

MINUTES of the meeting of the **ORBIS JOINT COMMITTEE** held at 2.00 pm on 22 January 2021 at Remote Microsoft Teams - Surrey.

These minutes are subject to confirmation by the Committee at its meeting on Thursday, 3 June 2021.

Elected Members:

- * Cllr Daniel Yates
- * Cllr David Gibson
- * Cllr Nick Bennett
- * Bob Standley
- * Mr Mel Few
- * Dr Zully Grant-Duff

1/21 APOLOGIES FOR ABSENCE [Item 1]

There were no apologies for absence.

2/21 DECLARATIONS OF INTEREST [Item 2]

There were none.

3/21 MINUTES OF PREVIOUS MEETING (16 OCTOBER 2020) [Item 3]

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

4/21 PROCEDURAL MATTERS [Item 4]

a MEMBERS' QUESTIONS [Item 4a]

There were none.

b PUBLIC QUESTIONS [Item 4b]

There were none.

5/21 ORBIS PERFORMANCE MONITORING [Item 5]

Witnesses:

Nikki Neal - Head of Strategy, Performance and Change
Leigh Whitehouse - Executive Director of Resources (SCC)
Phil Hall - Acting Chief Operating Officer (ESCC)

Key points raised in the discussion:

1. The Head of Strategy, Performance and Change introduced the report and highlighted that there were amendments to section seven of the report 'People insight' which had been circulated with the Committee and is attached as Annex A showing tracked changes.
2. The Head of Strategy, Performance and Change summarised that:
 - a) There were a number of changes to the services within the Orbis Partnership last year, relating to the disaggregation of services and

resulting contribution ratios. The two main changes were: the full disaggregation of the Property service from 1 April 2020 reverting to sovereign control in all partner locations; HROD and Finance services reverted to sovereign control (with the exception of some centres of expertise CoE) in SCC but remained integrated across BHCC and ESCC; and the agreement on 30 June 2020 to transfer the Pensions Administration service from Business Operations to ESCC and SCC finance functions to allow greater strategic capacity and alignment.

- b) Regarding each of the services' three-year savings profile, IT&D and Procurement were on plan to achieve their individual savings targets taking over just £800k, but it was unlikely that the £750k savings target for Business Operations would be met. Plans for improvement had been paused due to Covid-19 and the service was working to close the gap through greater alignment between the three sovereign authorities - discussions were underway at the joint management board.
 - c) The ERP replacement projects in SCC: Digital Business & Insights (DB&I) programme and ESCC: Modernising Back Office Systems (MBOS) programme were at different stages. In SCC, Unit 4 had been awarded the contract and would manage critical processes, with a proposed go-live date of 1 December 2021. In ESCC, the main objective was to implement a modern system across the critical processes and was at the final stage of procurement with planned implementation in April 2023.
 - d) The Performance and Change team was delivering change programmes such as the Developing Partnering Excellence Programme and staff-based initiatives across the Partnership with over twenty-one unique sessions for staff last year and eighty-five digital events - which had higher attendance and so a 'virtual first' approach including e-learning was prioritised, a demonstration of the intranet site Orbis Home was provided which collated resources for staff.
 - e) The spending on agency staff for Orbis overall decreased slightly compared to Q1 2020/21, BHCC and ESCC FTE had remained stable with a reduction in FTE in SCC due to the transfer in June of Pensions Administration staff from Business Operations into the Finance service.
3. A Joint Committee member queried the disaggregation of services which contradicted the founding principle of the Orbis Partnership of integration across the sovereign authorities.
- a) In response, the Executive Director of Resources (SCC) noted that over the last few years there had been a refinement of shared services across the Partnership which was consistent with the original aims of the Partnership, as integration was a benefit for some areas but a complication to other areas. He explained that he would provide the Joint Committee with a restatement of the Partnership position across the services and sovereign authorities.
 - b) Responding to the Joint Committee member further, that restatement would also include the business plan approach noting areas the Partnership was strongest at.
4. A Joint Committee Member queried what the differences were between the two different ERP applications in ESCC and SCC; and why ESCC and SCC were not doing joint procurement as they share the same services and IT system.

