

orbis

The Compelling Alternative

Business Plan Summary

Introduction

Background

Surrey County Council and East Sussex County Council have formalised their partnership, aiming to become an ambitious, efficient, and modern provider of business services, which places our Customer at the heart of everything we do.

We have been working together since 2012, to improve the way we deliver services to our Customers – when we started leading the way through shared Procurement. The ambition is to create a ‘Compelling Alternative’ in the provision of shared services. We will do this by continuing to integrate our services, utilising existing talent to co-design and co-develop enhanced services that drive efficiencies and scale, and improve the way we deliver services to our Customers and Partners.

Purpose of the Business Plan

To demonstrate early achievements and projected benefits of the partnership, we have established a standard approach to design and deliver integrated business services for the future. Each service is halfway through this process. HR is slightly further along, as they were the original pathfinder to demonstrate the ‘proof of concept’.



We have developed a set of principles to define success, and guide our forward plan, to provide confidence in the investment required to complete the Orbis story by 2019.

Principle	Demonstrated through...
We will consider and respect the future experience for our Customers	We have placed Customers at the heart of our initial stages of design. Our plans emphasise value in providing Customers with the right tools and knowledge to reduce their dependence on support services, while providing them with the backbone they need to deliver frontline services.
Our decisions will be based on robust evidence and provide value for money	The designs demonstrated so far have been supported and facilitated by experienced individuals who have delivered shared services and transformation across a number of sectors. We have ‘stress tested’ the efficiencies and plans against examples and are proud of how we compare – through our ‘Compelling Alternative’.
We understand, appreciate and have incorporated a vein of sovereignty	Our legacy Partner organisations are important to us, and we have built in their values and governance structures to set us up for success.
Our commitment to our sovereign authorities will not be impacted negatively	Orbis is a partnership and will enhance the service provided to our sovereign organisations, whilst respecting their procedures. We have taken the values and culture demonstrated by each Partner organisation to create something integrated, and complimentary to support our organisations to deliver our Corporate Plans.
We can achieve greater things as a partnership	Our partnership is built on two outstanding organisations. Our designs are predicated on taking the best parts of each to redesign our services – together, we can achieve great things. Integration is key to realising the efficiencies required to protect our front line services and create sustainable change.
We will build on the talent, expertise and knowledge of our EPIC people	We have put in place a range of opportunities, such as the Epic Champions, to ensure our colleagues are engaged and involved in the creation of Orbis. We will be developing a suite of practices to develop the Orbis culture and put in place opportunities that will enable our Epic people to flourish.

Our Achievements

Orbis, The Compelling Alternative

“A trusted partnership delivering value to customers and residents through our expertise, innovation and passion.”

epic

Expertise Passion Innovation Customer

Through our collaborative co-design approach, we have demonstrated that we can make efficiencies while also enhancing the service that we provide for our Customers.

EPIC People

- Orbis will capture a change in working for its people – these people are our biggest asset. This is why we will harness their talent, as we redesign how we work in the future through collaborative co-design.
- Staff engagement and motivation to be part of an **innovative, knowledge-led organisation** which places emphasis on the **development of talent**. We place significant emphasis on developing this and have launched Ingenium, our high performer talent programme, and we have co-developed our EPIC behaviours.
- Together, we have improved operational resilience as greater **depth and breadth of skills** exist across both Councils.

Integrated Services

- We are designing integrated management structures to **enable strong, single accountability; these will be in place from April 2016**.
- We have identified early opportunities to create **scale, financial efficiencies**, and to **pool talent and expertise**, in order to deliver excellent quality for our Customers.

Customer Experience

- Our vision and design principles are centred around **improving and sustaining the services** that we provide our Customers and Partners.
- We have developed an approach for service delivery that will **improve accessibility of services** and empower Customers to transform to an **agile way of working**.

Financial Benefits

- We have confidence that we can achieve at least **12% savings over three years** and **Orbis business services will cost £8m less per annum in the future**.
- Through partnership, we are able to achieve this without reducing the scope of support from any of our services.
- Each service has jointly identified a three year plan for targeting these savings through integration.



