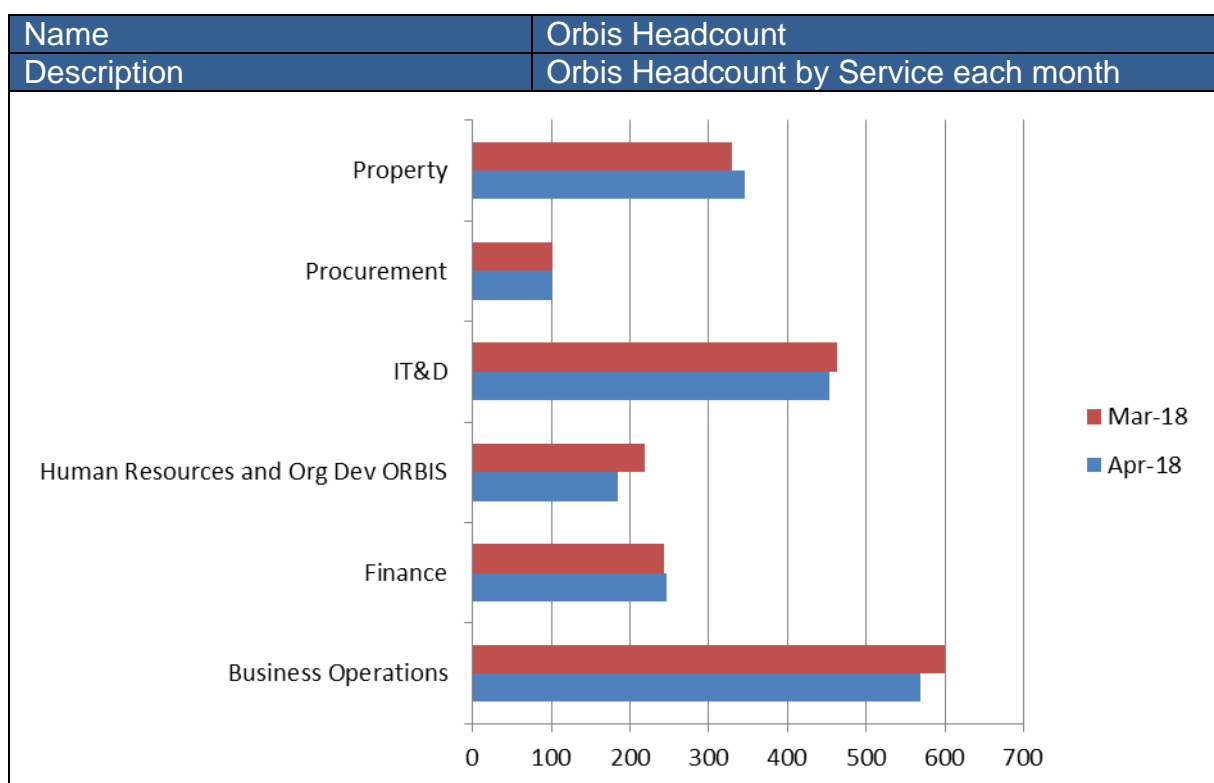
11. Table 1 shows that the absence rates vary significantly between the three Councils. ESCC and BHCC both use Firstcare for sickness absence reporting, this ensures that sickness is captured on the first day the employee is off ensuring a more accurate measure. In SCC sickness is manually added by staff on their return from a period of absence. With levels in SCC being so much lower than the other partners this raises questions about the integrity of the data or with staff compliance with sickness reporting policies. This will require further investigation to understand the reasons for varying levels of absence.
12. Orbis absence rates are generally lower than wider sovereign averages, which is consistent with organisational reporting that shows higher rates of absence in frontline service areas such as Adults & Children's services. Orbis rates are approximately 50% below organisation averages. The data for Surrey is in

consistent but this again highlights the poor data quality that requires further investigation.

Headcount

13. The total Orbis headcount has decreased by 56 between March 2018 and April 2018. A number of services have been conducting consultations during this period. Variations should be tracked in future months following the conclusion of consultations.
14. In Finance and Property there has been a slight increase in headcount, this is due to a number of factors. Property in-sourced staff from a previously outsourced FM contract, together with filling a number of interim roles utilised to support short term capacity challenges. Finance were able to successfully launch provision of Internal Audit services for Horsham District Council together with filling some vacancies within the service to also address ongoing capacity issues.
15. Table 2 provides a view by service for figures in March and April 2018.

Table 2 Headcount March / April 2018

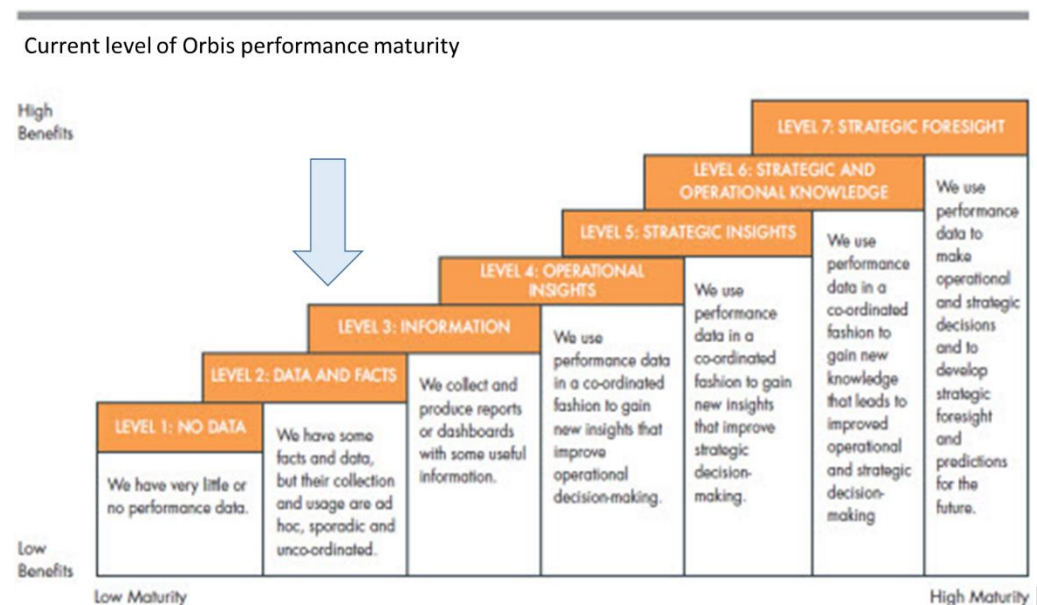


Performance maturity

16. These initial data sets are starting to provide useful insights together with raising further questions and challenges. Specifically, the inconsistency of data formats and quality remain a challenge to enable meaningful conclusions.
17. Work continues to develop the performance approach for Orbis but it is worth pointing out that we are still relatively immature in developing this approach across the three Councils.
18. The maturity model in Table 3 identifies where Orbis is in relation to realising a fully effective performance model and details the steps that will need to be taken

to develop this approach further and realise the aspirations set in this important area.

