

MINUTES of the meeting of the **ORBIS JOINT COMMITTEE** held at 2.00 pm on 16 October 2017 at County Hall North, West Sussex County Council, Parkside, Chart Way, Horsham, RH12 1XH.

These minutes are subject to confirmation by the Committee at its meeting on Friday, 19 January 2018.

Elected Members:

*present

- * Cllr David Elkin
- * Cllr Tim Oliver (Chairman)
- * Cllr Leslie Hamilton
- * Cllr Denise Turner-Stewart
- * Cllr Bob Standley
- * Cllr Andrew Wealls

In attendance

Kevin Foster, Chief Operating Officer, East Sussex County Council
Sheila Little, Orbis Finance Director, Surrey County Council
David Kuenssberg, Executive Director of Finance and Resources, Brighton & Hove City Council
Matt Scott, Orbis Chief Information Officer
Adrian Stockbridge, Orbis Programme Manager, Surrey County Council
Gail Perryman, Orbis Programme Co-ordinator, East Sussex County Council
Emma O'Donnell, Democratic Services Assistant, Surrey County Council
Neil Sartorio, EY
Hayley Stearn, EY

14/17 APOLOGIES FOR ABSENCE [Item 1]

There were no apologies of absence.

15/17 MINUTES OF THE PREVIOUS MEETING: 20 JANUARY 2017 [Item 2]

The minutes of the previous meeting, held on 20 January 2017, were agreed as a true record of the meeting.

16/17 DECLARATIONS OF INTEREST [Item 3]

There were none.

17/17 PROCEDURAL MATTERS [Item 4]

a MEMBERS' QUESTIONS [Item 4a]

There were none.

b PUBLIC QUESTIONS [Item 4b]

There were none.

18/17 ORBIS JOINT COMMITTEE TERMS OF REFERENCE [Item 5]

Declarations of interest:

None

Witnesses:

Adrian Stockbridge, Orbis Programme Manager
Kevin Foster, Chief Operating Officer, East Sussex County Council

Key points raised during the discussion:

1. The Chairman suggested that due to the challenges being faced by each of the partnership authorities, it would be beneficial to have quarterly meetings in 2018.
2. There was some discussion about whether the additional meeting should be formal or informal. Members were in agreement that quarterly formal meetings would be most appropriate.

Actions/ further information to be provided:

Officers to arrange an additional formal meeting for the Committee in April 2018.

RESOLVED:

The Committee noted and approved the Terms of Reference, with one amendment to the frequency of meetings in 2018.

19/17 ORBIS BUSINESS PLAN REFRESH [Item 6]

Declarations of interest:

None

Witnesses:

Kevin Foster, Chief Operating Officer, East Sussex County Council
Sheila Little, Director of Finance for Orbis and Surrey County Council
David Kuenssberg, Executive Director of Finance and Resources, Brighton & Hove City Council
Adrian Stockbridge, Orbis Programme Manager, Surrey County Council
Gail Perryman, Orbis Programme Co-ordinator, East Sussex County Council

Key points raised during the discussion:

1. Officers introduced the report and explained the key components of the refreshed business plan. It was highlighted that there were currently no financial details within the business plan, although officers recognised the ongoing austerity with local government funding and were therefore working on an assumption that further savings options would be required by each of the Sovereign Partners. Areas of search for a further 2-8% saving being required in 2019/20 and 2020/21 will be firmed up during the Medium Term Financial Planning process.

2. Members noted that by the end of 2019, the partnership will have delivered 20% saving on gross costs without impacting on service delivery and that there would come a point where it would not be possible for further efficiencies to be made in some areas purely through the creation of the shared service and service integration.
3. Members questioned the management structure and suggested there was a lack of clarity about the challenges ahead and direction of leadership. Officers explained that each partner authority had ownership with three sovereign leads. The leads work together to provide strategic direction, whilst acting individually to address sovereign-specific challenges.
4. Members suggested added granularity in the business plan with greater detail would be more useful. The inclusion of Key Performance Indicators (KPIs) would allow Members to assess whether the partnership was on track.
5. Members acknowledged that within Business Operations, there were over 100 KPIs to measure performance, whilst in areas such as finance, as the nature of the business was different, those KPIs were less relevant and developed. The Orbis Programme Director explained that performance metrics across finance, people and risk management were being developed with a view to pulling them into a balanced scorecard document to be able to review easily.
6. Members were informed that benchmarking was possible in some services, for example IT & Digital, however in other areas, services were working to develop their own.
7. Officers explained that delivering Centres of Expertise was core to the business model and would enable efficiencies to be delivered.
8. Members noted additional income was expected to be generated by Business Operations winning additional business through accounts payable and receivable and pension administration services. It was acknowledged however, that this was a difficult market with tight margins.
9. Members suggested that the business plan required consolidating into a smaller, more focussed document, including financials and for this to be reviewed at the next meeting in January 2018.

Actions/ further information to be provided:

Officers to amend the Orbis business plan refresh document based on Member feedback and bring back to the Committee in January 2018.

RESOLVED:

The Members noted the Orbis business plan refresh and requested some amendments be made to the document for review by the Committee in January 2018.

20/17 AUGUST BUDGET MONITORING REPORT [Item 7]

Declarations of interest:

None

Witnesses:

Kevin Foster, Chief Operating Officer, East Sussex County Council
Sheila Little, Director of Finance for Orbis and Surrey County Council
David Kuenssberg, Executive Director of Finances and Resources, Brighton & Hove City Council.

