

## Notice of Meeting

# Council Overview Board



**Date & time**  
Thursday, 3  
November 2016 at  
10.00 am

**Place**  
Ashcombe Suite  
County Hall  
Penrhyn Road  
Kingston upon Thames  
KT1 2DN

**Contact**  
Ross Pike or Emma  
O'Donnell  
Room 122, County Hall  
Tel 020 8541 7368

**Chief Executive**  
David McNulty

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**This meeting will be held in public. If you would like to attend and you have any special requirements, please contact Ross Pike on 020 8541 7368.**

### Members

Mr Steve Cosser (Chairman), Mr Eber Kington (Vice-Chairman), Mr Mark Brett-Warburton, Mr Bill Chapman, Mr Stephen Cooksey, Mr Bob Gardner Mr Michael Gosling, Dr Zully Grant-Duff, Mr David Harmer, Mr David Ivison, Mr Nick Harrison, Mr Colin Kemp, Mrs Denise Saliagopoulos, Mrs Hazel Watson and Mr Keith Witham

### Ex Officio Members:

Mrs Sally Ann B Marks (Chairman of the County Council) and Mr Nick Skellett CBE (Vice-Chairman of the County Council)

### TERMS OF REFERENCE

The Board is responsible for the following areas:

Performance, finance and risk monitoring for all Council Services	HR and Organisational Development
Budget strategy/Financial Management	IMT
Improvement Programme, Productivity and Efficiency	Procurement
Equalities and Diversity	Other support functions
Corporate Performance Management	Risk Management
Corporate and Community Planning	Europe
Property	Communications
Contingency Planning	Public Value Review programme and process

**PART 1**  
**IN PUBLIC**

**1 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS**

**2 MINUTES OF THE PREVIOUS MEETING: 21 SEPTEMBER 2016**

(Pages 1  
- 16)

To agree the minutes as a true record of the meeting.

**3 DECLARATIONS OF INTEREST**

All Members present are required to declare, at this point in the meeting or as soon as possible thereafter

- (i) Any disclosable pecuniary interests and / or
- (ii) Other interests arising under the Code of Conduct in respect of any item(s) of business being considered at this meeting

**NOTES:**

- Members are reminded that they must not participate in any item where they have a disclosable pecuniary interest
- As well as an interest of the Member, this includes any interest, of which the Member is aware, that relates to the Member's spouse or civil partner (or any person with whom the Member is living as a spouse or civil partner)
- Members with a significant personal interest may participate in the discussion and vote on that matter unless that interest could be reasonably regarded as prejudicial.

**4 QUESTIONS AND PETITIONS**

To receive any questions or petitions.

**Notes:**

1. The deadline for Member's questions is 12.00pm four working days before the meeting (Thursday 27 October 2016).
2. The deadline for public questions is seven days before the meeting (Wednesday 26 October 2016).
3. The deadline for petitions was 14 days before the meeting, and no petitions have been received.

**5 RESPONSES FROM THE CABINET TO ISSUES REFERRED BY THE SCRUTINY BOARD**

There are no responses to report.

**6 RECOMMENDATIONS TRACKER AND FORWARD WORK PROGRAMME**

(Pages  
17 - 22)

The Scrutiny Board is asked to monitor progress on the implementation of recommendations from previous meetings, and to review its Forward Work Programme.

**7 UPDATE ON CABINET MEMBER PRIORITIES 2016/2017** (Pages 23 - 24)

**Purpose of the report:** To report on Denise Le Gal's priorities for the year 2016/2017 which focus on her portfolio: Business Services and Resident Experience, and how these have progressed so far.

**8 12 MONTH REVIEW OF ORBIS** (Pages 25 - 80)

**Purpose of the report:** To provide an update on developments within the Orbis partnership with East Sussex County Council and provide an overview of delivery against the 3 year business plan.

**9 HIGH PERFORMANCE DEVELOPMENT PLAN EVALUATION** (Pages 81 - 96)

**Purpose of the report:** This report provides an update to the Board on outcomes following the external evaluation of the High Performance Development Programme. This followed a request from Members to understand the return on investment from the programme agreed by Cabinet in May 2014.

**10 DATE OF NEXT MEETING**

The next meeting of the Board will be held at 10:00 on Wednesday 14 December 2016.

**David McNulty**  
**Chief Executive**

Published: 24 October 2016

**MOBILE TECHNOLOGY AND FILMING – ACCEPTABLE USE**

Those attending for the purpose of reporting on the meeting may use social media or mobile devices in silent mode to send electronic messages about the progress of the public parts of the meeting. To support this, County Hall has wifi available for visitors – please ask at reception for details.

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*Thank you for your co-operation*

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**MINUTES** of the meeting of the **COUNCIL OVERVIEW BOARD** held at 10.00 am on 21 September 2016 at Ashcombe Suite, County Hall, Kingston upon Thames, Surrey KT1 2DN.

These minutes are subject to confirmation by the Committee at its meeting on 3 November 2016.

**Elected Members:**

- \* Mr Steve Cosser (Chairman)
- \* Mr Eber A Kington (Vice-Chairman)
- \* Mr Mark Brett-Warburton
- Mr Bill Chapman
- \* Mr Stephen Cooksey
- Mr Bob Gardner
- \* Mr Michael Gosling
- \* Dr Zully Grant-Duff
- \* Mr David Harmer
- \* Mr Nick Harrison
- Mr David Ivison
- \* Mr Colin Kemp
- Mrs Hazel Watson
- \* Mr Keith Witham
- Mrs Denise Saliagopoulos

**Ex officio Members:**

Mrs Sally Ann B Marks, Chairman of the County Council  
Mr Nick Skellett CBE, Vice-Chairman of the County Council

\*present

**58/16 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS [Item 1]**

Apologies were received from Bill Chapman, Bob Gardner and Hazel Watson.

**59/16 MINUTES OF THE PREVIOUS MEETING: 6 JULY 2016 [Item 2]**

- A member of the board made comments with regards to item 53/16 of the previous minutes. On paragraph 5 of the minutes, in the last sentence to include 'allows' after means, so to read, 'ensuring that the authority cannot borrow more than its means allows'.
- On paragraph 7 of the minutes, in the last sentence to remove acquire and replace with 'receive', so to read 'the authority was projected to receive dividends'.
- Subject to the amendments, the minutes were agreed as a true record of the meeting.

### **60/16 DECLARATIONS OF INTEREST [Item 3]**

There were no declarations of interest made.

### **61/16 QUESTIONS AND PETITIONS [Item 4]**

There were no questions or petitions submitted to the board.

### **62/16 FINANCIAL SUSTAINABILITY AND BUDGET PLANNING 2017- 2022 [Item 8]**

*A revised Annex 1 was tabled at the beginning of the meeting.*

#### **Witnesses:**

Denise Le Gal, Cabinet Member for Business Services and Resident Experience  
Kevin Kilburn, Deputy Director of Finance

#### **Key points raised during the discussion:**

1. The Chairman explained that this item would be taken first on the agenda as the Cabinet Member for Business Services and Resident Experience was due at another meeting at 10.30am.
2. The Chairman explained that a financial sustainability and budget planning paper had been agreed at Cabinet on 20 September 2016 with all recommendations being agreed except recommendation 8 which had some minor changes made.
3. The Cabinet Member for Business Services and Resident Experience briefly introduced the report to the Board. She explained that the Council was in a financially unprecedented situation and was facing great budgetary challenges especially with the adults and children's social care budgets. There was great concern amongst the Cabinet and this had been raised with local MPs and the Chancellor of the Exchequer. It was further explained that the four year settlement decision would be delegated to the Leader after discussions with the Cabinet had taken place. The Cabinet were minded to refuse the four year offer even though originally it had been welcomed. Accepting the four year offer would mean Surrey tax payers would be funding other parts of the country in year 4 of the deal. The cabinet member also explained that the council's budget planning is considering two scenarios – A&B, where A included the known pressures and savings while B included a £20m 'shock'.
4. A Member of the Board queried if it was wise for the Leader to take a decision regarding the four year settlement on his own without any consultation. Furthermore it was queried whether this decision would be taken in public. The Cabinet Member for Business Services and Resident Experience explained that discussions regarding the settlement had taken place with the Cabinet and the Leader is minded to refuse the offer, which would be discussed at Full County Council on 11 October, prior to a decision being made. The Cabinet are willing to

Speak with Members about this further. The Board were reassured that in terms of assessing risk the Leader would be consulting further with the Chief Executive. The Cabinet Member for Business Services and Resident Experience would confirm whether this decision would take place in public in due course.

5. A Member of the Board raised concerns that a great element of what the Cabinet were pursuing relied on the Government having a change of heart even though it was clear that there were trust issues between both parties. Furthermore, there seemed to be no clear plans in place if the Council refused the settlement offer. It was further explained that the county was prepared for the worst case scenarios and the Cabinet had held a number of workshops to look into these scenarios.
6. Queries were raised around a potential additional 6% precept to adult social care. It was explained that there was no intention to have an extra precept and the 6% figure was being used to illustrate the level of demand faced by adult social care. There was potential to raise funding through the Municipal Bonds Agency although the Board pointed out that this was limited to capital not revenue funding.
7. The Board commented that although the Government was Conservative and so were all of the Surrey MPs, there was no greater sympathy towards Surrey County Council's financial position. The Cabinet Member for Business Services and Resident Experience stated that the Cabinet had met all Surrey MPs regarding this matter so they can understand Surrey's financial situation but they could only influence the Government to a certain extent.
8. The Board asked for more clarification around the business rate consultation and what this would mean for the county. The Deputy Director of Finance explained that two consultation papers had been received on business rates. Currently 50% of local rates are delegated to the local authority and the remainder is retained by Government. If the Government was thinking about allowing local authorities to keep 100% of business rates they would look to pass on additional responsibilities. If the council was to be given an increase in business rate revenues it would insist that this was to firstly fund current responsibilities rather than taking on extra responsibilities.
9. Referring to paragraph 34 of the report, the Chairman welcomed Cabinet's recommendation requesting scrutiny boards to test the assumptions within proposals. A Member of the Board raised concerns that finance sub group meetings had been set up to test assumptions but these had subsequently been cancelled as relevant information was not available. The Chairman stated that Members with any concerns around this should raise it with him.
10. Referring to the revised Annex 1 some Members commented that the document was suggesting extra savings to be achieved in 2017/18 when in fact savings could not even be achieved in 2016/17. The Deputy Director of Finance explained that the two scenarios represented the case where the Council did not get any support from Government and could not meet financial pressures.

11. It was explained that there was ongoing work to address the council's financial concerns and Scrutiny Boards have the opportunity to scrutinise these proposals. A Member stated that it was important that Scrutiny Boards are involved in the process and are given the opportunity to comment on any plans. The Chairman reinforced the point that all Cabinet Members had been given cash envelopes within which to develop proposals which they would be bringing to each Scrutiny Board for feedback.
12. The Deputy Director of Finance explained that there had been an increase to the Legal and Democratic Services revised cash limit for 2017/18 because of the upcoming County Council elections. Furthermore there had been an increase to the central income and expenditure budget due to the additional funding of capital programmes.
13. There was concern raised by the Board regarding the Leader being given the delegated responsibility to make the final decision regarding the four year settlement offer. Some Members also commented that they believed this decision should be made in public. The Deputy Director of Finance explained that Cabinet had suggested that they would not be accepting the offer and the decision will be reported to full council. The section 151 officer cannot take any decision but can only advise the leader.
14. The Chairman explained that although Cabinet agreed all recommendations in the report there had been an amendment to one of those recommendations which allowed the Leader to accept or decline the governments offer as soon as possible after the full council meeting of 11 October 2016 (Annex 2). A list of revised recommendations was tabled at the meeting as Annex 2.
15. The Chairman stated that we should formally welcome the Cabinet request for Scrutiny Board's support with testing financial assumptions.

**Recommendations:**

- a. The Board recommends that the Leader should make the decision regarding acceptance or refusal of the governments four year settlement offer in public at a Leaders Decision making meeting so council members can make any representations as necessary.

**63/16 SURREY COUNTY COUNCIL'S APPROACH TO CONSULTATION [Item 11]**

**Witnesses:**

Tim Vamplew, Research & Consultation Manager  
Rich Stockley, Senior Manager – Research & Intelligence  
Pat Hindley, Campaign Communications Manager  
Paul Millin, Travel & Transport Group Manager



### **Key points raised during the discussion:**

1. Members raised a query around costs involved with consultations and if there was any financial benefit of running consultations centrally. The Senior Manager stated that there was no annual cost figure available as each department runs their own consultations. Obtaining this figure would be difficult especially as the majority of cost involved was officer time.
2. A Member queried what the benefit of setting up a 'champion's network' would be. It was explained by officers that setting up this network would combat officer isolation and allow officers to network for more support on consultation work. The network is about connecting up people rather than creating new roles.
3. Officers stated that many lessons are learnt from setting up consultations. Officers carry out an evaluation as to how things have been done well and what could have been done better although it was recognised that not all services use the support offered by the Research & Intelligence team. Guidance on carrying out consultations with best practice was available on Snet and training courses were also offered to officers. Officers were also signposted to other courses outside of the county council including courses run by Surrey University.
4. A Member queried whether work had been done to analyse common trends both positive and negative. The Senior Manager stated that 90% of the time consultations go badly because people do not use the expertise of the Research & Intelligence team and are inexperienced at running consultations.
5. Listing some examples, a Member raised concerns that some consultations had been ineffective and hard to access for residents. The Board asked how officers ensured that all residents were reached as part of the consultation process. The Senior Manager explained that sampling was an issue and that the same residents or groups did often appear. The Campaign Communications Manager stated that in consultations where officers wanted a wider response, the Communications team would work with officers through various means to achieve this. Various channels of communications were used and targeting activity was also undertaken but it was recognised that evaluation after the consultation was essential to see how things had progressed.
6. The Board expressed the view that sometimes consultations felt like they were based on pre-determined outcomes. The Senior Manager recognised that perception but explained that this would be counterproductive for the council. It was explained that in some cases it might not be appropriate to consult whereas in others there is a statutory or legal obligation to do so, however, this scenario can only be addressed if the central team is approached in the first instance.
7. It was recognised that the Local Transport Review had been a huge success and was far reaching. The Travel & Transport Group Manager stated that his team had worked closely with the communications team

to ensure all key audiences were factored into the consultation. The online option allowed for responses to be analysed quickly but as part of the Local Transport Review easy read and large font consultation leaflets were also made available. The Travel & Transport Group Manager confirmed that the Communications and Research & Intelligence teams were good for signposting services to other consultations that had been carried out effectively.