Table 3 – Performance maturity model



WHAT HAPPENS NEXT?

1. Further work will continue to ensure data sets are provided that allow for insightful and valuable analysis. Much of the information is very granular in detail and will need to be analysed to provide the correct level of reporting, both to senior officers and Members, including this committee.
2. It is proposed that performance reporting is more in line with a “data journalism” approach, to really highlight key headlines and changes in statistics each month in an easy to read and understand format. This approach will require dedicated and experienced resource to achieve the full potential around analytics.
3. The current resource that has undertaken initial development and insight is due to end her secondment in July 2018. A more permanent solution is being reviewed to ensure the relevant level of capability and capacity is in place to continue this important work.
4. The proposed reporting will evolve and develop as business needs and requirements change. This framework should be flexible enough to be both proactive and reactive.
5. A summary report will be produced each month detailing highlights from the monthly dashboard and making recommendations for potential areas of improvement across Orbis.

Contact Officer:

Adrian Stockbridge – Head of Strategy, Performance & Change

Gail Perryman – Orbis Programme Coordinator

Consulted:

- Kevin Foster – Chief Operating Officer, ESCC
- Michael Coughlin – Executive Director for Customers, Digital & Transformation, SCC
- David Kuenssberg – Executive Director of Finance & Resources, BHCC

Appendices:

None

Sources/background papers:

None

**EAST SUSSEX COUNTY COUNCIL,
SURREY COUNTY COUNCIL AND
BRIGHTON & HOVE CITY COUNCIL**



ORBIS JOINT COMMITTEE

DATE: 6 JULY 2018

LEAD OFFICER: KEVIN FOSTER (CHIEF OPERATING OFFICER, EAST SUSSEX COUNTY COUNCIL), MICHAEL COUGHLIN (EXECUTIVE DIRECTOR OF CUSTOMERS, DIGITAL & TRANSFORMATION SURREY COUNTY COUNCIL) & DAVID KUENSSBERG (EXECUTIVE DIRECTOR FINANCE & RESOURCES, BRIGHTON & HOVE CITY COUNCIL)

SUBJECT: CONSISTENCY OF SERVICE DELIVERY

SUMMARY OF ISSUE:

Consistency of service delivery is key for any shared service arrangement to ensure effective systems and processes are in place together with the ability to reduce the cost of delivery.

RECOMMENDATIONS:

It is recommended that:

The Joint Committee note the content of this report

REASON FOR RECOMMENDATIONS:

To ensure the Joint Committee is informed on progress being made in the integration and transformation of service delivery within the partnership.

DETAILS:

1. A review has been undertaken to look at the relative consistency in approach for how Orbis services are currently delivered and to what extent the service delivery differs between the three organisations.
2. The review was undertaken through conversations with each respective service lead to understand the current position (as is) and aspirational future state (to be).
3. Driving consistency of approach through consolidated policies, procedures, processes and systems can have huge benefits in terms of the cost of operations and quality of service delivery. It is therefore vital to continue to drive a consistent approach in these areas wherever possible.

4. It is recognised that there will always need to be an element of 'sovereign choice' in how services are delivered. This will ultimately lead to differences in approach and prevent the ability to achieve one hundred percent (100%) consistency.
5. The detail in appendix 1 demonstrates that there are significant differences in the approach for each service area and across the three councils. This can be attributed to the different approach and timing of integration within each service together with the diverse levels of complexity across services.
6. Property is one area to highlight where there are significant differences. It will be possible to achieve a level of consistency in relation to processes and technology, but in areas such as strategic asset strategies these will largely remain sovereign due to the different approach taken by each council. A good example is the ongoing work in Brighton & Hove City Council in relation to inner city regeneration, this activity is not undertaken by the County Councils.
7. In direct contrast to Property, more transactional areas such as Business Operations will seek to drive consistency to the highest possible level, this is crucial for the service to be truly cost effective. The aspiration is to achieve in the region of 90% as processes such as payroll, recruitment, accounts payable/receivable and data management should be streamlined as much as possible. An example of this is a joint e-recruitment system is currently being procured by the three councils.
8. The focus for Orbis during the initial phase was to create the partnership, integrate teams and deliver savings. The focus going forward will be to really focus on how services are delivered and really seek to transform and improve quality and effectiveness.

WHAT HAPPENS NEXT:

9. Work will continue to review and improve processes and procedures within each service area and across the partnership
10. The Orbis Joint Management Board will be undertaking a number of service based reviews through a showcase approach later in the year to understand direction of travel and approach to service transformation.
11. As part of the performance framework a regular review of consistency will be undertaken to track progress in these areas.

Contact Officers:

Adrian Stockbridge – Head of Strategy, Performance and Change

Consulted:

Michael Coughlin – Executive Director for Customers, Digital and Transformation

David Kuenssberg - Executive Director of Finance & Resources

Kevin Foster – Chief Operating Officer

Appendices:

