

Notice of Meeting



Orbis Joint Committee



Date & time
Friday, 22 January
2021 at 2.00 pm

Place
Remote Microsoft
Teams – Surrey

Contact
Angela Guest
Angela.guest@surreycc.gov.uk
v.uk

Please note that due to the COVID-19 situation this meeting will take place remotely and will be webcast which is available to view on the Surrey County Council website.

Please be aware that a link to view a recording of the meeting will be available on the East Sussex County Council website.

If you have any queries relating to accessing this agenda please email democratic.services@surreycc.gov.uk. Alternatively you can contact Member and Democratic Services@ East Sussex County Council by emailing democratic.services@eastsussex.gov.uk

Members of the Committee

Councillor Nick Bennett (East Sussex County Council), Councillor Bob Standley (East Sussex County Council), Councillor Dr Zully Grant-Duff (Cabinet Member for Corporate Support, Surrey County Council), Councillor Mel Few (Cabinet Member for Finance, Surrey County Council), Councillor Daniel Yates (Brighton & Hove City Council) and Councillor David Gibson (Brighton & Hove City Council)

AGENDA

1 APOLOGIES FOR ABSENCE

To receive apologies for absence.

2 DECLARATIONS OF INTEREST

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

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

NOTES:

- Members are reminded that they must not participate in any item where they have a disclosable pecuniary interest
- As well as an interest of the Member, this includes any interest, of which the Member is aware, that relates to the Member's spouse or civil partner (or any person with whom the Member is living as a spouse or civil partner)
- Members with a significant personal interest may participate in the discussion and vote on that matter unless that interest could be reasonably regarded as prejudicial.

3 MINUTES OF THE PREVIOUS MEETING (16 OCTOBER 2020)

(Pages 5
- 8)

To approve the minutes of the last meeting as a correct record

4 PROCEDURAL MATTERS

4a Members' Questions

The deadline for Members' questions is 12pm four working days before the meeting (18/01/2021).

4b Public Questions

The deadline for public questions is seven days before the meeting (15/01/2021).

5 ORBIS PERFORMANCE MONITORING

(Pages 9
- 30)

To provide an update on key performance metrics across the partnership

6 SERVICE SPOTLIGHT - INTERNAL AUDIT

(Pages
31 - 38)

This spotlight report provides the Orbis Joint Committee with an overview of the activities and achievements by the Orbis Internal Audit and Counter Fraud Service (Orbis IA)

7 ORBIS BUDGET MONITORING REPORT

(Pages
39 - 42)

This report provides an update to the Joint Committee on the financial position of Orbis

PART TWO - IN PRIVATE

8 EXCLUSION OF THE PUBLIC - IF NEEDED

Recommendation: 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.

9 PUBLICITY OF PART 2 ITEMS

To consider whether the item considered under Part 2 of the agenda should be made available to the press and public

10 DATE OF THE NEXT MEETING

The next meeting of the Orbis joint Committee will be held on 3 June 2021

Philip Baker
Assistant Chief
Executive
East Sussex
County Council

Geoff Raw
Chief Executive
Brighton & Hove
City Council

Joanna Killian
Chief Executive
Surrey County Council

Published: Thursday, 14 January 2021

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ORBIS JOINT COMMITTEE

MINUTES of a meeting of the Orbis Joint Committee held at via Microsoft Teams on 16 October 2020.

++ The Members were not present in person, but took the decisions remotely ++

PRESENT Councillors Nick Bennett and Bob Standley (both East Sussex County Council); Zully Grant-Duff and Mel Few (both Surrey County Council); and Daniel Yates and David Gibson (Chair) (both Brighton & Hove City Council)

1 APOLOGIES FOR ABSENCE

1.1 There were no apologies for absence.

2 DECLARATIONS OF INTEREST

2.1 There were no apologies for absence.

3 MINUTES OF THE PREVIOUS MEETING - 28 MAY 2020

3.1 The Minutes of the previous meeting were agreed as a correct record.

4 ORBIS BUDGET MONITORING REPORT

4.1 The Committee considered a report by Nigel Manvell (Deputy Chief Finance Officer Brighton & Hove City Council), Kevin Foster (Chief Operating Officer East Sussex County Council), Leigh Whitehouse (Executive Director of Resources Surrey County Council) which highlighted:

- The Quarter 1 position, previously reported to the three partner authorities, which shows a £965k overspend, in part due to pausing of planned restructures during the pandemic
- Past performance in over-delivery of savings, with 2020/21 being year 2 of a three year plan
- Targeting of support to IT and Agile programmes, to enable staff to work flexibly during the pandemic, and supporting suppliers and their payments, and ensuring payroll continues to operate
- Some targets had been set at an ambitious level, based on traded services and process automation, neither of which have been achievable during the pandemic
- Surrey and East Sussex have major financial system replacement programmes under way, which are a large factor in delivery of future efficiencies and savings

4.2 The Committee asked questions about:

- Whether Business Operations savings targets are achievable
- Spend on Agency staff, and the patterns across the authorities
- Traded services
- Increased expenditure on staff during the pandemic, and whether that could be set against Government Covid-19 related funds
- Staffing cost figures shown in table 2

4.3 Officers responded

- Business Services is developing proposals to meet its savings target, with stricter control on recruitment and strategic oversight of vacancies. Further savings may come with service implications: any options and proposals will be developed together with the potential impacts, and be presented to the Committee before any determination by each partner authority. The new finance systems are due to come online in 2022/23 and 2023/24.
- Spending on agency staff is being managed down, with a reduction on spend to cover vacancies. The remaining area of spend is mainly project-based to cover increased demand, much of it IT related with niche and specialist staff. Monthly figures are provided to the officer team to monitor and challenge the position, and Orbis is not an outlier.
- Focus has been on serving the three partner authorities rather than expanding traded services, with the re-procurement of the finance systems as a factor, as it is an intensive process. There would be a risk of focus on the traded service impacting on delivery of the change programme. The correct pricing structure, to ensure the balance of risk, would need to be assessed. There is also a risk under-performing and impacting on the quality of the service provided and exposure to claims. The service is looking to a future growth agenda with longer term gains rather than short term activity.
- The Government's Covid-19 funding did not match the expenditure, but the Finance Teams are overseeing that transactions are coded correctly to ensure that all claims are accurate.
- Staffing costs show an impact of the pandemic, with increased agency spend during the quarter which will not occur in future quarters. The spend profile needs analysis and can be affected by vacancy rates, and finance managers meet regularly with budget holders. Quarter 1 saw unusual patterns of spend, with staff covering colleagues who were isolating and savings initiatives being put on pause.

4.4 The Committee RESOLVED to (1) note the report; and

(2) agree to consider proposals for any future savings, ahead of them being presented to partner authorities.

5 ORBIS PERFORMANCE MONITORING

5.1 The Committee considered a report by Nigel Manvell (Deputy Chief Finance Officer Brighton & Hove City Council), Kevin Foster (Chief Operating Officer East Sussex County Council), Leigh Whitehouse (Executive Director of Resources Surrey County Council), which highlighted:

- The narrative from each partner on the impact of Covid-19
- Staffing levels including agency spend
- The RAG report on progress with savings

5.2 The Committee asked questions about:

- Quantification of performance measures such as customer service levels, or whether activity has led to a specific result or contributed to other targets such as savings
- Number of Internal Audit “draft reports”

5.3 Officers responded:

- The different authorities collect data in different ways so it is hard to collate a matching set of data for presentation. Each authority conducts surveys, but it is hard to undertake a survey across all three partners. Work is under way to develop measurable outcomes.
- The Internal Audit team had been carrying a number of vacancies, and provided advice on the risks presented by changing working practices in response to the pandemic (such as increased remote working). A revised Audit Plan will be presented to the Audit Committee in November.

5.4 The Committee RESOLVED to (1) note the Orbis service performance information presented;

(2) advise that service performance information should continue to be presented in the format shown in Section 2 and Annexe 1;

(3) advise that there are no additional/alternative performance measures that should be included;

(4) confirm that the People insight data presented in section 3 is still relevant/helpful; and

(5) agree the proposal for Internal Audit as the focus of the next service spotlight performance review.

