

Report to: Audit, Best Value and Community Services Scrutiny Committee

Date of meeting: 29 November 2017

By: Chief Operating Officer

Title: Orbis Business Plan - Update report

Purpose: To provide an update on the progress made to date in the development of a revised business plan for the Orbis Partnership

RECOMMENDATIONS

1) The Committee reviews and notes the progress to date in developing a revised business plan for Orbis and this is due for completion early in the New Year

1 Background

1.1 Orbis is a Partnership between East Sussex, Surrey and Brighton & Hove Councils in relation to back office services. Services included are: Finance, IT & Digital, Property, Procurement, Human Resources and Business Operations.

1.2 Orbis is the largest local government shared service in the UK with 2000 staff and an operating budget of around £63million per annum.

1.3 The original Orbis business plan that was approved by Cabinet in October 2015 covered a 3 year period commencing in April 2016. This was based around the formation of the partnership and the benefits that can be achieved through integrating services, management delayering and reduction in duplication.

1.4 With the advent of Brighton & Hove City Council (BHCC) joining the partnership in May 2017 it was recognised that a refreshed business plan would be required to take into consideration the impact of an additional partner and to take the opportunity to take a longer term view in relation to the partnership.

1.5 This work in progress version of the Orbis business plan was presented to the Orbis Joint Committee on 16 October 2017, with the full business plan due to be completed early in 2018.

2 Supporting information

2.1 Orbis aims to continue supporting and enabling each sovereign partner to deliver its own strategic priorities. For East Sussex these are; driving economic growth, helping people to help themselves, keeping vulnerable people safe and making the best use of resources.

2.2 Orbis contributes to a number of the key performance measures and targets for the County Council. The main sections Orbis contributes to are *Making Best Use of Resources* and elements of *Driving Economic Growth*- see appendix 2 for further details.

2.3 Orbis will be taking a place based approach for supporting each of the sovereign partners and is actively involved in a number of key programmes within East Sussex. These include; East Sussex Better Together (ESBT), services to schools as they transition to academies and supporting the local economy by using our procurement activity to drive spend through local suppliers.

2.4 Orbis continues to play a key role developing strategies and plans in response to Government policy changes, two recent examples of this are in relation to the Apprentice Levy and the General Data Protection Regulation (GDPR) changes that will come into effect from May 2018.

2.5 Orbis needs to continually evolve as a partnership to ensure it is fit for purpose and that it delivers value to the three Councils. The original business plan was effective from April 2016 to March 2019, but with BHCC joining and the significant changes ongoing around shape of the public sector, it provided an opportunity to refresh the Orbis business plan at this point.

2.6 Whilst recognising the importance of a longer term business plan there are a number of key priorities that Orbis will deliver in the shorter term:

Table 1 – Short term priorities

Priority area
Completion of Business Plan
Completion of fully costed Service Catalogues
Strategy & roadmap for automation (robotics)
Revised growth plan / strategy
Orbis traded services to schools strategy
BHCC Bus Ops transaction centre
Integrated Budgets and Inter Authority Agreement in place
Identify collaboration opportunities with LGSS & OneSource*
Develop plans for 2019/20 & 2020/21 savings targets

*LGSS is the shared service between Northamptonshire and Cambridge Councils, OneSource is the shared service between the London Boroughs of Newham & Havering.

2.7 The Original Orbis Business Plan articulated the three year savings targets:

2016/17	£1.1m
2017/18	£3.8m
2018/19	£3.9m
Total	£8.8m

2.8 Orbis has to date delivered savings over and above the 2016/17 target and is on track to do so again in 2017/18:

Table 2 ESCC & SCC Orbis Benefits to March 2018 additional In year savings

	2016/17 £000	2017/18 £000	Total £000
Business Operations	34	-0	34
Finance	-594	-350	-944
HR & OD	-564	-115	-679
IT & Digital	-1,343	-250	-1,593
Management	-294	-340	-634
Procurement	-0	-30	-30
Property	-620	0	-620
Total	-3,381	-1,085	-4,466
ESCC	-1,016	-327	-1,343
SCC	-2,365	-758	-3,123
	-3,381	-1,085	-4,466

Business Plan

2.9 There are a number of key components that have been developed to date that will help to inform the final content of the business plan:

- a) 10 year (2027) vision for Orbis, with a more detailed 3 year delivery plan
- b) Review of progress against the original business plan
- c) Maturity Assessment of the partnership against a number of key indicators and the aspiration for future development
- d) Challenges & Opportunities for the partnership
- e) Key priorities for the partnership for the next three years
- f) Updated financial baseline and benefits

2.10 A brief summary of these sections is provided in this report, with full details available in the accompanying slide deck (Appendix 1).