8. Members queried whether the team advised officers on timings for consultations. The Senior Manager recognised that appropriate timings were essential and the team did not have any knowledge about the recent street lighting consultation. The Campaign Communications Manager stated that August was usually not a preferable time to consult.

Michael Gosling left the meeting at 11.40 am

9. A Member questioned how all residents could contribute when consultations were mostly online. For those people with no online access, work was undertaken to ensure hard copies of consultations were made publicly available.
10. The Chairman said that in difficult financial times there may be merit in setting up a task group to look at how best to carry out consultations across the county. The Board agreed to the setting up of this task group. The Chairman confirmed that recommendations listed in the report would be deferred to the task group to consider.

**Resolved:**

- a. That COB in conjunction with members from the Resident Experience Board convene a task group to investigate how consultations could be best run across the council.

**64/16 INTERNAL AUDIT: REVIEW OF PROPERTY ASSET MANAGEMENT SYSTEM INCOME MODULE [Item 9]**

Colin Kemp and Mark Brett-Warburton left the room at 11.55am

Colin Kemp returned at 12.02pm

Mark Brett-Warburton returned at 12.05pm

**Witnesses:**

Claire Barrett, Deputy Chief Property Officer  
Nigel Jones, Performance Manager  
Siva Sanmugarajah, Lead Auditor  
David John, Audit Performance Manager

**Key points raised during the discussion:**

1. Members raised concerns that money had been lost from not having a proper method of recording money owed to the Council. Furthermore

questions were raised as to why the audit opinion recorded 'no position'. The Deputy Chief Property Officer explained that the Property Asset Management System (PAMS) had been live since September 2015 and the interface between the system and SAP was the only element of the system that was not working. The officer emphasised that there had been no loss of rental income due to the interface not working. There had been opportunity costs to officers through duplication of inputs to both PAMS and SAP. PAMS would continue to be developed and work to align the system with East Sussex County Council would be considered.

2. A Member queried a key finding in the audit report which stated that the absence of a senior officer on maternity leave with no replacement meant that the project was delayed. The Performance Manager stated that the decision not to go live with the system was due to stakeholder involvement rather than officer cover. He went on to further explain that stakeholders involved in the project decided to delay implementation as processes in place necessitated more work.
3. It was explained that the final module of PAMS was implemented and went live in September 2015. The system gives officers access to all the information held by the property service. The service decided to go live with the system to enable officers to gain experience with the system.
4. The Lead Auditor explained that PAMS had been implemented module by module over the past few years, with the Income Module being the final one to 'go live' in September 2015. Although this module had been partially 'live' since September 2015, it was not possible for the auditor to review the whole system, including the interface and hence the auditor did not feel that it was reasonable to give an audit opinion on a system that was not fully operational. The auditor however, agreed to re-visit this area once the system has been fully operational for a reasonable period of time.
5. Members raised concerns over the lack of senior management ownership of the project. The Performance Manager stated that an IMT project manager was taking the lead on the project but was no longer involved in the project. For this reason the service has been liaising with stakeholders and has organised two meetings in October to agree a plan for the introduction of the system.
6. A Member queried why the service was developing a bespoke interface and not purchasing an already developed system. It was explained that due to the specialist nature of the work being done it was preferable to have a bespoke system in place.
7. The Performance Manager explained that in total there were 800 properties from which property services collected rent. The details of these properties can be found in the PAMS system

**Resolved:**

The Board agreed that the service will report its progress against the high priority recommendations to Democratic Services, and a failure to meet improvement targets would result in a further report to the Board.

**65/16 INTERNAL AUDIT: SURREY YOUTH CENTRES - GOVERNANCE AND BUSINESS MANAGEMENT ARRANGEMENTS [Item 10]**

**Witnesses:**

Ben Byrne, Head of Early Help  
David John, Audit Performance Manager  
Jan Smith, Community Youth Work Service Manager  
Tasneem Ali, Lead Auditor

**Key points raised during the discussion:**

1. The Chairman of the Board expressed his concerns with the findings of the audit report and queried whether the Head of Early Help thought enough was being done to train people and ensure they are being held to account. The Head of Early Help recognised there were failings but work was being done with audit to address these failings. Training has been identified with colleagues and new processes had been introduced. The management team recognised more should have been done to support colleagues. The Head of Early Help went onto explain that there had been a degree of significant change within the service which had impacted the findings.
2. The Audit Performance Manager welcomed the comments made by the Head of Early Help and stated that the audit findings had been accepted early on by the service. He explained that process and financial management issues are not new to the council and there had not been any guidance for front line staff on cash management. In the circumstances staff were doing their best but it was vital for training to be undertaken.
3. Some Members stated that they did not take any comfort from the actions being proposed in the audit plan and recognised that this could have a great impact on public confidence in the council. The Head of Early Help stated that he was committed to making a change and would work with audit to ensure improvements are made.

Colin Kemp left the meeting at 12.40pm

4. The Community Youth Work Service Manager explained that the service was on target with the audit management action plan. Training had been organised with staff on cash handling and full structures and support were in place for staff. The service had recently undergone a mini training session on recording VAT correctly.
5. Members of the Board queried when a follow up review on the audit could be undertaken. It was agreed with the Audit Performance Manager that a follow up could be done in 3 months and a fuller review in 6 months. Once completed this could come back to the board for review.

**Resolved:**

The Board agreed that the service would bring an audit update report to the Council Overview Board at a date to be agreed.

**66/16 SCRUTINY BOARD TASK GROUP SCOPING DOCUMENTS [Item 7]**

**Key points raised during the discussion:**

1. The board approved the scoping documents for both task groups. The Chairman queried whether the early help task group set up by the social care services board would be in a position to complete its work programme by December 2016.

**67/16 RESPONSES FROM THE CABINET TO ISSUES REFERRED BY THE SCRUTINY BOARD [Item 5]**

**Key points raised during the discussion:**

1. The Chairman reported that the Municipal Bond Agency recommendations had been accepted by Cabinet with minor amendments which were acceptable.
2. The Chairman stated that he had recently been given copies of the minutes and reports from the Investment Advisory Board and would report back to the board on their content in due course.

**68/16 RECOMMENDATIONS TRACKER AND FORWARD WORK PROGRAMME [Item 6]**

**Key points of discussion:**

**Recommendations Tracker**

1. With regards to recommendation A12/2016, the Chairman explained that the scoping document for the 'scrutiny in a new environment' task group would be shared with members by the end of the week. The Chairman would also be inviting members of the board to sit on this task group.
2. The tracker was noted.

**Forward Work Programme**

1. The Chairman explained that the review of Cabinet member priorities had been scheduled as an item for the November board meeting. The Chairman went on to say that he would be meeting with his counterpart from East Sussex to discuss the scrutiny of Orbis. Members raised concerns that it had originally been agreed for both authorities to do joint scrutiny work of Orbis but this had not yet been scheduled. The Chairman stated that he would be discussing this when he meets with his counterpart.

2. Members were asked to report to the Chairman on any items they wished to have included in the forward work programme for December.
3. It was explained that the agency staff policy and contract monitoring item had been deferred to the December board meeting.

**69/16 DATE OF NEXT MEETING [Item 12]**

The next formal meeting of the board will take place at 10.00am on Thursday 3 November 2016.

A Private budget meeting has been arranged for the board on Thursday 6 October 2016 at 10:00am. The Vice-Chairman will be chairing this meeting.

Meeting ended at: 1pm

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**Chairman**

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**Services' revised cash limits 2017/18 to 2020/21**

<b>Scenario A - revised cash limits</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Delegated Schools	457.7	457.5	457.5	457.5	457.5
Schools and SEND	170.8	166.7	165.2	165.9	166.2
Children's services	104.7	103.9	101.1	96.8	94.4
Commissioning and Prevention	89.7	82.9	79.7	79.3	79.1
Adult Social Care	429.5	409.0	401.8	398.6	398.9
Environment and Planning	86.3	84.7	85.1	88.8	90.4
Central Income and Expenditure	60.0	68.9	75.9	81.4	84.0
Highways and Transport	51.9	51.9	51.2	51.6	52.2
Fire and Rescue Service	46.8	44.3	45.4	43.4	43.3
ORBIS Joint & managed budgets	97.7	96.4	92.2	92.3	94.0
Public Health	38.8	36.5	34.2	32.8	32.5
Cultural Services	22.7	22.4	21.9	21.9	22.0
Legal and Democratic Services	9.0	10.0	8.5	8.4	8.4
Trading Standards	3.7	3.6	3.5	3.5	3.5
Customer Services	3.6	3.5	3.4	3.4	3.4
Strategy and Performance	3.6	3.5	3.4	3.4	3.3
Community Partnership and Safety	3.0	2.9	2.8	2.8	2.8
Communications	2.0	1.9	1.8	1.8	1.8
Coroner	1.8	1.7	1.7	1.7	1.8
Directorate support	1.1	1.0	1.0	1.0	1.0
Strategic Leadership	1.0	1.0	1.0	1.0	1.0
Emergency Management	0.5	0.5	0.5	0.5	0.5
<b>Total expenditure</b>	<b>1,686.0</b>	<b>1,654.8</b>	<b>1,638.8</b>	<b>1,637.8</b>	<b>1,641.9</b>

<b>Scenario B - revised cash limits</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Delegated Schools	457.7	457.5	457.5	457.5	457.5
Schools and SEND	170.8	165.3	163.7	164.5	164.7
Children's services	104.7	101.7	98.8	94.6	92.1
Commissioning and Prevention	89.7	82.0	78.8	78.4	78.3
Adult Social Care	429.5	400.6	393.4	390.2	390.5
Environment and Planning	86.3	82.9	83.3	87.0	88.6
Central Income and Expenditure	60.0	68.9	75.9	81.4	84.0
Highways and Transport	51.9	50.9	50.2	50.5	51.2
Fire and Rescue Service	46.8	43.5	44.6	42.7	42.5
ORBIS Joint & managed budgets	97.7	94.6	90.4	90.5	92.2
Public Health	38.8	35.6	33.3	31.9	31.7
Cultural Services	22.7	22.2	21.7	21.7	21.8
Legal and Democratic Services	9.0	9.8	8.3	8.2	8.2
Trading Standards	3.7	3.5	3.5	3.5	3.5
Customer Services	3.6	3.4	3.3	3.3	3.3
Strategy and Performance	3.6	3.5	3.4	3.3	3.3
Community Partnership and Safety	3.0	2.8	2.8	2.7	2.7
Communications	2.0	1.9	1.7	1.7	1.7
Coroner	1.8	1.7	1.7	1.7	1.7
Directorate support	1.1	1.0	1.0	1.0	1.0
Strategic Leadership	1.0	1.0	1.0	1.0	1.0
Emergency Management	0.5	0.5	0.5	0.5	0.5
<b>Total expenditure</b>	<b>1,686.0</b>	<b>1,634.8</b>	<b>1,618.8</b>	<b>1,617.8</b>	<b>1,621.9</b>

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1. That the context and background to the County Council's financial prospects over the medium term, as set out in paragraphs 15 to 22 of the submitted report, be noted.
2. The achievement of £329m efficiency savings over the last five years and the further planned savings of £361m over the next five years be noted.
3. The impact of additional funding on the Council's financial sustainability, as set out in paragraph 35 of the submitted report, be noted.
4. The revised cash limit budgets for each service in the absence of additional funding from government grants, council tax, or business rates; or further savings, as detailed in paragraph 33 and annex 1 of the submitted report be approved.
5. That Cabinet Members and officers develop proposals on delivering services within the revised cash limits for a future Cabinet meeting, as set out in paragraph 33 of the submitted report.
6. The development of proposals to the Government for additional funding through the adult social care precept, business rates retention and for school places, as set out in paragraph 35 of the submitted report, be approved.
7. That Cabinet would welcome a County Council view before a decision is taken on the Government's four year settlement offer, and that an item seeking that view be included (in accordance with Article 8.2(c) of the Constitution) in Cabinet's report to Council on 11 October 2016.
8. That the executive decision to accept or decline the Government's four year settlement offer, as set out in paragraph 41 of the submitted report, be delegated to the Leader of the Council, for decision as soon as possible after the full Council meeting of 11 October 2016.
9. Subject to further minor adjustments agreed by the Chief Executive in consultation with the Leader of the Council, the Council's own response to the 100% Business Rates Retention consultation be approved, and the joint response from the 3SC local authorities, as detailed in paragraph 48 of the submitted report, be endorsed.
10. That Scrutiny Boards examine the key budget proposals and report back to Cabinet, as detailed in paragraph 34 of the submitted report.

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**Council Overview Board**

**ACTIONS AND RECOMMENDATIONS TRACKER – UPDATED 5 October 2016.**

The recommendations tracker allows Members to monitor responses, actions and outcomes against their recommendations or requests for further actions. The tracker is updated following each meeting. Once an action has been completed, it will be shaded out to indicate that it will be removed from the tracker at the next meeting. The next progress check will highlight to members where actions have not been dealt with.

Please note that this tracker includes recommendations from the former Council Overview & Scrutiny Committee.