6 SERVICE SPOTLIGHT - BUSINESS OPERATIONS

6.1 The Committee considered a report by Nigel Manvell (Deputy Chief Finance Officer Brighton & Hove City Council), Kevin Foster (Chief Operating Officer East Sussex County Council), Leigh Whitehouse (Executive Director of Resources Surrey County Council). Mike Lea, Assistant Director of Business Operations, highlighted the following:

- The swift transition from an office-orientated, transaction heavy service to one capable of working remotely
- Staff acting as volunteers to deliver equipment to shielding colleagues
- Ambition to retain successfully adapted working practices as business as usual
- Joint working with Audit, HR and Finance to maintain the control environment
- Wellbeing champions, to assist teams in a frequently changing landscape

6.2 Members asked questions about:

- ERP and the procurement of replacement finance systems
- Pension administration and the legacy issues identified

6.3 Officers responded:

- East Sussex and Surrey have each begun a sovereign re-procurement process, while BHCC has a longstanding programme. Each authority has its own requirements from its

finance system, but each benefits from the common support offered by the Procurement Team which works across Orbis.

- The recent review of Pensions Administration concluded that a single head across all three authorities was insufficient to deliver both the strategic oversight and delivery of change required. Therefore administration was returned to each sovereign authority from June 2020. Traded services returned to Surrey as the contractual holder of those services.

6.4 The Committee RESOLVED (1) to thank the staff for their flexibility and commitment during the pandemic; and

(2) to note the report.

7 DATE OF NEXT MEETING

7.1 The next meeting will be held on 22 January 2021.

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

ORBIS JOINT COMMITTEE MEETING

DATE: 22 JANUARY 2021

LEAD OFFICER: NIGEL MANVELL (ACTING CHIEF FINANCE OFFICER BRIGHTON & HOVE CITY COUNCIL), PHIL HALL (ACTING CHIEF OPERATING OFFICER EAST SUSSEX COUNTY COUNCIL), LEIGH WHITEHOUSE (EXECUTIVE DIRECTOR OF RESOURCES SURREY COUNTY COUNCIL)

SUBJECT: ORBIS PERFORMANCE MONITORING

SUMMARY OF ISSUE:

To provide an update on key performance metrics across the partnership.

RECOMMENDATIONS:

It is recommended that the Joint Committee:

1. Note the information presented as a reflection of 2020;
2. Note the Orbis service performance information presented;
3. Agree which service should be the subject of the next service spotlight performance review.

REASONS FOR RECOMMENDATIONS:

The responsibility of the Joint Committee is to oversee and improve the delivery of the services for the benefit of each participating council and in particular to monitor the Orbis Business Plan and performance of the partnership.

DETAILS:

1. Introduction

1.1. In recognition that this is the first meeting of 2021 it felt appropriate to reflect on 2020 which saw changes for the partnership in terms of the disaggregation of services and resulting contribution ratios; challenges in terms of the savings ask but also opportunities in so much that:

- ESCC and SCC are both in the process of procuring a new Enterprise Resource Planning (ERP) platform and;
- as a result of the increase in remote working due to Covid, the Orbis Performance and Change team were able to reach a much larger proportion of staff with the people initiatives delivered.

- 1.2. This paper therefore provides members with an update on the following areas:
- which services have been disaggregated;
 - authority contribution ratios;
 - service savings profile;
 - the projects to replace the ERP platforms at ESCC and SCC;
 - Activity driven by the Orbis Performance and Change team during 2020 and its impact on staff.
- 1.3. During the meeting, Orbis Home will be demonstrated to show members how activity is supported via the integrated Orbis 'intranet' site.
- 1.4. As is usual practice, this paper also provides Joint Committee with service performance and people insight data.

2. Disaggregation and contribution ratios

- 2.1. Following a review of the partnership the following changes took effect from 1 April 2020: the Property service returned to sovereign control in all partner locations; HROD and Finance, with the exception of some centres of expertise (CoE), reverted to sovereign control in Surrey but remained integrated across BHCC and ESCC. HROD and Finance are therefore referred to as partially integrated services.
- 2.2. From 30 June 2020 it was agreed to transfer the Pensions Administration service to East Sussex and Surrey Finance functions to allow for greater strategic capacity and closer alignment to the fund management. Previous to this Pension Administration was part of Business Operations. Significant changes in how pensions was administered put incredible demand on the service and as a result a review was commissioned. Although good progress had been made in the development of the service improvement plan it was felt the scale of ambition to turn around the service, along with the complexity of running a pensions administration service meant that trying to manage in partnership across multiple funds was not the right structure.
- 2.3. In order to align the relationship between the Management and Financial Accounting Teams at Surrey the 'Financial Accounting and System' CoE within the Finance service was disaggregated from being a CoE as of 1 November 2020. Also with Surrey currently undergoing Unit 4 System implementation the systems resource (who was an SCC employee) was drawn back to Surrey. The BHCC/ESCC elements have remained within the partially integrated Finance service.

2.4. For clarity, the services within the Orbis Partnership currently are:

Services which are fully integrated across all three partner organisations	Services which are partially integrated across Brighton & Hove and East Sussex	Finance service Centres of Expertise which are fully integrated across all three partner organisations
Business Operations	Finance	Financial Accounting – systems (<i>maintain integrity of accounting systems and ensure compliance with accounting standards</i>)
Internal Audit	HROD	Insurance (<i>management of internal and external insurance premiums and claims handling</i>)
IT&D		Treasury & Tax (<i>responsibility for cash management and tax advice</i>)
Procurement		Orbis Finance Team (<i>financial support to Orbis budgets</i>)

3. Authority Contribution Ratios

- 3.1. Each partner contributes to the Orbis joint operating budget in proportion to their service delivery requirements.
- 3.2. Contribution ratios were revised for 2020/21 budget-setting but following disaggregation of further services they will be further revised with effect from Q3 of 2020/21 on a pro rata basis. The Q2 budget monitoring report that accompanies this paper therefore shows current rather than revised contribution ratios.
- 3.3. Table 1 sets out the current and revised budget contributions and contribution ratios by Authority for 2020/21.

Table 1

Fully Integrated Services	BHCC	ESCC	SCC	Total
Current Contribution £k	6,617	7,326	15,782	29,725
Revised Contribution £k	6,895	7,425	15,849	30,168
Current ACR	22.3%	24.6%	53.1%	100.0%
Revised ACR	22.9%	24.6%	52.5%	100.0%
Partially Integrated Services	BHCC	ESCC	SCC	Total
Current Contribution £k	3,098	3,486		6,585
Revised Contribution £k	3,274	3,484		6,758
Current ACR	47.1%	52.9%		100.0%
Revised ACR	48.4%	51.6%		100.0%
Centres of Expertise	BHCC	ESCC	SCC	Total
Current Contribution £k	765	832	1,396	2,993
Revised Contribution £k	798	832	1,396	3,026
Current ACR	25.6%	27.8%	46.6%	100.0%
Revised ACR	26.4%	27.5%	46.1%	100.0%

3.4. Of the £243k post-disaggregation budget, £129k is to be returned to SCC, therefore reducing SCC's net Orbis contribution. The remaining £114k will be re-classified as partially integrated and therefore there is a nil net impact for BHCC and ESCC.

3.5. An additional adjustment to the contribution ratios will be required at financial year-end to ensure the full-year budget has been amended for 2021/22.

4. Savings profile

4.1. Annexe 1 provides a highlight of each service's three year savings profile, associated planned activities to achieve savings or detail highlighting where savings are at risk. As detailed in the highlight summary and the Q2 budget monitoring report, the 2020/21 savings target of £750k within Business Operations is unlikely to be met unless plans to close the gap by further standardising processes and integrating teams are agreed by each of the sovereign authorities.

5. ERP replacement projects

5.1. ESCC and SCC have works in progress to replace their existing ERP solutions. The existing platforms in both organisations are SAP.

Digital Business & Insights (DB&I) Programme - SCC

5.2. Following contract award to Unit 4 following Cabinet approval in July, the Digital Business & Insights programme is now progressing the implementation of the Unit 4 Software-as-a-Service Enterprise Resource Planning solution, which will be the new corporate system

that will manage the organisation's business critical finance, procurement and HR & payroll processes. The council is working closely with an implementation partner, Embridge Consulting, to specify requirements and ensure a successful implementation and go-live on 1st December 2021. In summary, the programme is aiming to deliver a step change in the user experience, empowering people with accurate and insightful data for enhanced, intelligent decision making.

