

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



ORBIS JOINT COMMITTEE

DATE: 15 APRIL 2019

LEAD OFFICER: KEVIN FOSTER (CHIEF OPERATING OFFICER, EAST SUSSEX COUNTY COUNCIL), MICHAEL COUGHLIN (EXECUTIVE DIRECTOR OF CUSTOMERS, DIGITAL & TRANSFORMATION, SURREY COUNTY COUNCIL) & DAVID KUENSSBERG (EXECUTIVE DIRECTOR FINANCE & RESOURCES, BRIGHTON & HOVE CITY COUNCIL)

SUBJECT: ORBIS PERFORMANCE MONITORING

SUMMARY OF ISSUE:

To provide an update on key performance metrics across the partnership together with a more detailed view into the approach being taken within Business Operations.

RECOMMENDATIONS:

It is recommended that:

1. The Joint Committee notes the performance statistics presented.
2. Members agree which service should be the focus of a performance review at the next Joint Committee meeting.

REASON FOR RECOMMENDATIONS:

The Joint Committee is responsible for the effective monitoring of Orbis Performance

DETAILS:

Background

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

Orbis Joint Management Board

2. In order to provide a regular update to the Orbis Joint Management Board (JMB) a monthly briefing report has been created. This highlight report provides a high level synopsis of activities undertaken in the previous month, alongside activities planned for the forthcoming month. The report also tracks progress against

savings and identifies key risks for escalation. The latest version of this briefing can be found in Annex 1 of this report.

Service Performance Measures and Oversight

3. Building on the insight provided previously to this committee around Full Time Equivalent posts (FTE), sickness absence, etc. it is recognised that providing service specific measures is important to provide oversight to the Joint Committee and enable informed decision making.
4. Annex 2 of this report details is the proposed measures for each service that have been agreed in principle by the Orbis Joint Management Board. A dashboard is now in development that will enable the visualisation of statistics in relation to these measures and the plan is to present this dashboard at the next meeting of the Joint Committee.
5. It is also proposed that at each Joint Committee meeting, a deep dive is undertaken into the performance measures of a specific service. The aim is to provide Members with an opportunity to understand existing performance arrangements within that service and to ensure that any issues are being addressed.
6. The focus for this meeting is on Business Operations. The service has a fairly mature and well-developed performance approach. Annex 3 details the Key Performance Indicator (KPI) booklet within the service. Simon Pollock (Business Operations Assistant Director) will provide an oversight of how this booklet is compiled and used to drive performance improvements.

People Insight

7. Data is provided based on availability and now covers Q1-Q3 (April – Dec) 2018/19.

Table 1 – Overall headline statistics by organisation

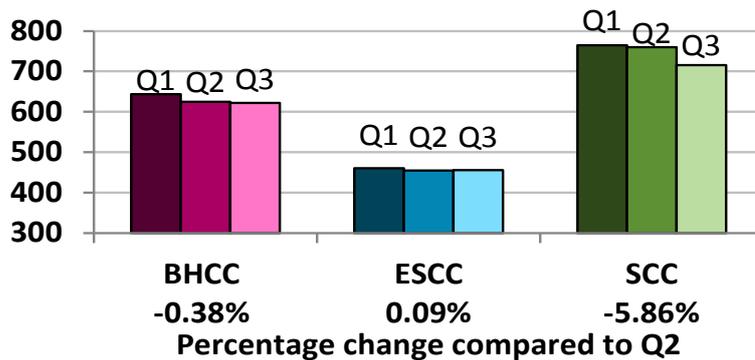
Headline measures	Orbis total	Brighton & Hove	East Sussex	Surrey
Average employee numbers FTE	1,792.90	622.06	455.20	715.63
Sickness absence, average days per FTE	0.58	0.78	0.59	0.42
Return to work interview, % complete	78.33% (ESCC and BHCC only)	76.81%	81.76%	N/A
Length of service of leavers	N/A	22.2% had 1-5 years' service	42.9% had 1-5 years' service	42.3% had 1-5 years' service
Average Agency staff spend	4.58%	N/A	N/A	N/A

Staffing numbers

8. It is important to track the number of FTEs in any business to understand whether there are significant short term changes in the workforce. In an environment where savings are being delivered it is expected that the workforce would be decreasing over time.
9. The graphs below show there has been a steady decrease in FTEs across the partnership and this is in line with expectations due to savings being achieved.

