

Notice of Meeting



Orbis Joint Committee

**Date & time**

Monday, 15 April
2019 at 10.30 am

Place

Room G90, BHCC,
Hove Town Hall,
Norton Road, Hove,
BN3 3BQ

Contact

Shaun Hughes
Room 167, Hove Town Hall
Tel 01273 290569
Shaun.hughes@brighton-hove.gov.uk

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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 Shaun Hughes on 01273 290569.

Members of the Committee

Councillor Les Hamilton (Brighton & Hove City Council), Councillor Andrew Wealls (Brighton & Hove City Council) (Chair), Councillor David Elkin (East Sussex County Council), Councillor Keith Glazier (East Sussex County Council), Councillor Charlotte Morley (Surrey County Council) and Councillor Mel Few (Surrey County Council)

AGENDA

1 PROCEDURAL MATTERS

(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

To consider the minutes of the previous meeting held on 12 October 2018 (copy attached).

(Pages 5
- 12)

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|----------|---|--------------------|
| 3 | ORBIS JOINT COMMITTEE FORWARD WORK PROGRAMME | (Pages
13 - 16) |
| | To consider the Forward Plan, and the date and number of future Orbis Joint Committee meetings in 2019. | |
| 4 | BUDGET MONITORING REPORT | (Pages
17 - 22) |
| | To provide an update to the Joint Committee on the financial position of Orbis at the end of February 2019. | |
| 5 | ORBIS PERFORMANCE UPDATE REPORT | (Pages
23 - 32) |
| | To provide an update on key performance metrics across the partnership, with a more detailed view of the approach being taken in Business Operations. | |

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: Friday, 5 April 2019

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MINUTES of the meeting of the **ORBIS JOINT COMMITTEE** held at 2.00 pm on 12 October 2018 at Members' Conference Room, County Hall, Penrhyn Road, Kingston upon Thames, Surrey, KT1 2DN.

These minutes are subject to confirmation by the Committee at its meeting on 15 April 2019.

Elected Members:

- * Councillor David Elkin (Chairman)
- Councillor Denise Turner-Stewart
- * Councillor Bob Standley
- * Councillor Andrew Wealls
- * Councillor Leslie Hamilton
- * Councillor Charlotte Morley

In attendance

Andrew Baird, Democratic Services Officer

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

Ross Duguid, Head of Procurement and Commissioning, 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

36/18 APOLOGIES FOR ABSENCE [Item 1]

Apologies were received from Denise Turner-Stewart

37/18 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.

38/18 DECLARATIONS OF INTEREST [Item 3]

There were none.

39/18 PROCEDURAL MATTERS [Item 4]

a MEMBERS' QUESTIONS [Item 4a]

There were none.

b PUBLIC QUESTIONS [Item 4b]

There were none.

40/18 ORBIS JOINT COMMITTEE FORWARD PLAN [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

41/18 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. Effort 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.

42/18 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.

43/18 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.

44/18 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.

45/18 DATE OF THE NEXT MEETING [Item 10]

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

Meeting ended at: 3.35 pm

Chairman

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Orbis Joint Committee
15 April 2019

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 **Annex 1**, Members are asked to comment on upcoming items and review new items added to the forward plan.

Members are also asked to consider the date and number of future Orbis Joint Committee meetings for the remainder of the calendar year.

Recommendations:

It is recommended that the Joint Committee reviews and approves the forward plan (Annex 1), and considers the date and number of future Joint Committee meetings.

Report contacts:

Joss Butler, Democratic Services Assistant, Surrey County Council, Tel 020 8541 9702, joss.butler@surreycc.gov.uk

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

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Orbis Joint Committee - Draft forward plan

Date	Title	Summary	Responsible Officer(s)	Notes
21 October 2019 (to be confirmed)	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 - Property	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	
	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
Orbis Review - Update	An update on the progress of the review of Orbis services by the Partnership	Kevin Foster, Chief Operating Officer, ESCC Michael Coughlin, Executive Director of Customers, Digital & Transformation, SCC David Kuenssberg, Executive Director Finances & Resources

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



ORBIS JOINT COMMITTEE

DATE: 15 APRIL 2019

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

SUBJECT: FEBRUARY BUDGET MONITORING

SUMMARY OF ISSUE:

To provide an update to the Joint Committee on the financial position of Orbis at the end of February 2019.