Orbis is set to deliver value for money public services, delivering at least 12% operational savings over three years



We are designing future services which place the Customer at the heart of everything we do



Our designs have been co-developed and delivered through the collaboration of our EPIC people

Our model for service delivery will drive efficiency and scale

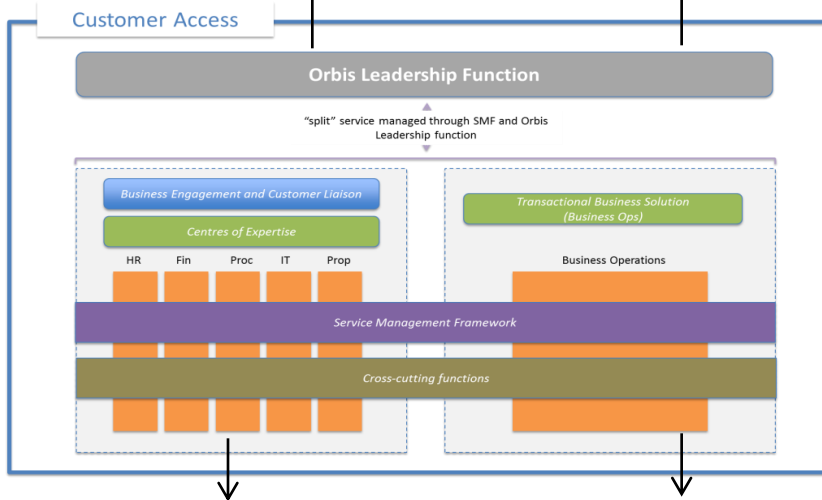
The approach to Orbis service design has been collaborative; bringing together two outstanding organisations to deliver an enhanced integrated service offering that leverages the operations of each Council.

There are six services involved in the partnership portfolio, including: Finance, Human Resources, Info. Technology & Digital, Property, Procurement, and Business Operations.

These services have worked together over the past months to design a functional service delivery model that works across all services, leveraging expertise of both Councils, and enabling greater customer access to these services. The high-level design of this model has provided a framework for Orbis level service delivery. The next phase of design will be to detail processes for each service that feed into this overall model.

Orbis Leadership team (OLT) has been key to the success of the designs so far, leading the transformation of the six service lines, whilst also taking key decisions which affect the future of Orbis as a whole.

We have prioritised the first key milestone as getting the **service management** in place to lead the way. This is not just about removing the duplication of management that naturally results when two organisations become one; this is about getting the right roles and people that will deliver our ‘Compelling Alternative’ and transformed service models. We think that this is the right way to create sustainable change which has minimal impact on our Customers.



There is a process to be taken with new Partners to identify whether **new services** e.g. Revenues and Benefits, would become a new service line (a new vertical) or be incorporated within an existing service line (an existing vertical). This will be dependant on the maturity of the service to take on the new activity and / or where the function can be managed most effectively.

The centres of expertise have been developed with the Service Design Working Groups – these are the areas of specialist, professional offerings from the service which will be ‘commissioned’ by the business engagement and Customer Liaison function, on behalf of the Customers. This will allow us to pool our expertise and strengthen our approaches through integrated offerings.

Services within the **Business Operations** function will drive efficiencies for Orbis and its Partners and Customers by reducing unit costs through efficiencies of scale. Typically these efficiencies will be achieved by effective process reengineering, better use of available technologies and through excellent people management.

Our ambition is to enhance the experience for our valued Customers

Our Customers are the essence of our service delivery, and how we continue to work with them as a partnership is integral to our future success. The service design for Orbis proposes a channel re-design towards increased self-sufficiency, by empowering Customers to manage more of their own supporting processes, and placing less reliance on business support functions. The ambition is for Orbis to achieve a level of consistency in quality for our Customers, providing them with ease of access to the services that they need. The detail for how this will look and feel will be designed over the next phase of service design. We have a number of success stories for moving to this way of working already. Two examples of these are below.

