

ORBIS JOINT COMMITTEE

MINUTES of a meeting of the Orbis Joint Committee held at via Microsoft Teams on 16 October 2020.

++ The Members were not present in person, but took the decisions remotely ++

PRESENT Councillors Nick Bennett and Bob Standley (both East Sussex County Council); Zully Grant-Duff and Mel Few (both Surrey County Council); and Daniel Yates and David Gibson (Chair) (both Brighton & Hove City Council)

1 APOLOGIES FOR ABSENCE

1.1 There were no apologies for absence.

2 DECLARATIONS OF INTEREST

2.1 There were no apologies for absence.

3 MINUTES OF THE PREVIOUS MEETING - 28 MAY 2020

3.1 The Minutes of the previous meeting were agreed as a correct record.

4 ORBIS BUDGET MONITORING REPORT

4.1 The Committee considered a report by Nigel Manvell (Deputy Chief Finance Officer Brighton & Hove City Council), Kevin Foster (Chief Operating Officer East Sussex County Council), Leigh Whitehouse (Executive Director of Resources Surrey County Council) which highlighted:

- The Quarter 1 position, previously reported to the three partner authorities, which shows a £965k overspend, in part due to pausing of planned restructures during the pandemic
- Past performance in over-delivery of savings, with 2020/21 being year 2 of a three year plan
- Targeting of support to IT and Agile programmes, to enable staff to work flexibly during the pandemic, and supporting suppliers and their payments, and ensuring payroll continues to operate
- Some targets had been set at an ambitious level, based on traded services and process automation, neither of which have been achievable during the pandemic
- Surrey and East Sussex have major financial system replacement programmes under way, which are a large factor in delivery of future efficiencies and savings

4.2 The Committee asked questions about:

- Whether Business Operations savings targets are achievable
- Spend on Agency staff, and the patterns across the authorities
- Traded services
- Increased expenditure on staff during the pandemic, and whether that could be set against Government Covid-19 related funds
- Staffing cost figures shown in table 2

4.3 Officers responded

- Business Services is developing proposals to meet its savings target, with stricter control on recruitment and strategic oversight of vacancies. Further savings may come with service implications: any options and proposals will be developed together with the potential impacts, and be presented to the Committee before any determination by each partner authority. The new finance systems are due to come online in 2022/23 and 2023/24.
- Spending on agency staff is being managed down, with a reduction on spend to cover vacancies. The remaining area of spend is mainly project-based to cover increased demand, much of it IT related with niche and specialist staff. Monthly figures are provided to the officer team to monitor and challenge the position, and Orbis is not an outlier.
- Focus has been on serving the three partner authorities rather than expanding traded services, with the re-procurement of the finance systems as a factor, as it is an intensive process. There would be a risk of focus on the traded service impacting on delivery of the change programme. The correct pricing structure, to ensure the balance of risk, would need to be assessed. There is also a risk under-performing and impacting on the quality of the service provided and exposure to claims. The service is looking to a future growth agenda with longer term gains rather than short term activity.
- The Government's Covid-19 funding did not match the expenditure, but the Finance Teams are overseeing that transactions are coded correctly to ensure that all claims are accurate.
- Staffing costs show an impact of the pandemic, with increased agency spend during the quarter which will not occur in future quarters. The spend profile needs analysis and can be affected by vacancy rates, and finance managers meet regularly with budget holders. Quarter 1 saw unusual patterns of spend, with staff covering colleagues who were isolating and savings initiatives being put on pause.

4.4 The Committee RESOLVED to (1) note the report; and

(2) agree to consider proposals for any future savings, ahead of them being presented to partner authorities.

5 ORBIS PERFORMANCE MONITORING

5.1 The Committee considered a report by Nigel Manvell (Deputy Chief Finance Officer Brighton & Hove City Council), Kevin Foster (Chief Operating Officer East Sussex County Council), Leigh Whitehouse (Executive Director of Resources Surrey County Council), which highlighted:

- The narrative from each partner on the impact of Covid-19
- Staffing levels including agency spend
- The RAG report on progress with savings

5.2 The Committee asked questions about:

- Quantification of performance measures such as customer service levels, or whether activity has led to a specific result or contributed to other targets such as savings
- Number of Internal Audit "draft reports"

5.3 Officers responded:

- The different authorities collect data in different ways so it is hard to collate a matching set of data for presentation. Each authority conducts surveys, but it is hard to undertake a survey across all three partners. Work is under way to develop measurable outcomes.
- The Internal Audit team had been carrying a number of vacancies, and provided advice on the risks presented by changing working practices in response to the pandemic (such as increased remote working). A revised Audit Plan will be presented to the Audit Committee in November.

5.4 The Committee RESOLVED to (1) note the Orbis service performance information presented;

(2) advise that service performance information should continue to be presented in the format shown in Section 2 and Annexe 1;

(3) advise that there are no additional/alternative performance measures that should be included;

(4) confirm that the People insight data presented in section 3 is still relevant/helpful; and

(5) agree the proposal for Internal Audit as the focus of the next service spotlight performance review.

6 SERVICE SPOTLIGHT - BUSINESS OPERATIONS

6.1 The Committee considered a report by Nigel Manvell (Deputy Chief Finance Officer Brighton & Hove City Council), Kevin Foster (Chief Operating Officer East Sussex County Council), Leigh Whitehouse (Executive Director of Resources Surrey County Council). Mike Lea, Assistant Director of Business Operations, highlighted the following:

- The swift transition from an office-orientated, transaction heavy service to one capable of working remotely
- Staff acting as volunteers to deliver equipment to shielding colleagues
- Ambition to retain successfully adapted working practices as business as usual
- Joint working with Audit, HR and Finance to maintain the control environment
- Wellbeing champions, to assist teams in a frequently changing landscape

6.2 Members asked questions about:

- ERP and the procurement of replacement finance systems
- Pension administration and the legacy issues identified

6.3 Officers responded:

- East Sussex and Surrey have each begun a sovereign re-procurement process, while BHCC has a longstanding programme. Each authority has its own requirements from its

finance system, but each benefits from the common support offered by the Procurement Team which works across Orbis.

- The recent review of Pensions Administration concluded that a single head across all three authorities was insufficient to deliver both the strategic oversight and delivery of change required. Therefore administration was returned to each sovereign authority from June 2020. Traded services returned to Surrey as the contractual holder of those services.

6.4 The Committee RESOLVED (1) to thank the staff for their flexibility and commitment during the pandemic; and

(2) to note the report.

7 DATE OF NEXT MEETING

7.1 The next meeting will be held on 22 January 2021.