

**EAST SUSSEX COUNTY COUNCIL AND
SURREY COUNTY COUNCIL**



ORBIS JOINT COMMITTEE

DATE: 5 DECEMBER 2016

LEAD OFFICER: KEVIN FOSTER (CHIEF OPERATING OFFICER, EAST SUSSEX COUNTY COUNCIL) AND JOHN STEBBINGS (CHIEF PROPERTY OFFICER, SURREY COUNTY COUNCIL)

SUBJECT: BRIGHTON & HOVE CITY COUNCIL JOINING THE ORBIS PARTNERSHIP

SUMMARY OF ISSUE:

To seek approval from the Orbis Joint Committee to proceed with Brighton & Hove City Council (BHCC) joining the Orbis Partnership on behalf of Surrey County Council and for the Orbis Joint Committee to recommend that East Sussex County Council Cabinet approve BHCC joining the Partnership.

RECOMMENDATIONS:

It is recommended that the Orbis Joint Committee:

- i. Approve, subject to the agreement of the Cabinet of East Sussex County Council and the satisfactory completion of the necessary assessments, to BHCC joining Orbis as a founding partner and to BHCC joining the Orbis Joint Committee upon completion of the IAA.
- ii. Delegate authority to the Chief Operating Officer (COO) of East Sussex County Council, in consultation with the Deputy Chief Executive of Surrey County Council, the Lead Member for Resources for East Sussex County Council and the Cabinet Member for Business Services and Resident Experience for Surrey County Council, to:
 - a. determine whether the results of the assessment referred to above are satisfactory; and
 - b. to take any actions necessary arising from or to give effect to the integration of BHCC in the Orbis partnership including (but not limited to) agreeing the timings and terms of the integration, and the terms of the Inter-Authority Agreement (IAA) and any other agreements the COO considers appropriate.

REASON FOR RECOMMENDATIONS:

Approval of these recommendations is necessary to move to the next phase of integrating BHCC into the Orbis Partnership, it is recommended that agreement be given to BHCC joining the Orbis partnership and the Orbis Joint Committee subject to the completion of the necessary assessments.

Consideration of the assessments and the decision as to whether the results are satisfactory is delegated to the relevant officers in consultation with Lead Members together with finalising the terms and timings of their inclusion. By proceeding to a more detailed planning and delivery phase it will enable a robust approach to be developed and provide the necessary

powers of delegation to progress at the pace required.

Regular updates and progress reports on this will be provided to the Orbis Joint Committee

DETAILS:

Background

1. Cabinets approved the Orbis three year Business Plan in October 2015 that set out the roadmap to achieve integrated back office services between Surrey and East Sussex County Councils. The business plan detailed the benefits of the partnership but also stated the ambition to grow and attract additional customers and potential partners.
2. Brighton & Hove City Council (BHCC) have been part of the initial and ongoing development of the Orbis Partnership and have always been offered the ability to be a founding partner along with East Sussex County Council (ESCC) and Surrey County Council (SCC). It was recognised that BHCC would not be able to progress initially at the same pace as ESCC and SCC and therefore Orbis have been supporting BHCC in assessing the fit of Orbis to BHCC vision and priorities
3. In December 2015 BHCC gained approval from their Policy, Resources and Growth Committee to join Orbis following a detailed options appraisal process. This decision was subject completion of a number of tests around savings and efficiencies that would be enabled in order to meet the BHCC medium term financial plans.
4. BHCC concluded these tests during the summer of 2016 and approval was gained at the Policy, Resources and Growth Committee on 13 October 2016 to proceed with their request for integration of BHCC services into the Orbis partnership.
5. The attraction of a new partner to Orbis in its first year of the Business Plan is both exciting and an endorsement of the partnership. Working in partnership provides further opportunities to deliver services in new and innovative ways to improve quality, resilience and to contribute to the financial challenges of each Sovereign Authority.
6. As a City Council and unitary authority, BHCC will enhance what Orbis can offer. They will bring more knowledge and expertise and provide further opportunities to share best practice across three Partners.
7. As well as working informally with BHCC with a view to BHCC joining the partnership, more formal arrangements already exist with BHCC through the Orbis Public Law partnership and the OPL Joint Committee of which BHCC are a full member.

