



Council Overview Board
3 November 2016

Orbis Progress Update

Purpose of the report: Scrutiny of Services and Budgets

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

1 Background

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

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

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

2. Supporting information

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

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

3. Savings

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

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

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

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

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

*JOB = Joint Operating Budget

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

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

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

4. Brighton & Hove City Council (BHCC)

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

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

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

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

5. Transformation Partner

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

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

6. Service Updates

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

IT & Digital Service

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

Procurement

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

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

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

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

7. Key Challenges

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

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

<h2>Recommendations</h2>

- 1) Discuss and propose options for future scrutiny of the Orbis programme. Option 2 is recommended to the Board.
 - 2) Agree future scrutiny timetable
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Scrutiny arrangements

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

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

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Sources/background papers:

Orbis Business Plan and cabinet report October 2015

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