Property Services to Schools in SCC

The Property Service in Surrey County Council introduced a new self-serve technology so that Schools could log their maintenance requests. This allowed them to have real-time information on the progress of their request. Benefits included:

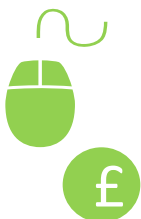
- Increased accuracy of data and information (schools self-submitting),
- Increased customer satisfaction .

Employee Assistance Programme - HR services in ESCC

The Employee Assistance Programme at East Sussex County Council moved from a face to face channel to a telephone. Benefits included:

- Access availability increased to 24/7, 365 days per year,
- Reliability and universal access,
- Reduction in cost of service by 80% .

We are working together in partnership to improve the way we provide business services to the public sector. Our ambition is to become the 'Compelling Alternative'.



How will I benefit from Orbis?

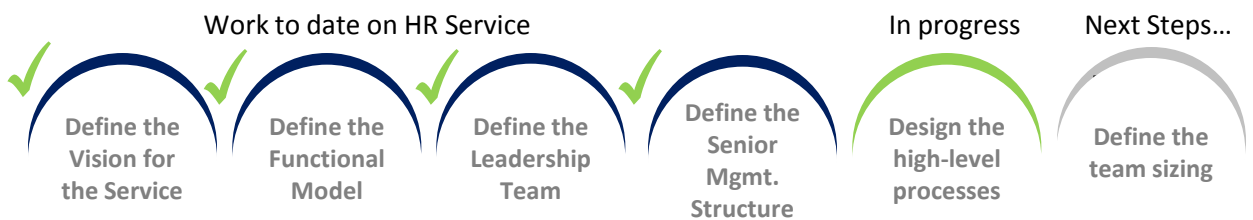
- Improved **convenience and accessibility** of our services.
- Access to the best **expertise, knowledge and experience** from our employees.
- **Standardised, streamlined processes** to make the service you receive more efficient.
- Operational excellence.

Our Proof of Concept Project demonstrates our ability to achieve greatness

With the purpose of providing the right level of confidence at this stage of the business plan, a decision was taken to select a 'pathfinder' pilot project to undertake a detailed, early redesign and become the 'proof of concept'. HR was selected as the pathfinder for this, due to it being essential to the delivery and enablement of full integration across all services.

The aim of this pilot is to provide assurance in the approach and overall high level design, while also demonstrating that the financial benefits outlined in the Business Case, as well as additional non-financial benefits, are achievable and in some cases, prudent.

The pilot has been a great success thus far. HR has developed its integrated service delivery model, leadership team and senior management structure, and have demonstrated that it can achieve financial benefits over the three year business plan. The two teams have spent a significant amount of time working through the future state design, and vision for the service, which is largely enabled through channel re-design. This channel re-design will enable managers to have greater access to the tools and resources they need to effectively manage their teams, with less reliance on the HR professional.



Benefits achieved through the HR Proof of Concept

- Financial Benefits
- Non-Financial Benefits
- Customer Experience

- Integrating and redefining senior management roles will deliver **20% savings**.
- Stress testing and benchmarking has demonstrated that HR could deliver **15%-20% savings through an initial investment in channel re-design, process improvement and removal of duplication** by year three of the business plan.
- **Standardised, streamlined processes** to make service delivery more efficient.
- Greater management of information and best in class services, will encourage more **effective decision making**.
- Reduction in administration work required of HR professional, so they can **focus on where they add the greatest value**.
- Improved **accessibility to the right tools and resources**, to enable effective decision making and people management.

We have an ambition to grow

We have an aspiration for Orbis to grow beyond the initial two Founding Partners, and we have already generated interest from other local authorities wanting to sign up to our vision of the ‘Compelling Alternative’. Together, we can create further scale and efficiencies, and rival the Private Sector in delivering support services to a range of Customers. The proposal for Partners joining Orbis is presented in the table below. It outlines the potential ‘offer’ for new Partners wishing to join the partnership.

Essentially, new Partners will join Orbis at the current state of design. They will have the ability to help shape and influence how services will be delivered in the future. New Partners will have the opportunity to keep Orbis compelling, ensure it remains fit for purpose, but ultimately benefit from the established services and ways of operating which have been designed so far – including the efficiencies. Detailed work is on-going around defining the commercial principles for working as an Orbis Partner – we are currently having open conversations with potential interested Partners about how this could work in practice.