- 5.3. Having completed mobilisation and established a full delivery team in September, the programme is on track having successfully completed the design stage with approval of the Design Complete Gateway at DB&I Strategic Programme Board on 8 January 2021. The programme is now starting the build stage, which aims to complete by early April before moving into testing, which will be completed in a series of stages up until go-live on 1 December 2021. Planning for the Training work stream will also commence and communication and engagement will ramp up to further raise awareness of the programme and its objectives across the organisation.

MBOS – ESCC

- 5.4. The Modernising Back Office Systems (MBOS) programme, whose main objective is to implement a modern system(s) for Finance, HROD, Payroll, Recruitment, Expenses and Procurement, is in the final stage of procurement. The programme will be evaluating three bidder responses over January 2021 and recommending the preferred solution to the MBOS Board on 10 February and ESCC Cabinet in March 2021.
- 5.5. After approval the MBOS programme will mobilise and run discovery workshops between April 2021 and June 2021. In June 2021 MBOS will start the design workshops for 12 weeks. The outline plan for the implementation is April 2023. This plan will be finalised during mobilisation stage.

6. Orbis Performance & Change team achievements

- 6.1. In addition to ensuring delivery against the partnership commitments outlined in the IAA, the primary role of the Orbis Performance and Change team to date has been to support the development and delivery of the 'people' based activities and initiatives set out in the Orbis business plan and more recently the Orbis blueprint. These activities have largely been developed centrally and rolled out to all services across the partnership.
- 6.2. Attendance at previous 'in person' events was not routinely recorded but from experience and anecdotally engagement was often poor.
- 6.3. In contrast, much higher engagement levels have been seen with all virtual events delivered during 2020 with staff finding it easier to engage because of the reduced need to travel and take time away from other work commitments. Annexe 2 provides an overview of the engagement activities which have taken place, including the Delivering Partnering Excellence Programme, and feedback received from attendees.

6.4. A virtual mode of delivery was adapted out of necessity as a result of Covid however experience has proven that it is just as, if not more than, effective than delivering in person. As a result, going forward the team will adopt a 'virtual first' approach as a strategy for maximising engagement.

7. People insight

7.1. The following data is for Q2 2020/21 – July, August and September 2020 and is provided in the spirit of providing further contextual data against the budget and savings profile for each service.

7.2. All figures in this report reflect the change in service make-up of the partnership, which came into effect 1 April 2020. Specifically, figures for Property (all partners), Finance and HROD (SCC only) have been removed.

7.3. Additionally, the figures in this report reflect the transfer in June of Pensions Administration staff from Business Operations into the Finance service (meaning its effective removal from the partnership in Surrey).

Table 1 – Overall headline statistics by organisation

	Orbis total	Brighton & Hove	East Sussex	Surrey
Average employee numbers FTE	1278.15	527.83	383.96	366.36
Average Agency staff spend	3.67%	N/A	N/A	N/A

7.4. It is important to track the number of FTEs in any business to understand whether there are significant changes in the short-term workforce. In an environment where savings are being delivered it is expected that the workforce would be decreasing over time.

7.5. Spending on agency staff for Orbis overall decreased slightly compared to Q1 2020/21, with reductions in Business Operations and IT&D.

7.6. Finance and Procurement both saw increases in agency spend compared to Q1 (2.67% in Q2 up from 1.50% in Q1 for Finance, and 3.67% in Q2 up from 3.50% in Q1 for Procurement).

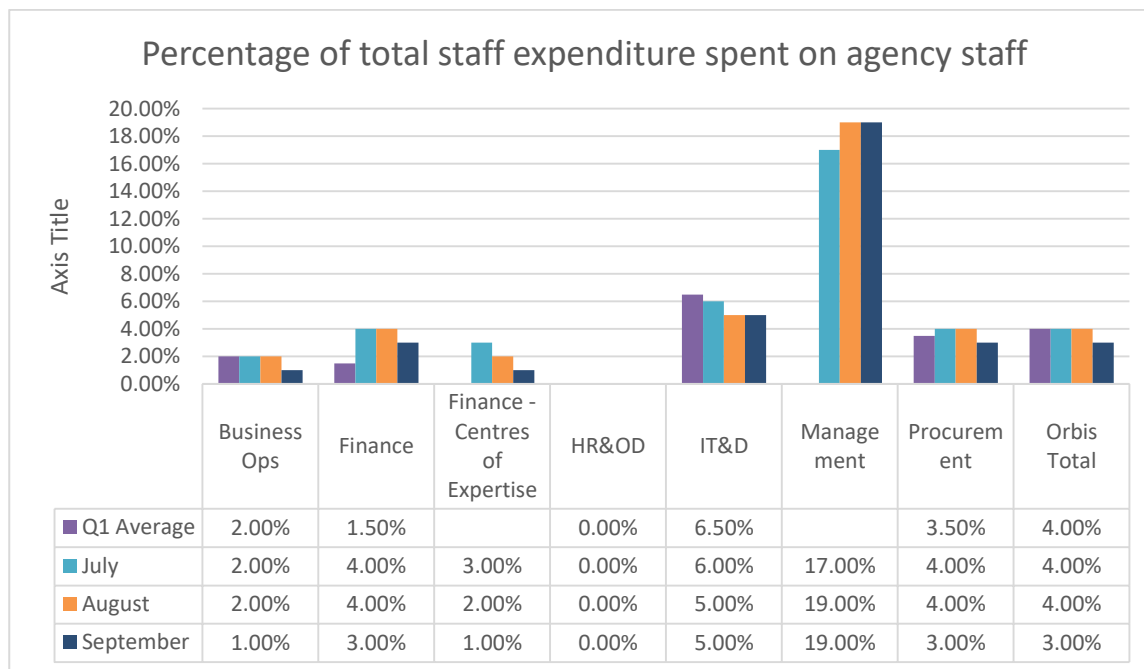
Table 2 - FTE by service and organisation

Q2	BHCC		ESCC		SCC	
	Average FTE	% total	Average FTE	% of total	Average FTE	% of total
Business Operations	229.6*	43.50%	61.96	16.14%	139.34	38.03%
Finance	53.7	10.17%	75.04	19.54%	N/A	
HR&OD	73.45	13.92%	46.72	12.17%	N/A	
IT&D	153.15	29.02%	167.42	43.60%	188.92	51.57%
Procurement	17.93	3.40%	32.82	8.55%	38.1	10.40%
Total average by Sovereign	527.83		383.96		366.36	
Orbis Total Average	1278.15					

BHCC and ESCC 1 FTE = 37 contract hours per week, SCC 1 FTE = 36 contract hours per week. Figures include vacant posts and are not the budgeted FTE.

- 7.7. *Note that as a Unitary Authority BHCC provide extra services within Business Operations at BHCC e.g. Council Tax and Housing Benefits and this equates to 162.8 FTE for the Revenues and Benefits Team.
- 7.8. In BHCC, FTE numbers in all services were relatively stable, with small reductions in all services compared to Q1. The biggest change was in Finance, where FTE numbers reduced from 57.43 average FTE in Q1, to 53.70 average FTE in Q2.
- 7.9. In ESCC, FTE numbers in all services were relatively stable barring a small spike between August and September in IT&D. Overall, all services except Business Operations saw small increases on the Q1 averages.
- 7.10. The SCC FTE figures show a significant reduction in the number of FTE in Business Operations between June and July, reducing from 211.73 to 139.39 FTE. This change is due to Pensions Administration staff in Surrey transferring out of Business Operations and into the SCC Finance service. Note the vast majority of pensions staff were employed through SCC as they were still part of the original TUPE from SERCO hence the high number in pensions alone.
- 7.11. IT&D in contrast saw an increase in the number of FTE for Q2, increasing to 188.92 average FTE from the Q1 average of 163.04 FTE. Procurement also saw a small increase of around 2 FTE comparing the Q1 and Q2 average.

Agency spend



7.12. Average agency spend in Business Operations and IT&D has decreased in Q2.

7.13. Finance saw an increase in agency spending, up from 1.50% in Q1 to 3.67% in Q2. Procurement also saw a small increase, with the percentage of agency spend rising to 3.67% in Q2, up from 3.50 in Q1.