Supporting information

8. Officers set out their ambitions for Orbis to grow in the Business Plan which stated the following:

New partners have the ability to help shape and influence how services will be delivered in the future. They will have the opportunity to keep Orbis compelling, ensure it remains fit for purpose, ultimately benefitting from the established services and ways of operating.

9. Orbis is about creating a sustainable shared service delivered in the public sector with a strong public sector service ethos. It is strengthened through growing the

business it delivers which enables greater collaborative buying power and streamlining of processes to provide better, more efficient services. Increasing partners as well as customers provides for richer experience and knowledge.

Opportunities

10. Additional partners will enhance the Partnership and offer further opportunities in a number of key areas. For BHCC these opportunities have been identified as (but not limited to) the following:
 - *The ability to retain services and funding within the public sector.*
 - *Enhanced reputation for Orbis/sovereign partners.*
 - *Greater economies of scale.*
 - *Additional services not currently in the scope of Orbis (i.e. Revenues & Benefits).*
 - *Increased resilience through sharing and aligning resources.*
 - *Opportunity to build a greater geographical presence which helps to support wider strategic aims such as collaboration and partnership working with local authorities and public and third sector bodies in the South East.*
 - *The close proximity of Brighton to Lewes provides an opportunity to review the location of service delivery.*
 - *Consolidation of IT systems leading to reduced cost of ownership and the ability to negotiate better deals.*
 - *As a unitary authority, BHCC has alternative approaches and expertise and will be a valuable addition to the partnership.*
 - *A greater number of partners improves the ability for successful lobbying.*
 - *The ability to share procurements/contracts to reduce costs.*

Scale

11. Orbis currently has a net operating budget of circa £53m and approximately 1400 staff. The addition of BHCC adds another £20m approximately to the net budget and increases the total staffing to just over 2000 Full Time Equivalent employees (FTE). Orbis was already the largest local government shared service in the UK with two partners, adding a third increases the scope and scale of the partnership further still.

BHCC Joining Principles and Actions

12. BHCC has completed their assessment on whether it is advantageous for them to join the Orbis Partnership. Orbis will now work with BHCC to complete the necessary assessments which will provide a better understand of the implications of BHCC joining the partnership with a view to seeking to ensure that a number of key principles and requirements can be met. This is best undertaken by working as though the extended partnership is in place.
13. To complete this test and to ensure the process for BHCC joining the partnership is managed in the most effective way, a number of key principles and actions have been developed in conjunction with BHCC that will enable the test judgement to be made. These principles are detailed in Appendix 1.
14. It is anticipated that the assessment will conclude that that the key principles and objectives will be met with regard to BHCC joining Orbis. This expectation is based on the experience BHCC and Orbis have gained from our joint working over the last 18 months. However, it is appropriate to complete this assessment. Once

satisfactorily completed a new Inter Authority Agreement (IAA) will be signed. It is recommended that the consideration of the results of the assessment be delegated to the Chief Operating Officer, East Sussex County Council and the Deputy Chief Executive, Surrey County Council in consultation with the Lead Members along with authority to approve the terms of the agreement (and any associated agreements) formalising the arrangements with BHCC.

Service Integration

15. Orbis has an approach to delivering service integration the details of which are attached at Appendix 2.
16. The journey to fully integrating services (identified as the convergence phase in Appendix 2) will take time. It is important to build relationships and ensure that different approaches, delivery models and sovereign requirements are all understood.
17. Each service within Orbis is currently assessing how BHCC will fully integrate into their specific service delivery. For some services (eg finance) it will be possible to initiate the convergence phase immediately while for other services more time it will be necessary to spend more time on the co-ordination and collaboration phase,.
18. In the short term this may lead to some services being run in parallel under the appropriate Orbis Service Lead whilst developing detailed plans for integration of the service at an agreed later date.