Orbis Vision	<p><i>“A trusted partnership delivering value to customers and residents through our expertise, innovation and passion.”</i></p>	
Becoming an Orbis Partner	<p>Orbis is all about creating a public sector shared service which aims to grow and strengthen through its Partners, increasing collective buying power and streamlining processes to provide better, more efficient services. The public sector should be seen as one team cooperating to save money wherever possible. Orbis aspires to become the go-to place for delivery of public sector services.</p>	
What to expect	<p>When you become a Partner, you invest in our vision for better and more compelling shared public services. It means you become an owner of this vision. This brings a significant level of responsibility and a number of advantages.</p> <ul style="list-style-type: none"> • Support – Unlike the sole founder of an organisation, you are not alone; you are part of a collaborative network of fellow Partners who support one another to achieve our united goals of becoming the ‘Compelling Alternative’. • Legacy – The Orbis Partners are custodians of the service. You will have a unique opportunity to co-create something that will continue to grow as we develop and become more mature. 	
The non-negotiables of becoming an Orbis Partner	<p>Governance:</p> <ul style="list-style-type: none"> • You will work within and be a part of the Orbis governance arrangements which have been set out as a Joint Committee. • You will benefit from sharing an already established, passionate Orbis Leadership Team (OLT). <p>Investment:</p> <ul style="list-style-type: none"> • You will commit time and resource to provide critical support to help shape the service, (Founding Partners) , to build a credible customer offering. Senior officers will be required to challenge the design of services constructively through open and transparent dialogue , so that together we can build the ‘Compelling Alternative’. Operational staff will be required to take part in the co-design of detailed service offerings and structures. • You will commit a financial investment to an approved business case. Through being a Partner, you have a real stake in our joint organisation. 	<p>Partner Types and Roles</p> <p>Founding Partner:</p> <ul style="list-style-type: none"> • Helps to shape the service to build a credible customer offering and the contractual arrangements which underpin it e.g. terms and conditions. • Will inform the design of initial Service Level Agreements (SLAs) and Key Performance Indicators (KPIs). • Play an active role in transformation of the service. • Benefits from co-developing the emerging offer, and proves the model through ‘first customer’ status for your respective sovereign agencies . <p>New Partner:</p> <ul style="list-style-type: none"> • Sign up to the core Orbis offer designed and outlined in the business case, helping to shape how services continually improve. • Benefits from a mature service and joining the already established infrastructure.

It is important to understand how our sovereignty will work

Under the partnership structure there will be a number of areas which need to remain sovereign to each Partner organisation. It is essential that each Partner have the relevant amount of control over their core functions to manage the priorities of each Council.

The Joint Committee structure provides flexibility and freedom for each Council. As Orbis is not a legal entity, each Council will continue to manage their respective budgets and corporate strategies.

For business services across the Partner organisations (i.e. Orbis), the overall decision making and accountability will be responsible within the Sovereign organisations, the delivery and management of these services will be managed and governed within the Joint Committee structure of Orbis.

Activity	ESCC / SCC Sovereignty	Orbis	Example Scenarios
Budget Management and Strategy (\$151 Accountability)	<ul style="list-style-type: none"> Decision making on the budgets within ESCC / SCC. Decision making on actions for overspending. 151 accountability. 	<ul style="list-style-type: none"> Delivering services within budgets. Delivering a finance service to statutory requirements. Budget management. 	<i>E.g. sovereign department is overspending in either ESCC or SCC, Orbis would monitor the budget and provide information to ESCC or SCC in order for them to action within department in the sovereign agency.</i>
Orbis Service Strategy & Delivery	<ul style="list-style-type: none"> Setting direction and requirements for business services. Oversight and governance against sovereign policy, management of Members. 	<ul style="list-style-type: none"> Strategy development for how Orbis services can deliver against direction set by sovereign authorities. Management of performance against sovereign requirements (portfolio plans). 	<i>E.g. The portfolio plan written by either ESCC or SCC for business services requires 6 new schools to be built – Orbis would be responsible for managing the delivery of 6 new schools.</i>
Other departmental strategy	<ul style="list-style-type: none"> All aspects of development, management. 	<ul style="list-style-type: none"> Provision of supportive services and information. 	<i>E.g. directorate strategy for ESCC / SCC will be developed by sovereign authority. Orbis will be responsible for providing the department with supportive services as they deliver it.</i>
Employee Terms and Conditions (T&Cs)	<ul style="list-style-type: none"> Setting and defining T&Cs for staff. 	<ul style="list-style-type: none"> Managing staff to T&Cs, managing and delivering an HR process which complies with policies. 	<i>E.g. ESCC or SCC undergo a pay review for all staff and decide to increase all salaries by 2%, Orbis will manage the employee T&Cs for the sovereign authority inside and outside of Orbis as part of the HR function.</i>

