

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

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

Elected Members:

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

Officers in attendance:

East Sussex County Council (ESCC)

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

Surrey County Council (SCC)

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

Brighton and Hove City Council (BHCC)

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

Also in attendance:

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

54/16 APOLOGIES FOR ABSENCE [Item 1]

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

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

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

56/16 DECLARATIONS OF INTEREST [Item 3]

None were received.

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

The Chief Property Officer introduced the report.

Key points raised during the discussion:

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

Resolved:

That the Orbis Joint Committee approve the Forward Plan.

Actions/ further information to be provided:

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

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

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

Key points raised during the discussion:

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

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

Actions/ further information to be provided:

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

Resolved:

The Orbis Joint Committee:

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

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

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

Key points raised during the discussion:

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

Actions/ further information to be provided:

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

Resolved:

The Joint Committee:

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

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

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

Key points raised during the discussion:

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

Actions/ further information to be provided:

None.

Resolved:

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

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

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

Key points raised during the discussion:

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

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

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

Resolved:

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

Actions/ further information to be provided:

None.

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

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

Key points raised during the discussion:

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

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

Resolved:

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

Actions/ further information to be provided:

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

63/16 DATE OF NEXT MEETING [Item]

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

Meeting ended at: 3.35 pm

Chair