RECOMMENDATIONS:

The Joint Committee is asked to note:

1. Orbis operating budget variance of -£2.2m at year end.
2. £0.7m estimated full year spend on Orbis investment;
3. Year to date spend of £1.2m on redundancies.
4. Agency expenditure of £2.2m (4% of staffing).
5. Services are on target to achieve £4.6m efficiencies by year end.

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:

6. The 2018/19 Joint Operating Net Budget is £62.4m, including efficiency savings of £4.6m.

Orbis Joint Operating Budget

7. As at 28 February 2019 the forecast year end variance is -£2.2m, broadly in line with the year to date variance of -£2.4m. The full year variance has changed from -£0.9m reported at 30 November. The change and full year variance are mainly where vacancies are being held ahead of further re-structures or new structures are in place to deliver challenging savings of £3.2m next year. Anticipated income and associated costs are also higher, this will be reflected in the 2019/20 budget and surpluses will be used towards achieving the 2019/20 savings.
8. The following table shows the full year forecast position of the Joint Orbis Budget by service and the revenue contribution for each authority.

Table 1 Joint Operating Budget by service

	Year to Date			Full Year		
	Budget £000s	Actual £000s	Variance £000s	Budget £000s	Forecast £000s	Variance £000s
Business Operations	6,000	5,150	-850	6,545	5,945	-600
Finance	9,614	9,139	-475	10,488	10,038	-450
HR&OD	5,864	5,859	-5	6,397	6,407	10
IT&D	18,371	18,047	-324	20,040	19,640	-400
Management	2,079	1,814	-265	2,268	2,049	-220
Procurement	4,994	4,558	-436	5,448	4,983	-465
Property	10,317	10,259	-58	11,254	11,225	-30
Total Net Expenditure	57,238	54,825	-2,413	62,441	60,287	-2,155
Subjective Analysis						
Staffing	64,377	63,537	-840	70,230	69,186	-1,043
Non-Staffing	6,004	5,857	-147	6,550	6,837	287
Total Expenditure	70,381	69,394	-987	76,779	76,023	-756
Income	-13,143	-14,569	-1,426	-14,337	-15,736	-1,399
Net Expenditure	57,238	54,825	-2,413	62,442	60,287	-2,155
Contributions						
BHCC	12,225	11,709	-515	13,336	12,876	-460
ESCC	13,503	12,934	-569	14,730	14,222	-508
SCC	31,511	30,182	-1,328	34,375	33,189	-1,186
Total	57,238	54,825	-2,413	62,442	60,287	-2,155

Management costs include an adjustment to ensure that the method of calculating pension contributions is similar in each authority.

Numbers have been rounded - which might cause a casting difference.

9. The year to date underspend in Business Operations is higher than it should be due to timing of income.
10. Business Operations, Finance and Procurement are holding vacancies ahead of further re-structures. There are high levels of vacancies in Property which are offsetting most of the base budget staffing pressure which must be managed in 2019/20.

Orbis Investment

11. The original estimated amount of investment required to ensure the success of the partnership and deliver the efficiency savings was £6.6m, over 5 years from 2014/15. In 2017/18 this total estimated amount reduced to £4.9m. The partnership is responsible for ensuring this is effectively managed and as a result it is continually monitored and reported to the Orbis Leadership Team monthly and the Joint Committee quarterly.
12. The Investment expenditure to 31 March 2018 was £1.9m and the latest estimated spend in 2018/19 is a further £0.7m. This is primarily for IT projects required to deliver efficiencies and for external advice.
13. Redundancies are approved by the employing authority subject to a robust business case. The redundancy expenditure to date is £1.2m.
14. Table 2 shows the latest 2018/19 Orbis Investment full year forecast and the year to date redundancy expenditure.

Table 2: Orbis Investment and Orbis Redundancy Costs

Orbis Investment	Estimate £000
Programme Level	20
Enabling Programme Support	111
External Advice	150
Innovation Fund	50
Core IT - Hygiene Factors	161
Business Services IT - approved	198
Business Services IT - to be approved	0
Total Orbis Investment	691
Contributions	
BHCC	284
ESCC	144
SCC	263
	691

Orbis Redundancies	Year to Date £000
Total Redundancies	1,189
Contributions	
BHCC	254
ESCC	280
SCC	655
	1,189

15. The contributions to Orbis investment are as per the agreed contribution ratio apart from where more expenditure is needed in an authority. As higher IT investment is needed in BHCC the contribution has increased accordingly. Redundancies are funded as per the agreed contribution ratios.

