

Report to: Lead Member for Resources and Climate Change

Date of meeting: 21 April 2026

By: Chief Operating Officer

Title: Orbis Shared Service Review – Consultation Outcome

Purpose: To consider the outcome of the staff consultation on the proposals for Orbis and to seek agreement to proceed with the recommended changes to the Orbis operating model.

RECOMMENDATIONS:

The Lead Member is recommended to:

- 1) note the feedback and conclusions from the Orbis staff consultations;
 - 2) agree to proceed with a sovereign only model for IT & Digital and Procurement, and a shared model with Brighton & Hove City Council for Internal Audit; and
 - 3) delegate authority to the Chief Operating Officer, to take all actions necessary to give effect to the recommendations in this report.
-

1. Background

1.1 The Orbis partnership was established in 2015, originally covering Surrey County Council (SCC) and East Sussex County Council (ESCC) with Brighton & Hove City Council (BHCC) joining later in 2016. Originally incorporating several services, in 2021 the partnership was reduced to the current service offering of Internal Audit, IT & Digital (IT&D), Procurement, Insurance and Treasury Management.

1.2 Orbis has operated as an integrated shared service and, in support of this, some staff are employed in 'true partnership' roles whereby they are contractually required to operate in and across each of the 3 Councils, with a physical presence in each of the headquarter locations. These staff remain employees of their sovereign employer with a secondment agreement in place to enable them to work across the other 2 Councils.

1.3 The Lead Member considered a report on the Orbis shared service reviews on [22 January 2026](#) and agreed to the undertaking of a staff consultation on the proposals, and to receive the outcome of the consultations at a later meeting.

1.4 Staff consultations in Internal Audit, Procurement, and IT&D have consequentially now been undertaken, and this report sets out the results and conclusions from those consultations and the recommended next steps for the services.

2. Supporting Information

2.1 As each of the Orbis functions have their own specific context and challenges, separate reviews and staff consultations were undertaken for each service. The feedback and conclusions from those consultations is set out below.

IT&D

2.2 The IT&D consultation ran from 10 March 2026 to 8 April 2026 to obtain views on the proposed structure for the IT&D department. A high number of the IT&D team attended both the initial session and a further session for those who missed the initial session. Feedback and conclusions are summarised in Appendix 1.

2.3 Key themes from the staff feedback are:

- The consultation was well engaged with individual and trade union responses, and the opportunity to contribute was welcomed.
- Some concerns were raised about the proposed structural changes and the potential impact on roles, grading, and ways of working, which were explored further with affected staff.
- A number of responses raised suggestions outside of the scope of the Orbis exit, including wider transformation proposals, and will be explored at a later stage.
- Several suggestions, particularly relating to reporting lines, were positively received and are reflected in revised proposals.
- Feedback was received on the proposed inclusion of Cyber Security within the structure and on the availability of role and grading information. Management acknowledged these points and explained that the service area was included in the structure charts for completeness and transparency, and that detailed arrangements sit outside the scope of this consultation.

2.4 Upon reviewing the responses to the consultation it is considered that the proposed structure provides the most appropriate approach to supporting the Council's transition to a sovereign IT&D function following the exit from the Orbis partnership, whilst acknowledging that this transition will provide the stable foundation for meeting the challenges ahead for Local Government Reorganisation (LGR).

Procurement

2.5 The Procurement consultation feedback ran from 12 February 2026 to 13 March 2026 and sought views on the proposed structure of the Procurement Team if brought back into ESCC. A total of 10 responses were received; the questions raised and feedback provided, together with the conclusions, are summarised in Appendix 2. In addition to written responses, 2 team meetings were also held to enable a broader discussion of issues.

2.6 Key themes from the staff feedback included:

- A positive commitment to the consultation, including team meetings and the offer of individual meetings.
- Understanding of the rationale for moving from the Orbis model to an ESCC Procurement service.
- Recognition of the opportunities this provided for ESCC to have a Procurement Team that focused on the needs of the Council, particularly at a time of significant service changes and also future LGR.
- An opportunity to address staffing pressures, particularly in meeting new regulatory requirements, including reviewing staff training and development opportunities.

2.7 In reviewing the consultation feedback, together with further understanding of the impacts of the disaggregation of Orbis Procurement, the recommended approach is the proposed ESCC Procurement Team, as set out Appendix 2. This will provide a strengthened

team that can meet the challenges of procurement within the new regulatory regime and facilitate a good position to deal with LGR.

Internal Audit

2.8 The Internal Audit consultation ran from 12 February to 13 March 2026, and feedback and conclusions are collated in Appendix 3.

