

**EAST SUSSEX COUNTY COUNCIL AND
SURREY COUNTY COUNCIL**

ORBIS JOINT COMMITTEE



DATE: 18 JULY 2016

LEAD OFFICER: DAVID KUENSSBERG (EXECUTIVE DIRECTOR, FINANCE & RESOURCES, BRIGHTON AND HOVE CITY COUNCIL)

SUBJECT: BRIGHTON AND HOVE CITY COUNCIL UPDATE

PURPOSE OF REPORT:

To provide an update to the Joint Committee on the development and integration of Brighton & Hove City Council (BHCC) into the Orbis Partnership.

INTRODUCTION

To provide an update to the Joint Committee on the progress being made by Brighton & Hove City Council towards completing due diligence on joining the Orbis Partnership.

RECOMMENDATIONS:

It is recommended that the Orbis Joint Committee:

- i. notes the progress being made by BHCC towards completing due diligence on joining the Orbis Partnership.
- ii. notes the current intention to make a recommendation to the Brighton and Hove City Council Policy, Resources & Growth Committee in October 2016.

REASON FOR RECOMMENDATIONS:

To ensure the Joint Committee is fully briefed on developments for expanding the Orbis Partnership.

DETAILS:

1. As of 28 April 2016, Brighton and Hove City Council's (BHCC) Policy & Resources Committee (now Policy, Resources & Growth (PR&G)) agreed that due diligence on joining the Orbis Partnership should continue. This report was shared with Orbis partners. There are four issues that are in the process of being resolved with the aim of completing due diligence robust enough to make a 'stop / go' recommendation to P, R & G. If the recommendation is positive then this would lead to a 'soft launch' and ultimately the signing of an Inter Authority Agreement (IAA) by all three councils at some point in the future.
2. Firstly progress towards the target operating models for each service is different. For example the offer from Orbis for legal services and internal audit is clear, but there is more to do on finance. BHCC has accepted, therefore, that in some

cases they are in effect performing due diligence on services that are not yet in place. It is also obvious that joining up services that do not have a heavy reliance on ICT systems integration is more straight-forward by comparison to those that do.

3. Secondly, BHCC resources are not sufficient to operate an open-ended due diligence work stream. A process has therefore been defined which will take BHCC to October 2016. This involves managing the process in a structured way to mitigate the risks associated with there not being enough information available at that stage for BHCC Members to take a decision. Annex 1 below sets out the 'tests' required by BHCC to provide sufficient information.
4. Thirdly the 'test' that presents the highest risk relates to BHCC's financial context up to 2020. If the trajectory of savings that Orbis offers is materially different from those required by BHCC then some negotiation may be required with existing partners on how the budget can be made to work for all parties.
5. Finally, it is clear that East Sussex and Surrey will need to be satisfied with BHCC's own arrangements before accepting a third partner into the Orbis organisation. In this respect, due diligence is a two-way exercise.

RISK MANAGEMENT AND IMPLICATIONS:

6. A review of the Orbis Business Plan will be required in order to assess the implications of BHCC joining, as there will be an impact on the investment and savings profiles.

Legal Implications

7. A review of the legal implications of integrating BHCC into the Orbis Partnership will be required. This will be undertaken in conjunction with the development of a tri-party Inter Authority Agreement (IAA).
8. The IAA is a legally binding contract. Its terms will formalise the arrangements between the councils for the Orbis Partnership and provide the legal framework for its operation.

Equalities and Diversity

9. Equalities Impact Assessments will be completed for each service as plans for operational change are developed.

Contact Officers:

Chris Carter – BHCC Programme Manager (01273 296499)

David Kuenssberg – BHCC Director of Finance & Resources (01273 291333)

Consulted:

Kevin Foster – Chief Operating Officer

John Stebbings – Chief Property Officer

Leatham Green – Programme Director for People and Change

Adrian Stockbridge, Orbis Programme Manager

Appendices:

Appendix 1 – BHCC Due Diligence Tests

Sources/background papers:

- P&R committee Paper 3 December 2015
 - P&R committee Paper 28 April 2016
-