

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

**ORBIS JOINT COMMITTEE**



**DATE: 29 JUNE 2015**

**LEAD OFFICER: KEVIN FOSTER, CHEIF OPERATING OFFICER AND JULIE FISHER, STRATEGIC DIRECTOR, BUSINESS SERVICES**

**SUBJECT: DEVELOPING THE ORBIS PARTNERSHIP – UPDATE REPORT**

**SUMMARY OF ISSUE:**

This report provides a progress update on the work carried out, since the February Cabinet at Surrey County Council and the March Cabinet at East Sussex County Council, to develop the Business Plan for Orbis and confirm its progress to Cabinet in October 2015.

**RECOMMENDATIONS:**

It is recommended that:

1. **the Joint Committee notes progress of the development of the Orbis Partnership**
2. **the Joint Committee approves and gives a steer to the direction of travel for the development of the Partnership**
3. **the Joint Committee agrees the next steps proposed for the work to further develop and refine the Business Plan**

**REASON FOR RECOMMENDATIONS:**

Approval of the proposed direction of travel is necessary for the Partnership to continue to work to develop the Business Plan. This will be taken to the Joint Committee in September and then to the October Cabinets for approval.

**DETAILS:**

**Background**

1. Earlier this year both East Sussex and Surrey County Council Cabinets approved the business case to establish a joint public-sector partnership 'Orbis', to deliver business and support services to both authorities. This builds on the already successfully established partnership in Procurement where we have a joint head of service and also in joint shared services where

the service is provided by what was formerly known as South East Shared Services.

2. The business case outlined the transformative arrangement that will deliver affordable services to each council and deliver benefits to both parties. A savings target of 10-15% was reported as the opportunity available from integration, from the adoption of common practices and technology and economies of scale.
3. As well as being a Partnership for East Sussex and Surrey we have the ambition to establish the Partnership as a “Compelling Alternative” for the wider public sector. This would mean that we would seek to bring on board other partners and customers in order to further increase opportunities through increased scale; lower cost of service provision to Partners and to ensure there is a sustainable and responsive public service ethos driven business infrastructure.
4. Both Cabinets resolved that additional work was needed to develop a business plan and a road map to show the transition to full integration by 2018. This work is being lead by the Orbis leadership team in order to embed our ownership and to use the activity to develop working relationships within Orbis. Due to this, and the scale and pace required to deliver the business plan and recognising the need to continue to deliver business as usual services to existing service users, we brought in external expertise through Ernst & Young (EY) to support us in this phase.
5. Work is well underway to develop joint working between Partners and develop the detailed business plan and road map for approval at the October Cabinets. This will include the target operating model for the partnership and a transition plan outlining the phased approach for the 3 year period of the business plan. This will also include the enabling IT and systems to support the partnership. The business plan will also include a detailed business case with clarified savings, benefits, risks and timings.

## 2. Progress update

- 2.1 The key headline areas of progress that has been made and activity undertaken since Cabinets approved the Business Case are as follows:
  - 2.1.1 On 15 April, the Partnership officially launched ‘**Orbis**’. The launch included our new Leadership team, the brand and the vision for Orbis.
  - 2.1.2 The culture for Orbis is being co-designed with Orbis staff who have started to develop the non-negotiable behaviours for the Partnership. The ‘EPIC’ principles for the Partnership are based on being seen as having **Expertise**, having **Passion** in what we do, looking for new ways of doing things through **Innovation**, and putting the **Customer** at the heart of everything that we do.
  - 2.1.3 The benefits identified in the business case identified potential savings through an Orbis Partnership model of £6m-£8m, across three ‘benefit levers’ of: management de-layering, process improvement and reduced duplication.

The indicative implementation costs to deliver these benefits were identified at £6m - £10m.

- 2.1.4 Since the outline business case, a “stress test” has been conducted on the potential benefits to provide a view on the achievability of the proposed targets. This has been undertaken through:
- (a) high-level benchmarking to determine whether the targets outlined would be achievable compared to performance against a range of cross-sector organisations
  - (b) assess the ‘benefit levers’ by reviewing the current organisation against a typical combined management structure and the associated reduced duplication from this; process improvement opportunities have been assessed for reasonableness of scope, size of benefit and expected delivery timescales
- 2.1.5 The “stress test” performed on the potential benefits has shown that the quantum looks an achievable target against the three year business plan timeframe. Process Improvement benefits have a higher risk rating due to the potential dependence upon technology investment and a recognition that shared transactional services are already in place and savings have already been delivered over recent years.
- 2.1.6 Investment costs have also been reviewed to incorporate updated estimates based on further IT design definition and a potential programme team to support implementation
- 2.1.7 The range for investment costs reflects the choices for investment options that can be considered in order to support service modernisation and reduced operating costs. It is expected that investment decisions in systems and IT capability are supported by business cases.
- 2.1.8 Additional investment in a Business Solutions Platform would be expected to bring additional benefits. Some of this investment would be required in any event, and irrespective of the Partnership, to enable savings from Business Services.
- 2.1.9 An initial business solutions platform evaluation has been undertaken which has given sufficient insight to progress to a more detailed evaluation and ultimately a business case.
- 2.1.10 Any investment proposal or requirement will be the subject of a business case. The Partnership savings are pre-investment requirements and the business plan is being developed with a target of net savings after any investment