Appendix 1 – Service review slide deck

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orbis

the compelling alternative

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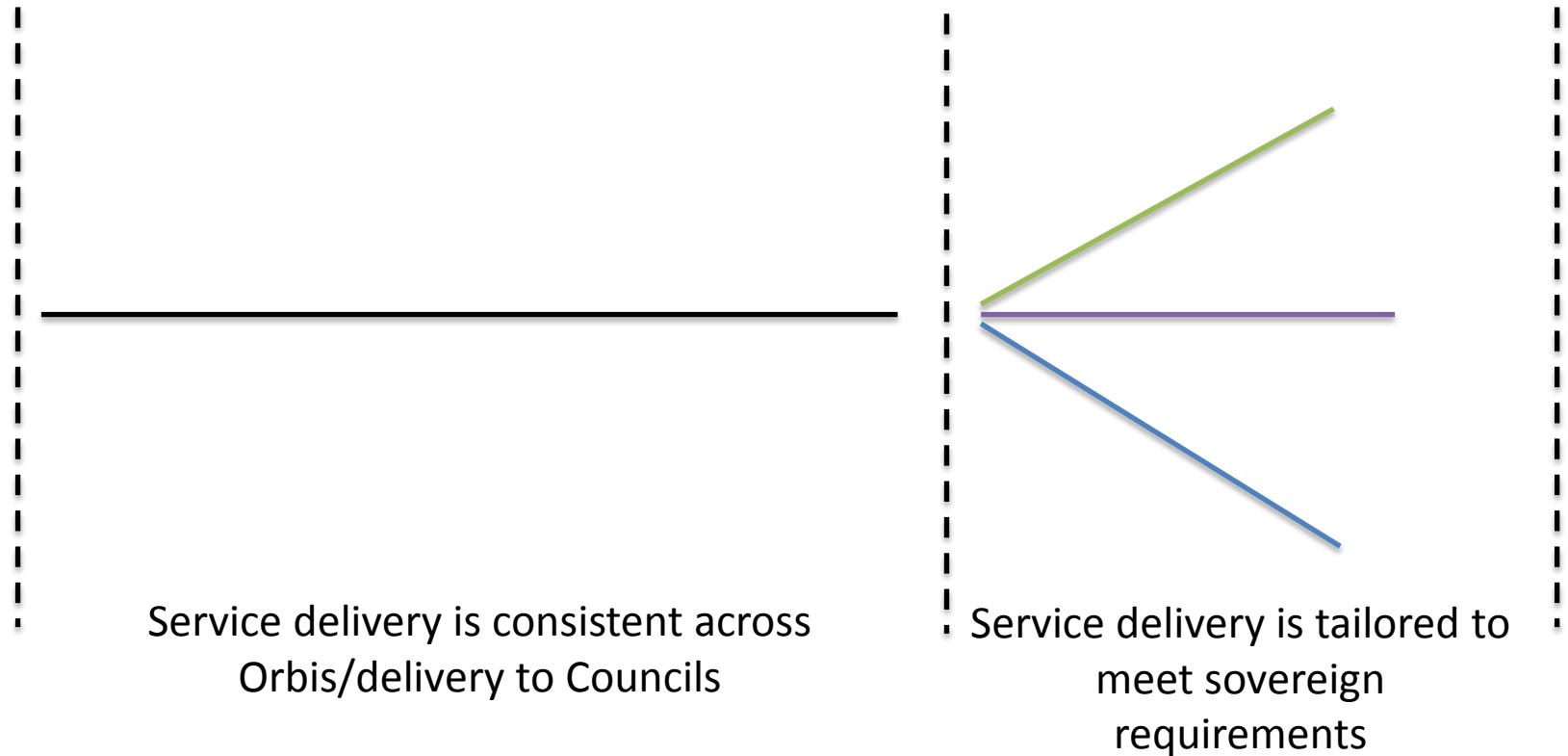
Appendix 1

Consistency of Approach (project hazel)
v0.2 Draft for Review
Issued 7 March 2018