- a) In response, the Acting Chief Operating Officer (ESCC) noted that the system in ESCC had not yet been chosen as three suppliers were being evaluated one of which the same chosen by SCC.
 - b) In response, the Executive Director of Resources (SCC) explained that several years ago there was an exercise which looked at joint procurement across the Partnership, but due to the complexity of the task it was abandoned. SCC chose to go independently on its procurement due to the complexity and it was the only option within the timescale as SCC's existing system was at the end of its life.
- 5. The Joint Committee member further queried if the two different ERP systems was another example of the disaggregation of services within the Partnership; querying how back office functions would be modernised with two different computer systems.
 - a) In response, the Executive Director of Resources (SCC) noted that there were shared teams working with the two systems, although that was not as far a step forward should a single system have been chosen. He noted that once ESCC's procurement phase was concluded, there would be a review of the extent to which the processes could be aligned.
 - b) The Chairman responded that as part of the recommendations the Joint Committee had an opportunity to decide on which service should be the subject of the next spotlight performance review, proposing that it should be Procurement based on the discussions.
- 6. A Joint Committee member noted confusion between integration and disaggregation within the Partnership, noting the possible long-term benefits of sharing the same systems across the sovereign authorities.
 - a) In response, the Acting Chief Operating Officer (ESCC), recognised the benefits of standardising processes where possible and that ESCC would consider that as part of the implementation process.
 - b) The Chairman questioned that as SCC were moving forward with its implementation phase, whether there would be an opportunity to have joint conversations with ESCC on procurement.
 - c) In response, the Executive Director of Resources (SCC) confirmed that the programme manager at SCC for the DB&I programme shared updates regularly with the MBOS programme lead at ESCC and that teams working on SCC's ERP programme would in turn work on ESCC's ERP programme, so there were opportunities to align.
- 7. The Chairman queried why agency spend remained high on Management.
 - a) In response, a Joint Committee Member assumed that it was due to the separate IT systems and external consultants needed to scope the various programmes.
 - b) The Executive Director of Resources (SCC) clarified that agency spend was high as there were several projects and pieces of work across the Management service that required that short-term resource.

8. The Chairman queried whether the unfunded Data Protection Officer within IT&D was a single officer across the three sovereign authorities.
 - a) In response, the Acting Chief Operating Officer (ESCC) clarified that the post for a single unfunded DPO was in place across the three sovereign authorities.

RESOLVED:

That the Joint Committee:

1. Noted the information presented as a reflection of 2020;
2. Noted the Orbis service performance information presented;
3. Agreed that the Procurement service should be the subject of the next service spotlight performance review.

Actions/further information to be provided:

1. The Executive Director of Resources (SCC) will provide the Joint Committee with a restatement of the Partnership position across the services and sovereign authorities; including the business plan approach noting areas the Partnership was strongest at.
2. The Head of Strategy, Performance and Change will provide Joint Committee members with an in-depth look at Orbis Home should they request it.

6/21 SERVICE SPOTLIGHT - INTERNAL AUDIT [Item 6]

Witnesses:

Russell Banks - Orbis Chief Internal Auditor

Key points raised in the discussion:

1. The Orbis Chief Internal Auditor introduced the report and summarised that:
 - a) The Internal Audit (IA) service was an integrated Orbis Partnership function led by a single Chief Internal Auditor appointed in April 2017, with a new integrated structure in effect from April 2018.
 - b) IA was a statutory service in the context of the Accounts and Audit Regulations 2015, which must comply with the Public Sector Internal Audit Standards (PSIAS).
 - c) At the time of establishing IA, the service was restructured which saved 25% of the then net budget. Part of rationale for integration was to keep locally based services in each of the sovereign authorities but to also maximise the opportunity to utilise shared knowledge. Three smaller sovereign based teams were created along with two specialist teams in the areas of ICT Audit and Counter Fraud which operated across the Partnership.
 - d) Streamlining was undertaken during the integration, with a new electronic audit management system implemented as well as a range of efficiencies as staff across the Partnership operated in a

standardised way using same systems, report templates and format of audit opinions.

