

Financial Principles for 2017/18 – Interim Arrangements for the Orbis Partnership (1)



During 2017/18 B&HCC budgets will remain separate from those of the other founding partners. Prior to shared budgets from April 2018 it is necessary to agree operating principles for the interim year, to promote transparency, equity of costs and benefits between all three partners, and the efficient operation of services.

1

All relevant budgets and budgets managed by the partnership, for all three councils, will be visible across the founding partners and will be monitored by OLT monthly. Orbis and B&HCC retain responsibilities to ensure that services are delivered on budget

2

All three council's and Orbis's 2017/18 & 2018/19 savings plans will be monitored by OLT.

2a) Any unachieved savings will be reviewed and may impact on the IAA as either an agreed service reduction or may require a contribution higher than the budget allows.

For example: the B&HCC saving of the CIO position is an unachievable efficiency saving. Therefore B&HCC will need to reinstate this funding, based on its share* of the costs of the Orbis CIO either by increasing its funding or by reducing the service it requires from Orbis.

2b) Where sovereign authorities require further savings, the Orbis Finance Board will agree how to deliver this either by: proposing savings to each authority in the current contribution ratios through increased efficiencies, where possible, or by agreed service reductions to each council; or by agreed service reductions to the single authority requesting the saving.

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3

Where there is a benefit to B&HCC from 2017/18 activities funded by Orbis a contribution to the cost will be made by B&HCC. Examples of such benefits are, management costs, programme team and IT investment that enable future savings to all three partners. And vice versa where B&HCC activities benefit Orbis. The funding level will be agreed by the Orbis Finance Board.

For example: The Orbis Director of HR&OD is going to manage the HR service in B&HCC from April 2017. B&HCC will contribute to this cost in 2017/18, prior to full partnership in April 2018.

4

Redundancies made prior to a new business plan will be funded as currently agreed: Orbis redundancies shared in the agreed contribution ratio and B&HCC redundancies funded by B&HCC. This is on the basis that these redundancies deliver pre agreed 2017/18 savings.

Once the revised business plan is approved any redundancy payment that delivers an Orbis saving in 2018/19 or any new 2017/18 saving, benefitting all three partners, will be funded in the agreed contribution ratio, as agreed by the Orbis Finance Board.

5

All recruitment in Orbis & B&HCC will be agreed by the appropriate member of OLT and DK (in consultation with the relevant service lead in BHCC).

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6

During the shadow year SCC, ESCC and B&HCC will agree a business plan for the period from 2018/19, detailing agreed base budgets, contribution rates, planned investments and planned savings.

7

Any disputes will be managed through the Partnership Board, in discussion with CEOs and in accordance with sovereign governance arrangements. Ultimate resolution will be made by the Joint Committee, with agreement required from all three councils.

Notes:

The Orbis Finance Board consists of the Chief Operating Officer (ESCC), Director of Finance & Resources (BHCC), Director of Finance Orbis & Surrey CC, Chief Property Officer, Orbis Programme Manager and Senior Principle Accountant Orbis.

**The agreed contribution ratio.*