1. INTRODUCTION & APPROACH

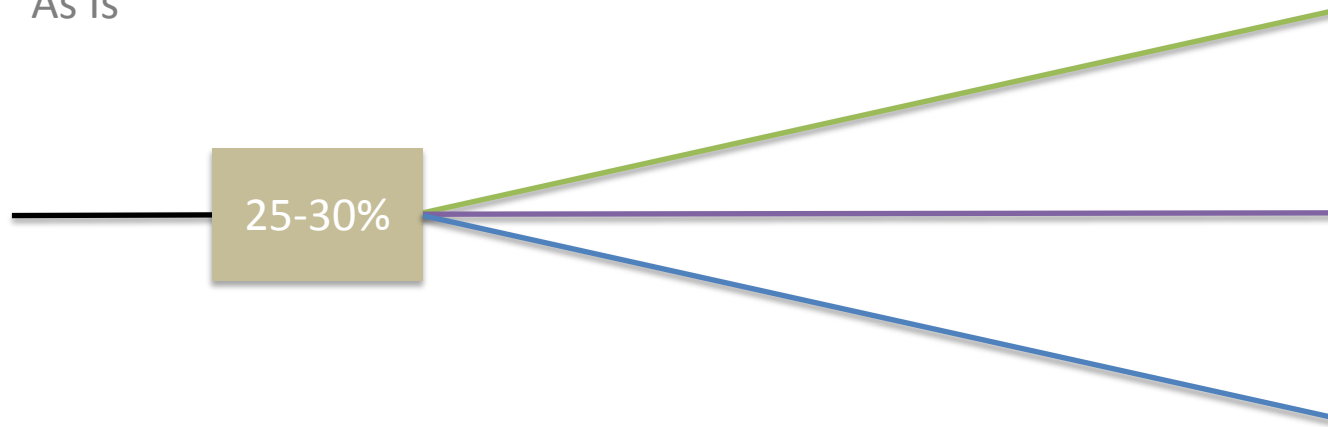
Water diviner explanation

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Business Operations

As Is



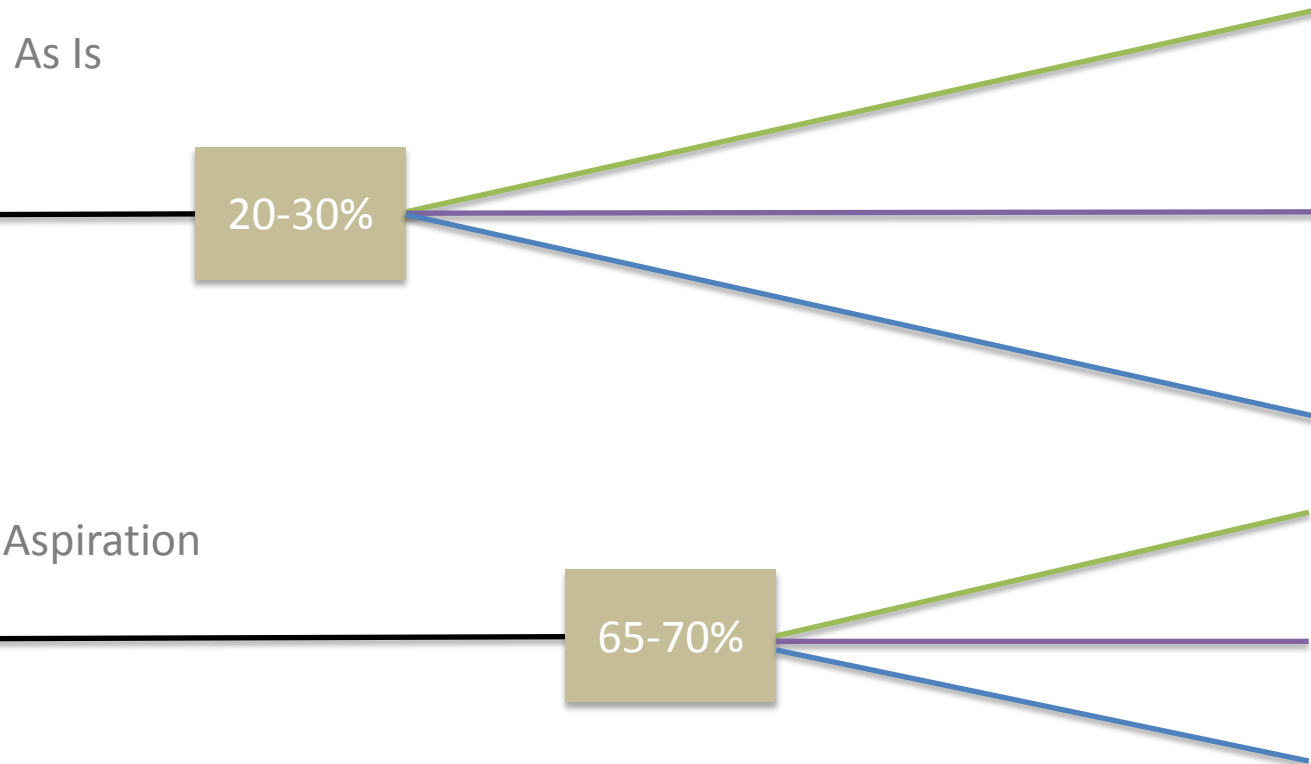
Aspiration



Business Operations

- Due to the nature of the service it should be possible to drive a high level of consistency, but there are dependencies on technology and location of services.
- It is estimated that there are 1000 processes at each site with an average of 15 steps per process. This means that there can be up to 45,000 process steps to manage and optimise.
- There are currently huge variations in the systems / processes within Bus Ops this leads to a very inconsistent approach in the delivery of services to each Council
- A number of factors contribute to the variation including; policies, compliance and culture of the organisations.
- There are some areas where there is already a reasonable high degree of consistency such as payroll, eDBS and BACS and in areas such as these the aspiration will be to drive 100% consistency where possible.
- To achieve the aspiration of 85-90% many factors will need to be considered including consolidation of systems, locating centres of expertise together and process re-engineering.
- It will also need a change of culture for staff within Orbis and customers using the service, currently compliance is inconsistent and in some areas there is a blatant disregard for following the defined approach.

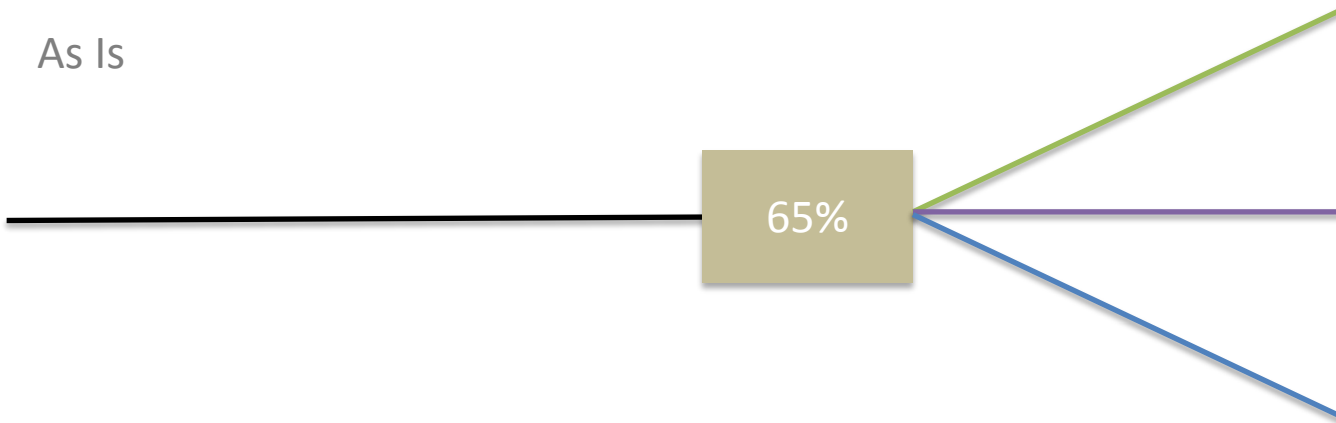
HROD



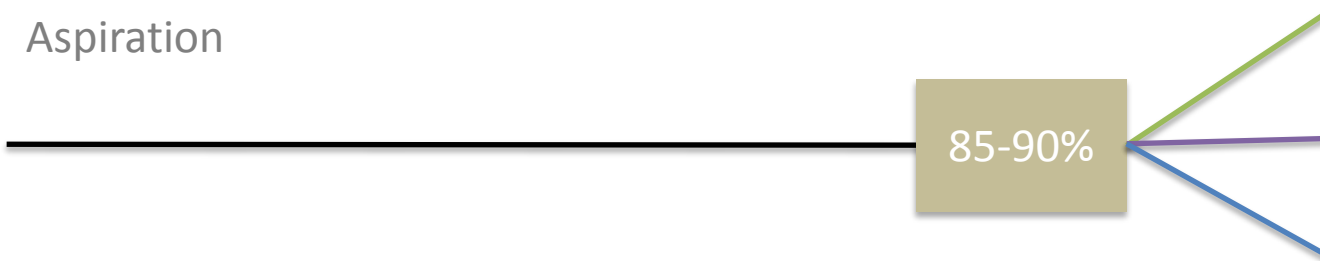
HROD

- The approach in HR will be to ensure consistency in creation but recognising there will likely be differences in the offer
- A recent mapping of the HR application landscape has identified 67 different systems used by HROD across the three authorities. This highlights the complexity and diversity in the way the service is delivered
- Understanding the technical landscape for the service enables strategies to be developed around application consolidation and planning. An example of this is the current joint procurement for a new e-recruitment system across all three Councils
- Although at a high level many of the services are broadly the same (pay, benefits, training, performance, wellbeing etc) the way these functions are delivered in each organisation are vastly different.
- Much of this difference is due to the varying policies and strategies of the sovereign authorities, for example ESCC & BHCC adhere to national pay policy where as SCC does not.
- Governance can drive different approaches, SCC tends to take a more formal approach in areas such as pay exceptions where these are required to be approved by a Member Committee (PPDC)

As Is



Aspiration



As Is

- All three have service desks
- By the end of the consultations there will be consistency in job descriptions, processes and UX
- There are still a number of key differences around IT&D, mainly driven by policies of the three councils
- Devices (laptops, phones etc) are still largely different but alignment strategies are in place to converge in the future
- SCC/ESCC are now both hosted within the same data centre but not currently BHCC
- Out of hours arrangements and DR capabilities are currently different
- Consistency for SANS & Anti virus.