Table 2 – Total Orbis FTE

FTE	Q1	Q2	Q3
Orbis Total	1868	1838	1792

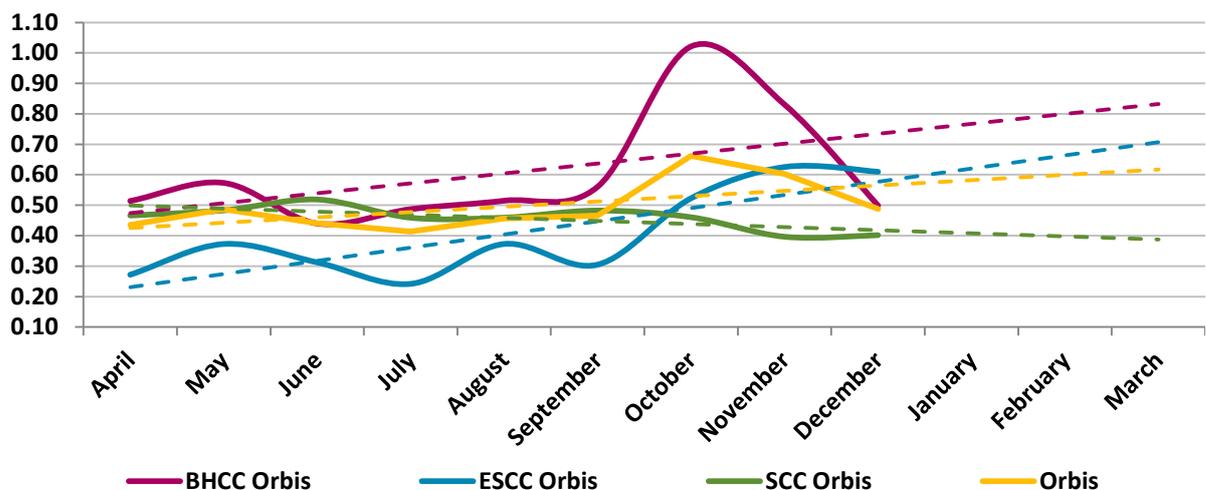


Sickness Absence

10. A primary area of focus is to be able to understand the relative sickness absence rates across the three councils and within each Orbis Service, this will enable trends to be monitored and action taken in the event of any specific changes within either a service or sovereign partner.

Chart 1 – absence rates by sovereign Q1-Q3 2018/19

Sickness absence days per month per FTE



11. Sickness absence rates have increased significantly in ESCC in Q3. BHCC saw a significant spike in sickness in October, however rates then reduced in November and December. Sickness rates in SCC decreased during Q3. This is broadly in

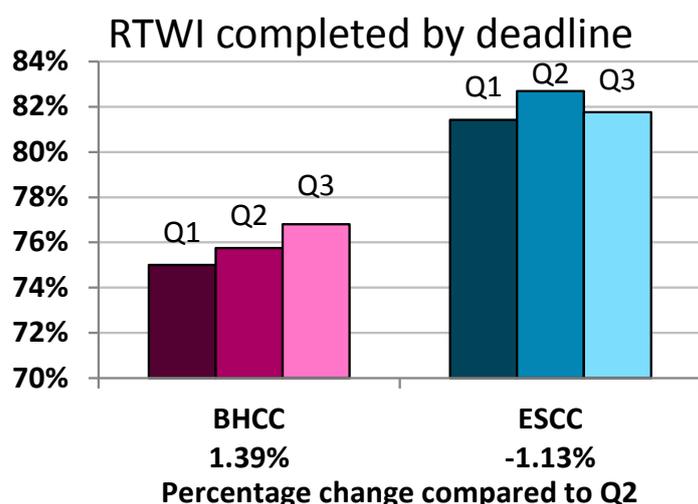
line with expectations for Q3 where absence rates tend to be higher due to colds and Flu.