Date of meeting and reference	Item	Recommendations/ Actions	To	Response
1 June 2016 A5/2016	<b>FUTURE WORK PROGRAMME</b>	a) The Chairman to consider the addition of an item on the Council’s Asset Management Strategy to the Board’s forward work plan.	Council Overview Board Chairman	This has been scheduled for December
1 June 2016 A6/2016	<b>ANNUAL REPORT OF THE SHAREHOLDER BOARD</b>	a) That the issue of ensuring effective scrutiny of arm’s-length companies be addressed by the Council Overview Board as part of the review of ‘scrutiny in a new environment’ in July 2016.	Council Overview Board Chairman	The item was on the agenda for the last meeting and it was agreed that a Task Group be set up to investigate these issues further.
1 June 2016 A7/2016	<b>ANNUAL REPORT OF THE SHAREHOLDER BOARD</b>	a) That further scrutiny in relation to Surrey Choices be scheduled once the Shareholder Board had completed the review of its business plan.	Scrutiny Manager	Awaiting completion of the business plan review.  Update: Surrey Choices has been given further time to complete a final business plan. This is expected in October. Scrutiny could be scheduled for the December meeting of COB.

Date of meeting and reference	Item	Recommendations/ Actions	To	Response
6 July 2016 A9/2016	<b>RESPONSES FROM THE CABINET TO ISSUES REFERRED BY THE SCRUTINY BOARD</b>	a) That the Chairman consider whether any further discussion with the Cabinet was appropriate in the light of the Cabinet's response to the recommendation on the Investment Strategy Property Portfolio.	Council Overview Board Chairman	The Chairman has requested further papers from the Investment Advisory Board to aid his investigation and will report back to the Board at its November meeting.
21 September 2016 R5/2016	<b>FINANCIAL SUSTAINABILITY &amp; BUDGET PLANNING 2017-2022</b>	a) The Board recommends that the Leader should make the decision regarding acceptance or refusal of the governments four year settlement offer in public at a Leaders Decision making meeting so council members can make any representations as necessary.	Leader of the council	This decision was made in public at a Leader's decisions meeting on Wednesday 12 October.
21 September 2016 R6/2016	<b>SURREY COUNTY COUNCIL'S APPROACH TO CONSULTATION</b>	a) That COB in conjunction with members from the Resident Experience Board convene a task group to investigate how consultations could be best run across the council.	Scrutiny Manager	A draft scoping document has been circulated for sign-off prior to agreeing the membership of this group.
21 September 2016 R7/2016	<b>INTERNAL AUDIT: REVIEW OF PROPERTY ASSET MANAGEMENT SYSTEM INCOME MODULE</b>	a) The Board agreed that the service will report its progress against the high priority recommendations to Democratic Services.	Claire Barrett Nigel Jones David John Siva Sanmugarajah	Review early 2017, post go-live.

Date of meeting and reference	Item	Recommendations/ Actions	To	Response
21 September 2016 R8/2016	<b>INTERNAL AUDIT: SURREY YOUTH CENTRES- GOVERNANCE AND BUSINESS MANAGEMENT ARRANGEMENTS</b>	a) The Board agreed that the service would bring an audit update report to the Council Overview Board. Audit would conduct a follow up in 3 months with a fuller review in 6 months	Ben Byrne Jan Smith David John Tasneem Ali	Update due end of March 2017.

#### COMPLETED ACTIONS - TO BE DELETED

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Date of meeting and reference	ITEM	Recommendations/ Actions	To	Response
6 July 2016 A10/2016	<b>AGENCY STAFFING UPDATE</b>	a) Comparison of the full costs of employing agency and permanent staff would be provided, showing figures posts at the low, medium and high ends of the salary scale.  b) Details of the Memorandum of Understanding regarding agency staffing.	Ken Akers/ Radhika Verma	To be circulated as part of the bulletin  Scheduled for November meeting Deferred to December meeting
6 July 2016 A12/2016	<b>SCRUTINY IN A NEW ENVIRONMENT</b>	a) That a Task Group be established with the aim of reviewing the effectiveness of the Council's existing scrutiny arrangements in the light of changes to methods of service delivery.	Scrutiny Manager	Scoping of this group is underway.  Update: Chairman invited members to sit on this task group at Septembers COB meeting.

		<p>b) That the draft terms of reference for the task group be circulated to Members of the Council Overview Board for comment.</p>		<p>Scoping docs circulated end of September 2016.</p> <p>Task group first meeting scheduled for 25 October 2016.</p>
<p>21 September 2016 R9/2016</p>	<p><b>RESPONSES FROM THE CABINET TO ISSUES REFERRED BY THE SCRUTINY BOARD</b></p>	<p>a) The Chairman reported that the Municipal Bond Agency recommendations had been accepted by Cabinet with minor amendments which were acceptable.</p> <p>b) The Chairman has received copies of the minutes and reports from the Investment Advisory Board and would report back to the board on their content in due course.</p>	<p>Council Overview Board Chairman</p>	



## Council Overview Board Forward Work Programme November 2016

**3  
November  
2016**

- 12 month review of Orbis
- High Performance Development Programme Evaluation
- Cabinet Member for Business Services and Resident Experience priorities

**14  
December  
2016**

- Agency Staff Policy & Contract Monitoring
- Asset Management Strategy
- Surrey Choices (TBC)
- Preliminary budget recommendations

**18  
January  
2017**

- Final budget recommendations

## **Future items**

- Devolution
- Trust Fund annual progress review (including proposals for Trusts where SCC is not the sole trustee)
- Communications Strategy
- Staff Survey



Council Overview Board  
3 November 2016

**Cabinet Member for Business Services and Resident Experience 2016 Priorities**

**Purpose of the report:** To report on Denise Le Gal's priorities for the year 2016/2017 which focus on her portfolio: Business Services and Resident Experience, and how these have progressed so far.

**Priorities**

- The Orbis Partnership
- The Pay and Reward Offer
- Supporting Local Businesses
- Investment Strategy

**Progression of Priorities**

- The Orbis Partnership – The Inter Authority Agreement that forms the legal basis to the Partnership has been agreed by both East Sussex County Council and Surrey County Council following resolution by the respective Cabinets. Brighton and Hove City Council (BHCC) have also taken a paper to their policy resources and growth committee on the 13 October that recommended that BHCC join the Orbis Partnership. This will now commence the next phase of work to establish benefits and opportunities for Orbis incorporating Brighton.
- The Pay and Reward Offer – Surrey County Council have reached a collective agreement with trade unions on the pay and reward proposals and the pay settlement for schools. This was implemented in July's salaries.
- Supporting Local Businesses - along with the Chief Executive, I was delighted to open the inaugural 'We Are Surrey' event, hosted by Canon on 28<sup>th</sup> September. This event brought together public, voluntary and third sector organisations with local businesses, big & small, to further discuss and explore opportunities for providing much needed support for local communities through the social value agenda being driven by the Council. This links in to our procurement strategy where we have now signed a contract that specifically links in to measurable added social value.
- Investment Strategy - Continue to build upon our investment strategy by purchasing assets using capital to generate future revenue income that can be used for delivering services to the residents of Surrey.

## Challenges

- Brighton & Hove City Council joining the Orbis Partnership - ensuring a smooth transition and clean data transfer.
- Comprehensive review and implementation of Leadership Structures in Procurement, IT & Property.
- Transitioning of the Council to Office 365.
- Budget pressures for the Council.

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**Report contact:** *Denise Le Gal, Cabinet Member for Business Services*

**Contact details:** *020 82 13 2834, [denise.legal@surreycc.gov.uk](mailto:denise.legal@surreycc.gov.uk)*



Council Overview Board  
3 November 2016

## Orbis Progress Update

### **Purpose of the report:** Scrutiny of Services and Budgets

To provide an update on developments within the Orbis partnership with East Sussex County Council and provide an overview of delivery against the 3 year business plan.

## 1 Background

Orbis is a partnership between Surrey and East Sussex County Councils that will integrate Business Services functions to provide improvements in service provision and reduce costs. Services in scope are; Property, Procurement, ICT, HR/OD, Finance & Business Operations.

The Partnership was formally launched in April 2015 and a detailed 3 year business plan was approved by Cabinet in October 2015. In addition a joint scrutiny session was held on 5 October 2015 with Members from the Council Overview Board and East Sussex's Audit & Best Value Committee.

The Inter Authority Agreement (IAA) was signed and sealed on 13 April 2016, the IAA formalises the partnership and provides the legal framework for Orbis.

## 2. Supporting information

This report will focus on a number of key elements of the Orbis Programme and provide further details for each:

- Savings Plans
- Brighton & Hove City Council's proposal to join the Orbis partnership
- Transformation Partner (Ernst & Young)
- Service Updates for ICT & Procurement
- Key challenges facing the development of the partnership

## 3. Savings

The Business Plan clearly articulated the benefits that Orbis would deliver over a three year period (circa £8.3m), these savings will be delivered from the operating budget of Orbis.

Orbis is also responsible for 'managed on behalf of' (mobo) budgets. Mobo budgets are made up of elements such as IT infrastructure and property

running costs (i.e. rents rates utility bills etc). Orbis manages these budgets on behalf of each sovereign authority, therefore any savings delivered are directly realised by each organisation.

The table below details the savings from the business plan by service.

<b>Net Business Plan Savings</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>Total</b>	<b>2016/17</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>RAG</b>
<b>Operating Budget</b>					
Property	-56	-540	-1,200	-1,796	G
ICT	145	-879	-1,118	-1,852	G
HR	-85	-400	-625	-1,110	G
Finance	-121	-525	-994	-1,640	G
Business Operations	-581	-244	-125	-950	G
Procurement	10	-245	-15	-250	G
<b>Total Net JOB Growth &amp; Savings*</b>	<b>-688</b>	<b>-2,833</b>	<b>-4,077</b>	<b>-7,598</b>	
<b>Managed Budgets - IMT</b>	<b>-280</b>	<b>-110</b>	<b>-110</b>	<b>-500</b>	<b>G</b>
<b>Pension Fund</b>	<b>-182</b>	<b>0</b>	<b>0</b>	<b>-182</b>	<b>G</b>
<b>Total Business Plan Net Savings</b>	<b>-1,150</b>	<b>-2,943</b>	<b>-4,187</b>	<b>-8,280</b>	

\*JOB = Joint Operating Budget

Delivery of operating budget savings for 2016/17 is on track and a breakdown of mobo savings is also provided in (Annex 1a)

One of the main benefits of working in partnership is the ability to consolidate management posts. Orbis now has single leadership in place for each of the services in scope and integration of the senior management teams below is in progress, annex 1b details the reduction of posts at a senior management level to date.

Since the approval of the Business Plan in October 2015, both East Sussex and Surrey County Councils require additional savings to be delivered from the Orbis Partnership in order to meet wider financial challenges that both organisations are facing. An updated savings plan is therefore being developed for Orbis in order to identify proposals for how the additional savings requirements could be achieved. These additional savings will be integrated into the MTFP as part of the budget setting process.

#### **4. Brighton & Hove City Council (BHCC)**

BHCC signalled their intent to join the Orbis Partnership in a paper taken to the Policy, Resources & Growth Committee on 3 December 2015.

A process of due diligence is being undertaken in order to assess whether BHCC joining the partnership delivers the benefits that both parties require.

A report detailing the outcome of the due diligence process will be taken to the Policy, Resources & Growth Committee in BHCC on 14 October 2016.

An update was provided to the Orbis Joint Committee in July 2016 (annex 2) detailing progress on due diligence work and the key areas this would focus on.

## **5. Transformation Partner**

In the Business Plan it was recognised that to deliver the full benefits of the partnership an external consultancy partner would be required, and provision was therefore made in the investment proposal.

Following a procurement exercise Ernst & Young (EY) have been selected to work with Orbis for a 3 year period, details of the procurement process and initial areas of focus for EY can be found in annex 3

## **6. Service Updates**

Updates are regularly provided to the Orbis Joint Committee around developments in specific services, these updates provide an overview to demonstrate progress, share key developments and overarching plans for integration.

### *IT & Digital Service*

Matt Scott was appointed as the Orbis Chief Information Officer earlier this year and has recently been making appointments to senior roles within the new integrated IT service. In addition to creating an integrated service a vision and plan for the future of the IT service has been created and is attached (annex 4).

### *Procurement*

The 'Chrysalis' programme has developed a clear vision and approach for the integration of Procurement, the vision is:

A transformation that will deliver a Procurement Service for our partner authorities to;

- optimise our commercial, strategic and operational skills
- consistently deliver greater efficiency and maximum added value for our customers achieve the best possible outcomes for our residents

Full details of the Procurement transformation programme including key areas of focus can be found in Annex 5

## **7. Key Challenges**

Officers understand the need for Orbis to be adaptable to the changing shape of Local Government, we have therefore identified a number of key challenges and are working closely with colleagues across East Sussex and Surrey to ensure Orbis can continue to provide quality services that meet the changing needs of service users and stakeholders.

- Health & Social Care Integration
- Education White Paper (Schools/Academies)
- Devolution agenda
- Market Developments i.e. Local Government Shared Services (LGSS – Cambridgeshire CC & Northants CC & OneSource – Newham & Havering London Boroughs)

<h2>Recommendations</h2>
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- 1) Discuss and propose options for future scrutiny of the Orbis programme. Option 2 is recommended to the Board.
  - 2) Agree future scrutiny timetable
- 

## Scrutiny arrangements

The future arrangements for the scrutiny of Orbis could usefully be clarified at this stage. Given the current position, there are potentially three options to move forward:

- Option 1: continue with the current ‘sovereign’ arrangements with ESCC Audit, Best Value Committee (ABVCSSC) and Surrey County Council Overview Board (COB) operating independently. The benefits of this approach is that each scrutiny body can focus primarily on its own areas of interest with joint meetings or chairs’ meetings being organised on an ad hoc basis where it makes sense to do so. The main disadvantage is that it could lead to significant demands on the Orbis Team in trying to meet potentially very different information requirements of each scrutiny body.
- Option 2: coordinate ABVCSSC and COB scrutiny work so that the *same* topics and reports are prioritised by agreement between the chairs for consideration at each authority’s scrutiny body which then operates independently as in option 1. The additional benefit of this approach is that each authority’s unique scrutiny perspective is gained on every issue being scrutinised which can, in turn, best help to ensure that each authority’s individual business requirements from Orbis are achieved.
- Option 3: establish a standing joint scrutiny committee comprising Members selected from ESCC ABVCSSC, SCC COB and other partners’ scrutiny bodies in due course; this body would be charged with scrutiny of Orbis on behalf of all the authorities. To be effective, this would require the participation of all partners; however, the willingness of future partners to participate in joint scrutiny arrangements is unknown. The other main disadvantage would be the additional bureaucracy and complexity of arranging meetings of a joint committee.



