



EAST SUSSEX COUNTY COUNCIL,
SURREY COUNTY COUNCIL AND
BRIGTON AND HOVE COUNTY COUNCIL

ORBIS JOINT COMMITTEE MEETING

DATE: 16 October 2020

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

SUBJECT: BUSINESS OPERATIONS SERVICE SPOTLIGHT

SUMMARY OF ISSUE:

This spotlight report provides the Orbis Joint Committee with an overview of the activities and achievements by Business Operations.

RECOMMENDATIONS:

The Orbis Joint Committee is asked to note the on-going service developments and the future strategic direction for the partnership service.

REASONS FOR RECOMMENDATIONS:

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

DETAILS:

Background

1.1 The Business Operations service is an integrated Orbis partnership function. The service provides the transactional activities for the three councils for Finance, procure to pay and Hire to retire functions. It operates as a Shared Service delivering best practice processing on essential council needs such as paying staff, paying suppliers and collecting income. The service operates over our three main council sites in Kingston, Lewes and Brighton

1.2 An interim Assistant Director of Business Operations was appointed in May 2019 and conducted a review of the service. This highlighted much good practice but saw the need to improve leadership, financial planning, staff moral and performance monitoring. A series of interventions against each has seen improvements in each area some of which are outlined in the report below.

1.3 The Orbis business plan has considerable savings expectations against Business Operations. These have been met each year, but the future plans outline the next stage of service development needed to meet the ongoing savings. The service has traditionally met savings through self-service, automation, commercialisation and the next focus is on increased integration across the partnership.



1.4 The service has an operating model which derives efficiencies & innovation through scale and emphasises operational excellence, customer and staff satisfaction and low unit cost as its heart. This has led to a strong reputation in its field externally leading to traded services being a key part of our strategy.

2 Service Updates

Performance Monitoring

2.1 With the council migrating towards evidence-based decision making, Business Operations is looking to utilise its large quantities of data and convert this into meaningful insight into our own performance. By implementing Result Orientated KPIs we will focus upon those metrics that support our strategic goals rather than the current output orientated measures. Following the Business Operations review a Head of Performance & Insight was appointed and is developing proof of concepts for performance dashboards. These will be shared with key stakeholders across the partnership to ensure we are capturing the customer needs in addition to our own operational requirements before rolling out across the remaining functional areas.

2.2 We will look to develop three levels of performance dashboards to support operational delivery; Service performance indicators for use with our organisation, operational performance indicators for use by our managers in running successful teams and capacity modelling so we use our resources to manage demand.

Project Delivery

2.3 The Business Operations service project roadmap is driven by delivering change which supports the service to meet its strategic goals. These include the aligned procurement and implementation of cross site applications; support of the SCC DB&I and ESCC MBOS programmes; delivery of wellbeing and people led initiatives to support staff through change and development; the roll out of W10 devices to ensure no disruption to service delivery and both the tactical and strategic impact of the CV19 measures.

Commercial Development

2.4 In addition to providing transactional and other support services to each of the three councils, Business Operations also provides traded services to a range of external customers within the geographic boundaries of the councils and beyond.

These services fall into the 3 categories summarised in the table below.

Orbis Services	Service	Customers	'000s
Payroll Services	Payroll and pensions admin services	650	£2,500k
HR Services	HR advisory and transactional support including recruitment and DBS checks	350	£550k
Finance Services	Financial management and finance operations including debt management	10	£200k
Total		900 (discrete)	£3,250k

Taken together these services generate additional revenue in excess of £3m per annum which is used to offset overhead costs and to deliver savings back to each of the councils.



Following the transitioning back of pension administration services (see below), most of this income now relates to Payroll and HR services but also includes finance support and helpdesk.

Services are provided to approximately 900 discrete organisations, including 650 schools, with a very high level of customer retention each year alongside steady year on year growth. The majority of our customers are maintained schools and Academies located primarily across the 3 council areas with some other public service and not for profit organisations. Some services are combined and provided to the same customers.

Going forward there is a programme to further develop the commercial acumen of the service and to embed a more commercial approach into the standard operating model – this will allow service managers to better assess their competitive positioning and the potential for both further growth and increased profitability.

Robotic Process Automation

2.5 Robotics Process Automation is software incorporating AI technologies that can replicate high volume repetitive tasks to free up staff to more value-add activity. Business Operations recognised the potential for our service and conducted proof of concepts to test the technologies capabilities for back office processing. The proof of concepts helped us learn how we could best exploit the software for our councils, and we built a robotics lab in collaboration with IT&D. The lab is responsible for the identification of process, engaging teams, development and delivery of robotic process automation solutions.

2.6 Since establishing the robotics lab Business Operations have launched 15 RPA deployments with examples being backlog clearance for pensions, bulk processing of fire claims and password resets for self-service portals. We have a pipeline of activity to deliver further opportunities to support the delivery of business plans through the deployment of well-placed and purposeful automation.

2.7 Working closely with IT&D we are looking to expand the use of automation in our Lewes site and where possible as well as test and implement new technologies such as chatbots to aid enhancement of self-service offerings.