Vision

2.11 The long term vision for the next 10 years has been informed by feedback from the Chief Executives of the three Sovereign Councils. The steer from them was to take a more placed based approach with a deeper dive within the existing Orbis geography.

2.12 In reality this will mean looking at opportunities that may exist in areas such as Health/Social Care integration, rather than actively seeking to attract another large external partner. Orbis therefore needs to effectively support and enable transformation in front line services and be at the forefront to ensure key strategic initiatives are successful.

2.13 There are a number of core elements that underpin the vision, and details of these can be located on slide 6 of Appendix 1.

Maturity Assessment

2.14 A maturity assessment has been undertaken with a view to understanding how Orbis measures against a number of criteria for shared services. This helps to define the relative maturity of the partnership at the current time.

2.15 Orbis scored well in a number of the categories including customer, people, leadership and technology. Areas for further development were identified as performance management, data, process and controls.

2.16 As part of the maturity assessment an aspiration has been set for future progress across all these categories, further detail can be found in Appendix 1 slide 8.

Challenges and Opportunities

2.17 It is important for the partnership to be clear about the opportunities that can be achieved through working together, as well as being cognisant of the challenges both within Local Government and for the partnership moving forward. More detail on these can be found on slides 10 and 11.

Key Priorities

2.18 Although Orbis has set a longer term vision for the next 10 years it is realised that the refreshed business plan should focus on the next 3 years. The business plan will need to articulate the priorities to ensure clear direction and focus for the business. The table on slide 13 provides more details of the currently identified priority areas.

Financial Baseline & Benefits

2.19 As part of BHCC joining Orbis, work has been progressing on a revised baseline for the partnership, this will determine the contribution ratios for the three partners in the future. Appendix 1 slide 16 details the latest baseline position as of September 2017 with the contribution ratios currently projected to be in the region of:

- Surrey 56%
- East Sussex 24%
- Brighton & Hove 20%

2.20 Work will continue to refine the baseline numbers with a view to finalising the financial position for the Inter Authority Agreement (IAA) and integration of budgets in April 2018.

2.21 It is recognised that the benefits of integration will have been realised by April 2019 and therefore any additional savings will start to have a real impact on the level of service provision.

2.22 Initial workshops have been held with each service in Orbis to identify “areas of search”. These are potential areas to focus on should there be a requirement for Orbis to deliver further savings in the financial years 2019/20 and 2020/21.

2.23 The areas of search have been themed around eight categories to help shape the discussions and focus the outcomes. Further detail of these can be found on in Appendix 1, slide 21.

3. Conclusion and reasons for recommendations

3.1 The Business plan is still in development and is expected to be completed in January 2018. The finished version will not include all of the content provided as part of this report, some of this is for background information only.

3.2 The financial aspects of the business plan need to be aligned to the Medium Term Financial Plan (MTFP) process to ensure clear articulation and understanding of the savings Orbis will deliver during the next 3 years.

3.3 Work will continue to develop, refine and complete the business plan during the next few months, with an expected completion date early in the New Year. As part of this process a number of communication and engagement activities will take place with staff, unions and stakeholders.

3.4 A report detailing progress on the revised business plan will be taken to the Orbis Joint Committee in January 2018.

3.5 The revised business plan will be implemented from April 2018 alongside a full Inter Authority Agreement and integration of budgets.

3.6 The Audit, Best Value and Community Services Scrutiny Committee is recommended to review and note the progress to date in developing a revised business plan for Orbis, and that this is due for completion early in the New Year.

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LOCAL MEMBERS

All

BACKGROUND DOCUMENTS

Orbis Business Plan report to Cabinet – October 2015

APPENDICES

Appendix 1 – Presentation Slides

Appendix 2 – Orbis contribution to ESCC measures and targets