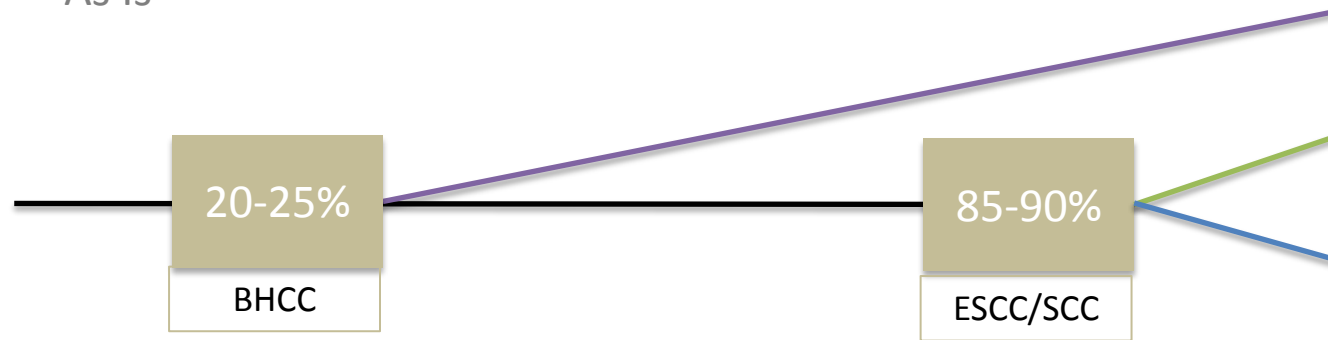
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To Be

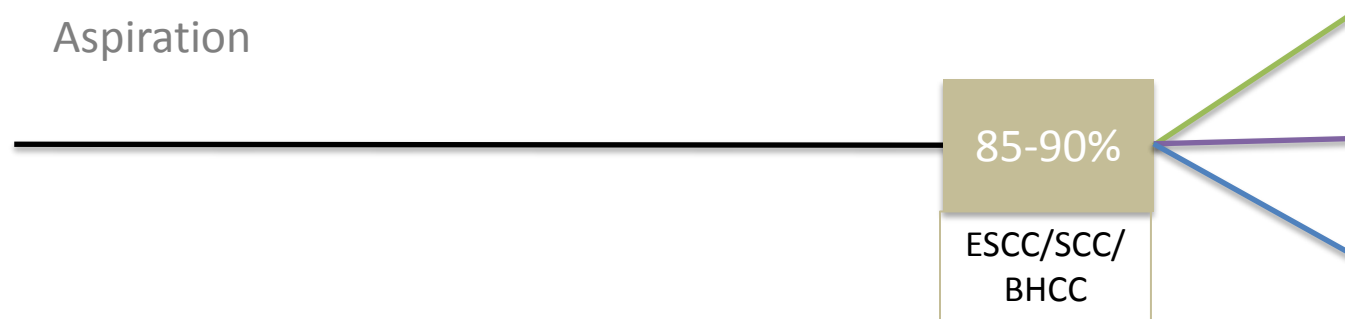
- Digital approaches are different but there is an appetite to develop and improve in this space
- Mapped out architecture with strategies in place but these are sovereign owned and link to the corporate strategies of each organisation
- Convergence path for O365, rollout ongoing in BHCC
- Business partner model is also different across the three partners

Procurement

As Is



Aspiration



As Is

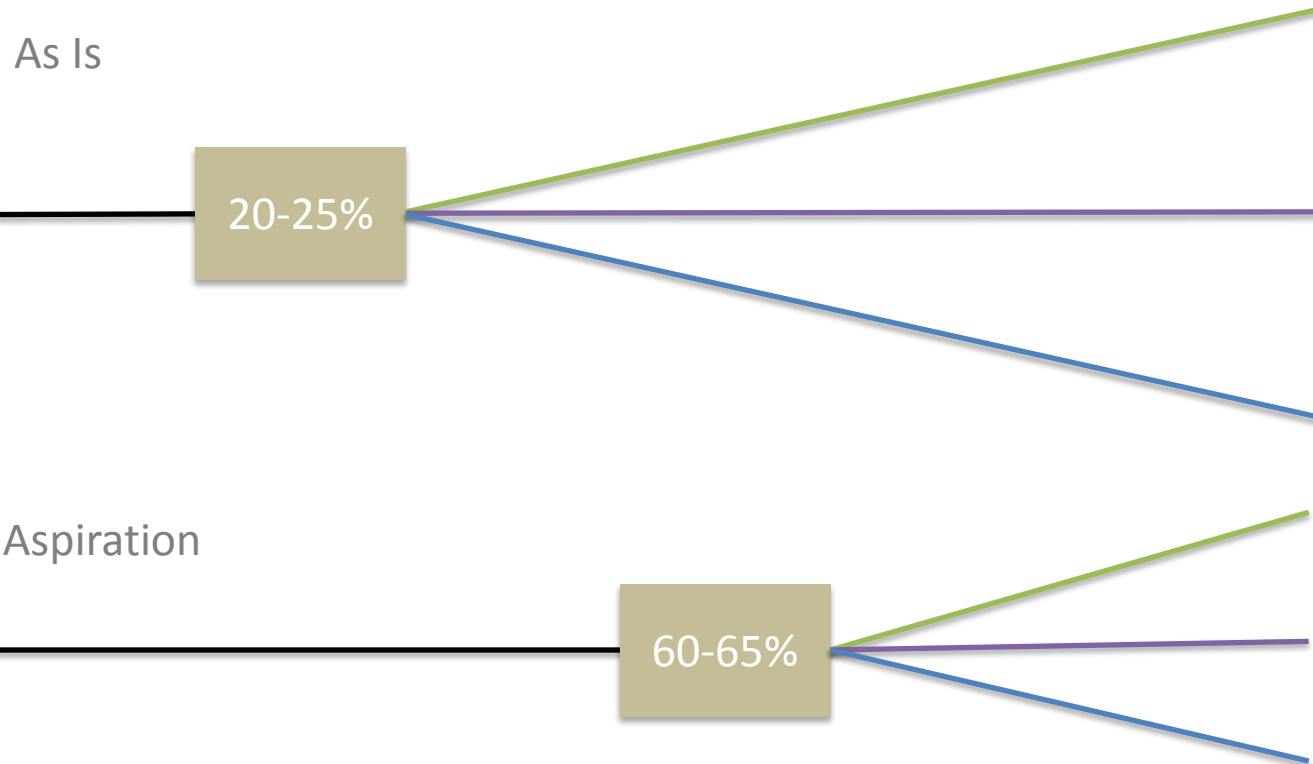
- ESCC/SCC largely aligned with same governance arrangements for procuring goods/works/services
- Policies are generally the same including key elements such as Procurement Standing Orders (PSOs)
- BHCC is a little behind as the integration of staff will happen from April 2018