7.14. Agency spending in HR&OD is negative due to reversal of 2019/20 year-end accruals.

7.15. Agency spend figures for Q2 feature the addition of Finance Centres of Expertise and Management – not reported in Q1.

7.16. Overall agency spending for Orbis was 0.33% down on the Q1 figure.

8. Service Performance

8.1. As agreed at the last Joint Committee meeting, the Orbis Blueprint headings of 'people', 'customer' and 'innovation' are used to provide a highlight summary of each service's key current priorities, future areas of focus and the resulting benefits to the partnership per quarter. This is provided in Annexe 3.

Contact Officer:

Nikki Neal – Head of Strategy, Performance and Change

Consulted:

Phil Hall – Acting Chief Operating Officer (ESCC)

Leigh Whitehouse – Executive Director of Resources (SCC)

Nigel Manvell - Acting Chief Finance Officer (BHCC)

Annexe 1

Service	Savings Targets (£)			Total Savings Target	RAG Staus Update	Planned Activites	Risks
	19/20	20/21	21/22				
IT&D	500	500	500	1,500	A further £750k has been reduced from the service expenditure (operating) budget (unallocated efficiencies from previous years and £500k the 20/21 target).	New service pressures relating to pay increments and an unfunded Data Protection Officer post will create pressures that will need to be managed in-year.	Increased demand for support and developments in connection with the Orbis councils' recovery may place additional financial pressure on the service
HR South	500	0	0	500	19/20 targets achieved as a result of a restructure which took effect from 1 April 2019		
Business Operations	770	750	500	2,020	19/20 target achieved	Operational efficiencies planned against service restructure have needed to be paused due to COVID-19.	The combination of COVID and council focus means that the savings continue to be an issue..
Finance South	338	0	0	338	19/20 savings achieved through vacancies (for which some have permanently been removed from budgets), efficiencies and integrated working		
Procurement	873	305	50	1,228	19/20 savings were over delivered through redundancies, income and vacancies	Continued challenges to resources and workload have increased the risk to achieving these savings in this financial year	Known reduction of income from frameworks (£70k) Risk of delivery of savings targets to partner authorities
Total	2,981	1,555	1,050	5,586			

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Performance and Change Team, 2020 – A Year in Figures



In 2020 the team:

Moved at pace to develop and deliver **21** unique sessions/engagement activities in response to staff feedback and the changing situation

Facilitated **85** separate events

- that's an average of around **1.6** sessions per week

For circa. **925** attendees

- that's bookings for Orbis sessions via Eventbrite, attendees at drop-in events, acceptances for diarised Orbis sessions, plus participants in Orbis specific training i.e. (Delivering Partnering Excellence)
- **Equivalent to 70% of the Orbis population** having attended one of the events (note some staff are likely to have attended multiple events)

Breaking the numbers down...

- Digital engagement sessions – **120** bookings
- Wellbeing sessions – **265** bookings
- Partnership specific learning and development – **281** bookings
- Orbis Leadership and Management Sessions (main event and follow up workshops) – **209** acceptances/bookings
- Developing Partnering Excellence Programme – **36** participants in three cohorts

P&C Team Session Feedback:

How well did the session meet your personal objectives?

[More Details](#)

[Insights](#)

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Responses



4.59 Average Rating

How effective did you find the facilitator's approach?

[More Details](#)

[Insights](#)

137

Responses



4.80 Average Rating

How effective did you find the 'virtual' approach?

[More Details](#)

[Insights](#)

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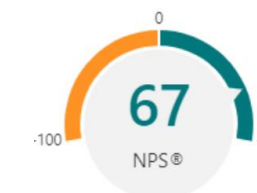
Responses



4.64 Average Rating

How likely would you be to recommend the session to your colleagues?

NPS = % promoters (9 or 10 out of 10) minus % detractors (6 out of 10 and below)



A selection of comments:

- "an excellent workshop that would benefit many colleagues throughout all 3 sovereign authorities"
- "the course content and pace judged perfectly, the session felt shorter than 90 minutes"
- "I feel there is definitely a secondary wellbeing benefit to these sessions - it's great to connect and just see and speak to others during the working day!"

Developing Partnering Excellence Programme



Key highlights:

- Adapted and redesigned what was a 3 day physical programme run by externally commissioned trainers into a 4 half day programme, delivered entirely in-house with the help of volunteer facilitators from across the Orbis services. Then due to COVID, adapted the programme further to allow for virtual delivery.

Delivery to date:

- Three cohorts went through the original physical programme with Kaplan (began 2019) – **approx. 50 participants**
- Three cohorts have now been through the internally delivered DPE programme – **total of 36 participants**
- Tailored programmes for Procurement and Internal Audit are scheduled for the New Year – **additional 24 participants**

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Qualitative - a selection of comments:

Q. What will you do differently as a result of this session?

- "Develop ways to think about how to build trust with customers"*
- "I will consider ways to improve my self awareness and self regulation and carry that through to my relationships. I will consider the social style of the person/persons I am meeting with and how best to adapt my social style to theirs to get the best possible outcome."*
- "Use the Influence/Interest matrix to "plot" stakeholder impact"*

Q. What were the key takeaways for you from this session?

- "the workshop's interactive approach was a key takeaway in itself."*
- "I especially enjoyed the pre-mortem exercise and will definitely use that in future."*
- "Understand and recognise both my own style of working and the styles of others, An understanding of this may enable better conversations."*

Feedback and Impacts:

How well did the session meet your personal objectives?



4.13 Average Rating

How well did the session meet your personal objectives?



4.37 Average Rating

How effective did you find the virtual approach?



4.13 Average Rating

Re. the mode of delivery:

"Pre covid, I ran funding workshops for small groups [but ceased doing so during COVID]. The Developing Partnerships session was a real eye-opener as to what's possible via a virtual format!"

Orbis Performance Summary

	People		Customer		Innovation	
	Activities this quarter	Impact	Activities this quarter	Impact	Activities this quarter	Impact
Orbis Performance & Change Team <div>Page 21</div>	<ul style="list-style-type: none"> Staff engagement activities scheduled to support wellbeing during second lockdown Following the development of online courses to support staff and managers additional courses have been run for Finance with a specific service focus and tailored design Recording of 'Christmas message' by JMB for all Orbis staff to recognise the efforts and successes of the last year in a challenging context 	<ul style="list-style-type: none"> 103 members of staff attended the sessions scheduled over November and December with positive feedback and high levels of engagement Approx. 20 members of the Finance team have been able to develop their capability and confidence in running effective remote meetings and have been able to apply this learning to Finance specific examples Demonstration of recognition and praise for the efforts of all staff across the Partnership and a celebration of success 	<ul style="list-style-type: none"> Following the successful delivery of three cohorts of the Developing Partnering Excellence Programme, the programme has been tailored for Orbis Internal Audit and Orbis Procurement with training scheduled for January delivery Review of Orbis website to ensure content is relevant and up to date 	<ul style="list-style-type: none"> Developed to equip colleagues with tools and techniques to work effectively in the complex partnership environment and to build 'Partnering' skills in order to add value and provide the best possible service to customers of the Internal Audit and Procurement services across the three Partner authorities. Course to be rolled out to approx. 25 staff across the two services Provision of accurate and relevant information to potential external Customers who can better understand the services we offer 	<ul style="list-style-type: none"> An online eLearning style Orbis induction was launched Five virtual 'new starter network' events were held 	<ul style="list-style-type: none"> As remote working continues, this helps new starters feel a sense of belonging to the Orbis partnership; understand the nuances of cultural differences and provides a way to build relationships and a peer network with people outside of their immediate team

