

MINUTES of the meeting of the **ORBIS JOINT COMMITTEE** held at 2.00 pm on 12 April 2018 at Members Conference Room, County Hall, Penrhyn Road, Kingston upon Thames, Surrey, KT1 2DN.

These minutes are subject to confirmation by the Committee at its meeting on Friday, 6 July 2018.

(* present)

Elected Members:

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

In attendance

Sheila Little, Director of Finance, Orbis and Surrey County Council
Kevin Foster, Chief Operating Officer, East Sussex County Council
David Kuenssberg, Executive Director of Finance and Resources, Brighton & Hove City Council
Adrian Stockbridge, Head of Performance, Strategy and Change, Orbis
Louise Lawson, Senior Principal Accountant, Surrey County Council
Brian Smith, Head of Business Operations (South), Orbis

10/18 APOLOGIES FOR ABSENCE [Item 1]

There were no apologies of absence.

11/18 MINUTES OF PREVIOUS MEETING: 19 JANUARY 2018 [Item 2]

The minutes of the meeting held on 19 January 2018 were agreed as a true record of the meeting.

12/18 DECLARATIONS OF INTEREST [Item 3]

There were no declarations of interest.

13/18 PROCEDURAL MATTERS [Item 4]

a MEMBERS' QUESTIONS [Item 4a]

There were no Member questions.

b PUBLIC QUESTIONS [Item 4b]

There were no public questions.

14/18 FEBRUARY BUDGET MONITORING [Item 5]

Declarations of interest:

None

Witnesses:

Sheila Little, Director of Finance, Orbis and Surrey County Council
Kevin Foster, Chief Operating Officer, East Sussex County Council
David Kuenssberg, Executive Director of Finance and Resources, Brighton & Hove City Council
Louise Lawson, Senior Principal Accountant, Surrey County Council
Adrian Stockbridge, Head of Strategy, Performance and Change, Orbis

Key points raised during the discussion:

1. Officers set out the forecast £2.4m underspend of Orbis operating budget at year end.
2. The Committee noted that the forecast underspend was made up of £1.1m of 2018/19 savings having been delivered earlier than anticipated; and the remaining £1.3m was predominantly delivered through the holding of vacancies in anticipation of future restructuring.
3. Officers explained that the Partnership had needed to draw on less earmarked investment funds than anticipated. The Partnership had spent more on redundancies than planned, however this was counteracted by the delivery of additional early savings.
4. Members acknowledged the level of agency spend, which had been included in the report following a request from SCC's Corporate Services Select Committee to review agency staffing spend. It was explained that agency staff were mainly used for specialist roles, short term project work or to cover business critical vacancies. Members were satisfied that, at 4%, the level of agency spend was not an outlier. Officers further explained that a few high cost posts were due to be challenged as they had been occupied by agency staff for a long term tenure.
5. Officers highlighted that the agency staffing figures were for SCC and ESCC only. Members noted that BHCC usage of agency staff was high, particularly within IT & Digital, however there had been a 20% decrease in agency staff usage.
6. Members were informed that the Head of Strategy, Performance and Change was due to brief HR regarding the profile of spend and level of agency spend; and to review workforce strategies. Officers agreed to bring an update on this piece of work to the next meeting of the Joint Committee.

RESOLVED:

The Joint Committee noted the updated budget position and reviewed the Partnership's staffing and agency expenditure as requested by SCC's Corporate Services Select Committee.

15/18 ORBIS OPERATING BUDGET 2018/19 [Item 6]

Declarations of interest:

None

Witnesses:

Sheila Little, Director of Finance, Orbis and Surrey County Council
Kevin Foster, Chief Operating Officer, East Sussex County Council
David Kuenssberg, Executive Director of Finance and Resources, Brighton & Hove City Council
Adrian Stockbridge, Head of Strategy, Performance and Change, Orbis.

Key points raised during the discussion:

1. Officers introduced the report, highlighting that the inclusion of Brighton & Hove City Council into the Joint Operating Budget took the budget to £66m.
2. Members noted the proposed contributions of each authority was likely to be: BHCC 21%, ESCC 24%, SCC 55%.
3. Members noted that the risk ratings attached to various savings in the report were coded as either green or amber. Officers explained that green meant that the savings were on track to be delivered and there was confidence that these were achievable; whilst amber meant there were some barriers to delivery that needed to be overcome before the savings would be delivered.
4. Members questioned what the savings related to. It was explained that as most of the Joint Operating Budget is staffing costs, the savings are all as a result of reduction of headcount.
5. The Orbis Director of Finance explained that within Finance, the green saving was related to the delivery of centres of expertise to streamline service delivery. The amber saving was related to the front facing service elements which would need more engagement before changes could be implemented.
6. Members questioned how the savings were proportioned, and officers explained that savings are proportionate to costs, in line with the agreed contribution ratios.
7. Officers explained that there were different processes across the three partner authorities which needed to be reviewed to ensure consistency. An example of this was staff monitoring. The Orbis Director of Finance explained that in SCC, this is currently done quarterly, whereas in ESCC, this has been reviewed monthly. It was confirmed that a risk based approach was to be taken across all three authorities to allow consistency and Members noted that this would have some effect on the savings being made.
8. Members enquired about the management non-staff costs as detailed in the report. It was explained that this was a pension adjustment.
9. Officers informed Members that savings were more achievable across the three partner authorities due to economies of scale. Members noted that having three partners provided more resilience and best practice.
10. There was some discussion about how overheads were accounted for. It was explained that this was part of the Managed on Behalf of (MoBo) budget and was sovereign specific. Officers explained that if a service