Governance (Member & Officer)

19. The Orbis Partnership operates under a Joint Committee structure that was approved by the Cabinets of East Sussex County Council (ESCC) and Surrey County Council (SCC) respectively in February 2015.
20. The Joint Committee currently comprises two Members but can expand to up to six Executive (Cabinet) Members, an equal number being appointed by the Leader of ESCC and the Leader of SCC from among their respective Executive (Cabinet) Members.
21. The Joint Committee has delegated to it by each Council the authority to oversee discharge of the services.
22. The purpose of establishing the Joint Committee was to facilitate an effective joint approach between the councils in delivering the services. The Joint Committee will provide performance management for Orbis to ensure value for money assurance to the Councils.
23. BHCC appointed a Lead Member to observe the Joint Committee in April 2016; once the IAA is signed BHCC will become a full member of the Orbis Joint Committee with voting rights.
24. Officer governance is steered by the IAA which specifies the appropriate structure for effective decision making and to provide appropriate oversight of operations.
25. A review of the governance will be undertaken to incorporate BHCC and to ensure arrangements are fit for purpose. Appendix 3 shows the governance arrangements for Orbis

Benefits

26. A review of the Orbis benefits and investment case will be required to assess the impact of BHCC joining the partnership; this work will be undertaken as part of developing the IAA.
27. Brighton & Hove City Council set a savings target in excess of 30% for the services in scope of Orbis over the next four years (2016/17 to 2019/20). To put this in context all other BHCC services not in the scope of Orbis also have a target for cost reductions of 30% over the same period. See Appendix 4, table 2 for details on proposed efficiencies for the services in scope for BHCC.
28. The savings targets for BHCC include managed on behalf of budgets (e.g. IT infrastructure) and are front loaded for 2016/17 and 2017/18, the current plan for integrating budgets with BHCC is April 2018. When these two factors are taken into consideration there is significant alignment of savings targets for Orbis and BHCC.
29. For reference, the Orbis Business Plan detailed financial benefits of £8.3m that the Partnership would deliver for East Sussex and Surrey County Council's over a three year period, more details of these savings can be found in Appendix 4 table 1.
30. Subject to the results of the assessments referred to in para 2.5 and 2.6 above, officers are confident that the addition of BHCC into the partnership will not put current plans at risk; in fact a third partner actually creates additional opportunities to explore the potential for increased efficiencies.
31. Part of the next phase of work with BHCC will be to develop a joint financial plan to explore and identify opportunities for further efficiencies, increased quality of services and resilience for the three sovereign partners.

CONSULTATION:

32. The approach taken to develop the integrated services has been collaborative; co-designed with the Orbis Leadership Team and the wider Orbis leadership community in conjunction with staff and Trade Unions.
33. The consultation has included:
 - Trade Unions
 - Orbis staff
 - Orbis leadership community
 - Chief Executives and extended leadership teams of both authorities
34. Engagement with Trade Unions (TU) has remained strong and positive to date. Unions in BHCC have been included in joint TU meetings with regional leads and ESCC/SCC Unions, these meetings are held on a regular basis to ensure an ongoing, open dialogue and the ability for any concerns or challenges to be raised.

RISK MANAGEMENT AND IMPLICATIONS:

35. A full assessment of the impact and associated risks of BHCC joining Orbis will be undertaken as part of the process to formally approve BHCC joining Orbis.
36. An initial risk assessment has been undertaken and a number of key risks have been identified, these can be found in Appendix 5.

Legal Implications

37. An Inter Authority Agreement (IAA) will be developed and agreed for three partners, the IAA will form the legal basis for the partnership and will ensure each sovereign authority is protected.
38. As with the existing IAA between ESCC and SCC, the IAA for three partners will include a number of key elements:
 - Governance
 - Services in scope
 - Budgets
 - Indemnities and Liabilities
 - Branding
 - Staff Management Protocol
 - Disputes
 - Termination

Contact Officer:

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Consulted:

Kevin Foster – Chief Operating Officer
John Stebbings – Chief Property Officer
Leatham Green – Programme Director
Philip Baker - Assistant Chief Executive / Monitoring Officer (ESCC)
CMT (ESCC)
4 Way (SCC)

Appendices:

Appendix 1: Principle Actions – Partner joining
Appendix 2: Collaborate to Integrate model
Appendix 3: Orbis Governance overview
Appendix 4: Savings Overview
Appendix 5: Risks

Sources/background papers:

- Orbis Cabinet report and Business Plan October 2015
- BHCC Joint Committee reports - January, April, July & October 2016