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To Be

- Improved master data management and consistency is crucial for effective analytics and reporting
- Job profiles to be aligned from April 2018
- Review and update of PSOs in BHCC

Finance



As Is

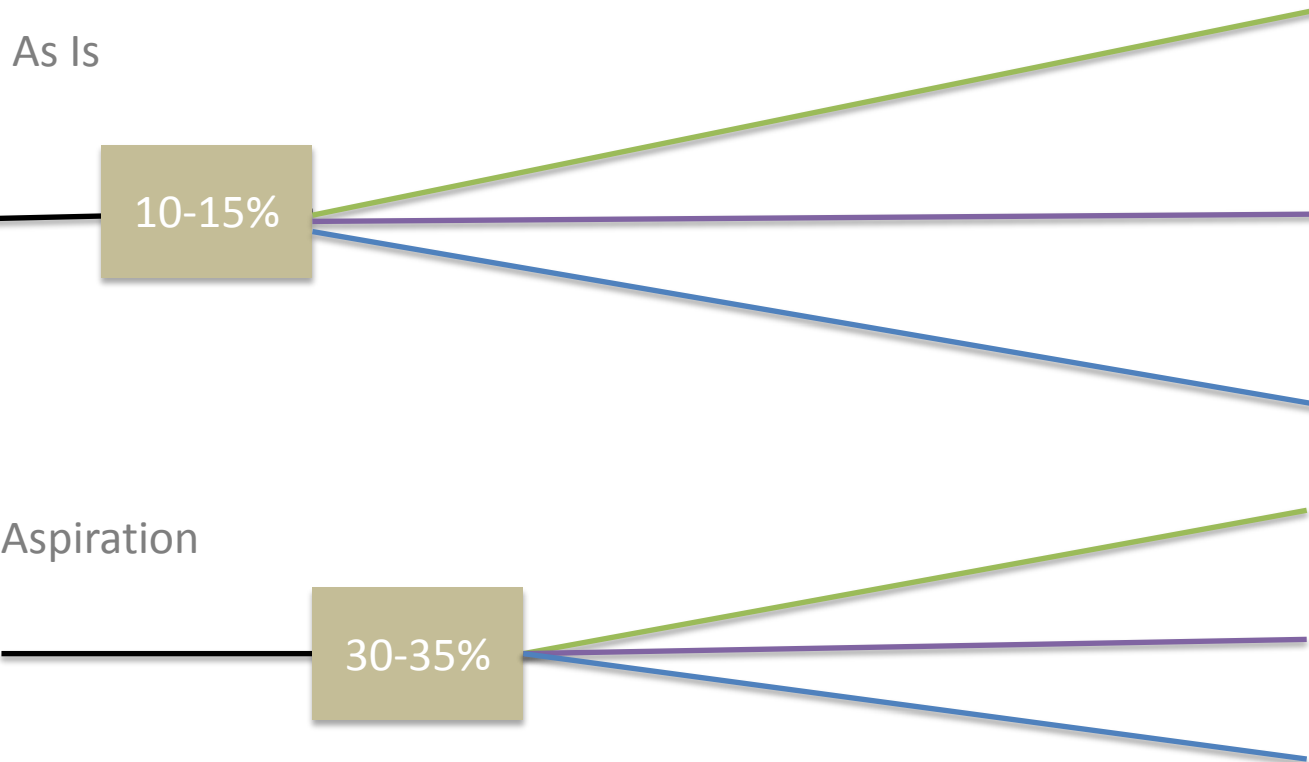
- Sovereign need/requirements drive a different approach to the accounting process in each organisations
- The activities are very similar but are delivered differently in the three organisations
- The timing for the budget setting process is slightly different
- Difference in polices and approaches for each partner also mean a different approach is required
- Most of the systems are separate as are most processes
- Although the Audit plan is aligned, there are three separate Audit committees

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To Be

- Once the centres of expertise have been implemented it will improve the consistency of approach
- Job descriptions will be aligned as part of the CoE and service finance integration
- Internal Audit has resources aligned across the three organisations to deliver the audit plan
- A review of systems and process will be undertaken as part of the integration process

Property



The service provides 75 different streams of Property work across three sovereign authorities. The service provides different levels of corporate landlord to the three sovereign authorities. The senior Leadership is integrated across the three organisations with a number of functions including integrated teams across two of the sovereign bodies. These teams however are providing a different range and level of service to different organisations.

Differences in provision are driven by the scope of the service requests and the culture across the three organisations over the requests from the sovereign authority.

Processes and governance are also different across all three with the intent to integrate teams followed by processes being aligned.

The IT data system for Property is the same base system however across the three organisations there are two different versions (ESCC/SCC and BHCC) a new system will be required by 2021 this could then be aligned.

The operational management teams across two of the three organisations are being aligned by 1st May 2018. The management and the role of teams in Brighton and Hove City Council are fundamentally of a different mix of responsibility's and roles and therefore the opportunity to integrate further will be extremely challenging. The Brighton and Hove City Council Property team also sit within a different directorate to other Orbis Services – (Economy, Environment and Culture.)

Without a fundamental alignment to processes as well as sovereign cultural and levels of expectation (scope of services) the aspiration of alignment across all three sovereign authorities will be limited in both the areas of operation and strategic management.

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**EAST SUSSEX COUNTY COUNCIL,
SURREY COUNTY COUNCIL AND
BRIGHTON & HOVE CITY COUNCIL**



ORBIS JOINT COMMITTEE

DATE: 6 JULY 2018

LEAD OFFICER: KEVIN FOSTER (CHIEF OPERATING OFFICER, EAST SUSSEX COUNTY COUNCIL), MICHAEL COUGHLIN (EXECUTIVE DIRECTOR FOR CUSTOMERS, DIGITAL & TRANSFORMATION, SURREY COUNTY COUNCIL) & DAVID KUENSSBERG (EXECUTIVE DIRECTOR OF FINANCE & RESOURCES, BRIGHTON & HOVE CITY COUNCIL)

SUBJECT: SURREY COMMERCIAL SERVICES

SUMMARY OF ISSUE:

Commercial Services (CS) has moved from its previous position within the Children's, Schools and Families Directorate to report to the Assistant Director for Business Operations in Orbis and joins the Business Operations service.