	People		Customer		Innovation	
	Activities this quarter	Impact	Activities this quarter	Impact	Activities this quarter	Impact
Business Operations (fully integrated)	<ul style="list-style-type: none"> Whole team meetings. Series of team meetings held in F&P and HR Ops to communicate directly to all team members. HR Ops held 14 meetings speaking to 107 colleagues. F&P Ops meetings to be held over December/January 	<ul style="list-style-type: none"> Understand issues affecting colleagues and capture data for analysis. Key areas of focus include: <ul style="list-style-type: none"> Collaboration Wellbeing Knowledge Management Equipment provision for long term home working 	<ul style="list-style-type: none"> SST members undertaking Orbis Partnering Excellence Course 	<ul style="list-style-type: none"> Will allow service leaders to better assess their partnering skills and the potential to drive more meaningful relationships with our customers and colleagues 	<ul style="list-style-type: none"> A pipeline of activity to deliver further opportunities to support the delivery of business plans through the deployment of well-placed and purposeful automation 	<ul style="list-style-type: none"> Improve effectiveness of process through automation to free up staff to focus on the higher value activities for the service
	<ul style="list-style-type: none"> Take 10 for Tea with SST. Each SST member leading a 10 minute open coffee catch-up to informally engage with colleagues. Most meetings have lasted longer than 10 minutes! 	<ul style="list-style-type: none"> Improved colleague engagement, replicating 'tea bar chats' from the office environment 	<ul style="list-style-type: none"> Expanding commercial opportunities. Commercial team positioning service for end of Strictly Education 'non-compete' clause and bidding for work in non-traditional segments (e.g. University of Surrey and out of area Academy Trusts) 	<ul style="list-style-type: none"> Potential to exploit expertise in Recruitment and Safer Staffing, driving revenue for the partnership 	<ul style="list-style-type: none"> Working closely with IT&D looking to expand the use of robotic process automation into East Sussex and where possible as well as test and implement new technologies such as chatbots 	<ul style="list-style-type: none"> To aid enhancement of process and self-service offerings
	<ul style="list-style-type: none"> Remembrance. 65 Bus Ops colleagues joined Wing Commander Alex South RAF (Ret'd) (Hd of HR Ops) to commemorate Armistice Day and remember the Fallen 	<ul style="list-style-type: none"> Promotion of partnership working, colleague engagement 			<ul style="list-style-type: none"> Implemented upgrade to Brighton's Income Management System 	<ul style="list-style-type: none"> Improved functionality and system now hosted by supplier providing improved resilience
	<ul style="list-style-type: none"> Winter Wellbeing email series 	<ul style="list-style-type: none"> Supports staff with tools and tips that promote wellbeing during winter lockdown 			<ul style="list-style-type: none"> Implemented in house Homecare solution in Brighton Implemented new org chart software for Surrey 	<ul style="list-style-type: none"> To improve payment controls Gives further insights to Surrey on establishment and allows modelling of structures in real time with services

	People		Customer		Innovation	
	Activities this quarter	Impact	Activities this quarter	Impact	Activities this quarter	Impact
Finance (partially integrated)	<ul style="list-style-type: none"> 3 apprentices successfully recruited (1 in Finance and 2 in Pensions) 	<ul style="list-style-type: none"> Effectively supporting the 'grow our own' strategy to supplement usual recruitment methods and to ensure staff development needs are being met 	<ul style="list-style-type: none"> Continued focus on ensuring all stakeholders are supported to meet COVID-19 challenges Statutory closure of accounts delivered and working to meet the challenge of setting the budget with a limited level of certainty of future funding levels and post-COVID-19 requirements Provided advice and guidance regarding allocation, monitoring and reporting on the wide array of Covid grants and funding bids including regular reporting to MHCLG 	<ul style="list-style-type: none"> Ensures each Council's finances continue to be managed properly despite the unprecedented circumstances and financial uncertainty 	<ul style="list-style-type: none"> Strategic review of processes and procedures for payments and income collection to add controlled flexibility; 30 day payment terms reduced to immediate payment, reduced debt collection activity, remote payment enabled 	<ul style="list-style-type: none"> Ensures, whilst maintaining the control environment, that support is provided to suppliers to maintain their income levels during COVID-19 and clients are sympathetically supported to pay their bills.

HROD (partially integrated)	<ul style="list-style-type: none"> • Renewing and refreshing the Wellbeing support offer for staff in response to differing needs and phases of Covid response - including the development and implementation of Mental Health First Aider training • Roll out of mandatory training, including equalities 	<ul style="list-style-type: none"> • Ongoing support provided to staff to increase resilience and ability to respond to challenges presented by Covid. Revised offering allows a greater level of tailoring to current context • Impact measured through positive feedback received. Demonstrates the importance of equalities to the Authorities and ensures minority staff feel supported. Enables better conversations for all staff 	<ul style="list-style-type: none"> • Provision of support to both organisations to consider future ways of working based on changing customer and organisational needs • People Strategy has been made live for ESCC • Survey completed for both recruiting managers and successful applicants to gain feedback on the revised approach in place to respond to Covid • Re-procurement of OH and EAP provision - securing minimal price increases • Ongoing update of FAQs relating to Covid • Provision of support across the organisation to those who are clinically vulnerable and 	<ul style="list-style-type: none"> • Supports future business continuity and enables services to work in the most appropriate way to meet their needs, that also meets their changing expectations • Ensures all ESCC people activity is closely aligned to the needs of the business and responds to the changing operational context • Through feedback will identify 'lessons learned' and will review activity in response • Demonstrates value for money and enables continuity of service provision as well as supporting wellbeing and meeting statutory obligations • Ensures staff and managers feel supported and equipped to respond to challenges presented through Covid • Ongoing changes to government advice means it is important to constantly review the provision of support and advice offered 	<ul style="list-style-type: none"> • Provision of training on emerging themes in response to Covid (e.g. Managing teams remotely) using a fully adjusted staff development delivery model through online approach • Adaptation and exploitation of opportunities to provide BAU activity through a virtual and online approach, replacing previously paper-based activity - includes case work and job evaluation 	<ul style="list-style-type: none"> • Demonstrates responsiveness to the needs of the business. Ensures ongoing resilience of staff as well as the development of emerging skills and capabilities • Enables business continuity and demonstrates a transformation in the service delivery offer. Enables experimentation with new ways of working, which in turn may lead to longer term innovation in approach
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	People		Customer		Innovation	
	Activities this quarter	Impact	Activities this quarter	Impact	Activities this quarter	Impact
			<p>advice to managers of these staff</p> <ul style="list-style-type: none"> • Ongoing provision of support to schools but in a significantly more challenging and demanding context 	<p>to ensure people are kept safe and clear advice is provided in response to the rules</p> <ul style="list-style-type: none"> • The advice and support that has been provided ensures schools have been able to respond to changing pressures effectively and keep people safe in the workplace. Consequently, schools have been able to stay open 		
Internal Audit (fully integrated) Page 25	<ul style="list-style-type: none"> • In addition to the five new entry level staff appointed last quarter, significantly and subsequently to this, the service has also now appointed two new experienced Principal Auditors • New training and development framework launched within the service supported by increased investment 	<ul style="list-style-type: none"> • Historically there has been difficulty recruiting suitably skilled and experienced staff at the Principal Auditor level. Successful recruitment at this level will support delivery across all three Councils and external clients and reduce the cost associated with supplementing internal resource with external contractors. 	<ul style="list-style-type: none"> • 11 members of staff will complete the Delivering Partnering Excellence Programme in January which has a specific focus and tailored design for Orbis IA 	<ul style="list-style-type: none"> • Staff will be equipped with the tools and techniques to work effectively in the complex partnership environment and to build 'Partnering' skills in order to add value and provide the best possible service to Orbis IA customers across the three Partner authorities and external clients 	<ul style="list-style-type: none"> • Started to develop a programme for delivering assurance over key financial systems through use of data analytics, utilising entire data populations. 	<ul style="list-style-type: none"> • Will help ensure that each partner's internal audit plan 2020/21 is able to be completed as far as possible in a Covid secure environment and any impacts on delivery by social distancing measures or remote working a minimised.