12. SCC absence data is reported on a 12 month rolling basis so monthly variations have less impact on the monthly figure as it is a consolidation of a years' worth of data.
13. ESCC and BHCC both use Firstcare for sickness absence reporting, this ensures that sickness is captured on the first day the employee is off ensuring a more accurate measure. In SCC sickness is manually added by staff on their return from a period of absence.
14. Orbis absence rates are generally lower than wider sovereign averages, which is consistent with organisational reporting that shows higher rates of absence in frontline service areas such as Adults & Children's services. Orbis rates are approximately 30-40% lower than organisation averages.

Return to work interviews (RTWI)

15. Data is available for ESCC and BHCC around return to work interviews

Chart 2 – RTWI comparison Q1-Q3



16. Return to work interviews were broadly trending in the right direction although there was a small reduction in ESCC for Q3.
17. There is currently no way in SCC to report against RTWI as they are not recorded centrally, they are managed locally by line managers.

WHAT HAPPENS NEXT?

1. Further work will continue to ensure data sets are provided that allow for insightful and valuable analysis. Much of the information is very granular in detail and inconsistent across the three organisations, careful analysis is therefore required to provide the correct level of reporting, both to senior officers and Members (including this Joint Committee).
2. Development of a service performance dashboard will continue and an update provided to the next Joint Committee meeting.

3. The proposed reporting will evolve and develop as business needs and requirements change. The framework should be flexible enough to be both proactive and reactive.

Contact Officer:

Adrian Stockbridge – Head of Strategy, Performance & Change

Consulted:

- Kevin Foster – Chief Operating Officer, ESCC
- Michael Coughlin – Executive Director Customers, Digital & Transformation, SCC
- David Kuenssberg – Exec. Director of Finance & Resources, BHCC

Annexes:

Annex 1 - Joint Management Board Highlight Report

Annex 2 – Orbis Service Proposed Performance Measures

Annex 3 – Business Operations Deep Dive performance overview

Sources/background papers:

Annex 1 – Joint Management Board Highlight Report

JMB Highlight report 2 April 2019

Service	Savings target (£ 000s)				Explanation of RAG rating:	Activity over last month:	Forward look:		
	19/20	20/21	21/22	Total					
Finance North	None				No savings target.	External recruitment to unfilled leadership team roles underway.	Prepare for launch of consultation on next phase of restructure (1 May). Continue work on early improvements and L&D activity for budget holders, however uncertainty around outcome of 31ten review is affecting engagement within the service.		
Finance South	338	0	0	338	Clear plan for 19/20 savings. Proposals for subsequent years in development.	Some delay due to budget setting process, however the current number of vacancies means this will not impact on ability to deliver 19/20 savings.	Aim to finish reviews of all 6 service finance areas by Easter. Preferred options will then be selected and discussed with stakeholders in order to define future service offer.		
HR North	200	300	300	800	Proposals for 19/20 signed off, however still dependent on outcome of consultation.	Consultation on proposed structure started.	Consultation due to close 28 April.		
HR South	500	0	0	500	Confident of achieving 19/20 savings through restructure. Plans for transformation in 20/21 & 21/22 in development.	Development of workstreams including chatbots, self-serve, new helpdesk model and future offer for health, safety and wellbeing.	Ongoing development of workstreams with a view to reporting back to HRLT on 25 June.		
IT&D	500	500	500	1,500	19/20 savings through vacancy management, this relies on people leaving. Planning for subsequent years to start in April.	Vacancy management. Developing pipeline of technical projects required to provide capability for more transformational change in years 2&3.	Development of a vacancy management model to understand whether the vacancy factor would yield the cost reduction required. Preparation of an EIA for the area targeted for reduction in 19/20.		
Business Operations	315	155	300	750	500	2,020	Confident of delivering portion of the savings, however significant part are dependent on the outcomes of the 31ten review and subsequent decisions.	Issues resolved with e-recruitment system, due to go live 1 April. Funding agreed to resolve Surrey pensions backlog.	Strategic pause with robotics to enable IT & Bus Ops to agree which software supplier to commit to in the longer term. Joint procurements taking place across the three authorities for e-invoicing & pensions admin systems. Wider changes dependent on outcome of 31ten review.
Procurement	150	523	200	305	50	1,228	Revised plans for phase 1 now in place and starting implementation. New plans for phase 2 are in development.	Planning for phase 2 restructure (service-wide) underway.	Continued planning for phase 2 restructure. Timing dependent on outcomes of 31ten review.
Property	0	tbc	tbc	tbc	No savings target defined at this stage	Ameo review received.	Awaiting outcome of 31ten review.		
Total	3,181	1,855	1,350	6,386					