Collaborative Apprenticeship

2.8 Business Operations has been working with HR&OD across the councils to bring in place a Collaborative Transformation and Shared Services Leadership Apprenticeship programme to the partnership. The first cohort of 8 Business Operations staff will be starting the pilot programme in November. The first of its kind it will see delegates across our partnership working together to build collaboration skills and a common language in developing partnership. The 18-month apprenticeship will provide:

- The skills and opportunity to accelerate the scale and pace of our collaborative transformation journey as a service
- Build a culture of collaborative working within and across the service and with our partners
- Build in house skills that will support our strategic objectives
- Enabling multi-disciplinary & multi-agency team working between organisations

The future in local government will see the need to work in partnership across all areas of our business with blue light, health and local partnerships becoming more important to ongoing sustainability. It is therefore

hoped that if successful this training could prove beneficial beyond ORBIS and to our councils in the drive to create successful collaboration.



Pensions Administration

2.9 The administration for both Surrey and East Sussex Pension Fund was provided internally via the Orbis Partnership. In addition to the council funds, the service managed administration for the funds of four London Boroughs: Westminster, Hillingdon, Kensington & Chelsea, and Hammersmith & Fulham.

The pensions administration had considerable legacy and cultural issues, a series of poor audits and recent changes in legislation placing higher levels of scrutiny on the service through the forming of pensions committees and boards. A review was commissioned to review the management arrangements of pensions administration, understand the learning from the frequent turnover in the Head of Pension Administration role and recent experience of procurement for a new contract for the pensions administration system.

2.10 The review concluded that the scale of the role for Head of Pensions administration was not viable to manage the large numbers of stakeholders as well as drive the improvements needed across process, culture, data and systems. The report therefore recommended that the pensions administration services return to their respective councils to allow for the management focus to provide sufficient strategic oversight, change capability and foster closer relationships with funds. The change to the new management arrangements was implemented on 30th June 2020.

2.11 Business Operations still provide helpdesk services to the Pensions administration of both East Sussex and Surrey and in the transitional year have been supporting the change as well as providing commercial support to the London Borough clients.

COVID-19 and service response

2.12 As with many service areas, the COVID-19 pandemic put unprecedented strain on service delivery. As a predominantly back office service very reliant on office working we needed to get a mainly desk based service mobile overnight. We formed a project team during early March to help plan for a lockdown and working with IT&D across the partnership we were able to get everyone home and operational. The human response from our teams typified our personality as a service such as staff volunteering their own equipment for those that had none, people volunteering to deliver equipment to those that could not travel, use of teams so staff could connect as they did in the office on queries and linking up with key stakeholders and audit on changes to enable remote working. This was a significant shift in how we worked and given the critical nature of the services we provide such as Payroll we had to ensure that this was not impacted.

2.13 The initial and ongoing response within the Business Operation Service has been exceptional – both from individuals and whole teams. We have had to quickly adapt to our new environment but also seen that this has opened opportunities for us to explore further. Some of the highlights from our response have been:

- Automating manual processes to allow people to still access our services remotely (such as e-expenses & claims in ESCC payroll)
- Laptop roll out across the service
- Responding to legislative changes (such as immediate payments to suppliers and furlough)
- Working with cells on issues (highlighting Pcard use and supporting needs)
- Revised business continuity plans to include COVID response
- Improved performance in some areas (such as 96% prompt payment in ESCC)
- Providing early support to managers on Recruitment advice

- And most importantly no loss in Business Continuity which saw our staff working flexibly out of hours to ensure high volume processing such as banking runs could complete.

2.14 We recognised early on in lockdown that this would be a difficult transition for our staff to move to remote working. In the early months of lockdown we issued surveys which received good engagement from the teams. The first highlighted a technical issue with the lines to the data centre that we were able to raise with IT&D to get additional capacity from BT which supported all councils. The other area of focus for us was on staff wellbeing as they struggled with isolation and anxiety about the virus. Business Operations had in place wellbeing champions across the partnership and they worked very hard on bringing together the resources from across the councils and beyond to help staff. Regular communications and using multiple ways to contact meant that staff felt very involved and continued encouragement to talk to ensure we support everyone as much as possible.

3. Conclusion and reasons for recommendations

3.1 Business Operations is a core part of the ORBIS delivery and is providing services in line with its strategy that add value to our organisations

3.2 Recognition that Business Operations has met significant savings on behalf of the partnership over the last three years and continues to pursue aggressive targets. The savings for 20/21 are at risk as COVID had to be prioritised and restructures were not deemed appropriate whilst responding to the pandemic.

3.3 Business Operations are integral to the council's ERP programmes as major users of the technology and will provide high levels of support through both the evaluation and implementation of the system.

Contact Officer:

Mike Lea – Assistant Director of Business Operations

Consulted:

Kevin Foster – Chief Operating Officer (ESCC)

Leigh Whitehouse – Executive Director of Resources (SCC)

Nigel Manvell - Deputy Chief Finance Officer (BHCC)

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