Efficiencies

16. The Joint Operating budget includes challenging efficiency savings and increased income targets of £4.6m in 2018/19.
17. Services are on track to deliver the efficiencies although Property is yet to put permanent plans in place to deliver their savings. The savings are being achieved by higher than anticipated vacancies. Table 3 below shows the efficiencies and latest RAG.

Table 3: 2018/19 Efficiencies

Service	MTFP		Latest	
	£'000	RAG	£'000	RAG
Business Operations	197	GREEN	197	GREEN
Finance	1,131	AMBER	1,131	GREEN
HR & OD	774	GREEN	774	GREEN
IT & Digital	1,552	AMBER	1,552	GREEN
Procurement	56	GREEN	56	GREEN
Property	150	GREEN	901	Green
Property	751	AMBER		Amber
TOTAL	4,611		4,611	
Summary	3,434	AMBER	0	AMBER
	1,177	GREEN	4,611	GREEN
Total	4,611	Total	4,611	

Staffing

18. 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.
19. The full year forecast variance is -£1m mainly as a result of holding vacancies ahead of restructures. Table 4 below provides a breakdown of the staffing year to date and full year forecast variance for each service.

Table 4: Year to date and full year staffing variance

Staffing	Year to Date			Full Year		
	Budget	Actual	Variance	Budget	Forecast	Variance
	£000	£000	£000	£000	£000	£000
Business Operations	10,194	9,759	-434	11,120	10,620	-500
Finance	11,244	10,867	-377	12,266	12,013	-253
HR&OD	6,387	6,655	268	6,967	7,009	42
IT&D	19,678	19,806	128	21,467	21,667	200
Management	638	653	15	696	686	-10
Procurement	4,995	4,582	-413	5,449	4,994	-455
Property	11,242	11,214	-27	12,264	12,197	-67
Total Net Expenditure	64,377	63,537	-840	70,230	69,186	-1,043

20. The Joint Committee is asked to review Orbis spend on Agency staff. The expenditure to date on agency staff is 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 2018/19 agency spend by service.

Table 5: Year to date agency and non-agency staffing expenditure

	Agency YTD £000s	Non Agency Staffing £000s	Total Staffing YTD £000s	Agency %
Business Operations	62	9,697	9,759	1%
Finance	332	10,535	10,867	3%
HR&OD	120	6,535	6,655	2%
IT&D	1,178	18,629	19,806	6%
Management	13	639	653	2%
Procurement	335	4,247	4,582	7%
Property	206	11,009	11,214	2%
Total Net Expenditure	2,246	61,292	63,537	4%

WHAT HAPPENS NEXT:

21. The Orbis Leadership Team will review the outturn position on 18th April and report this to the Joint Committee.

Contact Officers:

Louise Lawson – Senior Principal Accountant

Consulted:

Annexes:

Sources/background papers:

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

ORBIS JOINT COMMITTEE



DATE: 15 APRIL 2019

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 MONITORING

SUMMARY OF ISSUE:

To provide an update on key performance metrics across the partnership together with a more detailed view into the approach being taken within Business Operations.

RECOMMENDATIONS:

It is recommended that:

1. The Joint Committee notes the performance statistics presented.
2. Members agree which service should be the focus of a performance review at the next Joint Committee meeting.

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 monitor the Orbis Business Plan and performance of the partnership.

Orbis Joint Management Board

2. In order to provide a regular update to the Orbis Joint Management Board (JMB) a monthly briefing report has been created. This highlight report provides a high level synopsis of activities undertaken in the previous month, alongside activities planned for the forthcoming month. The report also tracks progress against

savings and identifies key risks for escalation. The latest version of this briefing can be found in Annex 1 of this report.

Service Performance Measures and Oversight

3. Building on the insight provided previously to this committee around Full Time Equivalent posts (FTE), sickness absence, etc. it is recognised that providing service specific measures is important to provide oversight to the Joint Committee and enable informed decision making.
4. Annex 2 of this report details the proposed measures for each service that have been agreed in principle by the Orbis Joint Management Board. A dashboard is now in development that will enable the visualisation of statistics in relation to these measures and the plan is to present this dashboard at the next meeting of the Joint Committee.
5. It is also proposed that at each Joint Committee meeting, a deep dive is undertaken into the performance measures of a specific service. The aim is to provide Members with an opportunity to understand existing performance arrangements within that service and to ensure that any issues are being addressed.
6. The focus for this meeting is on Business Operations. The service has a fairly mature and well-developed performance approach. Annex 3 details the Key Performance Indicator (KPI) booklet within the service. Simon Pollock (Business Operations Assistant Director) will provide an oversight of how this booklet is compiled and used to drive performance improvements.