Risks / Issues for discussion:	Action Required:
No clarity around direction/vision/strategy for OCAP, leading to uncertainty around the viability and timeframe.	Matt & Adrian to propose way forward.
31ten review is creating uncertainty, making it difficult to plan ahead.	Outcomes of the review to be agreed and implemented as soon as possible.

Annex 2 – Proposed Service Performance measures

	Bus Ops	Finance South (BHCC/ESCC)	HR South	IT&D	Procurement	Property
Operational	<ul style="list-style-type: none"> Unit Costs Operational Excellence 	<ul style="list-style-type: none"> Status of annual accounts (clean audit opinion on time or not) Budgetary control 	<ul style="list-style-type: none"> Total HR cost per employee (tbc) HR FTEs per 1000 employees(tbc) 	<ul style="list-style-type: none"> Safe & Secure (run) Enabling Service Offers (Grow) Transformational Step Change (Transform) 	<ul style="list-style-type: none"> Procurement savings Local spend 	<ul style="list-style-type: none"> No. of Property Projects
People	<ul style="list-style-type: none"> Staff morale 	<ul style="list-style-type: none"> Staff Morale, engagement / job satisfaction 	<ul style="list-style-type: none"> Staff morale 	<ul style="list-style-type: none"> Staff morale 	<ul style="list-style-type: none"> Social Value benefits Staff morale 	<ul style="list-style-type: none"> Staff Morale Resourcing
Value	<ul style="list-style-type: none"> Customer satisfaction / feedback Benchmarking 	<ul style="list-style-type: none"> Customer satisfaction / feedback Benchmarking 	<ul style="list-style-type: none"> Customer satisfaction / feedback 	<ul style="list-style-type: none"> Customer satisfaction / feedback Benchmarking (Gartner) 	<ul style="list-style-type: none"> Post tender customer feedback Benchmarking (Rosma) 	<ul style="list-style-type: none"> Customer satisfaction / feedback

Customer satisfaction and feedback

A consistent theme for most services was the desire to regularly seek customer satisfaction and general feedback on service performance. We have this to some degree in most services at this time but it is patchy and inconsistent. A research piece has been completed around current feedback approach(s) used and this has clearly shown gaps in the current method and an opportunity to seek a more consistent approach across Orbis.