2.9 Key themes from the staff feedback included:

- The commitment to consult and to provide an opportunity for staff to contribute was welcomed.
- The strategic rationale for moving from the Orbis model to a new ESCC and BHCC was recognised.
- It was recognised that the change represents a cultural and operational shift and that the transition would need to be handled carefully.
- Some changes to the team roles were proposed, namely the creation of a Counter Fraud Lead who would manage the Counter Fraud team and a Principal Auditor role with specific responsibility for leading on the Audit Management System and AI, alongside the delivery of IT audits.

2.10 The constructive and positive nature of the feedback received from staff and the trade union was welcomed. The feedback has been valuable in preparing for the transition and, as a result, particular consideration will be given to the following:

- Training offer and ongoing continued professional development, including mentoring and shadowing.
- Establishing a clear sense of identity/name of the new service model – including a team away day and regular whole team meetings.
- Undertaking a system service implementation review.
- LGR engagement and planning.
- The design of a simple and clear governance structure for the new service.
- The development of joint working practices for the service.

2.11 In conclusion, the proposed changes to the team roles from staff strengthen the service, build a more sustainable model, and provide resilience and continuity in a flexible way to respond to new opportunities such as LGR and Devolution. The structure chart in Appendix 3 in a BHCC and ESCC shared model is therefore the recommended option, including interim acting up arrangements to be put in place for the Chief Internal Auditor (CIA) given that the existing Orbis CIA has transferred over to SCC under TUPE (Transfer of Undertakings (Protection of Employment) Regulations 2006).

3. Implementation approach

3.1 Subject to Lead Member approval of the recommended approach, the proposed implementation would involve a two-staged approach for the exit from the current Orbis arrangements in order to avoid the need to transform the services twice (once on exiting Orbis and once due to LGR). This will also enable the transformation to be undertaken in partnership with the district and borough councils and front-line services.

3.2 The two stages overlap and in summary are:

- 1) Stage 1 – exit from Orbis in a measured way and ensure service stability with staff returning full time to their employing authority. Transitional arrangements will be put in place to keep the services stable and are predominantly in relation to the continued use of the SCC data centre.
- 2) Stage 2 – transform the service. Shape the future service offer with the district and borough councils and input from front line services, subject to the decision in relation to LGR.

4. Financial Implications

4.1 Financial modelling undertaken as part of the Orbis service reviews identified that exiting the shared service arrangements and moving to new operating models, as reported to the Lead Member on 22 January, could result in potential ongoing cost pressures of up to c. £1.9m. These pressures reflected the loss of shared service economies of scale and the need to ensure capacity within new arrangements.

4.2 To mitigate these anticipated pressures, £1.7m was included within the ESCC Medium Term Financial Plan (MTFP) specifically to cover costs associated with disaggregation from Orbis and the transition to new service models.

4.3 In addition to the £1.7m provision within the MTFP, the sovereign budgets returning to ESCC as part of the exit from Orbis are:

- **Internal Audit:** £0.535m, representing ESCC's contribution to the new shared Internal Audit service with BHCC;
- **Procurement:** £1.656m to support a fully sovereign ESCC Procurement service;
- **IT & Digital:** £1.027m to enable delivery through a fully sovereign IT&D operating model.

4.4 The proposed structures for Procurement and Internal Audit are expected to be managed within the devolved budget contributions returning to ESCC. Any additional cost pressures within IT&D arising from the move to a sovereign model can be mitigated through the provision included in the MTFP, subject to ongoing financial management during transition.

4.5 On this basis, the proposed operating model for the services are considered affordable within the funding provided for in the MTFP, subject to continued financial management. The recommended approach balances affordability with the need to establish resilient and sustainable services.

5. Conclusion and reasons for recommendations

5.1 The reviews of the Orbis IT&D, Procurement and Internal Audit functions concluded that given the significant changes to the operating context, the current models no longer meet the current and emerging requirements of ESCC (including known and potential future changes due to LGR). Staff consultations were therefore undertaken on those changes and the findings presented in this report.

5.2 The Lead Member is recommended to note the feedback from the consultations and agree to proceed with a sovereign only model for IT&D and Procurement, and a shared model with BHCC for Internal Audit.

5.3 In the event that these proposals lead to changes in structure, the Council's usual change management processes will apply.

ROS PARKER
Chief Operating Officer

Contact Officer:

Ros Parker, Chief Operating Officer

Tel: 07522 618 418

Email: ros.parker@eastsussex.gov.uk

Background Documents

None