was to move location as it was cheaper elsewhere, any savings after costs would be returned to the relevant sovereign authority.

11. Members questioned where the incentives lay to move services to the most economic location. It was explained that this and all similar financial choices were kept under review. The level of complexity regarding a specific decision would dictate whether it formed part of 'business as usual' or if it needed to be treated as an issue requiring special consideration.
12. Officers explained that a piece of work on demand management was currently being undertaken to ensure services were being delivered right first time. Members acknowledged that this was particularly important in Business Operations, where a lot of the work was transactional.
13. It was noted that in some areas, the focus on demand management to achieve improved efficiency could feel like a decrease in the level of service being received, particularly as procedural compliance is enforced. It was explained however, that signposting customers to the correct process would usually reduce failure demand, speed up transactions and allow more focus to be placed on strategic activity.
14. Members questioned the savings risk rating against the Property service, as £751k was rated as amber. It was explained that work was ongoing in Property; and it was suggested that the Chief Property Officer could bring an update to the next Joint Committee meeting under the 'service update' item. Members agreed that this would be useful.

RESOLVED:

The Joint Committee agreed the recommended level of 2018/19 contributions to the Orbis Joint Operating Budget for approval by ESCC and SCC Cabinets and BHCC.

16/18 STAFF SURVEY [Item 7]

Declarations of interest:

None

Witnesses:

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

David Kuenssberg, Executive Director of Finance and Resources, Brighton & Hove City Council

Adrian Stockbridge, Head of Strategy, Performance and Change, Orbis

Key points raised during the discussion:

1. Officers introduced the report by explaining that Orbis staff had participated in the Surrey Best Companies staff survey, with a response rate of 64%.
2. Members noted that the pattern of scores mirrored the overall Surrey results, with 'My Team' and 'My Manager' amongst the highest scoring areas; and 'Fair Deal', 'Leadership' and 'Giving Something Back' amongst the lowest scoring areas.
3. Members noted that there had been some confusion within the 'Leadership' category as the survey cited the leader to be David McNulty, former Chief Executive of SCC. This was because the survey

was commissioned by Surrey and therefore written as though it was sovereign specific. It was acknowledged that this would have had some impact on the 'Leadership' scores across the Partnership.

4. Members were informed that some measures had been identified following analysis of the survey results. These included increasing visibility of management and creating action groups with staff to discuss issues and gain feedback on set areas. An example of this was an upcoming session on 'Giving Something Back', to discuss volunteering and whether the Orbis Partnership was doing enough to support communities.
5. Members noted that 'Fair Deal' scores had decreased across all three partners, but scored the lowest within BHCC. An officer explained that the Director of Best Companies had talked about the potential to change the perception of pay through the inclusion of benefits and their value as part of the overall pay package.
6. Members were informed that given the restructures that had taken place across the Orbis Partnership, a backwards trend in some areas of the survey was expected. It was highlighted, however, that within 'My Team' and 'My Manager' scores improved, which was a positive result as managers had put a lot of effort into leading through change.
7. Officers explained that the survey was the last one of a three year contract with Best Companies and that the tool for future surveys had not yet been decided.
8. Members suggested that the annex to the report was quite complicated. It was suggested that a focus on three or four key metrics would simplify things; and that it would be useful for a summary of actions being taken and next steps to come to a future meeting for the Committee to review.

RESOLVED:

The Joint Committee noted the report and the approach being taken at an Orbis wide and a service specific level.

17/18 BUSINESS OPERATIONS SERVICE UPDATE [Item 8]

Declarations of interest:

None

Witnesses:

Brian Smith, Head of Business Operations (South)

Adrian Stockbridge, Head of Strategy, Performance and Change, Orbis

Key points raised during the discussion:

1. The officer introduced the report and explained that the journey towards service integration for the SCC and ESCC service had been impacted by the addition of BHCC to the Orbis Partnership. The staff headcount doubled from 250 to 500 as a result of BHCC joining.
2. Members were informed that the initial task undertaken was a review of the management structure, with some reorganisation to realise savings.
3. The officer explained that the next steps of integration were underway, with some role deletions to reduce duplication; and the bringing together of staff onto one or two sites instead of across all three.