Annex 3 – Business Operations Performance Deep Dive

OPERATING KPI's 2018 - 2019

	Unit Cost	Operational Excellence	Customer Satisfaction		Unit Cost	Operational Excellence	Customer Satisfaction
NORTH				South			
Business Operation				Business Operations			
Net cost to serve < £364	£ 266			Net cost to serve < £364	£ 266		
Customer Satisfaction Business Ops > 85%			81%	Customer Satisfaction Business Ops > 85%			84%
Business Operation North				Business Operations South			
Net cost to serve < £293	£ 258			Net cost to serve < £372	£ 335		
Budget Variance < £1	-£ 565			Budget Variance < £1	-£ 565		
HR				HR Operations			
Net cost to Serve < £10	-£ 4			Net cost to Serve < £44	£ 11		
Cost Per Payslip < £1.16	-£ 0.07			Payroll cost to serve < £1.96	£ 0.38		
Cost per Appointment < £650	£ 617						
Payslip Errors < 0.25%		0.17%		Payment accuracy < 0.25%		0.13%	
Selection decision to start date confirmed < 80%		81%		Blended Customer Satisfaction > 80%			81%
Blended Customer Satisfaction > 85%			84%				
Finance & Procurement				Accounts			
Blended Customer Satisfaction > 85%			84%	Blended Customer Satisfaction > 85%			76%
				Accounts cost to serve - < £0.89	£ -		
Purchase 2 Pay				Accounts Payable			
% of invoices paid within 30 days > 93%		94%		% of invoices paid within 30 days > 94%		91%	
% of local suppliers on SRM Catalogue > 45%		36%					
% of straight through invoice process rate > 80%		91%					
% of Catalogue spend > 80%		77%					
% of retrospective order > 20%		11%					
% of vendors onboarded to E-invoicing > 0%		100%		% of vendors onboarded to E-invoicing > 0%		64%	
% of Invoices paid via E-invoicing > 0%		49%		% of Invoices paid via E-invoicing > 0%		0%	
				Average days to pay < 22 days		23	
Cost per PO settled < £10	£ 1			Duplicate payments < 0.15%		0.04%	
				Blocked invoices pending actions by Bops <		0%	
Order 2 Cash				% of payment errors < 0.25%		0.23%	
Invs/Statements issued within 24hrs = 100%		100%					
				Accounts Receivable			
Cost per Billing/Reminder Issued < 0.47p	£ 0.42			% of invoices raised with 2 working days > 98%		100%	
% Credit control debt collected (General) > 85%			72%	% of ASC invoices paid by DD > 47%		61%	
				% of invoices paid by DD > 47%		54%	
Customer				Unsecured ASC debt over 5 months < 2m		£2K	
First Point Fix % > 85%			80%	Unsecured % of ASC debt > 5 months < 36%		0%	
% Answered in SLA > 75%			68%				
Average speed of answer < 20 seconds			37 seconds				
Abandoned Calls % < 5%			3%				
Cost to serve FIN/HR < £4	£ 2						
Cost to Serve LAS < £20	£ 23						
Cost to Serve Pensions < £4	£ 2						
Pensions				Pensions			
Notify potential beneficiary of lump sum death grant within 5 days > 95%		100%		Notify potential beneficiary of lump sum death grant within 7 days = 100%		100%	
Write to dependant and provide relevant claim form within 5 days of notification of death > 90%		100%		Write to dependant and provide relevant claim form within 7 days of notification of death = 100%		100%	
Pay death grant within 5 days of receipt of relevant documentation > 90%		100%		Pay death grant within 7 days of receipt of relevant documentation = 100%		100%	
Issue notification of dependant's pension within 5 days of receipt of relevant claim forms > 90%		96%		Issue notification of dependant's pension within 5 days of receipt of relevant claim forms > 90%		100%	
Retirements				Retirements			
Retirement options to members within 10 days > 90%		89%		Retirement options to members within 10 days > 90%		98%	
New retirement benefits processed for payment following receipt of election within 10 days > 95%		90%		New retirement benefits processed for payment following receipt of election within 10 days > 95%		100%	
III Health Retirement options to members within 10 days > 90%		100%		III Health Retirement options to members within 10 days > 90%		100%	
III Health Retirement payments processed within 10 days > 90%		100%		III Health Retirement payments processed within 10 days > 90%		100%	
Transfers In				Transfers In			
Non LGPS transfers-in quotations processed within 20 days > 90%		100%		Non LGPS transfers-in quotations processed within 25 days = 100%		98%	
Non LGPS transfers-in payments processed within 20 days > 90%		100%		Non LGPS transfers-in payments processed within 10 days = 100%		86%	
Transfers Out				Transfers Out			
Non LGPS transfers-out quotations processed within 20 days > 90%		95%		Non LGPS transfers-out quotations processed within 25 days = 100%		98%	
Non LGPS transfers out payments processed within 20 days > 90%			50%	Non LGPS transfers out payments processed within 25 days = 100%		92%	
Member Satisfaction > 80%			87%	Member Satisfaction > 80%			0%
Cost per member < £	-£ 0			Pensions cost to serve < £0.62	£ -		

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