<p>IT&D (fully integrated)</p>	<ul style="list-style-type: none"> Schools ICT Service Design; Customer Experience and Business Systems teams, have achieved accreditation to support Bromcom MIS Staff have been trained to carry out customer training and support in this market leading product. 	<ul style="list-style-type: none"> Continues to open up further avenues for Schools ICT Services to offer support to schools who are looking to change their MIS provider and therefore remaining highly attractive within the competitive schools IT market Schools ICT now have the accreditation, training and partnership status with the MIS markets' 4 leading systems 	<ul style="list-style-type: none"> Schools ICT Service Design team have led delivery of a DfE initiative in partnership with Google to enable Schools digital platforms creation 	<ul style="list-style-type: none"> 63 Schools signed up and now have a remote learning provision to teach children during lockdown/shielding DfE funding to Schools ICT of £94,500 	<ul style="list-style-type: none"> Following recent DDOS attacks investment has been made on additional network protection from JISC and GTT to prevent further issues Work Stream 1 (SCC) - Pothole Reporting. Using AI-enabled devices in eight Highways Inspection vehicles as a trial to determine if we can detect and classify potholes automatically Work Stream 2 (SCC) - Road Temperature Sensing. Deployment of 25 road temperature sensors across the county to drive efficiencies in the winter gritting process Work Stream 5 (SCC) - Property management. Using sensors to determine desk utilisation, space utilisation and automatic reporting of 	<ul style="list-style-type: none"> Immediate increase on network reliability for customer sites Diffused complaints from customers by showing we are listening and improving services The expected result of this Use Case will mean that we will be able to predict road issues automatically. Less reliant on residents reporting issues, meaning that issue will be responded to more quickly. Less impact on traffic incidents due to timely intervention The expected outcome of this Use Case will mean that due to sensors alerting the council earlier, gritters can be deployed more efficiently. Meaning less impact on traffic incidents due to timely intervention Creates the ability to predict and respond to space/capacity and availability - demand of staff on buildings. An example of the use of this data is that it
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					<p>the status of buildings and plant</p> <ul style="list-style-type: none"> • Work Stream 7 (SCC) – AI for Transport Studies. Using edge-computing AI sensors to count, classify and track the movements of pedestrians, cyclists and vehicles, focussed initially on providing baseline data for the area around Frimley Park Hospital • Work Stream 9 (SCC) – Street Light Dimming. Investigation into what savings can be made on traffic routes (largely non-trunk A-roads) by reducing light levels during periods when traffic flow is minimal • Shielded Resident using Dell Boomi (SCC) 	<p>has been used to establish work patterns for Agile Organisation Programme</p> <ul style="list-style-type: none"> • The expected result of this Use Case will enable services to understand the traffic flow and demands, to manage more effectively the flow of traffic in this high demand area • The expected benefit to this Use Case would be financial – cost saving on lighting • During the initial Covid lockdown SCC worked with a number of districts and boroughs to create shared database to record and manage calls to our shielded residents. Benefit was process became more efficient and we built good relationship the D&Bs
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	People		Customer		Innovation	
	Activities this quarter	Impact	Activities this quarter	Impact	Activities this quarter	Impact
Page 28					<ul style="list-style-type: none"> During the covid lockdown March 20 we created an interactive form for CS Schools to monitor school attendance for our vulnerable children 	<ul style="list-style-type: none"> DFE required attendance info on vulnerable children, additional Social worker were quickly alerted to non-attendance and were able to respond with virtual/actual visit where necessary
					<ul style="list-style-type: none"> Environment built for Virtual Assistant (Blue Badge ESCC) 	<ul style="list-style-type: none"> Efficiency through reduction of customer emails / telephone calls
					<ul style="list-style-type: none"> Environment built for first exemplar robotic process automation (adjustments to ContrOCC) (ESCC) 	<ul style="list-style-type: none"> Augmented capacity to focus on activity valuing human input
					<ul style="list-style-type: none"> Automation software procured (ESCC) 	

	People		Customer		Innovation	
	Activities this quarter	Impact	Activities this quarter	Impact	Activities this quarter	Impact
Procurement (fully integrated)	<ul style="list-style-type: none"> Futures Board: People has mobilised, tasked developing people and talent initiatives Collated training schedule for procurement staff Purchased “Achiever” licence 	<ul style="list-style-type: none"> Enhanced engagement from team around staff development and modernisation programme Ability to better identify resource pressures Provision of capacity to move online with contract management training offering 	<ul style="list-style-type: none"> DC intro meetings – understanding scope Futures Board: Perception mobilised, tasked with looking at the customer journey 2 new customer additions: Provision of resource to deliver certain aspects of procurement into Lewes District and Eastbourne Borough councils, and engaging with Tandridge to support a full analysis of their workload with a view to provide further support in the future 	<ul style="list-style-type: none"> Enhancement of customer feedback at Director level Additional resource devoted to enhancing the customer journey Retained a member of staff who would otherwise have left Delivering on our growth ambitions and testing technology solution with minimal resource 	<ul style="list-style-type: none"> Further development of plans on path to Procurement 2.0 Work commenced on the project and MI tracker for procurement Futures Board: Modernisation mobilised, tasked with assisting SLT with development of the modernisation programme 	<ul style="list-style-type: none"> Enhancing ability to communicate with team on the ambition for the service Opportunities to fully utilise existing software and introduce automation with support from IT&D

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

ORBIS JOINT COMMITTEE MEETING

DATE: 22 JANUARY 2021

LEAD OFFICER: NIGEL MANVELL (DEPUTY CHIEF FINANCE OFFICER
BRIGHTON & HOVE CITY COUNCIL), PHIL HALL (ACTING CHIEF
OPERATING OFFICER EAST SUSSEX COUNTY COUNCIL),
LEIGH WHITEHOUSE (EXECUTIVE DIRECTOR OF RESOURCES
SURREY COUNTY COUNCIL)

SUBJECT: INTERNAL AUDIT SERVICE SPOTLIGHT

SUMMARY OF ISSUE:

This spotlight report provides the Orbis Joint Committee with an overview of the activities and achievements by the Orbis Internal Audit and Counter Fraud Service (Orbis IA).

RECOMMENDATIONS:

The Orbis Joint Committee is asked to note the achievements and on-going service developments for the partnership service.

REASONS FOR RECOMMENDATIONS:

The Joint Committee is responsible for the effective monitoring of Orbis performance.

DETAILS:

Background

- 1.1 The Internal Audit Service is an integrated Orbis partnership function delivering internal audit and counter fraud services to all three partner councils and a range of external, fee paying, clients. The service is led by a single Chief Internal Auditor appointed in April 2017, with a new integrated structure created with effect from April 2018 (see below).
- 1.2 Internal Audit is a statutory service in the context of the Accounts and Audit Regulations 2015, which require every local authority to maintain an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes. Within local government in the UK, it is a specific requirement that internal audit services are delivered in accordance with Public Sector Internal Audit Standards (PSIAS).

Integrated Structure

- 1.3 At the time of establishing Orbis IA, a new organisational structure was implemented with the intention of continuing to provide high quality, localised services to our partner and client organisations, whilst also developing specialist teams in the areas of ICT Audit and Counter Fraud, who provide these services across all partners and clients. Maintaining such specialisms within smaller individual teams prior to integration had become unsustainable, resulting in the increased costs associated with buying in services from external providers. A

copy of the current Orbis IA structure chart is attached to this report below, a structure that, at the time it went live, delivered approximately £450k of savings to the Orbis partner authorities (representing 25% of the net budget).

- 1.4 Alongside the integration of the teams, a substantial amount of work was undertaken to successfully standardise all aspects of working practice within the new service, thereby driving further efficiencies and facilitating more effective partnership working. This work represented a significant achievement given how differently the services operated prior to forming the partnership, and included:
 - Procurement and implementation of a new electronic audit management system, including online working papers, enhanced performance reporting and automatic audit report generation. This system is a web based application enabling Orbis IA staff to work for any client from any location;
 - Streamlined and standardised audit methodology, from initial assignment planning through to final report production;
 - Introduction of standard audit report templates and a consistent set of audit opinions (and associated definitions);
 - Standardised audit committee reporting for all partner councils, including format, content and frequency.
- 1.5 Whilst some ongoing challenges have been faced historically by the service with recruiting suitably skilled and experienced staff, five new staff at entry level have recently been successfully appointed, with a focus on training and development to effectively 'grow our own'. This includes a robust programme of support for appropriate professional development, incorporating apprenticeship schemes where possible. Significantly, and subsequently to this, the service has also now appointed two new experienced Principal Auditors to support the delivery of services across all three Councils and external clients.
- 1.6 Alongside the delivery to ESCC, SCC and B&HCC, Orbis IA also provides services to a range of external, fee paying clients, including Horsham District Council, East Sussex Fire Authority, Elmbridge Borough Council and the South Downs National Park Authority. Total income of £444k is currently generated from this work, making a substantial contribution toward business overheads, thereby driving down the cost to the Orbis partner councils. The most significant individual external client is Horsham District Council, an arrangement which also commenced in April 2018 and involved the TUPE transfer of a small number of staff into Orbis IA.