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**Senior Responsible Officer** – John Stebbings – Chief Property Officer  
**Report contact:** Adrian Stockbridge – Orbis Programme Manager  
**Contact details:** [adrians@surreycc.gov.uk](mailto:adrians@surreycc.gov.uk) 07837 170418

**Sources/background papers:**

Orbis Business Plan and cabinet report October 2015

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**Orbis Leadership Team**  
**Orbis Operating Budget**  
**Full Year Forecast as at Period 4 (July 2016/17)**  
**Efficiencies RAG**

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2016/17 Efficiencies	Business Operations £'000	Finance £'000	HR £'000	IT £'000	Management £'000	Procurement £'000	Property £'000	Total £'000	
<b>Orbis Operating Budget</b>									
Staffing	310	265	160	85	-	40	96	956	G
Staffing & e-invoicing	171							171	A
Income	100							100	G
Early Delivery		150			115	105	70	440	
								<u>1,667</u>	
<b>ESCC Managed on Behalf of (Mobo)</b>									
Contracts				93				93	G
ESCC additional MoBo requirement					13			13	A
								<u>106</u>	
<b>SCC Managed on Behalf of (mobo)</b>									
Modern Worker					666			666	A
Training			413					413	G
Audit Fee & Insurance Premium		300						300	G
Office Moves & Reorganisations							250	250	G
Planned Maintenance							250	250	A
UNICORN Network				230				230	G
Procurement Saving - SAP				210				210	G
Mobile Telephony				200				200	G
Orbis Business Plan (SAP)				194				194	G
Utilities							155	155	A
Building Adaptations							100	100	G
Rents Payable							100	100	A
Insurance income & VAT recovery		67						67	G
Apprentices			50					50	A
Cleaning							50	50	G
Fees							50	50	G
Marginal Gain	4							4	G
2015/16 One-off efficiencies							- 620	- 620	G
								<u>2,669</u>	
<b>TOTAL</b>	<b>585</b>	<b>782</b>	<b>623</b>	<b>1,678</b>	<b>128</b>	<b>145</b>	<b>501</b>	<b>4,442</b>	

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## Orbis Senior Management Efficiencies update

The Orbis Business plan set a target to reduce senior management posts by 20% in 2016/17 through integration and de-layering.

The table below sets out the details of progress made to date in realising this ambition:

Service	FTE prior to integration (tier 2/3)	FTE following integration (Tier 2/3)	Reduction of FTE
HR	10	6	4
Property	8	6	2
Bus Ops	8	6	2
IT & Digital*	11	6	5
Procurement**	8	7	1
Finance***	14	tbc	tbc
<b>Total</b>	<b>59</b>	<b>31</b>	<b>14</b>

\*Consultation ended 07 September 2016 - new structure live October 2016

\*\*Consultation ended 22 August 2016 - new structure live October 2016 (does not include 2.5 FTE reduction already delivered from tier 3 as a result of joint Procurement service since 2012)

\*\*\*Future structure TBC following appointment of Orbis Finance Director September 2016 (new tier 3 structure expected to be live early 2017)

- This represents a reduction of circa 25% in FTE at tier 2 & 3 (excluding Finance)
- Average salary for these posts is approximately £80,000 therefore this equates to a financial savings of circa £1.1m

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

**ORBIS JOINT COMMITTEE**



**DATE: 18 JULY 2016**

**LEAD OFFICER: DAVID KUENSSBERG (EXECUTIVE DIRECTOR, FINANCE & RESOURCES)**

**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 BHCC Policy, Resources & Growth Committee (P, R & G) in October.

**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, BHCC's 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 PR&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. 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 we are in effect performing due diligence for 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 compared to those that do.

3. BHCC resources are not sufficient to operate an open-ended work stream. We have therefore defined a process to take us to October and are managing it in a structured way to mitigate the risk that there is not enough information at that stage for BHCC members to take a decision. Annex 1 below sets out the 'tests' required by BHCC to provide sufficient due diligence.
4. 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. We are 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.

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#### **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

#### **Annexes:**

Annex 1 – BHCC Due Diligence Tests



**Sources/background papers:**

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



**Annex 1 – BHCC Due Diligence Tests**

The P & R paper from 28 April set a number of tests, and these provide a logical underpinning to the due diligence. The table below contains proposals for how we can reach a conclusion on each one. More detail is required, in particular for parts 1 and 3.

Test	Work required	Progress
<p>1. Finance and BHCC’s ability to meet our savings targets.</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 39</p>	<ul style="list-style-type: none"> <li>· Continue work to cost existing services and ensure consistency with East Sussex and Surrey, i.e. ‘apples with apples’.</li> <li>· Calculate the ‘break-even’ point with regard to BHCC being able to achieve required savings.</li> <li>· Identify ‘managed on behalf of’ (MOBO) budgets.</li> <li>· Where trajectory and scale of savings required by Orbis and BHCC does not align, negotiate on possible solutions.</li> </ul>	<ul style="list-style-type: none"> <li>· Financial analysis is close to completion, including the treatment of MOBO budgets.</li> <li>· BHCC need 30% savings by 2020, and will need to deliver a proportion of this through the MOBO route.</li> <li>· Principle of negotiation agreed with Orbis if required, however BHCC financials need to be appropriate for Orbis as well as the other way around.</li> </ul>
<p>2. The level of investment that could be required in ICT infrastructure</p>	<ul style="list-style-type: none"> <li>· Establish best-estimate range of investment required to:                             <ul style="list-style-type: none"> <li>a) Support existing BHCC systems up to a ‘natural’ point for integration; and</li> <li>b) Integrate BHCC and partner core systems.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>· This work is well under way. The timing of when business critical systems need to be replaced broadly aligns across the three councils.</li> <li>· More work will be required to identify the costs of change, and system integration will not take place for at least three years.</li> </ul>
<p>3. Service Level assessment, i.e. will the services be fit for purpose?</p>	<ul style="list-style-type: none"> <li>· Consider using template approach to identify all services and then how BHCC compares to partners.</li> <li>· Identify level of efficiency versus partners using high level benchmarks.</li> </ul>	<ul style="list-style-type: none"> <li>· Good progress has been made on Legal Services and Internal Audit. There is significant alignment in terms of how partners work.</li> <li>· Some progress has been made on ICT, Procurement, and Human Resources &amp; Organisational Development with more work required in Finance, Property, and Business Operations.</li> </ul>

	<ul style="list-style-type: none"> <li>Identify services that BHCC uniquely provide and work with customers to understand need. Recommend to P, R &amp; G which services we want to continue, but that we do not wish to place in Orbis.</li> <li>Identify quick wins (services that could be traded irrespective of Orbis).</li> </ul>	<p>Revenue &amp; Benefits needs to be treated differently, as this is common to BHCC only – however there is potentially strong alignment with Business Operations.</p> <p>BHCC are assessing the work that could be placed in Business Operations by process mapping across a number of services.</p>
4. Legal form and governance.	<ul style="list-style-type: none"> <li>David Kuenssberg to integrate into Orbis Leadership Team (OLT) as soon as possible.</li> <li>BHCC governance to be agile through due diligence phase.</li> </ul>	<ul style="list-style-type: none"> <li>David has started attending OLT meetings.</li> <li>Orbis is a standing agenda item at weekly BHCC team meetings for Finance &amp; Resources. The programme management resource has increased.</li> <li>Cllr Les Hamilton represents BHCC on the Orbis Joint Committee.</li> </ul>

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

**ORBIS JOINT COMMITTEE**



**DATE: 18 JULY 2016**

**LEAD OFFICER: KEVIN FOSTER (CHIEF OPERATING OFFICER) AND JOHN STEBBINGS (CHIEF PROPERTY OFFICER)**

**SUBJECT: ORBIS TRANSFORMATION PARTNER**

**Confidential: Not for publication by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972**

**PURPOSE OF REPORT:**

To provide the Joint Committee with an update on progress for selection of a transformation partner to support the implementation of the Business Plan and develop future partnership opportunities.

**INTRODUCTION**

1. We recognise that in order to deliver the Orbis Business Plan, some additional capacity will be required. Provision was made in the Business Plan for a commercial partner to assist with the delivery of the programme and to help develop further opportunities to grow the partnership.
2. A report detailing the reasons for seeking a transformation partner, and the approach being undertaken, was presented to Joint Committee on 22 April 2016.

**RECOMMENDATIONS:**

It is recommended that the Orbis Joint Committee notes progress in the selection of an organisation to support the delivery of the Business Plan.

**REASON FOR RECOMMENDATIONS:**

3. To ensure the Joint Committee is informed about the latest developments in selection of a transformation partner.

**DETAILS:**

4. Orbis has committed to a level of savings in the Business Plan (£8.3m) and it is imperative that these savings are delivered. The scale and pace required to deliver service transformation, in order to deliver improved outcomes for customers and service users, will ultimately deliver improved efficiency and reduce costs.
5. Orbis is looking for an external partner to help deliver the Orbis programme of works, which will provide a range of business advice and support needs.
6. Both Surrey and East Sussex Councils try to minimise the use of external consultancy services and we have been very clear in this instance that we are not seeking to enter into a traditional consultancy arrangement with a standard rate card approach. Therefore agreeing an innovative approach to this arrangement is

key, with both parties needing to have clearly defined commitments, deliverables and agreed outcomes.

7. Where it is possible to draw on existing skills that are already present within the business we will do this, and backfill staff roles where appropriate, as this will be less expensive than paying standard consultancy rates. An example of this could be for process re-engineering or project management, where skills of this type already exist within the business.
8. The opportunity to work alongside Orbis provides a unique opportunity for potential partners as it provides a window into the public sector, utilising the trusted Orbis brand to jointly bid for future opportunities based on the ethos of 'by the public sector for the public sector'.
9. The benefits of such an approach are many, including:
  - a. Increased capability and capacity to grow the Orbis partnership
  - b. Opportunities to share skills, knowledge and resources
  - c. Increased capacity to deliver the Business Plan
10. A procurement exercise has been undertaken through an organisation called the North East Procurement Organisation (Nepro). Nepro provide a neutral vendor solutions framework for specialist professional services and the process is fully OJEU (Official Journal of the European Union) compliant.
11. The procurement process consists of three key stages; initially a request was made for expressions of interest, this was followed by inviting five providers to attend individual sessions to undertake some initial soft market testing.
12. Providers were then asked to submit a formal proposal based on a more detailed specification of our requirements. An evaluation process was undertaken to assess the formal proposals received.
13. The selection process resulted in the appointment of Ernst & Young as the overall transformation partner (subject to Cabinet Member decision to award the contract).

#### **CONSULTATION:**

14. A report detailing the approach and reasons for seeking a transformation partner was shared with the Orbis Joint Committee on 22 April 2016.
15. Officers and Nepro staff involved in the selection process are listed below:
  - Kevin Foster – Chief Operating Officer
  - John Stebbings – Chief Property Officer
  - Leatham Green – Programme Director People and Change
  - Matt Scott – Orbis Chief Information Officer
  - Laura Langstaff – Head of Procurement
  - Keith Coleman – Procurement Category Manager
  - Chris Penny - Implementations and Service Optimisation - Nepro

#### **WHAT HAPPENS NEXT:**

16. Engagement with Ernst & Young to agree the scope and provision of the contract and determine how we will operate in partnership, with clearly defined objectives and deliverables on both sides.
- 

**Contact Officer:**

Adrian Stockbridge, Orbis Programme Manager (07837 170418)

**Consulted:**

Kevin Foster – Chief Operating Officer

John Stebbings – Chief Property Officer

Leatham Green – Programme Director for People and Change

**Annexes:**

A Part 2 annex to this item is attached to this Agenda as item

**Sources/background papers:**

- Joint Committee transformation partner report 22 April 2016
-

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the compelling alternative

# Orbis & EY Partnership – Mobilisation Phase OLT

# Orbis and EY

## Partnership Mobilisation, August – October

Support Tier	High level Activities between Aug – Oct	Final Deliverables	Target Successes
<p style="text-align: center;"><b>1</b></p> <p>Strategic Advice &amp; Governance</p>	<ul style="list-style-type: none"> <li>Mobilise governance incl. OLT Shadow Board</li> <li>Attend OLT and other applicable forums</li> <li>Build the Advisory Panel</li> <li>Support agenda for Shared Services Summit</li> </ul>	<ul style="list-style-type: none"> <li>Shadow OLT Board Initiation Document</li> <li>Advisory Panel Initiation Document</li> </ul>	<ul style="list-style-type: none"> <li>Shadow board up and running and helping OLT make decisions</li> <li>Advisory panel has met to discuss a topic, which has provided Orbis with new thinking</li> </ul>
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 46</p> <p style="text-align: center;"><b>2</b></p> <p>Innovation &amp; Opportunity Development</p>	<ul style="list-style-type: none"> <li>Explore and build the specification for Orbis Innovation</li> <li>Build the Secondment specification and terms</li> </ul>	<ul style="list-style-type: none"> <li>Orbis and EY Secondment Initiation Document</li> <li>Orbis Innovation Programme Initiation Document</li> </ul>	<ul style="list-style-type: none"> <li>Engaged a number of secondees and aligned scheme to fit with their personal goal planning</li> <li>Held an Orbis Innovation day to identify priorities and potential solutions</li> </ul>
<p style="text-align: center;"><b>3</b></p> <p>Capacity &amp; Pace</p>	<ul style="list-style-type: none"> <li>Build sprint initiation documents to identify activity, resources and support required</li> </ul>	<ul style="list-style-type: none"> <li>Delivery Sprint High Level Initiation documents:               <ol style="list-style-type: none"> <li><i>Customer at the Heart – Engaging customers in the design of services</i></li> <li><i>BSP – Applying work to date on design and mobilisation of a business solutions platform</i></li> <li><i>Public Sector Provider of Choice – Horizon scanning exercise to understand what attributes a ‘provider of choice’ would possess and where Orbis wish to place themselves on this scale</i></li> <li><i>Benefits Ambition/realisation/delivery – Challenge of benefits within the business plan</i></li> <li><i>BHCC – Due Diligence – mobilisation and on-boarding activities for new partner joining Orbis</i></li> </ol> </li> </ul>	<ul style="list-style-type: none"> <li>Engaged the OLT sprint sponsors and identified resources to deliver</li> </ul>

## Definition

- Sprints are time limited projects that will deliver a solution or a business case for a specific area of focus.
- Sprint teams are created as and when needed based on the nature of the sprint
- Sprints are projects which have clear timelines and the length of a sprint can vary depending on the scope e.g. weeks / months
- Sprints will always have clear sponsorship and agreed outputs.
- Sprints are used across a variety of businesses to achieve clarification and additional input through project working.