- e) There were a range of external clients such as Horsham District Council since 2018, which involved a TUPE transfer of a small number of staff -reducing resource risk - and external client work made a contribution to overall service overheads.
 - f) Historically, recruiting experienced IA staff was a challenge, so there was a recent shift to recruit entry level staff, invest heavily in professional training and reduce spending on agency staff. As a result, for the first time since the creation of the Partnership, the number of audit days across the three sovereign authorities would be increased without a budget increase for 2021/22.
 - g) As part of the approach to core service delivery, there was regular reporting throughout the year on the delivery of work and performance of IA service through the respective senior leadership teams and audit committees. Those reports were on a quarterly basis and tracked the performance indicators, with an annual report and IA opinion, as well as self-assessments and a full independent external assessment of the service at least once every five years - the last was commissioned in 2018 in the first year and received the highest level of performance against those standards; noting confidence though self-assessments that level of professional compliance was maintained.
 - h) IA reacted quickly to Covid-19, such as by suspending audit activity in frontline service delivery, as well as providing advice to services in recognising that normal systems and processes needed to be delivered in a different way.
 - i) Despite the change of activity, the service remained confident that it would deliver sufficient coverage across all three sovereign authorities in order to give the annual opinion for 2021, with plans underway for 21/22 with built-in flexibility.
2. A Joint Committee member noted concern with the 90% target for Productivity and Process Efficiency as part of the Orbis IA performance indicators; as well as concern with the 80% target for Our Staff as part of the Orbis IA performance indicators - which was of particular concern due to the earlier comment that Orbis was in the market looking for customers, as the services were unique to a particular unit and staff would be stretched beyond the three sovereign authorities to other external clients.
- a) In response, the Orbis Chief Internal Auditor explained that the target was to deliver 90% of those audits that were detailed in the audit plan to draft report stage by 31 March - the target was not 100% as there was no absolute cut-off, some audits that were still in progress at the end of the year would spill over.
 - b) In response, the Orbis Chief Internal Auditor explained that the current level of achievement for qualified staff was slightly greater than the target, at 85%. The reason that it was not 100% was due to the shift in the recruitment approach, as detailed earlier. There were also a number of staff training for the professional qualification and so were not included in that 80% target. High quality staffing and adequate provision across the three sovereign authorities was vital.
 - c) The Joint Committee member emphasised his concern about taking on new clients with unknown liabilities and without due diligence, as it strayed beyond the remit of the internal functions

- within the three sovereign authorities; noting that the Joint Committee should give it serious concern going forward.
3. A Joint Committee member queried whether the 90% satisfied target for Quality as part of the Orbis IA performance indicators, was the internal satisfaction of the audit investigated or of the client's response to the service provided.
 - a) In response, the Orbis Chief Internal Auditor explained that the target for satisfaction related to the level reported by the client of the service that they have received from Orbis IA. A questionnaire seeking client feedback was issued for each assignment.
 - b) In response to the Joint Committee member's further comment on the correlation between the audit opinion and the level of satisfaction, the Orbis Chief Internal Auditor noted that possible relationship.
 4. A Joint Committee member agreed with the earlier comment on the need for due diligence when taking on new clients.
 - a) In response, the Chairman recognised those reservations concerning new clients, noting caution over not stretching beyond the Partnership's capabilities with the need to assess the viability of service provision and ensuring due diligence.
 - b) A Joint Committee member noted that it was only a serious concern if due diligence was not exercised.
 - c) The Chairman noted that due diligence should be demonstrated and that there should be a full impact assessment on the impact across the Partnership, as well as a need for a business case when taking on new clients.
 - d) In response, the Orbis Chief Internal Auditor reassured the Joint Committee that a comprehensive due diligence exercise was undertaken for the last client taken on board, Horsham District Council. A comprehensive business case was also undertaken which set out the justification for the arrangements and financial implications, which was signed off by finance colleagues. He added that unique to IA, was that each individual in the team accounted for their time spent on each activity so that could be accurately monitored.
 5. The Chairman sought clarification on the current degree of the impact of Covid-19 in relation to the suspension of some audit activities and on resources and their prioritisation.
 - a) In response, the Orbis Chief Internal Auditor clarified that Covid-19 continued to impact the IA service across a number of ways: such as access to timely information, the suspension of audit activities in Adult Social Care, other external services took longer to respond to IA enquiries due to the pandemic and staff in IA were redeployed to other services to support their delivery.
 - b) The Orbis Chief Internal Auditor added that areas of priority such as the key financial systems of the sovereign authorities were being focussed on and the annual audit opinion was planned to be delivered on time. Suspended areas of work were not lost sight of and were considered in the plans for next year.
 - c) In response to the Chairman's further query on whether detailed risk assessments were carried out when looking at the priority areas, the Orbis Chief Internal Auditor confirmed that was the case and that he was working closely with the heads of audit across the country, looking at whether the priorities were consistent with others'.