4. There was some discussion about the introduction of robotics to remove the need for repetitive processes to be carried out by staff, enabling them to focus on more value-added tasks.
5. Members noted that a process relating to the administration of a teacher pension which would typically take a full time equivalent two days to complete could be done in 15 minutes with the introduction of robotic processing.
6. Members enquired about the cost of the robotics. Officers explained that sometimes robots would be bought in for a specific purpose. This was exemplified in that a pensions backlog was cleared by a robot brought in for £3000 for a three month period. It was added however, that buying was not the only option as some of the robotic coding had so far been carried out in house by existing staff. It was currently considered to be sustainable using in house talent, however future procurement of robots was possible, subject to the submission of a valid business case.
7. Officers explained that there was no budget for robotics, however any initial outlay would be gained back through the efficiencies it delivered.

RESOLVED:

Members noted the service update.

18/18 EY- MARKET INSIGHT UPDATE [Item 9]

Declarations of interest:

None

Witnesses:

Adrian Stockbridge, Head of Strategy, Performance and Change, Orbis

Key points raised during the discussion:

1. Members were informed that the report had been delayed and therefore would be circulated electronically upon receipt.

RESOLVED:

The Joint Committee noted that the report would be circulated electronically upon receipt.

19/18 ORBIS PERFORMANCE FRAMEWORK [Item 10]

Declarations of interest:

None

Witnesses:

Adrian Stockbridge, Head of Strategy, Performance and Change, Orbis

Key points raised during the discussion:

1. The Head of Strategy, Performance and Change explained that the framework being developed would allow both the Orbis Leadership Team and Members to review performance of the Partnership by a series of measures.

2. Members were informed that the Performance Framework was due to launch in line with the new financial year and that an update and overview on performance could be provided to each future meeting of the Joint Committee.

RESOLVED:

The Joint Committee noted the progress being made in developing an Orbis Performance Framework and reviewed the initial datasets provided in the Part 2 report.

20/18 INTER AUTHORITY AGREEMENT (IAA) [Item 11]

Declarations of interest:

None

Witnesses:

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

Key points raised during the discussion:

1. The Director of Finance introduced the report, explaining that an Inter-Authority Agreement (IAA) was a legal requirement of the Partnership.
2. It was explained that an interim one year IAA was in place for 2017/18 to reflect Brighton & Hove City Council joining the Partnership in May 2017 in shadow form.
3. Members noted that it was necessary to bring BHCC fully into the Partnership from 2018/19, providing equal status to all Partners.

RESOLVED:

The Joint Committee endorsed the Inter-Authority Agreement between the three Councils.

21/18 EXCLUSION OF THE PUBLIC [Item 13]

RESOLVED: That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information under the relevant paragraphs of Part 1 of Schedule 12A of the Act.

22/18 ORBIS PERFORMANCE FRAMEWORK [Item 14]

RESOLVED:

That the information within the Part 2 report be noted, in conjunction with the recommendation made in the Part 1 report (item 10).

23/18 INTER AUTHORITY AGREEMENT (IAA) [Item 15]

RESOLVED:

That the information within the Part 2 report be noted, in conjunction with the recommendations made in the Part 1 report (item 11).

24/18 PUBLICITY OF PART 2 ITEMS [Item 16]

It was agreed that non-exempt information may be made available to the press and public, where appropriate.

25/18 FORWARD WORK PROGRAMME [Item 12]

Witnesses:

Adrian Stockbridge, Head of Strategy, Performance and Change
Sheila Little, Director of Finance, Orbis and Surrey County Council
Kevin Foster, Chief Operating Officer, East Sussex County Council
David Kuenssberg, Executive Director of Finance and Resources, Brighton & Hove City Council

Key points raised during the discussion:

1. Members agreed to receive a service update from Property at the next Joint Committee meeting in July.
2. Members noted that a Performance Monitoring update would become a standing item at future meetings, as per the Budget Monitoring report.
3. There was some discussion about the draft procurement strategy and whether any other strategies were under review. Officers explained that most services would have three sovereign specific strategies to accompany an overarching integrated service strategy.
4. Officers agreed that they would bring a report on the consistency of service delivery and degree of integration to the next meeting in July.

RESOLVED:

Members noted the Forward Work Programme as amended.

26/18 DATE OF THE NEXT MEETING [Item 17]

The Committee noted that its next meeting would be held on Friday 6 July 2018 at Hove Town Hall.

Meeting ended at: 3.34 pm

Chairman