## Main principles

- Page 47
- 1 Timelines are clear**  
Timelines have to be agreed prior to the implementation of a sprint team. This will allow fast pace projects, where the progress can be monitored closely.
  - 2 Sponsorship is clear and at the right level**  
Sponsorship has to be agreed prior to sign off and it has to be at the right level to drive pace and decision making throughout the sprint.
  - 3 Outputs are agreed**  
The main outputs have to be agreed early on to ensure that all members of the team are working towards the same goal. This will increase the quality of the output and the pace of the project.

## Utilising the sprint methodology at Orbis

- 1 Identifying opportunities**
  - Prioritisation matrix is used to identify which sprints need to be progressed
  - Five opportunities for sprint projects have been identified for the first phase of work – this was based on OLT 1-2-1s
- 2 Scoping and planning**

The first task of mobilising a Sprint is through the creation of a 'Sprint High Level Initiation Document':

  - This will be developed with a clear OLT sponsor
  - This document will contain: scope, timescales, outputs, resources required, risks
- 3 Mobilisation and delivery**

Once the Sprint High Level Initiation Document has been agreed, the sprint can start, ensuring the following is in place:

  - Key stakeholders identified
  - Sponsor identified
  - Target resources identified
  - Governance forums

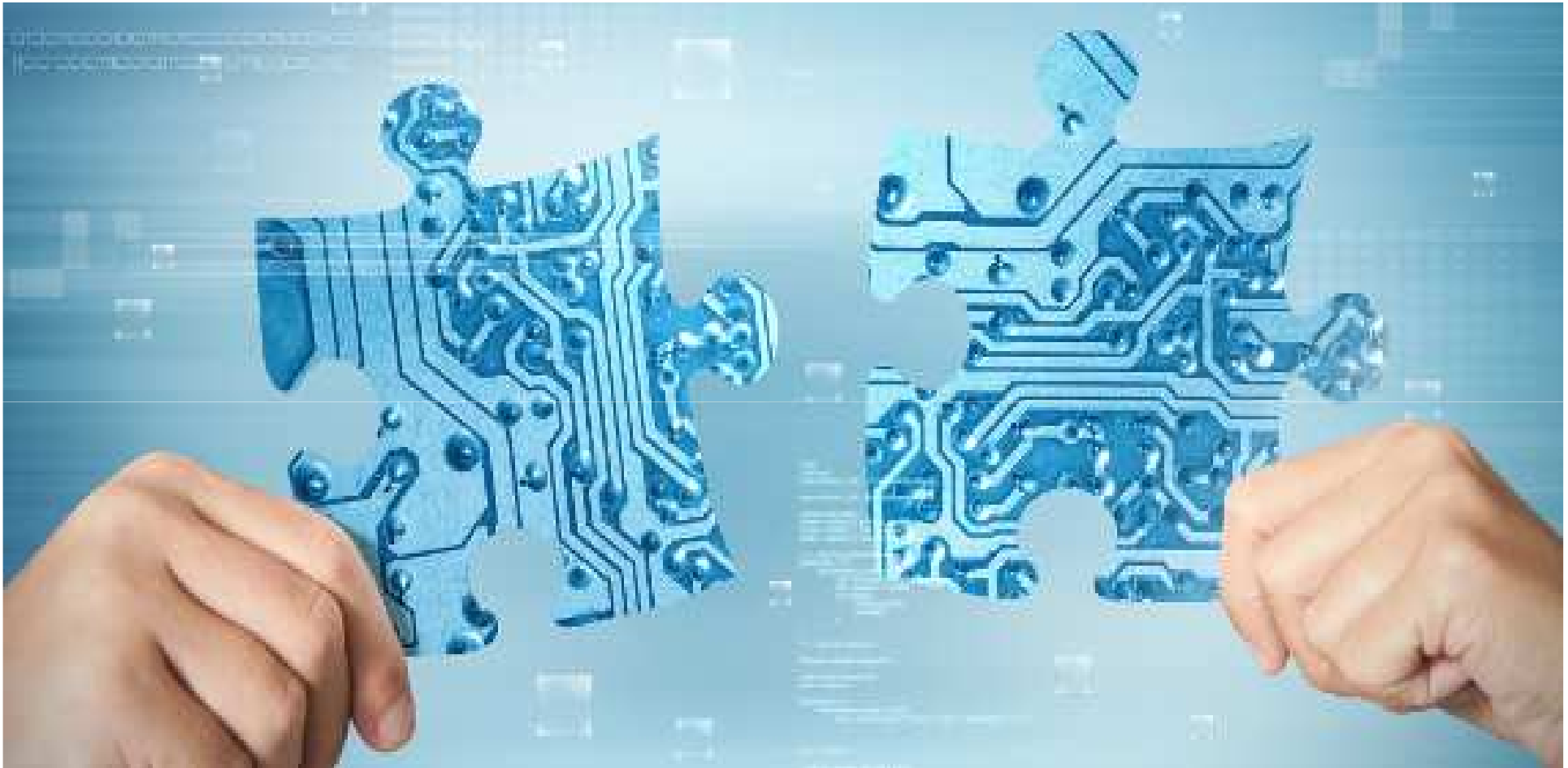
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# Annex 4

## Spotlight:IT & Digital Service



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**Matt Scott**  
**Orbis CIO**

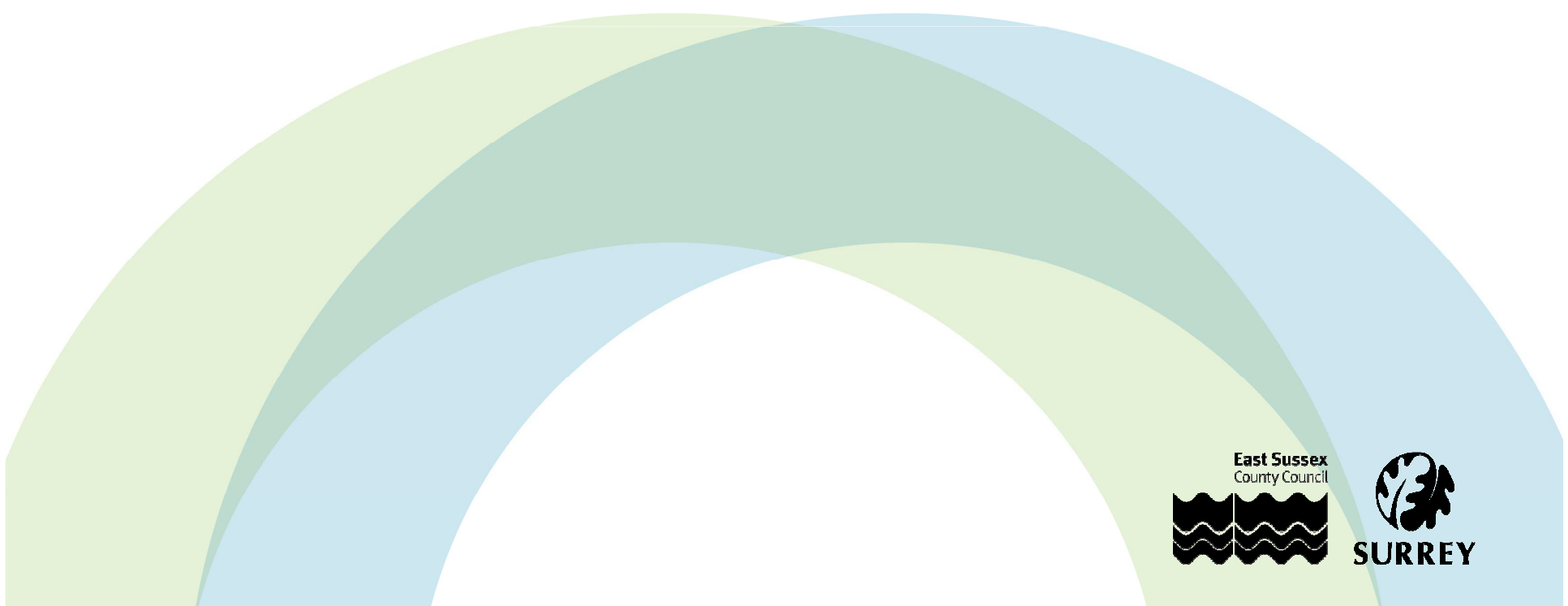


# Contents



- **IT Transformation Programme**
- **Organisational Design: Structure**
- **Target Characteristics of the Service**
- **Staff Engagement**
- **Cost Reduction and Savings**

# IT Transformation Programme



# 5 Change Delivery Workstreams



**Organisational Design**

Designing the organisational structure and developing the required capabilities

**Business Technology (Design & Solutions)**

Designing the IT foundations for Orbis and implementing the business technology solutions

**Engagement & Customer**

Developing the customer and engagement, strategy for IT and the Orbis stakeholders plus health economy and other public services

**Contracts and Supplier Management**

Developing a supplier and contract management approach (linked into Procurement Service) and delivering the MoBo and Orbis contract savings

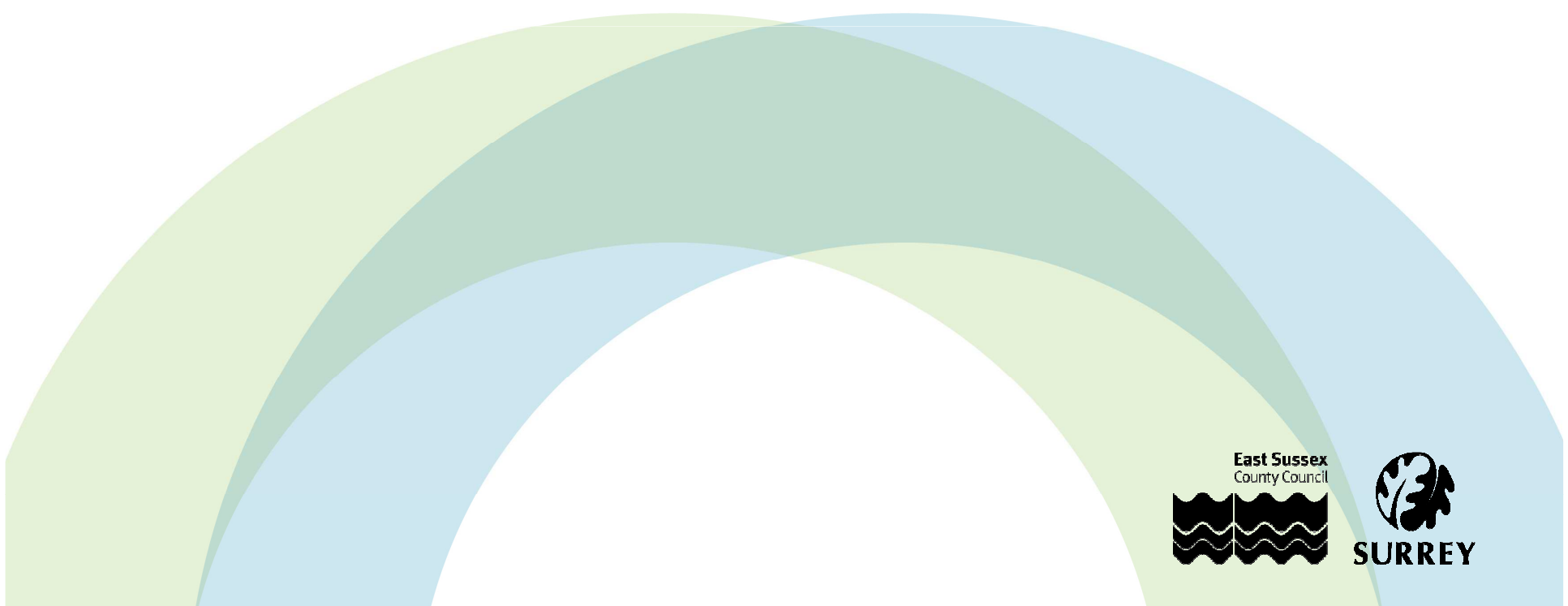
**Sustainable Growth and Commercial Development**

Developing the strategy and executing the strategy for extending areas of growth for existing traded services