RESOLVED:

The Orbis Joint Committee noted the achievements and on-going service developments for the partnership service.

Actions/further information to be provided:

The Joint Committee will monitor the issue of ensuring due diligence when taking on new clients, including full impact assessments and business cases

7/21 ORBIS BUDGET MONITORING REPORT [Item 7]

Witnesses:

Thomas Alty - Head of Finance

Key points raised in the discussion:

1. The Head of Finance introduced the report and summarised that:
 - a) It reflected the new Orbis operating model from 2020/21 with “Fully integrated”, “Partially integrated” or “Centres of Expertise”.
 - b) As a result of services being withdrawn under the new operating model, the 2020/21 budget was £39.3mn, compared to £60mn last year.
 - c) As at Q2 the forecast year-end outturn was a £769k overspend due to the slippage of the savings delivery in Business Operations. With smaller underspends projected in Finance and HR due to lower levels of staffing turnover and an underspend in the CoE budget.
 - d) The overspend in staffing was offset by underspends in non-staffing due to lower levels of training and travel expenses; and there was a slight over recovery of income due to more staff than was budgeted for.
 - e) The highest amounts of agency spend were in IT&D and Management.
 - f) Business Operations had a red rating in efficiency targets as savings were not on track to be delivered.
 - g) Under the new operating model there were separate contribution ratios for the separate elements/level of integration in the partnership.
 - h) The agreed percentages of contribution rates determined the net contribution per partner, with Surrey taking on the largest proportion.
2. In response to the Chairman’s query on the variance at Q2 for the Orbis Operating Budget, the Head of Finance explained that the projected year-end variance could decrease from £770k.
3. A Joint Committee member noted concern with the current £750k savings deficit in Business Operations for 2020/21, as the three sovereign authorities would have to pay that deficit.
4. The Chairman recognised the above concern and noted concerns about budget preparations, suggesting that they be shared as early as possible such as in Q3.

RESOLVED:

The Orbis Joint Committee noted the report.

Actions/further information to be provided:

Budget preparations for all three authorities will be shared as early as possible, aiming for Q3.

8/21 DATE OF THE NEXT MEETING [Item 10]

The Committee noted that its next meeting would be held on 3 June 2021 and will be hosted by East Sussex County Council.

Meeting ended at: 3.22 pm

Chairman

BRIGHTON & HOVE CITY COUNCIL
EAST SUSSEX COUNTY COUNCIL AND
SURREY COUNTY COUNCIL

ORBIS JOINT COMMITTEE MEETING

DATE: 22ND JANUARY 2021

LEAD OFFICER: NIGEL MANVELL (ACTING CHIEF FINANCE OFFICER BRIGHTON & HOVE CITY COUNCIL), PHIL HALL (ACTING CHIEF OPERATING OFFICER EAST SUSSEX COUNTY COUNCIL), LEIGH WHITEHOUSE (EXECUTIVE DIRECTOR OF RESOURCES SURREY COUNTY COUNCIL)

SUBJECT: ORBIS PERFORMANCE MONITORING

SUMMARY OF ISSUE:

To provide an update on key performance metrics across the partnership.