People Insight

7. Data is provided based on availability and now covers Q1-Q3 (April – Dec) 2018/19.

Table 1 – Overall headline statistics by organisation

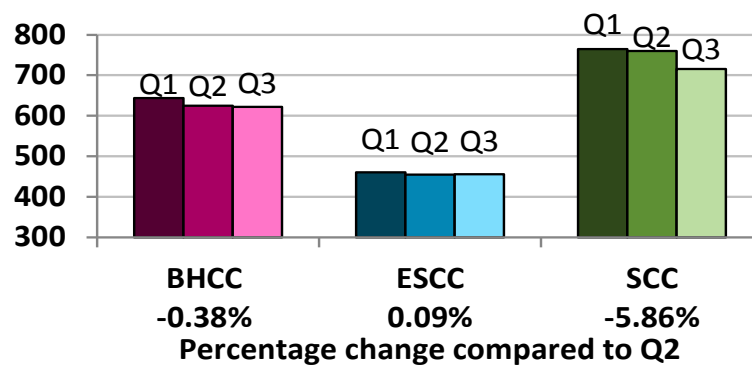
Headline measures	Orbis total	Brighton & Hove	East Sussex	Surrey
Average employee numbers FTE	1,792.90	622.06	455.20	715.63
Sickness absence, average days per FTE	0.58	0.78	0.59	0.42
Return to work interview, % complete	78.33% (ESCC and BHCC only)	76.81%	81.76%	N/A
Length of service of leavers	N/A	22.2% had 1-5 years' service	42.9% had 1-5 years' service	42.3% had 1-5 years' service
Average Agency staff spend	4.58%	N/A	N/A	N/A

Staffing numbers

8. It is important to track the number of FTEs in any business to understand whether there are significant short term changes in the workforce. In an environment where savings are being delivered it is expected that the workforce would be decreasing over time.
9. The graphs below show there has been a steady decrease in FTEs across the partnership and this is in line with expectations due to savings being achieved.

Table 2 – Total Orbis FTE

FTE	Q1	Q2	Q3
Orbis Total	1868	1838	1792

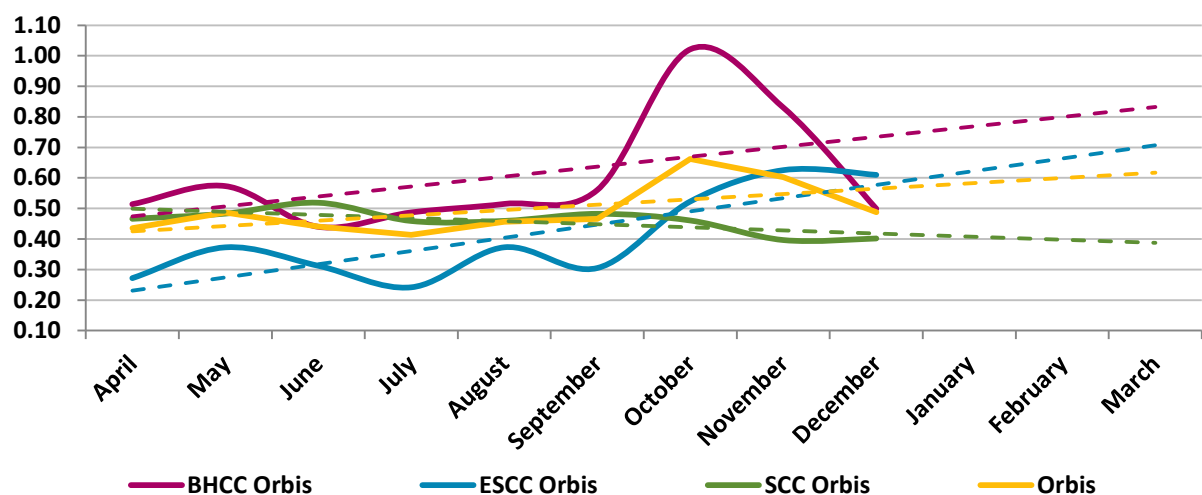


Sickness Absence

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, this will enable trends to be monitored and action taken in the event of any specific changes within either a service or sovereign partner.