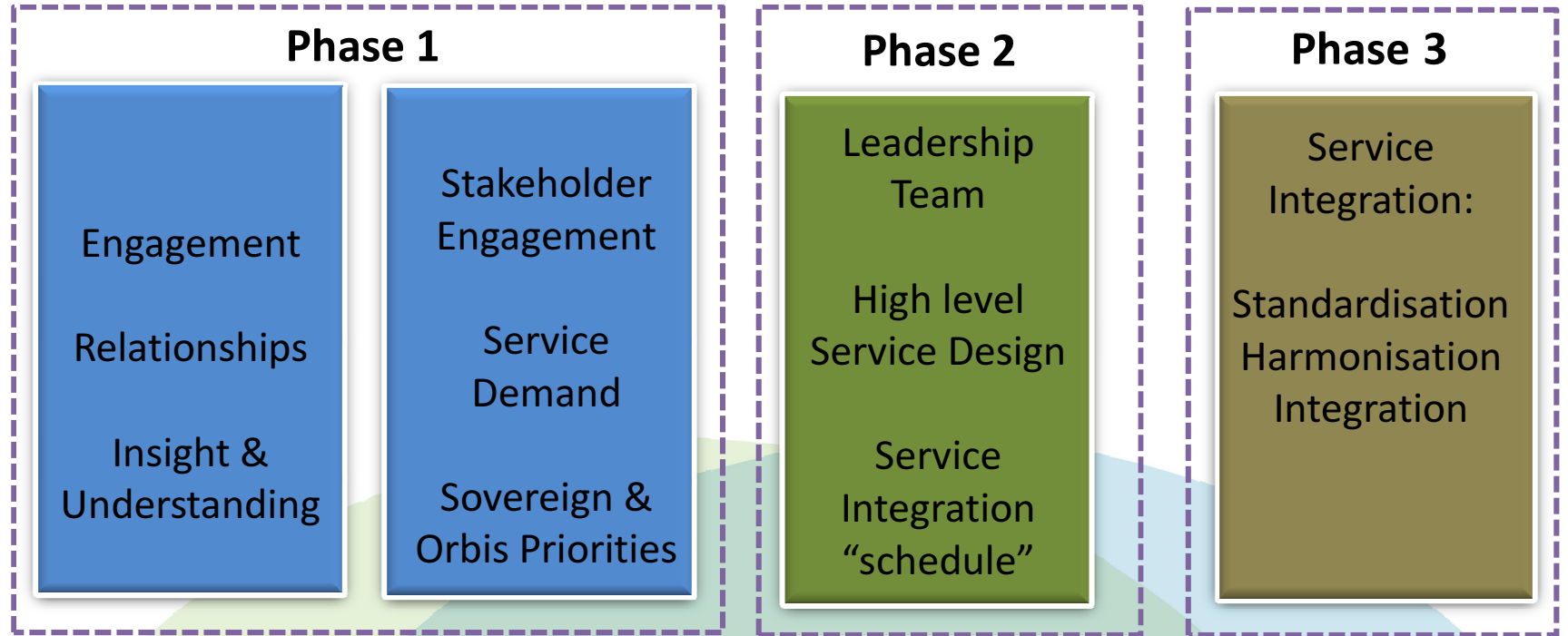
# Organisational Design: Structure



# Approach and indicative Timeline

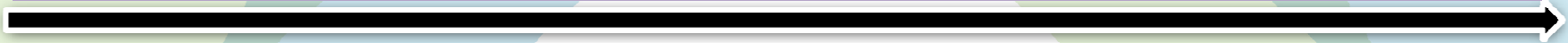


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Service Process & performance review

Architecture performance & capabilities review



Q1 16/17

Q2 16/17

Q3 16 /17 – Q4 18/19



# Before the Orbis Partnership



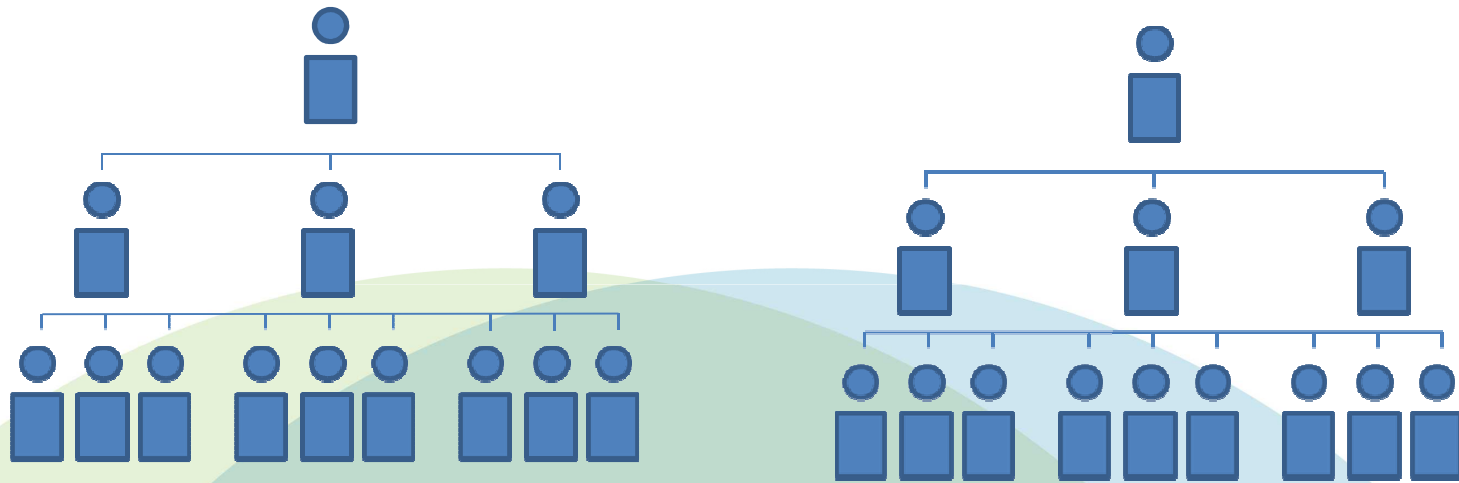
Surrey County Council

East Sussex County Council

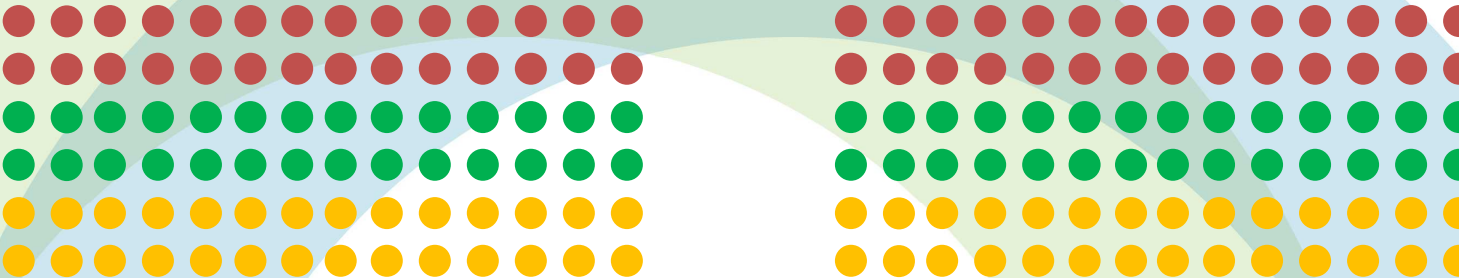
IMT

ICT

The Service



The Architecture



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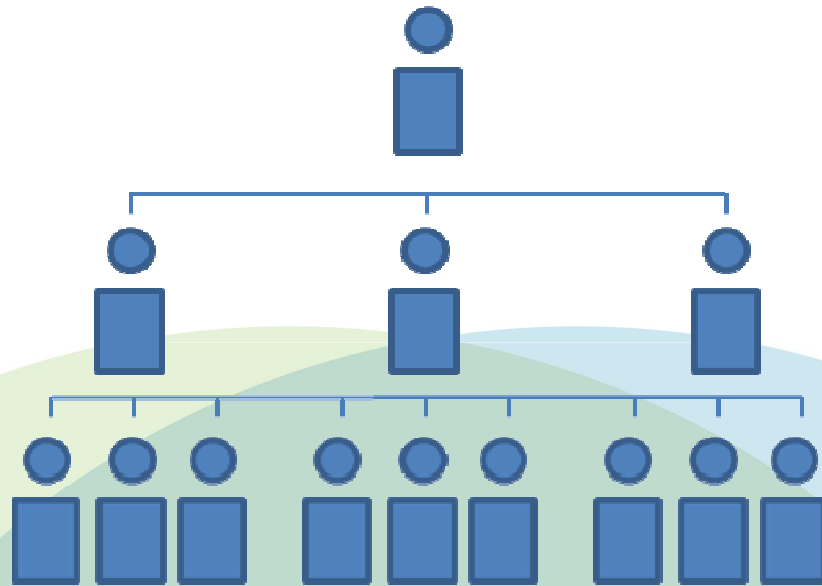
# As part of Orbis



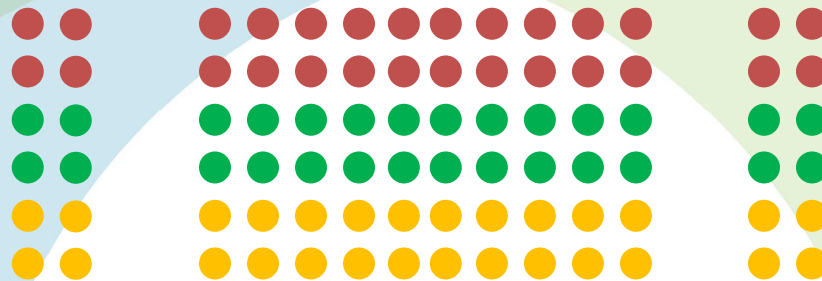
Orbis – East Sussex and Surrey County Councils working in partnership

IT & Digital

The Service



The Architecture



Sovereign

Converged

Sovereign



# Orbis IT & Digital Leadership Team



Orbis CIO

Head of Strategy and Engagement (ESCC)

Head of Strategy and Engagement (SCC)

Head of Customer and Partnerships

Head of Projects and Innovation

Head of Enterprise Technology

- Sovereign Project Sponsorship:** Sponsor or senior supplier to sovereign programmes of IT enabled change projects
- Engagement & Partnering:** Senior stakeholder relationship management and delivery of sovereign engagement mechanisms (business partnering and/or digital platform management)
- Strategy:** Development and implementation of IT and Digital strategies and policies
- Architecture:** Enterprise, Data & Solution
- Business Administration:** Financial planning and control, audit, compliance and risk Management

- IT Service Process Management:** ITIL processes and continuous service improvement.
- Corporate Service Desk and Service Fulfilment:** 1<sup>st</sup> line and 2<sup>nd</sup> line and service fulfilment for hardware and productivity tools .
- Schools & Partner ICT Support:** 1<sup>st</sup> line and 2<sup>nd</sup> line, Schools Application Management
- Partnership Growth and Consortia management:** Unicorn and Link, Data Centre, Schools IT and public sector
- Contract and Supplier Management**

- PMO:** Project pipeline; resource allocation; status monitoring and reporting
- Project and Programme Management**
- Digital Innovation (Service Design):** Business analysis and service redesign
- Digital Innovation:** Application development, Business intelligence /data analytics and systems integration
- Application Portfolio Management:** Support and maintenance of Commercial off the shelf systems

- Specialist Technical Support:** 3<sup>rd</sup> line support
- Architecture and Assurance:** Research and development, cyber-security and technical compliance
- Data Centre:** Critical environment management (hardware, compute, storage, hosting and cloud), virtualisation, automation.
- Network Infrastructure:** WAN, LAN, Voice
- Resilience and Recovery:** Event, Capacity, availability management and DR

**Key**

Sovereign Roles

Blended Roles



# Organisational Design: Target Characteristics of the Service



# Consistent



- *Acting or done in the same way over time*
- *Logically ordered and/or following the same pattern*

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- Clear service offer
- Standard processes
- Aligned and orchestrated
- EPIC behaviours



# Networked

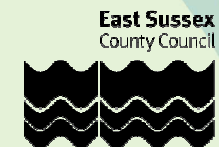


- *Connect as or operate with a network*
- *Interact with others to exchange information and develop professional or social contacts*

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- Responsible (at all levels)
- Connected
- Engaged
- Trusted



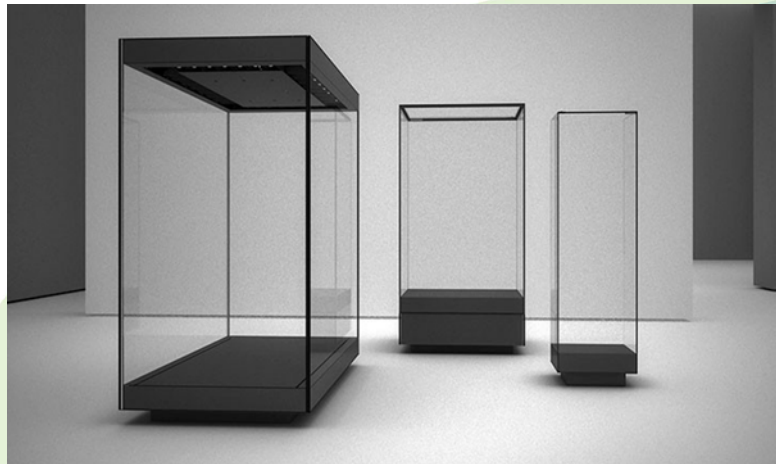


# Curator



- *Select, organise, and look after items*
- *A curator (from Latin: curare, meaning "to take care") is a manager or overseer.*

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- Applied expert knowledge
- Insight (understand business needs)
- Influence and shaping
- Present to inform



# Adaptive



- *Having an ability to change to suit different conditions.*



- Entrepreneurial
- Learning organisation
- Versatile
- Relevant

# Enabler



- *A person or thing that makes something possible.*



- Obsessively customer focused
- Make things happen
- Achieve and succeed
- Create and demonstrate value

# Staff Engagement

# Collaborative Working



Joint Leadership Team

Business Technology Solutions Board



Architecture Design Authority



# Staff Engagement



# Communication



The screenshot shows a Microsoft Teams interface for a group named 'Digital Download'. The left sidebar lists 'SEBS GROUPS' including 'Digital Download', 'YamJam', 'Epic Champions', 'Getting IT together...', 'IMT', 'Digital Leadership', and 'Orbis Update'. The main area shows a post by Paul Clarke CDCMP AMBCS dated Wednesday at 12:17pm, discussing system enhancements. A message from Matt Scott (CIO) titled 'Seeds of Change' is also visible, detailing an IT Leadership Team Away Day.