Our benefits case is strong, and will be phased over the next three years

The benefits from establishing a shared service invariably relate to the consolidation of activities and services delivered by the two Partners, and the resulting resilience and efficiencies that can be gained. Integration of this scale will deliver financial and non-financial benefits, and both are fundamental to the success of the Orbis partnership.

Expected financial savings were originally estimated and categorised in the February Cabinet report and are summarised in the table below:

De-layering	Process Improvement	Removal of Duplication	Growth
Integrating the management of each service and reducing, where appropriate, the layers of managerial hierarchy.	Making processes more efficient and effective through use of more standardised, streamlined processes. These can often be technology enabled to offer automation or user empowerment through self-service.	Where activity is common across the two organisations, there is potential benefit through economies of scale and scope to remove duplicated effort.	Additional income that the services within Orbis have forecast can be achieved for inclusion in the business plan – this is key for Orbis as it expands its external customer base.

The initial business case stated that the partnership would achieve a financial saving of £6m-£8m over a three year period. After an initial analysis of ‘Areas of Search’ (activities with a high concentration of FTE and cost), and benchmarking against shared services integrations of this type, we are confident that the upper end of this range can be achieved, and a total saving of at least 12% can be delivered by year three of the business plan.

	16/17	17/18	18/19	Total
Additional £m delivered each year	1.2m	2.9m	4.2m	8.3m

Initial savings will be based on management de-layering and removal of duplication, which yield benefits of 10-15%. The total benefits against 15/16 baseline will recur year on year.

Each service has been challenged to target savings in the range of 15% over the three year business plan, while maintaining a consistent quality of services for Customers and minimum disruption. The timeline to deliver these savings will be different for each service. This will depend on business readiness, technology enablement and resource capacity.

In addition to the financial benefits expected from the partnership, there are some key non-financial benefits that the partnership will aim to achieve over the next three years:

- Improved client management and customer experience through process reengineering, better use of technologies and excellent people management.
- Better insight for decision making and investment due to improved systems.
- Increased staff motivation and attraction of top talent through Orbis-wide people engagement and development work.
- Incremental growth by attracting additional Partners and Customers and adding additional services to the Orbis offering.

In order to complete our story, we need to invest

A transformation of this scale and duration will require significant investment. The main investment costs will be technology implementation and programme related costs. High level estimates show indicative implementation costs of c.£7m to deliver the three year business plan, excluding the cost of changes to the Business Solutions Platform. These costs have been reviewed to incorporate updated estimates based on further IT design definition and a potential programme team to support implementation.

Cost Category	Description	Indicative costs
IT Costs ¹	This includes the cost of : (a) Core IT systems to enable operations across the two organisations. (b) Business Line specific applications to enable the new processes in each service.	£3.5m
Programme Costs	This includes the costs of programme team resources for the three year business plan to benefit all services. Costs are dependent on the speed of design and implementation, along with the level of complexity to move to the new way of operating. Costs incurred for the benefit of an individual service are borne by that service and not included here.	£2.1m
Contingency	This is a 10% contingency on IT costs to reflect a level of uncertainty and risk associated with implementation.	£350k
Sub-Total		£6.0m
Reorganisation - Redundancy Costs	This includes an estimate for the redundancy costs associated with the programme. The total will be dependent on the remuneration and length of service of individuals that leave the organisation. Natural attrition and not filling vacancies is expected to mitigate increases to this figure.	£1.0m
Total Investment		£7.0m

¹ Excluding Business Solutions Platform

Business Solutions Platform

Both organisations are using the same Enterprise Resource Planning System (SAP) and have confirmed that this needs to be reviewed to align systems and provide further benefits and flexibilities. However, a separate business case will be developed for Cabinet review and approval.