RECOMMENDATIONS:

It is recommended that the Joint Committee:

1. Note the information presented as a reflection of 2020;
2. Note the Orbis service performance information presented;
3. Agree which service should be the subject of the next service spotlight performance review.

REASONS FOR RECOMMENDATIONS:

The responsibility of the Joint Committee is to oversee and improve the delivery of the services for the benefit of each participating council and in particular to monitor the Orbis Business Plan and performance of the partnership.

DETAILS:

1. Introduction

- 1.1. In recognition that this is the first meeting of 2021 it felt appropriate to reflect on 2020 which saw changes for the partnership in terms of the disaggregation of services and resulting contribution ratios; challenges in terms of the savings ask but also opportunities in so much that:
 - ESCC and SCC are both in the process of procuring a new Enterprise Resource Planning (ERP) platform and;

- as a result of the increase in remote working due to Covid, the Orbis Performance and Change team were able to reach a much larger proportion of staff with the people initiatives delivered.

1.2. This paper therefore provides members with an update on the following areas:

- which services have been disaggregated;
- authority contribution ratios;
- service savings profile;
- the projects to replace the ERP platforms at ESCC and SCC;
- Activity driven by the Orbis Performance and Change team during 2020 and its impact on staff.

1.3. During the meeting, Orbis Home will be demonstrated to show members how activity is supported via the integrated Orbis 'intranet' site.

1.4. As is usual practice, this paper also provides Joint Committee with service performance and people insight data.

2. Disaggregation and contribution ratios

2.1. Following a review of the partnership the following changes took effect from 1st April 2020: the Property service returned to sovereign control in all partner locations; HROD and Finance, with the exception of some centres of expertise (CoE), reverted to sovereign control in Surrey but remained integrated across BHCC and ESCC. HROD and Finance are therefore referred to as partially integrated services.

2.2. From 30th June 2020 it was agreed to transfer the Pensions Administration service to East Sussex and Surrey Finance functions to allow for greater strategic capacity and closer alignment to the fund management. Previous to this Pension Administration was part of Business Operations. Significant changes in how pensions was administered put incredible demand on the service and as a result a review was commissioned. Although good progress had been made in the development of the service improvement plan it was felt the scale of ambition to turn around the service, along with the complexity of running a pensions administration service meant that trying to manage in partnership across multiple funds was not the right structure.

2.3. In order to align the relationship between the Management and Financial Accounting Teams at Surrey the 'Financial Accounting and System' CoE within the Finance service was disaggregated from being a CoE as of 1st November 2020. Also with Surrey currently undergoing Unit 4 System implementation the systems resource (who was an SCC employee) was drawn back to Surrey. The BHCC/ESCC elements have remained within the partially integrated Finance service.

2.4. For clarity, the services within the Orbis Partnership currently are:

Services which are fully integrated across all three partner organisations	Services which are partially integrated across Brighton & Hove and East Sussex	Finance service Centres of Expertise which are fully integrated across all three partner organisations
Business Operations	Finance	Financial Accounting – systems <i>(maintain integrity of accounting systems and ensure compliance with accounting standards)</i>
Internal Audit	HROD	Insurance <i>(management of internal and external insurance premiums and claims handling)</i>
IT&D		Treasury & Tax <i>(responsibility for cash management and tax advice)</i>
Procurement		Orbis Finance Team <i>(financial support to Orbis budgets)</i>

3. Authority Contribution Ratios

- 3.1. Each partner contributes to the Orbis joint operating budget in proportion to their service delivery requirements.
- 3.2. Contribution ratios were revised for 2020/21 budget-setting but following disaggregation of further services they will be further revised with effect from Q3 of 2020/21 on a pro rata basis. The Q2 budget monitoring report that accompanies this paper therefore shows current rather than revised contribution ratios.
- 3.3. Table 1 sets out the current and revised budget contributions and contribution ratios by Authority for 2020/21.