Key points raised during the discussion:

1. Officers highlighted that Brighton and Hove would be integrated into the budget from the start of the financial year 2018/19.
2. Members noted that Orbis are forecasting an over-delivery of savings in 2017/18 with all areas rated at either green or amber and acknowledged that some early delivery of 2018/19 savings had also been achieved.
3. Members questioned the nature of the £350,000 budget for external advice which was approved as part of the original Orbis business plan. Officers explained that this was a budget provision for the services of EY as part of creating the Orbis integrated shared service and there was no commitment to spend the full provision. This was not contractual, but typically bought quarterly and is priced based on need using the partnership framework. EY consider working with Orbis to be of value to them and as such, charge a reduced rate for their services.
4. Members sought clarity regarding the savings status of Business Operations in Table 3. It was explained that £420,000 of savings were rated as on track, whilst £80,000 were at risk.

RESOLVED:

Members noted the Budget Monitoring Report.

21/17 SERVICE UPDATE- FINANCE [Item 8]

Declarations of interest:

None

Witnesses:

Sheila Little, Director of Finance for Orbis and Surrey County Council

Key points raised during the discussion:

1. Members received a presentation of slides from the Director of Finance.
2. Members noted that the finance teams across all three partners have been working together since last year and that an integrated finance leadership team was now in place to help ensure integration of the finance function develops and sustains an appropriate focus on sovereign specific compliance and control.
3. The Director of Finance explained that the Internal Audit team was further ahead in terms of integration, having worked together since

October 2015 and audit reports have been remodelled so they are consistent to best practice and the same across all partners. The Internal Audit team's integration has allowed data collection to be more streamlined and has provided opportunities for growth.

4. Members were informed that a review of specialist services was underway which would involve a £2.5m spend across all partners and is aimed at developing Centres of Expertise leading to around 20% savings through the integration process.
5. Savings in the current financial year were mainly being delivered through vacancy management.
6. The Director of Finance update that the service had recently held a team away day to engage with staff, which feedback has indicated was very successful.
7. Members noted that all three partners currently have different external auditors for statutory account audits, however as of the start of 2018/19, all authorities would have the same external auditor, Grant Thornton.

RESOLVED:

Members noted the content of the presentation.

22/17 SERVICE UPDATE- IT & DIGITAL [Item 9]

Declarations of interest:

None

Witnesses:

Matt Scott, Orbis Chief Information Officer

Key points raised during the discussion:

1. Members received a presentation from the Chief Information Officer.
2. Members noted that the IT & Digital (IT&D) service had undergone a restructure, with the leadership team having been reduced from 12 to five. A 33% reduction of staff had already contributed to £1m savings in the current financial year.
3. The Chief Information Officer explained that following three years of service and team structure redesign, it was important that the changes have time to embed during the 2018/19 financial year, so to maintain staff morale and aid staff retention.
4. Members were informed that there were currently 133 IT&D projects underway, including piloting robotic systems within Business Operations.
5. The Chief Information Officer explained that the IT&D spend across the partnership was below the industry average and therefore constitutes value for money. Although there are risks associated with a lower level of investment, Members noted that IT&D supports over 15,000 users and trading customers provide a net contribution of £0.5m towards overheads. Furthermore, it was acknowledged that

IT&D was critical in ensuring the organisation could deliver all of its services.

6. The Chief Information Officer explained that phase one of Hygiene factor delivery for equipping and enabling Orbis would be completed by the end of 2017/18. Phase two will allow key systems to be shared and accessed across the partnership, including Property Asset Management System (PAMS), Sharepoint and SAP.
7. Members enquired about the contingencies in place for system failure. It was explained that whilst contingencies were in place and were robust, disaster recovery systems operate using the last stored back up and can sometimes take a while to fully restore. The focus going forward will be on ensuring high systems availability, therefore reducing the risk of requiring back up arrangements.

RESOLVED:

Members noted the content of the presentation.

23/17 EY MARKET INSIGHT [Item 10]

Declarations of Interest:

None

Witnesses:

Neil Sartorio, EY
Hayley Stearn, EY

Key points raised during the discussion:

1. Members noted that the Quarterly report provided was the first edition, therefore EY would have an update to present at each quarterly meeting of the committee.
2. Officers explained that EY invest across both UK & Ireland and on a global scale and are able to present their findings and practical examples of concepts that may be of benefit to the partnership.
3. Members noted that behavioural change was key in addressing challenges and that not all issues could be addressed by making savings alone. A key example of this is demand management.

Actions/ further information to be provided:

Officers to circulate further information on behavioural science and relevant case studies to Committee Members.

EY to present another update at the Committee's next meeting.

Resolved:

Members noted the update.

24/17 ORBIS JOINT COMMITTEE FORWARD PLAN [Item 11]

Declarations of interest:

None

Witnesses:

Adrian Stockbridge, Orbis Programme Manager

Key points raised during the discussion:

1. Members requested a service update from HR at the next meeting, covering absence levels and agency staffing levels.
2. It was suggested that EY present their next quarterly update to the Committee in January.

RESOLVED:

Members noted the forward work programme.

25/17 DATE OF NEXT MEETING [Item 12]

The Committee noted its next meeting would be held on Friday, 19 January 2018 at County Hall, Lewes.

Meeting ended at: 4.06 pm

Chairman