Phasing of Implementation Costs

A high level indicative phasing of costs has been applied over the life of the business plan

Costs	16/17	17/18	18/19	TOTAL
£m	£4.2m ²	£2.1m	£0.7m	£7.0m

² Dependent upon speed of delivery, of this total, up to £1.3m maybe incurred prior to 1 April 2016

There is also a need to understand and mitigate against a number of inherent risks

We have great ambition to deliver effective, sustainable change over the three year business plan. We recognise that there are risks involved with this level of change and integration. By identifying these risks early on, and providing key stakeholders with visibility and clarity, there is opportunity to understand and appreciate the implications so that we can mitigate accordingly. The following table summarises some of the strategic, financial and operational risks that could be expected.

Type	Risk	Description & Implication	Mitigation
Strategic	Council objectives change significantly from those identified and agreed at the creation of Orbis.	<ul style="list-style-type: none"> Divergent strategies of the two councils has the potential to undermine the operations of Orbis or require significant changes to the Orbis operating model. 	<ul style="list-style-type: none"> A Joint Committee structure has been agreed, which helps ensure that all Partners have oversight on the running of Orbis. Orbis Leadership will be visible to the Sovereign authorities and have the ability to articulate the impact of sovereign decisions on Orbis.
	Any changes from an integrated model (i.e. Dissolution of partnership) will be complex, costly and time consuming.	<ul style="list-style-type: none"> Integration of the Partners will add increased complexity to any dissolution (e.g. significant roles may be completed by individuals employed by one authority, joint budgets may not allow a clear delineation between activity in one authority or the other). 	<ul style="list-style-type: none"> Both councils enter into the arrangement on an indefinite basis. Exit strategy and implications will be addressed as part of the Inter Authority Agreement (IAA), which is currently being developed.
Financial	Business case does not achieve the full range of benefits identified in the business plan.	<ul style="list-style-type: none"> The financial case may not achieve the identified targets, potentially through delayed benefit realisation or increased investment costs. 	<ul style="list-style-type: none"> A clearly defined benefits management process is to be defined and implemented to enable quick identification where benefits are unlikely to be realised and mitigating actions to be taken.
Operational	The implementation of the integrated Orbis model will involve a high degree of change that has the potential to interrupt Business-as-Usual services.	<ul style="list-style-type: none"> Changes are likely to be identified across all Business Service functions; services will need to continue to operate whilst changes are being implemented. There may be a 'dip' in service performance whilst the transition to the new operating model is completed. 	<ul style="list-style-type: none"> New designs and GAP analysis between current and future states need to clearly articulate the changes required and migration strategy. A clearly defined implementation and change management approach is required to support the transition. A robust communications strategy can help articulate how service levels may change during the transition period and support expectations management.


Next Steps


The story so far demonstrates the strength of our partnership, and our ability to achieve the ‘Compelling Alternative’, through co-design and co-development. Our ambition is strong and we believe we must continue to drive momentum through scale and pace.

We understand that this will be a journey with associated risks, and we believe through identifying these early, keeping our stakeholders informed, and taking required action to mitigate accordingly, we can achieve greatness.

In order to complete the Orbis story, and achieve full projected benefits, we require Cabinet’s **endorsement, sponsorship and sign-off** of the next level of investment required.

This will allow us to continue to the next phase of detailed service design, and the procurement of the Business Solutions Platform.

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 - In order to maintain momentum and continue to drive pace and scale, we need to invest in new technologies and a long-term implementation programme.
 - The total investment to deliver a programme of this scale and duration, including technology investment is £6million.

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 - We require Cabinet’s endorsement, sponsorship and sign-out of the required investment in order to proceed to the next phase of design and initiate procurement of the Business Solutions Platform.