- 2.1.11 Extensive communications and engagement approaches have been developed in order to ensure the people in the Partnership across East Sussex and Surrey, and internal customers are aware of the Partnership and developments. Priority has been to work with the strategic management teams so that they are able to play a key part in leading the development of the partnership.
- 2.1.12 The approach being taken is to develop a new operating model for the Partnership (this is known as a **Target Operating Model – see Annex 1 (A)**). Design Principles have been developed in consultation with both Councils' Leadership Groups. These have been developed further into Design Parameters which develop the thinking into tangible considerations (**Annex 1 (A) Pages 3 and 4**)
- 2.1.13 Each service has started to develop, jointly, their thinking around the operating model. A draft model for HR has been developed (Page 5) and is being used by all services as a proforma for the design work. HR has been chosen to 'pilot' the design based on its integral role in supporting and enabling the change and transition of Orbis as it reaches the desired future state.
- 2.1.14 The draft model designed shows an emerging picture of the future model for HR which is based on supporting and empowering customers to be more self sufficient, underpinned through having the knowledge and compelling enabling technology they need to do this.
- 2.1.15 The immediate next steps in developing the target operating model are around designing the next layers and components at a steady pace. The ambition is to generate the service models (like the HR model at page 5) for the other five service areas. This includes determining the right balance of efficiencies to achieve the desired savings, future proofing the service and enabling it to grow and serve customers. Being aware of organisational readiness for change will need to be a key consideration for both the timing and extent of change.
- 2.1.16 This next level of design will be developed through the currently mobilised team of Orbis Programme leads, strategic management teams and external support from EY. Other activities such as customer and partner engagement, 'check and challenge' will also take place during this period to ensure that the designs are robust, fit for purpose and reflective of the needs of wider stakeholders.
- 2.1.17 In addition to this design activity, work will take place to define how the target culture can be achieved. The future of Orbis will be dependent on having an engaged, passionate and proud workforce.

- 2.1.18 Whilst the business plan is being developed we are implementing change in parallel in order to deliver early savings and embedded change. The key examples are implementation of e-invoicing and redesign and transfer of personnel administration and accounts receivable and payable to the business operations services (formerly known as shared services)
- 2.1.19 The Terms of Reference have been drafted for the Joint Committee to review and approve as a separate item. An inter authority agreement has also been produced in draft and will be ready for approval in October.
- 2.1.20 Engagement has been maintained with potential Partners. Our thinking and developments have been shared in the interests of general public sector collaboration

### **3. Next Steps and Transition plan**

- 3.1 For the business plan that will be delivered in October we will have:
- Agreed the operating model for the Partnership and developed the management structure and resourcing down to strategic management level
  - Developed a detailed assessment of opportunities and implementation timeline in the HR service to give greater confidence for proposals in the other Partnership services
  - Identified target areas of scope for each service on where the integration opportunities should be explored and developed and areas where transactional services can be explored for moving into the transaction centre
  - Updated the business case
  - Proposed a 3 year timeline of activities for implementation of changes along with the savings profile
  - Developed a business case to support the business solutions platform strategy
  - Developed a business growth framework for introducing new partners and customers
  - Identified and developed the key principles of a Partnership Pay and Reward Strategy
- 3.2 **Annex 1 (B) (Page 7)** identifies the key components of the change plan that will be further developed and followed in order to ensure there is a structured and managed approach to delivery of the business plan and identified benefits.

3.3 This plan is integral to delivering the future design and associated changes in a safe and sustainable way which has minimal impact on Orbis people and customers. This will be achieved through careful consideration of resourcing, dependencies, and potential risks and issues.

#### **CONSULTATION:**

6. There has been consistent engagement with joint trades union for the Partnership
7. The Business Plan will be presented to the Scrutiny Committees at both East Sussex and Surrey County Councils.

#### **RISK MANAGEMENT AND IMPLICATIONS:**

8. Risk assessment will be carried out prior to the presentation of the Business Plan in September 2015

#### **Financial and Value for Money Implications**

9. Financial and value for money implications will form part of the Business Plan that will be presented in September 2015.

#### **Legal Implications**

10. Legal implications will form part of the Business Plan that will be presented in September 2015.

#### **Equalities and Diversity**

11. It is anticipated that there will be no direct impact on residents and staff with different protected characteristics. An Equality Impact Assessment will be completed prior to the Business Plan approval.

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

We will continue to work to develop the Business Plan which will be taken to the Joint Committee in September and then to the October Cabinets for approval.

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#### **Contact Officer:**

Lee Danson, Orbis Programme Manager, 0208 541 9567.

#### **Consulted:**

Orbis Programme Board  
Orbis Leadership Team  
East Sussex County council CMT  
Surrey County Council CEDR

#### **Annexes:**

Annex 1 (A) – Target Operating Model

Annex 1 (B) – Change and Transition Plan

**Sources/background papers:**

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