Chart 1 – absence rates by sovereign Q1-Q3 2018/19

Sickness absence days per month per FTE



11. Sickness absence rates have increased significantly in ESCC in Q3. BHCC saw a significant spike in sickness in October, however rates then reduced in November and December. Sickness rates in SCC decreased during Q3. This is broadly in

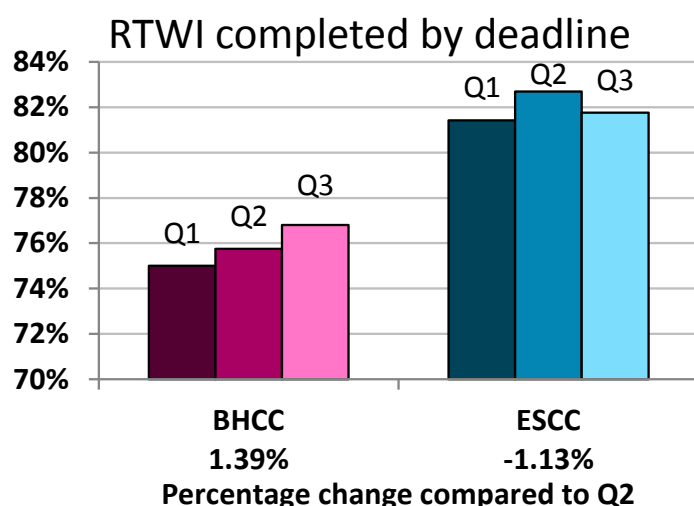
line with expectations for Q3 where absence rates tend to be higher due to colds and Flu.

12. SCC absence data is reported on a 12 month rolling basis so monthly variations have less impact on the monthly figure as it is a consolidation of a years' worth of data.
13. 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.
14. 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 30-40% lower than organisation averages.

Return to work interviews (RTWI)

15. Data is available for ESCC and BHCC around return to work interviews

Chart 2 – RTWI comparison Q1-Q3



16. Return to work interviews were broadly trending in the right direction although there was a small reduction in ESCC for Q3.
17. There is currently no way in SCC to report against RTWI as they are not recorded centrally, they are managed locally by line managers.

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 inconsistent across the three organisations, careful analysis is therefore required to provide the correct level of reporting, both to senior officers and Members (including this Joint Committee).
2. Development of a service performance dashboard will continue and an update provided to the next Joint Committee meeting.

3. The proposed reporting will evolve and develop as business needs and requirements change. The framework should be flexible enough to be both proactive and reactive.
-

Contact Officer:

Adrian Stockbridge – Head of Strategy, Performance & Change

Consulted:

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

Annexes:

Annex 1 - Joint Management Board Highlight Report

Annex 2 – Orbis Service Proposed Performance Measures

Annex 3 – Business Operations Deep Dive performance overview

Sources/background papers:

Annex 1 – Joint Management Board Highlight Report

JMB Highlight report

2 April 2019

Service	Savings target (£ 000s)				Explanation of RAG rating:	Activity over last month:	Forward look:		
	19/20	20/21	21/22	Total					
Finance North	None				No savings target.	External recruitment to unfilled leadership team roles underway.	Prepare for launch of consultation on next phase of restructure (1 May). Continue work on early improvements and L&D activity for budget holders, however uncertainty around outcome of 31ten review is affecting engagement within the service.		
Finance South	338	0	0	338	Clear plan for 19/20 savings. Proposals for subsequent years in development.	Some delay due to budget setting process, however the current number of vacancies means this will not impact on ability to deliver 19/20 savings.	Aim to finish reviews of all 6 service finance areas by Easter. Preferred options will then be selected and discussed with stakeholders in order to define future service offer.		
HR North	200	300	300	800	Proposals for 19/20 signed off, however still dependent on outcome of consultation.	Consultation on proposed structure started.	Consultation due to close 28 April.		
HR South	500	0	0	500	Confident of achieving 19/20 savings through restructure. Plans for transformation in 20/21 & 21/22 in development.	Development of workstreams including chatbots, self-serve, new helpdesk model and future offer for health, safety and wellbeing.	Ongoing development of workstreams with a view to reporting back to HRLT on 25 June.		
IT&D	500	500	500	1,500	19/20 savings through vacancy management, this relies on people leaving. Planning for subsequent years to start in April.	Vacancy management. Developing pipeline of technical projects required to provide capability for more transformational change in years 2&3.	Development of a vacancy management model to understand whether the vacancy factor would yield the cost reduction required. Preparation of an EIA for the area targeted for reduction in 19/20.		
Business Operations	315	155	300	750	500	2,020	Confident of delivering portion of the savings, however significant part are dependent on the outcomes of the 31ten review and subsequent decisions.	Issues resolved with e-recruitment system, due to go live 1 April. Funding agreed to resolve Surrey pensions backlog.	Strategic pause with robotics to enable IT & Bus Ops to agree which software supplier to commit to in the longer term. Joint procurements taking place across the three authorities for e-invoicing & pensions admin systems. Wider changes dependent on outcome of 31ten review.
Procurement	150	523	200	305	50	1,228	Revised plans for phase 1 now in place and starting implementation. New plans for phase 2 are in development.	Planning for phase 2 restructure (service-wide) underway.	Continued planning for phase 2 restructure. Timing dependent on outcomes of 31ten review.
Property	0	tbc	tbc	tbc	No savings target defined at this stage	Ameo review received.	Awaiting outcome of 31ten review.		
Total	3,181	1,855	1,350	6,386					

Risks / Issues for discussion:	Action Required:
No clarity around direction/vision/strategy for OCAP, leading to uncertainty around the viability and timeframe.	Matt & Adrian to propose way forward.
31ten review is creating uncertainty, making it difficult to plan ahead.	Outcomes of the review to be agreed and implemented as soon as possible.

Annex 2 – Proposed Service Performance measures





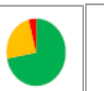

	Bus Ops	Finance South (BHCC/ESCC)	HR South	IT&D	Procurement	Property
Operational	<ul style="list-style-type: none"> Unit Costs Operational Excellence 	<ul style="list-style-type: none"> Status of annual accounts (clean audit opinion on time or not) Budgetary control 	<ul style="list-style-type: none"> Total HR cost per employee (tbc) HR FTEs per 1000 employees(tbc) 	<ul style="list-style-type: none"> Safe & Secure (run) Enabling Service Offers (Grow) Transformational Step Change (Transform) 	<ul style="list-style-type: none"> Procurement savings Local spend 	<ul style="list-style-type: none"> No. of Property Projects
People	<ul style="list-style-type: none"> Staff morale 	<ul style="list-style-type: none"> Staff Morale, engagement / job satisfaction 	<ul style="list-style-type: none"> Staff morale 	<ul style="list-style-type: none"> Staff morale 	<ul style="list-style-type: none"> Social Value benefits Staff morale 	<ul style="list-style-type: none"> Staff Morale Resourcing
Value	<ul style="list-style-type: none"> Customer satisfaction / feedback Benchmarking 	<ul style="list-style-type: none"> Customer satisfaction / feedback Benchmarking 	<ul style="list-style-type: none"> Customer satisfaction / feedback 	<ul style="list-style-type: none"> Customer satisfaction / feedback Benchmarking (Gartner) 	<ul style="list-style-type: none"> Post tender customer feedback Benchmarking (Rosma) 	Customer satisfaction / feedback

Customer satisfaction and feedback

A consistent theme for most services was the desire to regularly seek customer satisfaction and general feedback on service performance. We have this to some degree in most services at this time but it is patchy and inconsistent. A research piece has been completed around current feedback approach(s) used and this has clearly shown gaps in the current method and an opportunity to seek a more consistent approach across Orbis.