RECOMMENDATIONS:

It is recommended that:

The Joint Committee note the content of the report

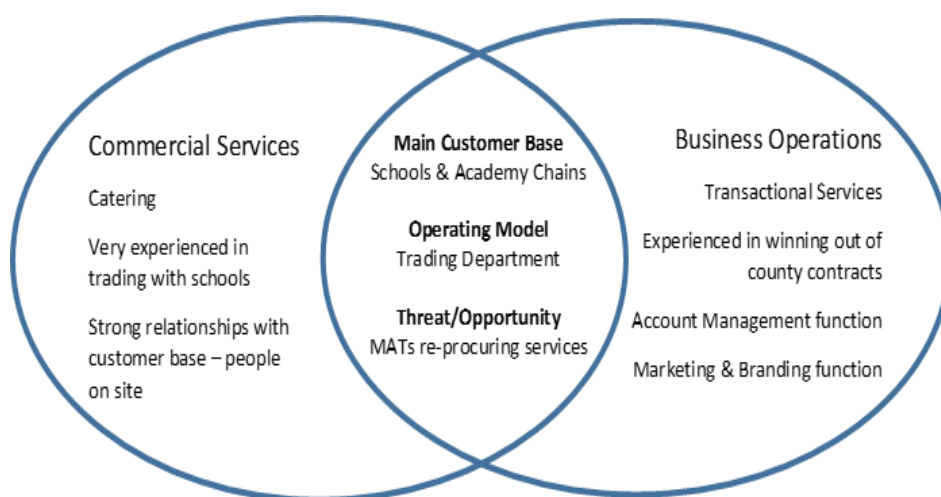
REASON FOR RECOMMENDATIONS:

1. The terms of reference for the Orbis Joint Committee state that the Committee is to oversee delivery of the Services in Orbis for the benefit of each participating Council.
2. This report is to ensure that the Joint Committee continues to be informed on developments within the partnership.

DETAILS:

3. As of 1 April 2018, the Commercial Services team in Surrey was transferred under the Business Operations leadership structure from the Children's, Schools and Families Directorate. This transfer was agreed by the relevant Cabinet Portfolio holders together with the Orbis Joint Management Board.
4. The Commercial Service function has a gross budget of circa. £27m with income of £29m and approximately 1200 staff. This is predominantly school meals provision but also includes the catering functions for Council Buildings.

5. There is synergy for commercial services to be aligned with Business Operations in the current landscape, both in terms of shared customer base and commercial opportunities and challenges.
6. The two services face the same challenges in the same market, due to schools increasingly joining multi academy trusts (MATs) and subsequently look to procure their services elsewhere. This process is currently causing a loss of income to both services within the boundaries of Surrey.



7. Where Business Operations have been successful is by utilising their commercial bidding team to win business from schools outside of the county who are looking to break free of their own local authorities. The most noticeable example of this is in the London Borough of Redbridge where Orbis holds the contract to deliver payroll and HR services to 9 schools, with a framework in place to potentially expand to a further 70 schools. Significantly, there are business and commercial opportunities which would be available to both Commercial Services (CS) and Orbis that will arise from this structure and shared goals.

Opportunities

8. Within SCC borders, shared market intelligence, customer base and commercial approach will afford opportunity to maximise growth of services sold to schools. Any risk and reward arising from this opportunity would fall where the business arises. ie to CS (SCC) or Orbis.
9. Within the Orbis partnership of ESCC and BHCC, only SCC has capability to provide a schools meals service. ESCC & BHCC have externalised these services. Very early exploration has elicited interest in potentially bringing back these contracts in house via an inter authority agreement. It would appear to have several advantages: resonates with the current concerns about high profile failures of contracting organisations, may suit political aspirations, should afford cheaper services and retains any profitability within the commissioning authorities. Furthermore, the purchase of back office

services would generate volumes, hence economies of scale and surplus growth opportunities for Orbis.

WHAT HAPPENS NEXT:

10. Following transition, reporting structures are aligned to ensure a smooth transition and a review of future strategy is undertaken and updated where appropriate.
11. Discussions are progressed with Orbis Partners to investigate and develop further propositions and agree the approach for developing new business opportunities.

Contact Officers:

Adrian Stockbridge – Head of Strategy, Performance and Change

Consulted:

Michael Coughlin – Executive Director for Customers, Digital and Transformation

David Kuenssberg - Executive Director of Finance & Resources

Kevin Foster – Chief Operating Officer

Simon Pollock – Assistant Director Business Operations

Appendices:

None

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**EAST SUSSEX COUNTY COUNCIL,
SURREY COUNTY COUNCIL AND
BRIGHTON & HOVE CITY COUNCIL**



ORBIS JOINT COMMITTEE

DATE: 6 JULY 2018

LEAD OFFICER: KEVIN FOSTER (CHIEF OPERATING OFFICER, EAST SUSSEX COUNTY COUNCIL), MICHAEL COUGHLIN (EXECUTIVE DIRECTOR FOR CUSTOMERS, DIGITAL & TRANSFORMATION SURREY COUNTY COUNCIL) & DAVID KUENSSBERG (EXECUTIVE DIRECTOR FINANCE & RESOURCES, BRIGHTON & HOVE CITY COUNCIL)

SUBJECT: ORBIS REVIEWS

SUMMARY OF ISSUE:

A number of reviews will be taking place throughout May to September 2018 that will assess the capacity, capability, value for money and savings potential for the Orbis partnership

RECOMMENDATIONS:

It is recommended that:

The Joint Committee notes the scope of reviews being undertaken.

REASON FOR RECOMMENDATIONS:

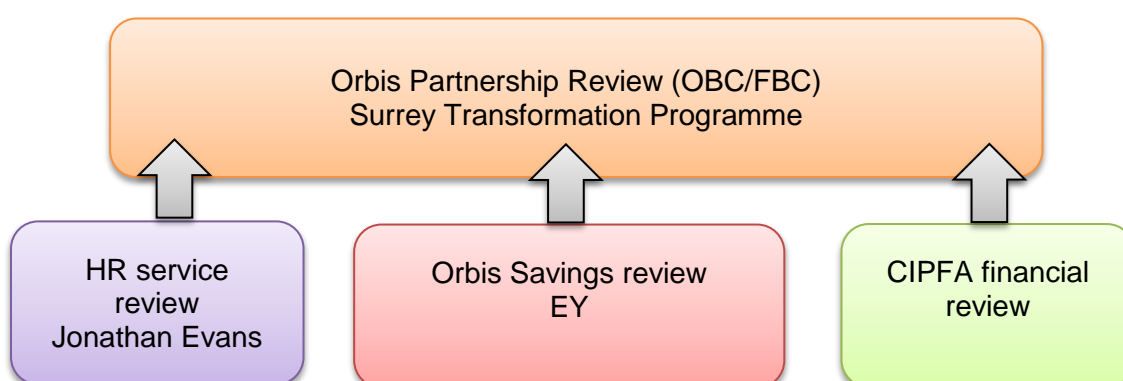
This report is to ensure that the Joint Committee continues to be informed on developments within the partnership.