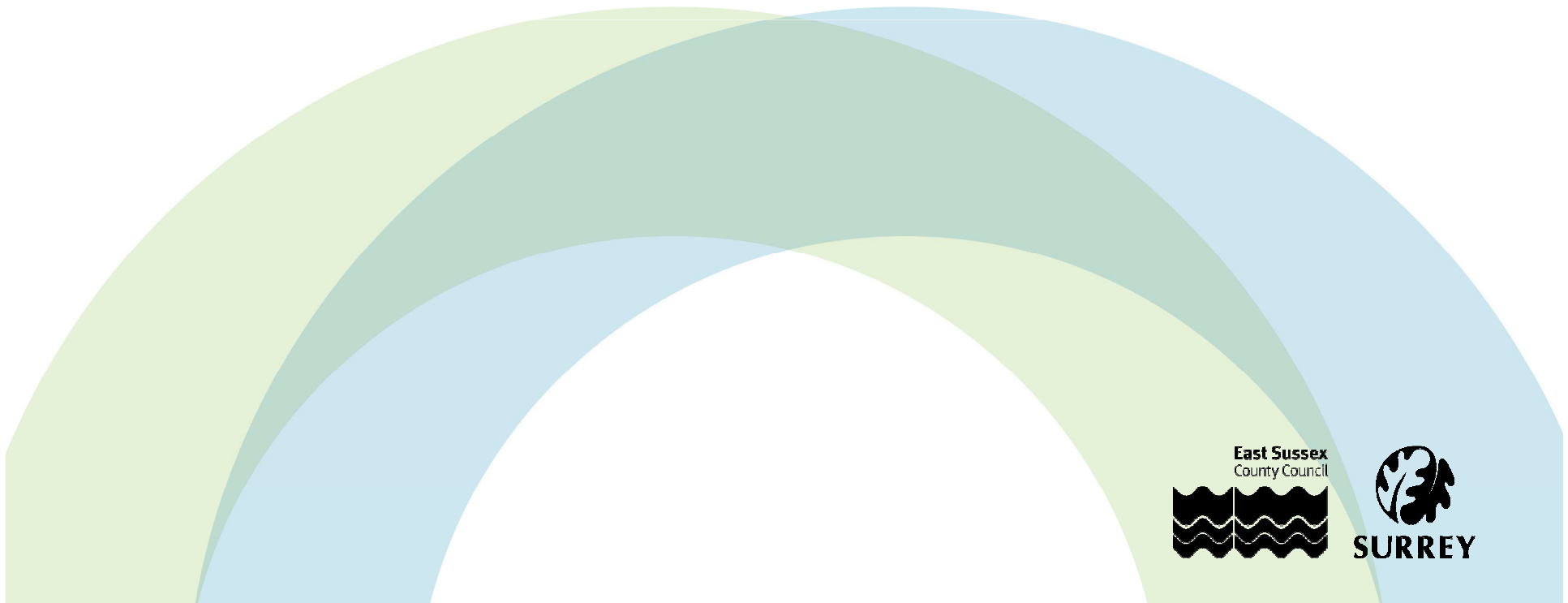
Subject: Virtual Bouquet for Dan D and Bill C

Please see below feedback from Greg and Alan on some of the work that has been happening around the new laptops - I too had my new laptop up and working within about 10 minutes, Greg is right it's good to acknowledge great work and celebrate innovative and collaborative working

Please pass on our thanks and acknowledgment of the great work to Bill and Dan and their teams -



# Cost Reduction and Savings





# Savings Target Position



The efficiencies required for the integrated IT & Digital service over the next three years are:

## Orbis Savings

- Year 1 2016/17 £135,000 (Status: Green)
- Year 2 2017/18 £989,000 (Status: Amber)
- Year 3 2018/19 £1,228,000 (Status: Amber)

---

£2,352,000

### Key:

Green: Cost reduction achieved

Amber: Further work required though good level of confidence

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# Procurement Transformation Programme

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# Change Delivery Workstreams



Buying & sourcing

Contract Performance Management

Commercial & Category Management

Supplier & Market Development

Page 72  
Ensuring that the purchasing process is simple and efficient.

Tendering and sourcing of new contracts is effective and easy.

Throughout the life of contracts; both value and performance is delivered as expected. Clear frameworks embedded across the organisation for management.

Consistent & professional procurement expertise provided to help design and deliver improved service strategies.

Supplier relationships optimised and supply chain and market initiatives in place to deliver improved value for money.

# The vision...



A transformation that will deliver a Procurement Service for our partner authorities to:

- optimise our commercial, strategic and operational skills
- consistently deliver greater efficiency and maximum added value for our customers
- achieve the best possible outcomes for our residents.

# Why change?

## Need to deliver greater value

- deliver the savings and efficiencies required
- maintain / increase ROI from cashable savings delivered through procurement
- drive greater social value from our procurement activities
- increase assurance and compliance with internal controls & regulatory requirements
- retention of a skilled professional workforce

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## Respond to customer feedback

- increased consistency
- greater clarity on the offer from the Procurement Service
- reduce handovers
- focus on specialism and value adding processes (especially contract management and purchasing)

# Developing our design



Customer engagement

Interviews and surveys with 100+ customers. Key findings collated and used to inform design. New processes developed from the customers viewpoint.

Staff engagement

Questionnaires and action groups across Procurement, with staff used to develop the designs. Strong engagement and communications plan.

Process mapping

Service 'blueprints' developed with external support & challenge. Duplication removed and efficiencies built in to new processes.

Benchmarking and best practise

Benchmarking against other Local Govt and shared services. CIPS and Hackett best practise used with additional challenge from Ernst & Young.

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# Current Procurement Service



Highways & Waste

Adults Social Care

Children's

Corporate

Property

Performance and  
Development

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- Most of the Procurement Service are structured around 'category' areas that face directorate and service structures
- Staff within these teams do a mix of:
  - Strategic sourcing: designing, planning and running competitive tenders
  - Specialist procurement advice
  - Developing category strategies and working to support commissioning plans
  - Supporting the development of supplier management
- Separate team providing insight and intelligence and some project and contract administration
- Administration for purchasing from Business Operations



# New Procurement Service



Page 77 Move to a more matrix operating model across all partner authorities

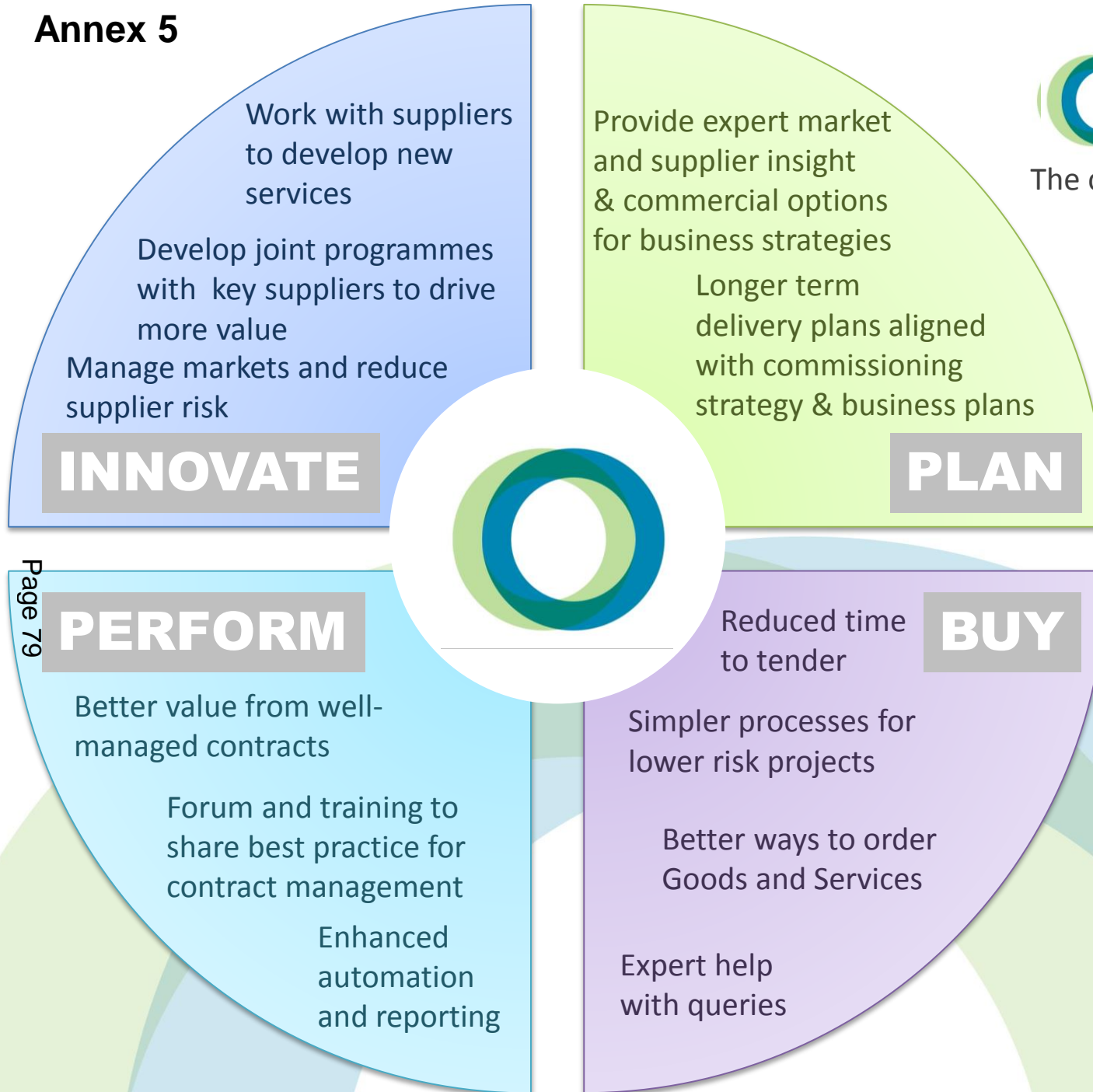
- Most of Procurement will continue to be focussed on strategic sourcing, within more flexible areas (e.g. Health & Social Care, Assets and Infrastructure, Corporate and Business)
- New specialist functional teams will provide higher quality and timely:
  - Commercial and category development
  - Support for contract management
  - Specialist supplier and market development activities
- Strengthened performance reporting and tools for stakeholders, with focus on transparency and continuous improvement

# What this means..

- ✓ More flexibility on people
- ✓ Simpler engagement process
- ✓ Customer communications improved by stronger dashboard reporting
- ✓ Clear escalation points for senior stakeholders
- ✓ Clear & consistent service offer
- ✓ Closer join up between transactional and strategic activities

## Implementing the change...

- ✓ will be a phased transition and implementation
- ✓ no immediate visible difference in your relationships where necessary handovers Nov - Jan



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Council Overview Board  
3 November 2016

**HIGH PERFORMANCE DEVELOPMENT PROGRAMME**

**Purpose of the report:**

This report provides an update to the Board on outcomes following the external evaluation of the High Performance Development Programme. This followed a request from Members to understand the return on investment from the programme agreed by Cabinet in May 2014.

**Introduction:**

1. Following the huge success of the coaching programme launched in 2009, Surrey County Council wanted to build on this success by truly developing a rounded leader. In October 2014 a new programme was launched, focusing on supporting senior leaders and managers to develop their performance in dealing with difficult issues, with confidence.
2. Following a pilot programme with 66 senior leaders, the High Performance Development Programme (HPDP) went live to the wider leadership and management community with the specific aim to 'Achieve service excellence for residents', by focusing on the following outcomes:
  - i. Challenging unacceptable behaviour, address conflict and poor performance;
  - ii. Creating a no blame culture;
  - iii. Seeking feedback on performance and being open to constructive challenge;
  - iv. Being aware of how mood can impact on others: emotional intelligence;
  - v. Leading a team inspirationally, in particular in difficult times;
  - vi. Involving and empowering people through inclusion in decision making.
3. Senior leaders and managers were faced with continued challenges relating to both financial and people resource pressures and they needed to have the resilience to be able to lead and implement unprecedented transformation and still keep services performing well on a day to day basis.
4. The HPDP was designed to support the organisation deliver this scale of challenge. It was to run over a period of three years commencing October 2014 and was aimed originally at the wider leadership and management community, including Cabinet Members.
5. The programme was widened in October 2015 to also include a short programme for staff, an introductory coaching programme for all leaders and

managers and a programme for HR to support managers in dealing with issues through a restorative approach. Please see the diagram below detailing the six elements:



6. Data relating to the 2015 Staff Survey around the specific category of Leadership and My Manager, had showed that staff believed that:
  - a. Senior Leaders were continuing to 'tell' staff and appearing not to listen;
  - b. Senior Leaders do not truly live the values;
  - c. There was some confusion around who was the Leader; and
  - d. Middle managers talk open and honestly.
7. With the staff survey data now available, in April 2016 we embarked on a programme of evaluation for the HPDP. In order to keep it impartial Surrey Business School, part of Surrey University, were engaged to conduct the process.
8. For the purposes of the evaluation, we identified the two original programmes for the senior leaders, delivered by WillisClare Coaching and leaders, delivered by Penna to be in scope. These programmes were identified to potentially have the largest impact, with the largest attendance and cost.
9. The smaller programmes which were added will be evaluated through an in-house process and so were out of scope for this piece of work.