Core Service Delivery

- 1.7 Every year, an updated Internal Audit Strategy and Annual Audit Plan is produced for each partner council. As well as setting out our overall approach to the delivery of internal audit and counter fraud services, these documents also incorporate a detailed programme of work for the year, applying the following key principles:
 - All key financial systems are subject to a cyclical programme of audits covering, as a minimum, compliance against key controls;
 - Previous reviews which resulted in lower assurance-based audit opinions are subject to a specific follow-up review by Internal Audit to assess the effective implementation by management of agreed actions;
 - Formal action tracking arrangements are in place to monitor the implementation by management of all individual high risk recommendations.

- 1.8 In line with best practice, all audit plans are kept under review throughout the year and include provision to enable the service to respond to new and emerging risks. Along with normal, assurance-based audit assignments, a key element of the Orbis IA approach is to provide proactive advice, support and challenge to major organisational projects and change programmes. This real time support is highly valued by stakeholders, enabling risk and internal control issues to be identified and resolved as new systems and processes are being designed.
- 1.9 The results of all internal audit and counter fraud activities, along with details of service performance, are reported on a quarterly basis to each of the council senior leadership teams and audit committees. Along with these, each partner authority receives an annual internal audit report, incorporating an overall opinion from the Chief Internal Auditor on the adequacy of the organisation's risk, governance and internal control arrangements. These reports form a key source of evidence in support of each council's annual governance statement. For 2019/20, ESCC, SCC and B&HCC all received an annual opinion of 'Reasonable Assurance'¹.

Professional Compliance and Performance

- 1.10 As referenced in para 1.2 above, all of the relevant internal audit standard setting bodies, including CIPFA, have adopted a common set of Public Sector Internal Audit Standards (PSIAS), based on the Institute of Internal Auditors International Professional Practices Framework.
- 1.11 Included within these Standards is the requirement for each internal audit service to maintain an ongoing quality assurance and improvement programme based on an annual self-assessment against the Standards, supplemented at least every five years by a full independent external assessment. During 2018, our first year as an integrated service, South West Audit Partnership (SWAP) were commissioned to undertake the independent external assessment of Orbis IA against the following core principles defined within the Standards:
- Demonstrates integrity;
 - Demonstrates competence and due professional care;
 - Objective and free from undue influence (independent);
 - Aligns with the strategies, objectives, and risks of the organisation;
 - Is appropriately positioned and adequately resourced;
 - Demonstrates quality and continuous improvement;
 - Communicates effectively;
 - Provides risk-based assurance;
 - Is insightful, proactive, and future-focused;
 - Promotes organisational improvement.
- 1.12 Overall, the review concluded that Orbis IA is achieving the highest level of conformance with the Standards and Code of Ethics. The opinion given, 'Generally Conforms', is the highest of the three rankings, as defined by the Chartered Institute of Internal Auditors.
- 1.13 In giving their opinion, the review team commented on the significant areas of successful internal audit practice they identified, particularly:

¹ Potential opinions are 'Substantial Assurance', 'Reasonable Assurance', 'Partial Assurance' and 'Minimal Assurance'.

- That Orbis IA is well respected and its advice and opinion is sought by stakeholders, with numerous examples offered during the assessment;
- Strong support and a sense of trust is placed in the team by both senior management and Members;
- Interviews with key stakeholders confirmed that the team have a good reputation and organisational profile;
- The service receives a high level of satisfaction from internal audit feedback forms;
- Stakeholders rated the service with an average score of 8.03 (out of 10).

1.14 Alongside the assessments of professional compliance, the performance of Orbis IA continues to be measured against key service targets focussing on service quality, productivity and efficiency, compliance with professional standards, influence and our staff. These are all underpinned by appropriate key performance indicators as set out in the following table:

Aspect of Service	Orbis IA Performance Indicators	Target
Quality	<ul style="list-style-type: none"> • Annual Audit Plan agreed by Audit Committees • Annual Audit Report and Opinion • Satisfaction levels 	By end April To inform AGS 90% satisfied
Productivity and Process Efficiency	<ul style="list-style-type: none"> • Audit Plan – completion to draft report stage by 31 March each year 	90%
Compliance with Professional Standards	<ul style="list-style-type: none"> • Public Sector Internal Audit Standards • Relevant legislation such as the Police and Criminal Evidence Act, Criminal Procedures and Investigations Act 	Conforms Conforms
Outcomes and degree of influence	<ul style="list-style-type: none"> • Implementation of management actions agreed in response to audit findings 	95% for high priority
Our Staff	<ul style="list-style-type: none"> • Professionally Qualified/Accredited 	80%

Covid-19 Service Response

1.15 Unsurprisingly, like all Council services, the pandemic has had a significant impact on Orbis IA, including the way in which our staff work, the nature of the work we are able to carry out and the extent to which we are able to deliver our planned audit activities, be they completion

of the previous 2019/20 audit plan or commencement of planned 2020/21 work. Despite this, because of the hard work of the team throughout 2019/20, sufficient work had been completed for that year, prior to the Coronavirus outbreak, to enable the Chief Internal Auditor to still provide an overall annual audit opinion for each of the Councils. In all three cases, this was 'Reasonable Assurance'.

- 1.16 Immediately upon the start of the outbreak and associated lockdown, Orbis IA recognised the priority that needed to be given to frontline service delivery and community support. For this reason, the decision was taken to suspend all planned audit activities in order to avoid interfering with the wider organisational response and to enable Orbis IA resources to be focussed on the new risk environment emerging from the pandemic.
- 1.17 As a result of the original lockdown, and subsequent continued remote working arrangements, virtually all activities within the partner councils have, at extremely short notice, needed to be redesigned. In such circumstances, systems, processes and controls can easily be undermined and weakened, exposing the organisations to a range of new risks. The Orbis IA team have therefore been working extremely hard in order to identify the most important of these changes and provide advice to management to ensure, as far as possible, an appropriate internal control environment is maintained. All of this work has been formally logged by the team in order for us revisit these areas in future once services look to return to some form of business as usual. In addition, the team has also:
- Produced and promoted an updated fraud risk assessment for each of the councils specifically in relation to the pandemic and issue arising from it;
 - Carried out data analytics work to provide assurance over a sample of higher risk fraud areas, including payment cards and creditors;
 - Provided extensive advice and support on the arrangements for processing grant payments to local businesses, helping ensure proper verification controls are in place;
 - Supported the councils in the procurement, verification and distribution of PPE, including formally redeploying Orbis IA staff into the Procurement Service to aid this process;
 - Started to develop a programme for delivering assurance over key financial systems through use of data analytics, utilising entire data populations.
- 1.18 Finally, despite the continued uncertainty, Orbis IA continues to plan for the future and what this might mean for delivering assurance in what could be such a fundamentally different environment. As part of this, we have been liaising with our professional bodies and other local authority internal audit providers to help ensure we develop the most effective response.
- 1.19 In light of the most recent spike and associated lockdown, the revised plans for 2020/21 are once again being re-prioritised in an attempt to ensure sufficient coverage is achieved to enable the Chief Internal Auditor to still provide annual opinions for each of the partner councils. Audit planning for 2021/22 is also being reviewed with a view to focussing coverage only on core assurance areas (such as key financial systems) with much more time earmarked for more reactive/emerging risk activity.

2. Conclusion and reasons for recommendations

- 2.1 Orbis IA is a core part of the Orbis delivery and is providing high quality audit and counter fraud services to all of our organisations and a range of external, fee paying, clients. In doing so, the service has delivered substantial savings and has been independently assessed as having achieved the highest level of conformance with relevant professional standards.

- 2.3 Looking forward, the service will seek to build on the strong foundations already established whilst exploring further opportunities to grow the service by taking on new client organisations.