Table 1

Fully Integrated Services	BHCC	ESCC	SCC	Total
Current Contribution £k	6,617	7,326	15,782	29,725
Revised Contribution £k	6,895	7,425	15,849	30,168
Current ACR	22.3%	24.6%	53.1%	100.0%
Revised ACR	22.9%	24.6%	52.5%	100.0%
Partially Integrated Services	BHCC	ESCC	SCC	Total
Current Contribution £k	3,098	3,486		6,585
Revised Contribution £k	3,274	3,484		6,758
Current ACR	47.1%	52.9%		100.0%
Revised ACR	48.4%	51.6%		100.0%
Centres of Expertise	BHCC	ESCC	SCC	Total
Current Contribution £k	765	832	1,396	2,993
Revised Contribution £k	798	832	1,396	3,026
Current ACR	25.6%	27.8%	46.6%	100.0%
Revised ACR	26.4%	27.5%	46.1%	100.0%

3.4. Of the £243k post-disaggregation budget, £129k is to be returned to SCC, therefore reducing SCC's net Orbis contribution. The remaining £114k will be re-classified as partially integrated and therefore there is a nil net impact for BHCC and ESCC.

3.5. An additional adjustment to the contribution ratios will be required at financial year-end to ensure the full-year budget has been amended for 2021/22.

4. Savings profile

4.1. Annexe 1 provides a highlight of each service's three year savings profile, associated planned activities to achieve savings or detail highlighting where savings are at risk. As detailed in the highlight summary and the Q2 budget monitoring report, the 2020/21 savings target of £750k within Business Operations is unlikely to be met unless plans to close the gap by further standardising processes and integrating teams are agreed by each of the sovereign authorities.

5. ERP replacement projects

5.1. ESCC and SCC have works in progress to replace their existing ERP solutions. The existing platforms in both organisations are SAP.

Digital Business & Insights (DB&I) Programme - SCC

5.2. Following contract award to Unit 4 following Cabinet approval in July, the Digital Business & Insights programme is now progressing the implementation of the Unit 4 Software-as-a-Service Enterprise Resource Planning solution, which will be the new corporate system that will manage the organisation's business critical finance, procurement and HR & payroll processes. The council is

working closely with an implementation partner, Embridge Consulting, to specify requirements and ensure a successful implementation and go-live on 1st December 2021. In summary, the programme is aiming to deliver a step change in the user experience, empowering people with accurate and insightful data for enhanced, intelligent decision making.

- 5.3. Having completed mobilisation and established a full delivery team in September, the programme is on track having successfully completed the design stage with approval of the Design Complete Gateway at DB&I Strategic Programme Board on 8th January 2021. The programme is now starting the build stage, which aims to complete by early April before moving into testing, which will be completed in a series of stages up until go-live on 1st December 2021. Planning for the Training work stream will also commence and communication and engagement will ramp up to further raise awareness of the programme and its objectives across the organisation.

MBOS – ESCC

- 5.4. The Modernising Back Office Systems (MBOS) programme, whose main objective is to implement a modern system(s) for Finance, HROD, Payroll, Recruitment, Expenses and Procurement, is in the final stage of procurement. The programme will be evaluating three bidder responses over January 2021 and recommending the preferred solution to the MBOS Board on 10th February and ESCC Cabinet in March 2021.
- 5.5. After approval the MBOS programme will mobilise and run discovery workshops between April 2021 and June 2021. In June 2021 MBOS will start the design workshops for 12 weeks. The outline plan for the implementation is April 2023. This plan will be finalised during mobilisation stage.