Annex 3 – Business Operations Performance Deep Dive

OPERATING KPI's 2018 - 2019

	Unit Cost	Operational Excellence	Customer Satisfaction		Unit Cost	Operational Excellence	Customer Satisfaction
NORTH				South			
Business Operation				Business Operations			
Net cost to serve < £364	£ 266			Net cost to serve < £364	£ 266		
Customer Satisfaction Business Ops > 85%			81%	Customer Satisfaction Business Ops > 85%			84%
Business Operation North				Business Operations South			
Net cost to serve < £293	£ 258			Net cost to serve < £372	£ 335		
Budget Variance <£1	-£ 565			Budget Variance <£1	-£ 565		
HR				HR Operations			
Net cost to Serve <£10	-£ 4			Net cost to Serve < £44	£ 11		
Cost Per Payslip <£1.16	-£ 0.07			Payroll cost to serve <£1.96	£ 0.38		
Cost per Appointment <£650	£ 617						
Payslip Errors <0.25%		0.17%		Payment accuracy <0.25%		0.13%	
Selection decision to start date confirmed <80%		81%					
Blended Customer Satisfaction >85%			84%	Blended Customer Satisfaction >80%			81%
Finance & Procurement				Accounts			
Blended Customer Satisfaction >85%			84%	Blended Customer Satisfaction >85%			76%
Purchase 2 Pay				Accounts Payable			
% of invoices paid within 30 days >93%		94%		% of invoices paid within 30 days >94%		91%	
% of local suppliers on SRM Catalogue >45%		36%					
% of straight through invoice process rate >80%		91%					
% of Catalogue spend >80%		77%					
% of retrospective order >20%		11%					
% of vendors onboarded to E-invoicing >0%		100%		% of vendors onboarded to E-invoicing >0%		64%	
% of Invoices paid via E-invoicing >0%		49%		% of invoices paid via E-invoicing >0%		0%	
				Average days to pay <22 days		23	
Cost per PO settled <£10	£ 1			Duplicate payments <0.15%		0.04%	
Order 2 Cash				Blocked invoices pending actions by Bops <		0%	
Invs/Statements issued within 24hrs = 100%		100%		% of payment errors <0.25%		0.23%	
Cost per Billing/Reminder Issued < 0.47p	£ 0.42			Accounts Receivable			
% Credit control debt collected (General)>85%		72%		% of invoices raised with 2 working days >98%		100%	
Customer				% of ASC invoices paid by DD >47%		61%	
First Point Fix % >85%		80%		% of invoices paid by DD >47%		54%	
% Answered in SLA >75%		68%		Unsecured ASC debt over 5 months <2m		£2K	
Average speed of answer <20 seconds		37 seconds		Unsecured % of ASC debt > 5 months <36%		0%	
Abandoned Calls % <5%		3%					
Cost to serve FIN/HR <£4	£ 2			Customer			
Cost to Serve LAS <£20	£ 23						
Cost to Serve Pensions <£4	£ 2						
Pensions				Pensions			
Notify potential beneficiary of lump sum death grant within 5 days >95%		100%		Notify potential beneficiary of lump sum death grant within 7 days =100%		100%	
Write to dependant and provide relevant claim form within 5 days of notification of death >90%		100%		Write to dependant and provide relevant claim form within 7 days of notification of death =100%		100%	
Pay death grant within 5 days of receipt of relevant documentation >90%		100%		Pay death grant within 7 days of receipt of relevant documentation =100%		100%	
Issue notification of dependant's pension within 5 days of receipt of relevant claim forms >90%		96%		Issue notification of dependant's pension within 5 days of receipt of relevant claim forms >90%		100%	
Retirements				Retirements			
Retirement options to members within 10 days >90%		89%		Retirement options to members within 10 days >90%		98%	
New retirement benefits processed for payment following receipt of election within 10 days >95%		90%		New retirement benefits processed for payment following receipt of election within 10 days >95%		100%	
III Health Retirement options to members within 10 days >90%		100%		III Health Retirement options to members within 10 days >90%		100%	
III Health Retirement payments processed within 10 days >90%		100%		III Health Retirement payments processed within 10 days >90%		100%	
Transfers In				Transfers In			
Non LGPS transfers-in quotations processed within 20 days >90%		100%		Non LGPS transfers-in quotations processed within 25 days = 100%		98%	
Non LGPS transfers-in payments processed within 20 days > 90%		100%		Non LGPS transfers-in payments processed within 10 days =100%		86%	
Transfers Out				Transfers Out			
Non LGPS transfers-out quotations processed within 20 days > 90%		95%		Non LGPS transfers-out quotations processed within 25 days =100%		98%	
Non LGPS transfers out payments processed within 20 days >90%		50%		Non LGPS transfers out payments processed within 25 days =100%		92%	
Member Satisfaction >80%			87%	Member Satisfaction >80%			0%
Cost per member <£	-£ 0			Pensions cost to serve <£0.62	£ -		

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