Contact Officer:

Russell Banks CMIIA – Orbis Chief Internal Auditor

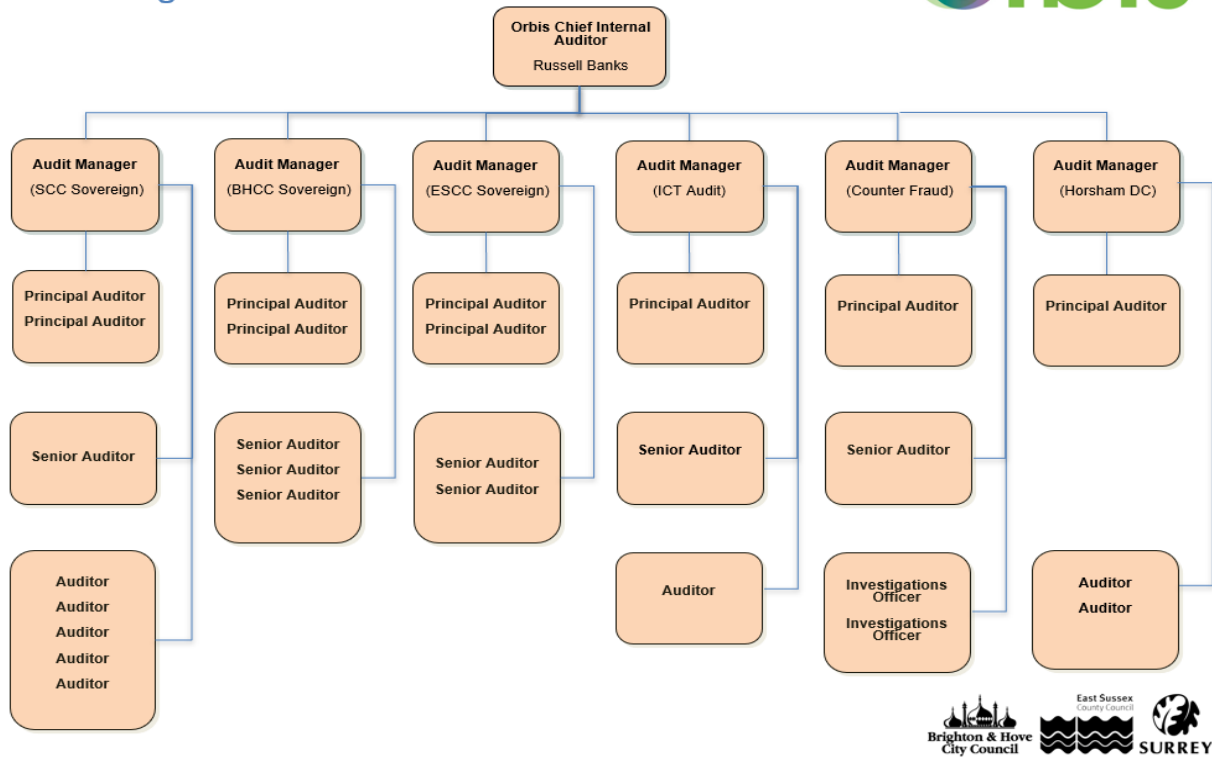
Consulted:

Phil Hall – Acting Chief Operating Officer (ESCC)

Leigh Whitehouse – Executive Director of Resources (SCC)

Nigel Manvell - Deputy Chief Finance Officer (BHCC)

Orbis Internal Audit Integrated Structure



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

ORBIS JOINT COMMITTEE MEETING

DATE: 22 January 2021

LEAD OFFICER: NIGEL MANVELL (DEPUTY CHIEF FINANCE OFFICER
BRIGHTON & HOVE CITY COUNCIL), KEVIN FOSTER
(CHIEF OPERATING OFFICER EAST SUSSEX COUNTY
COUNCIL), LEIGH WHITEHOUSE (EXECUTIVE DIRECTOR
OF RESOURCES SURREY COUNTY COUNCIL)

SUBJECT: BUDGET MONITORING

SUMMARY OF ISSUE:

To provide an update to the Joint Committee on the financial position of Orbis

RECOMMENDATION:

The Joint Committee is asked to note the report.

REASONS 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:

1. The Orbis operating model changed from 2020/21. Service areas are now categorised as either “Fully integrated”, “Partially integrated” or “Centres of Expertise”. Categorisation is determined by the nature of the service and the participation of sovereign authorities. This is therefore reflected within the tables below.
2. The Orbis joint operating budget of £39.3m for 20/21 includes efficiency targets of £1.6m (**Table 1**).
3. The forecast year-end outturn as at the end of Q2 is an overspend of £769k. This is a reduction from £965k which was reported at Q1. The main contributor to this overspend is within Business Operations, where the 20/21 £750k savings target is now unlikely to be met. There are also small overspends within finance and HR, mainly due to staffing costs. However, there is a net underspend within the Centres of Expertise partially mitigating these overspends.
4. Of the net overspend, only £5k has directly been classified as relating to Covid. However, it is clear that operating in the current Covid environment has increased the difficulty of meeting efficiency targets within Business Operations as well as impacting the anticipated number of staff vacancies within Service areas.

Table 1 – Joint Operating Budget Q2 20/21

Orbis Operating Budget		Year to Date (Q2)			Full Year		
		Budget	Actual	Variance	Budget	Forecast	Variance
Fully Integrated	Business Operations	£'000	£'000	£'000	£'000	£'000	£'000
	IT&D	2,547	3,041	494	5,094	5,844	750
	Management	9,886	9,778	-108	19,772	19,772	0
	Procurement	201	221	20	402	434	32
	TOTAL FULLY INTEGRATED	2,229	2,189	-40	4,458	4,458	0
Partially integrated	Finance	14,863	15,229	366	29,726	30,508	782
	HR&OD	1,628	1,631	3	3,256	3,281	25
	Management	1,614	1,686	73	3,227	3,300	73
	TOTAL PARTIALLY INTEGRATED	52	0	-52	103	76	-27
Centres of Expertise	TOTAL CoE	3,293	3,317	24	6,586	6,657	71
	TOTAL ORBIS	1,497	1,415	-82	2,994	2,910	-84
		19,653	19,961	308	39,306	40,075	769

5. 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.

The full year staffing forecast variance is £1,056k (**Table 2**).

Table 2 – Subjective analysis Q2 20/21

Orbis Operating Budget - Subjective		Year to Date			Full Year		
		Budget	Actual	Variance	Budget	Forecast	Variance
Staffing		24,757	25,375	618	49,514	50,570	1,056
Non-Staffing		2,112	1,791	-321	4,224	4,060	-164
Total Expenditure		26,869	27,166	297	53,738	54,630	892
Income		-7,216	-7,205	11	-14,432	-14,555	-123
Net Expenditure		19,653	19,961	308	39,306	40,075	769

6. The Joint Committee is also asked to review Orbis spend on Agency staff. The expenditure to date on agency staff is 3% of total staffing spend (**Table 3**). 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 3 shows the 2020/21 Q1 agency spend by service.

Table 3

Orbis Operating Budget	Agency	Non Agency Staffing	Total Staffing	Agency Proportion
	£'000	£'000	£'000	%
Business Ops	89	5,881	5,970	1%
Finance - BHCC & ESCC	73	2,162	2,235	3%
Finance - Centres of Expertise	23	1,601	1,624	1%
HR&OD - BHCC & ESCC	-2	2,276	2,274	0%
IT&D	514	10,243	10,757	5%
Management	45	198	243	19%
Procurement	74	2,198	2,272	3%
Total	816	24,559	25,375	3%

7. Note that the amounts going through Management are gross IT project management costs that are re-charged to ESCC Sovereign budgets and therefore have a net zero impact on Joint Orbis Budgets.

Efficiencies

The table below shows the agreed efficiency targets relating to 2020/21:

Table 4 – 20/21 Efficiency targets

Service Area	£000s	Rating
Business Operations	750	Red
IT & Digital	500	Green
Procurement	305	Green

8. As per the narrative above, it is deemed unlikely that the efficiencies within Business Operations will be made in 20/21. Efficiencies within IT&D and Procurement are currently assessed as being achievable and to be met within the current budget allocations.

Contributions

9. The partner contribution rates as at Q2 are set out in table 5 below. The contribution rates differ depending on the level of integration within the given service.

Table 5 – Agreed Contribution Rates

Contributions - Fully integrated	
BHCC	22.3%
ESCC	24.6%
SCC	53.1%
Contributions - Partially integrated	
BHCC	47.1%
ESCC	52.9%
Contributions - Centres of Expertise	
BHCC	25.6%
ESCC	27.8%
SCC	46.6%

These rates can then be applied to determine the net contribution per partner (**Table 6**).

Table 6 – Partner net contributions

	Full Year		
	Budget	Forecast	Variance
	£'000	£'000	£'000
BHCC	10,482	10,668	186
ESCC	11,646	11,852	207
SCC	17,178	17,554	376

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