6. Orbis Performance & Change team achievements

- 6.1. In addition to ensuring delivery against the partnership commitments outlined in the IAA, the primary role of the Orbis Performance and Change team to date has been to support the development and delivery of the ‘people’ based activities and initiatives set out in the Orbis business plan and more recently the Orbis blueprint. These activities have largely been developed centrally and rolled out to all services across the partnership.
- 6.2. Attendance at previous ‘in person’ events was not routinely recorded but from experience and anecdotally engagement was often poor.
- 6.3. In contrast, much higher engagement levels have been seen with all virtual events delivered during 2020 with staff finding it easier to engage because of the reduced need to travel and take time away from other work commitments. Annexe 2 provides an overview of the engagement activities which have taken place, including the Delivering Partnering Excellence Programme, and feedback received from attendees.
- 6.4. A virtual mode of delivery was adapted out of necessity as a result of Covid however experience has proven that it is just as, if not more than, effective than delivering in person. As a result, going forward the team will adopt a ‘virtual first’ approach as a strategy for maximising engagement.

7. People insight

7.1. The following data is for Q2 2020/21 – July, August and September 2020 and is provided in the spirit of providing further contextual data against the budget and savings profile for each service.

7.2. All figures in this report reflect the change in service make-up of the partnership, which came into effect 1st April 2020. Specifically, figures for Property (all partners), Finance and HROD (SCC only) have been removed.

7.3. Additionally, the figures in this report reflect the transfer in June of Pensions Administration staff from Business Operations into the Finance service (meaning it's effective removal from the partnership in Surrey).

Table 1 – Overall headline statistics by organisation

	Orbis total	Brighton & Hove	East Sussex	Surrey
Average employee numbers FTE	1256.55	527.83	383.96	344.76
Average Agency staff spend	3.67%	N/A	N/A	N/A

7.4. It is important to track the number of FTEs in any business to understand whether there are significant changes in the short-term workforce. In an environment where savings are being delivered it is expected that the workforce would be decreasing over time.

7.5. Spending on agency staff for Orbis overall decreased slightly compared to Q1 2020/21, with reductions in Business Operations and IT&D.

7.6. Finance and Procurement both saw increases in agency spend compared to Q1 (2.67% in Q2 up from 1.50% in Q1 for Finance, and 3.67% in Q2 up from 3.50% in Q1 for Procurement).

Table 2 - FTE by service and organisation

Q2	BHCC		ESCC		SCC	
	Average FTE	% total	Average FTE	% of total	Average FTE	% of total
Business Operations	229.6*	43.50%	61.96	16.14%	139.34	38.03%
Finance	53.7	10.17%	75.04	19.54%	N/A	
HR&OD	73.45	13.92%	46.72	12.17%	N/A	
IT&D	153.15	29.02%	167.42	43.60%	167.32	48.53%
Procurement	17.93	3.40%	32.82	8.55%	38.1	10.40%
Total average by Sovereign	527.83		383.96		344.76	
Orbis Total Average	1256.55					

BHCC and ESCC 1 FTE = 37 contract hours per week, SCC 1 FTE = 36 contract hours per week. Figures include vacant posts and are not the budgeted FTE.

7.7. *Note that as a Unitary Authority BHCC provide extra services within Business Operations at BHCC e.g. Council Tax and Housing Benefits and this equates to 162.8 fte for the Revenues and Benefits Team.