DETAILS:

1. A number of reviews have been commissioned to review specific elements of the partnership and will be taking place throughout May to September 2018. The reviews will assess an number of areas within the partnership to ultimately understand whether Orbis delivers value for money and identify possible opportunities for improvements and changes.
2. Specific details and scope of the reviews are as follows:
 - HR service review (Surrey)
 - CIPFA review (Surrey)
 - Financial Savings review (EY)
 - Orbis value for money review (SCC transformation programme)
3. Although these are distinct pieces of work, they will provide vital insight and evidence that will need to be consolidated to provide a single view of the

truth. It is therefore imperative that the outputs are consolidated into an overarching view of Orbis and provide all partners with the necessary information to make informed decisions.

4. This is particularly important for Surrey as part of a wider change programme seeking to identify savings of £240m and transform service delivery models. It is proposed an overarching view will be captured in the Outline Business Case / Full Business Case for Orbis which is one of the 24 components of the overall transformation programme in Surrey.



Scope

The scope and timeframe for each review is set out below:

Title	Scope/Deliverables	Timeframe
HR Service review	<p><i>How well does the Orbis HR/OD function meet the needs of Surrey County Council in achieving its strategic objectives and transformational agenda</i></p> <ul style="list-style-type: none"> The review should consider to what extent the Orbis HR/OD team servicing Surrey County Council has the right capacity and competencies to meet the Council's organisation's strategic goals, transformational agenda and structural change Consider Orbis HR/OD staff and team structure, reporting lines and accountabilities. Consider the comparative and absolute efficiency and value for money of the Orbis HR/OD service to the County. Consider and recommend the level of strategic Human Resources capacity needed for Surrey County Council going forwards, including particularly the required organisational development and design capacity and capabilities 	Report due end June
CIPFA review	<ul style="list-style-type: none"> The extent to which the current Finance function has the right capacity, skills and competencies to meet the Council's transformational and financial planning agenda as well as sustaining sound financial stewardship of the Council's resources. The Finance-related organisation and service delivery functions undertaken (on the Council's behalf) by the Orbis shared services function. 	Report due mid-July

	<ul style="list-style-type: none"> The extent to which the Council has moved forwards in delivering against its budget savings challenges from the work undertaken on the previous Financial Resilience review. 	
Savings review (EY)	<ul style="list-style-type: none"> What are the opportunities within Orbis for a further £6-10m savings whilst maintaining its ability to provide resilient support for the 3 Councils and a responsive strategic capability in support of any or all of the 3 Councils organisational change and transformation change agendas The review should refer to best practice in business services in order to identify and validate options that should be considered and proposed. <p>The review would also need to consider:</p> <ul style="list-style-type: none"> the implications if there is not a uniform view across the 3 Councils of either the level of saving or the priority areas for identifying savings. Typically this would need to look at how the Orbis model can respond to differences and have a flexible approach that meets an agreed common level of Partnership-wide saving, supplemented by targeting areas that are Council specific. Opportunities for better Orbis partnership wide integration and delivery of cross functional / service responses to the Councils business needs Opportunity cost / inefficiencies due to poor compliance 	Report due end August
Orbis Partnership review (SCC transformation programme)	<p>Why: To ensure Orbis continues to deliver value for money and savings.</p> <p>What: To review Orbis Business Plan to confirm it is correctly structured and risks are understood.</p> <p>The review will need to consider three main areas:</p> <ul style="list-style-type: none"> Strategic capacity: Ability to see the bigger picture; stakeholder management; subject matter experts and Political awareness Professional Services: Provision of quality advice; responsiveness; capacity and competency and ability to deliver at pace Transactional Services: Reliability, processes, systems, efficiency, location and effectiveness of service delivery 	End August

WHAT HAPPENS NEXT:

- Discussions are progressed within Orbis Partners to investigate and develop further propositions and agree the approach for developing future strategy of the partnership.

6. A report detailing the outcomes will be presented to the next Orbis Joint Committee in October 2018.
-

Contact Officers:

Adrian Stockbridge – Head of Strategy, Performance and Change

Consulted:

Michael Coughlin – Executive Director for Customers, Digital and Transformation

David Kuenssberg - Executive Director of Finance & Resources

Kevin Foster – Chief Operating Officer

Orbis Joint Committee
6 July 2018

Orbis Joint Committee Forward Plan

Purpose of the report:

For Members to consider and comment on the Committee's Forward Plan.

Introduction:

A Forward Plan recording agenda items for consideration at future Orbis Joint Committee meetings is attached as **Appendix 1**, Members are asked to comment on upcoming items and review new items added to the forward plan.

Recommendations:

It is recommended that the Joint Committee reviews and approves the forward plan (Appendix 1).

Report contacts:

Martin Jenks, Senior Democratic Services Advisor, East Sussex County Council, Tel: 01273 481 327, martin.jenks@eastsussex.gov.uk

Emma O'Donnell, Democratic Services Assistant, Surrey County Council, Tel 020 8541 8987, emma.odonnell@surreycc.gov.uk

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Orbis Joint Committee - Draft forward plan

Date	Title	Summary	Responsible Officer(s)	Notes
October 2018	Budget Monitoring report	Regular monitoring budget report to provide an update on progress against savings targets.	Kevin Foster, Chief Operating Officer, ESCC Michael Coughlin, Executive Director of Customers, Digital & Transformation, SCC David Kuenssberg, Executive Director Finances & Resources, BHCC	
	Service Update	Members will receive an update on progress being made in within a specific service area	Kevin Foster, Chief Operating Officer, ESCC Michael Coughlin, Executive Director of Customers, Digital & Transformation, SCC David Kuenssberg, Executive Director Finances & Resources	
	Outputs from reviews (HR, CIPFA & Savings)	Members will receive an update on reviews and the impact this will have on Orbis	Kevin Foster, Chief Operating Officer, ESCC Michael Coughlin, Executive Director of Customers, Digital & Transformation, SCC	

David
Kuenssberg,
Executive
Director Finances
& Resources

Performance Update

Quarterly
performance
metrics update
and progress
against KPIs

Kevin Foster,
Chief Operating
Officer, ESCC

Michael
Coughlin,
Executive
Director of
Customers,
Digital &
Transformation,
SCC

David
Kuenssberg,
Executive
Director Finances
& Resources