<b>Data:</b>
--------------

10. To date 681 people have attended either the senior leader or leader programmes. Spilt between 250 people on the senior programme and 431 on the leader programme.
11. Directorate attendance over the three year period (October 2013 to October 2016) is as follows:

	<b>Leaders</b>	<b>Senior Leaders</b>	<b>Total</b>
Adult Social Care	91	58	149
Business Services / Orbis	101	76	177
Chief Executives	16	18	34
Children, Schools and Families	134	50	184
Customers and Communities	8	8	16
Environment & Infrastructure	45	26	71
Legal & Democratic Services	33	6	39
Other (directorates not recorded)	3	8	11
	431	250	681

12. The data sets which were used in relation to the evaluation of the HPDP ran from October 2013 to April 2016, as this is when the evaluation process commenced. In the last six months we have had an increased attendance from front-line directorates.
13. The total cost of these two programmes over the three year period (since October 2013) has been just over £1million. This equates to a cost of just over £1,500 per head.

#### **Findings:**

14. The final evaluation report was completed in September 2016 and provided recommendations and conclusions relating to both qualitative and quantitative data in four main areas:
- i. **Scope and impact of the HPDP:** The data collated on attendance on the HPDP, showed that the programme had great attendance overall, however, in relation to Directorate size, there was a higher level of attendance from senior leaders and managers who do not manage front-line staff, and therefore may limit the impact on service delivery
  - ii. **Understanding the nature of the impact of the programme:** The general pattern of results in the evaluation showed areas of contradiction. Services with higher attendance on the HPDP report higher satisfaction with their manager, with qualitative data reporting happier teams. However, these services are also associated with a mild increase in absenteeism and grievances. As the programme focuses on shifting leadership to high performance, this would involve management addressing areas of poor performance and this may be viewed as an inevitable consequence of the programme.
  - iii. **Assessment and data management:** The HPDP highlighted a number of issues around data compilation and management. The data was analysed by the University and they found a number of areas where the council could make improvements to data systems, which would support future decision making for management easier and clearer.

- iv. **Content of the HPDP:** Qualitative data from the evaluation showed that managers felt more comfortable in undertaking difficult conversations and addressing areas of low performance. However, this was just one aspect of developing performance and the evaluation identified that managers needed more support around the management of high performance, for both staff and teams.

15. Overall the University felt that the high-level findings showed that the council can be confident that the introduction of the HPDP appears to be resulting in a shift of leadership style to high performing. However, there are still some areas to focus on with a number of recommendations highlighted in the Executive Summary of the report. (Annex One)

## Recommendations

It is recommended that the Board:

16. Note the findings of the evaluation report and the positive difference the investment has made in starting to develop the shift in culture of the organisation.
17. Supports plans in place to re-focus the leadership and management programme to continue this journey to service excellence; building on areas identified in the evaluation as needing more attention.

## Next steps:

18. That the Human Resource and Organisational Development Service prepare an action plan around the key areas identified in the evaluation:
  - a. **Scope and impact of the HPDP:** For any remaining programmes look to target attendance around services that are front-line and for areas where performance has been identified as lower.
  - b. **Understanding the nature of the impact of the programme:** Undertake further research and monitor the impacts of the programme in the longer term to establish the reasons for a slight increase in absenteeism and grievances.
  - c. **Assessment and data management:** Undertake a review of the organisation's performance review data and how it's recorded and provided to managers so they can make evidence-based decisions.
  - d. **Content of the HPDP:** Review the current leadership and management offer to ensure it covers content identified in the evaluation such as: managing teams; evidence-based decision making and high performance work systems.
19. The HR & OD Service will also interrogate the data relating to the potential disparity between the 2015 Staff Survey results and the findings in the evaluation as it is clear that more work is needed to address the development of our leadership culture.



20. Design, develop and procure an updated programme to launch in April 2017, which takes into account feedback from the HPDP Evaluation and both the 2015 and new 2016 staff survey results.

---

**Report contact:** *Karen Archer-Burton, Organisational Development Manager*

**Contact details:** *0208 541 7683, Karen.archerburton@surreycc.gov.uk*

**Sources/background papers:**

- HPDP Evaluation report – Surrey Business School
- PPDC Report March 2014

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**Project Report to  
SURREY COUNTY COUNCIL**

**Evaluation of the Impact of the High Performance  
Development Programme for Leaders:**

**Making a Difference in the Resident Experience of  
Surrey County Council**



**UNIVERSITY OF  
SURREY**

**PRESENTED BY:  
Prof. Stephen A. Woods,  
Surrey Business School**

**PRESENTED TO:  
Anna Reed & Karen Archer-Burton,  
Surrey County Council**

## ACKNOWLEDGEMENTS

This study was undertaken and delivered by teams at Surrey Business School and Surrey County Council.

At Surrey Business School, the contributions of the following people were pivotal to completing the project:

- Dr. Jo-anne Kandola PhD
- Dr. Ying Zhou PhD
- Dr. Filip Agneessens PhD
- Dr. Ilke Inceoglu PhD

The research team gratefully acknowledge the support and work of the team at Surrey County Council, especially:

- Anna Reed
- Karen Archer-Burton

# **EXECUTIVE SUMMARY**

## EXECUTIVE SUMMARY

Recognizing the importance of leadership in delivering services of the Council, in 2014, SCC introduced the High Performance Development Programme (HPDP), a bespoke leadership development programme for all leaders in the Council. The primary aims of the programme were:

- To build on the existing coaching culture within the council
- To increase the resilience of leaders in times of change
- To equip leaders with the skills to better empower and performance manage their teams.

The intention of the Council is that all leaders complete the programme. Separate programmes are provided to leaders and senior leaders. The programme is approximately 50% delivered with circa 500 leaders have now completed the HPDP.

In January 2016, SCC released a call to evaluate the impact of the programme, specifically addressing the issue of the impact of the training on delivery of services for residents.

A team at Surrey Business School (SBS), were engaged following a tender process to conduct this evaluation. This report presents the key findings from the research.

## BACKGROUND

The aim of the HPDP is to build greater resilience in the council's leaders and to enhance their ability to empower and performance manage their staff. The HPDP has a modular format that consists of taught components, periods for reflection, feedback input and coaching sessions.

The implications of the literatures on organizational performance and evaluation methodology were applied in the design of the HPDP evaluation project. The purpose was to elaborate the focal question of the research (the impact for residents), into a series of more specific questions, answers to which permit a case to be built to understand the impact of the HPDP programme.

The research questions emerged following a half-day workshop held with officers of SCC involved in the project, and were refined by the SBS research. The questions are reported in Table E1.

## METHODOLOGY

Qualitative and quantitative data were conducted in the evaluation research. Interviews were conducted with a variety of stakeholders. In total, 19 employees (5 men, 14 women) from within the council were interviewed. Quantitative data from all employees of SCC were accessed from databases, from January 2012 to present.

Prior to conducting analyses, a substantial 'clean' of the data was required to address a number of recording anomalies and issues. This step resulted in a number constraints on subsequent analyses, and insights in improvements in data systems at SCC.

Analyses were conducted to answer the focal research questions. A variety of descriptive and inferential<sup>1</sup> statistical tests were applied.

The underlying rationale for analyses is to try to isolate the impact of the programme from general trends in outcomes across the organization.

## **RESULTS**

The main results of the evaluation research are summarized in Table E1. Both the qualitative and quantitative elements of the evaluation indicate impacts of the HPDP. These impacts are not consistently clear-cut, with some positive and negative consequences observed in the data.

## **CONCLUSIONS AND RECOMMENDATIONS**

The report details evidence of the impact of the HPDP. On the basis of the pattern of evidence, a series of conclusions and recommendations are drawn in key areas.

### **Scope of the Impact of the HPDP**

There is an important discrepancy between the assumed impact of the HPDP and the span of influence that is exercised through reporting lines in the organization. There is potential for the organizational development team to exert influence of the scope of the impact by careful selection and assignment of leaders to the programmes. To effect greater impact on resident services, the team should systematically identify and prioritize future HPDP who have a more direct influence on front-line (i.e. non-leader) staff.

#### *Recommendations*

- Clarify definitively the potential scope of influence of HPDP attendees through reporting lines.
- Develop systematic methods of prioritizing attendance and selecting leaders onto the programme who have potential to influence staff providing services directly to residents.
- Select HPDP participants based on data-driven analysis of service-level needs for performance improvement.

### **Understanding the Nature of the Impact of the Programme**

The general pattern of results in the evaluation study revealed some contradictions. For example, while services with higher attendance on the HPDP report higher satisfaction with their manager, and qualitatively report happier teams, absenteeism and grievances simultaneously appear to increase. At the service-level, increased attendance on the HPDP within services is associated with increasing absenteeism and grievances. The pattern of results is consistent with the positioning of the HPDP as part of wider organizational development.

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<sup>1</sup> Descriptive statistics demonstrate in clearest ways the differences between groups or trends over time. Inferential tests examine the statistical reliability of any observed effects.

### *Recommendations*

- Investigate whether effects on staff absence and grievance are generalized or isolated to specific low-performing staff in the services.
- Consider collecting bespoke evaluation data for the HPDP as its implementation progresses to understand attitudinal factors in staff performance outcomes.
- Monitor impact of the programme in the long term to establish the longevity of upward trends in absenteeism and grievances.
- Provide leaders with 'live' data about their teams on key performance and well-being metrics enabling evidence-based intervention where needed.
- Review content of programmes (particularly of the leadership HPDP) to include management of well-being, team management and motivation in the context of change.

### **Assessment and Data Management<sup>2</sup>**

The HPDP evaluation has highlighted a number of issues concerning data compilation and management at SCC. Data can help managers and leaders to make effective decisions about organizational development and in particular about human resource management and development. There are key areas where SCC could make improvement to data systems.

### *Recommendations*

- Initiate a review of performance assessment processes and procedures across SCC, with a view to enriching the measurement of staff effectiveness.
- Ensure that staff satisfaction and engagement assessment is integrated with performance assessment systems, to enable better and more complete reporting of data for leaders and managers.
- Undertake a review of all data capture and management systems at SCC with the objective of harmonizing and integrating databases currently in use.
- Assess the risk of current systems and means of recording personnel information.
- Develop means of delivering live data to managers and leaders to enable evidence-based decision making.

### **Content of the HPDP**

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<sup>2</sup> The organizational development team at SCC requested that following discussions about data gathering and management, the SBS team provide some commentary about this issue in the evaluation report.



Through the results of the evaluation, it is possible to draw some conclusions about how the content of the HPDP might be developed. It has already been recommended that the organisational development team review the content of the programmes in light of the evaluation findings, particularly in the case of the leadership HPDP. However, there are some specific content areas that emerge as potentially relevant for inclusion.

#### *Recommendation*

- As part of review and revision of the HPDP content, include the following areas of leadership and management:
  - a) High performance work systems, staff well-being, and managing high performance.
  - b) Managing teams
  - c) Evidence-based management and decision making
  - d) Leading for impact with residents and service users

#### **Final Comments**

The findings of the HPDP evaluation project indicate that the programme is associated with impact on a number of personnel metrics and outcomes across services in SCC. The effects may reflect the position of the HPDP as part of wider change initiatives at SCC. Our findings do therefore underline that the HPDP is an important component of that change.

The overall conclusion from this evaluation is therefore that it is justifiable that the HPDP continue to be implemented with leaders in the organization. This conclusion, however, is accompanied by a series of recommendations for improving and developing the programme. These are based on findings of the evaluation, and are made with a view to managing the impact of the HPDP effectively, and promoting greater impact with residents and service users of SCC.

Table E1: Research Questions of the HPDP Evaluation Project

Target of Impact	Research Question	Conclusions
Individual	What were participants' reactions to the HPDP?	<ul style="list-style-type: none"> <li>• Positive reactions overall by attendees</li> <li>• More positive for the senior leader HPDP</li> </ul>
	What do participants perceive they learned from the HPDP?	<ul style="list-style-type: none"> <li>• A variety of learning came from the programme</li> <li>• Difficult conversations and confronting performance confidently were consistently reported</li> </ul>
	How do participants perceive they have altered their behavior as a result of the HPDP, and how has this impacted on organizational outcomes?	<ul style="list-style-type: none"> <li>• Some clear examples of behaviour change: e.g.</li> <li>• Senior leaders felt they were more often able to have difficult conversations with staff</li> <li>• Leaders felt generally more confident in motivating their team</li> </ul>
	What is the subjective impact of the HPDP on the direct reports of HPDP participants?	<ul style="list-style-type: none"> <li>• Limited evidence perceivable by direct reports</li> </ul>
	What is the impact of the HPDP on participants' performance, absenteeism, turnover and promotion rates?	<ul style="list-style-type: none"> <li>• Absence lower for senior leaders attending the programme (non-sig)</li> <li>• Performance ratings slightly higher for leaders attending the HPDP, lower for senior leaders</li> </ul>
	What is the impact of the HPDP on direct reports' (of participants) performance, absenteeism, turnover and promotion rates?	<ul style="list-style-type: none"> <li>• Lagged effect that absence of direct reports increases 12 months post attendance</li> <li>• Non-leader absence overall increases</li> <li>• For leaders managed by HPDP attendees, some trend toward lower absence</li> <li>• Performance ratings of direct reports who are leaders increase, and who are non-leaders, decrease.</li> </ul>
Organization / Unit	What is the impact of the HPDP on service-level absenteeism, grievances, turnover, and staff engagement?	<ul style="list-style-type: none"> <li>• Absenteeism and grievances at the service level increases alongside HPDP participation</li> <li>• Staff engagement unaffected, but satisfaction with manager higher for high-attendance services</li> </ul>
	What is the impact of the HPDP on directorate-level recruitment costs?	<ul style="list-style-type: none"> <li>• Overall costs increase with directorate-level participation, variation in trend across directorates</li> </ul>
Residents / Service Users	What is the impact of the HPDP on service-level resident commendations and complaints?	<ul style="list-style-type: none"> <li>• No observable effect on commendations or complaints</li> </ul>



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