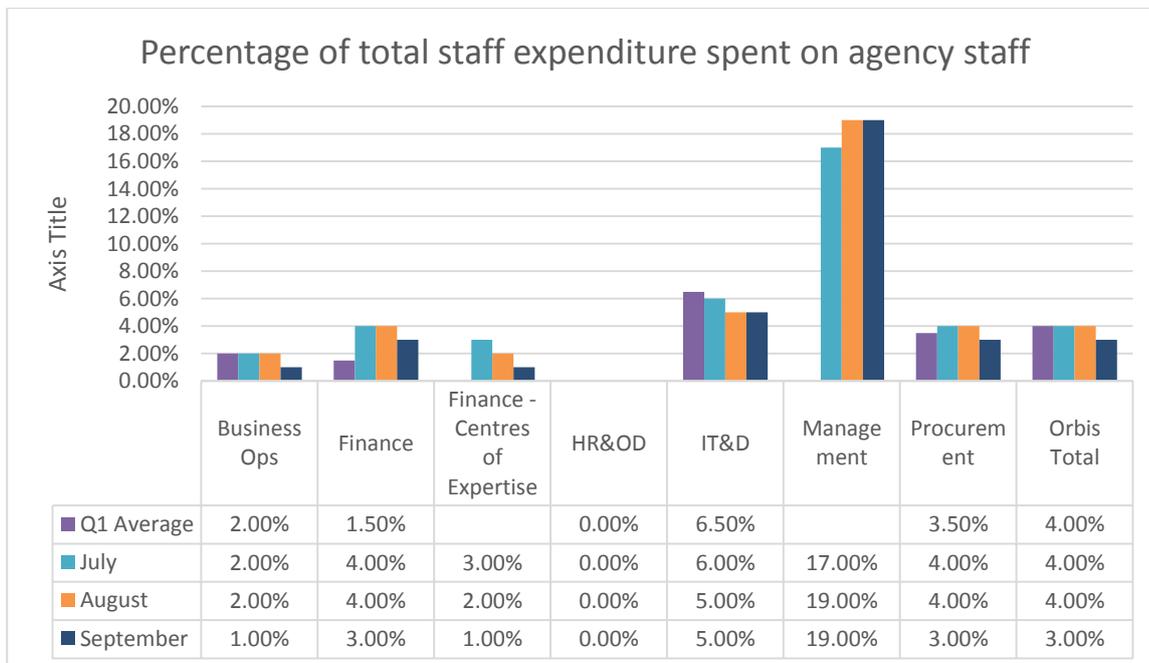
7.8. In BHCC, FTE numbers in all services were relatively stable, with small reductions in all services compared to Q1. The biggest change was in Finance, where FTE numbers reduced from 57.43 average FTE in Q1, to 53.70 average FTE in Q2.

7.9. In ESCC, FTE numbers in all services were relatively stable barring a small spike between August and September in IT&D. Overall, all services except Business Operations saw small increases on the Q1 averages.

7.10. The SCC FTE figures show a significant reduction in the number of FTE in Business Operations between June and July, reducing from 211.73 to 139.39 FTE. This change is due to Pensions Administration staff in Surrey transferring out of Business Operations and into the SCC Finance service. Note the vast majority of pensions staff were employed through SCC as they were still part of the original TUPE from SERCO hence the high number in pensions alone.

7.11. IT&D and Procurement in SCC saw small increases of around 4 FTE and 2 FTE respectively comparing the Q1 and Q2 average.

Agency spend



7.12. Average agency spend in Business Operations and IT&D has decreased in Q2.

- 7.13. Finance saw an increase in agency spending, up from 1.50% in Q1 to 3.67% in Q2. Procurement also saw a small increase, with the percentage of agency spend rising to 3.67% in Q2, up from 3.50 in Q1.
- 7.14. Agency spending in HR&OD is negative due to reversal of 2019/20 year-end accruals.
- 7.15. Agency spend figures for Q2 feature the addition of Finance Centres of Expertise and Management – not reported in Q1.
- 7.16. Overall agency spending for Orbis was 0.33% down on the Q1 figure.

8. Service Performance

- 8.1. As agreed at the last Joint Committee meeting, the Orbis Blueprint headings of ‘people’, ‘customer’ and ‘innovation’ are used to provide a highlight summary of each service’s key current priorities, future areas of focus and the resulting benefits to the partnership per quarter. This is provided in Annexe 3.

Contact Officer:

Nikki Neal – Head of Strategy, Performance and Change

Consulted:

Phil Hall – Acting Chief Operating Officer (ESCC)

Leigh Whitehouse – Executive Director of Resources (SCC)

Nigel Manvell - Acting Chief Finance Officer (BHCC)