



SHARED SERVICES JOINT COMMITTEE AGENDA

9.00 am	Friday 13 February 2015	Stratford Town Hall, Stratford
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COUNCILLORS:

LONDON BOROUGH OF HAVERING

Councillor Ron Ower
Councillor Melvin Wallace
Councillor Damian White

LONDON BOROUGH OF NEWHAM

Councillor Lester Hudson
Councillor Forhad Hussain
Councillor Ellie Robinson

**For information about the meeting please contact:
Andrew Beesley, Committee Administration Manager
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NOTES ABOUT THE MEETING

1. HEALTH AND SAFETY

The Joint Committee is committed to protecting the health and safety of everyone who attends its meetings.

At the beginning of the meeting, there will be an announcement about what you should do if there is an emergency during its course. **For your own safety and that of others at the meeting, please comply with any instructions given to you about evacuation of the building, or any other safety related matters.**

2. MOBILE COMMUNICATIONS DEVICES

Although mobile phones, pagers and other such devices are an essential part of many people's lives, their use during a meeting can be disruptive and a nuisance. Everyone attending is asked therefore to ensure that any device is switched to silent operation or switched off completely.

3. CONDUCT AT THE MEETING

Although members of the public are welcome to attend meetings of the Joint Committee, they have no right to speak at them. Seating for the public is, however, limited and the Joint Committee cannot guarantee that everyone who wants to be present in the meeting room can be accommodated. When it is known in advance that there is likely to be particular public interest in an item the Joint Committee will endeavour to provide an overspill room in which, by use of television links, members of the public will be able to see and hear most of the proceedings.

The Chairman of the meeting has discretion, however, to invite members of the public to ask questions or to respond to points raised by Members. Those who wish to do that may find it helpful to advise the Clerk before the meeting so that the Chairman is aware that someone wishes to ask a question.

PLEASE REMEMBER THAT THE CHAIRMAN MAY REQUIRE ANYONE WHO ACTS IN A DISRUPTIVE MANNER TO LEAVE THE MEETING AND THAT THE MEETING MAY BE ADJOURNED IF NECESSARY WHILE THAT IS ARRANGED.

If you need to leave the meeting before its end, please remember that others present have the right to listen to the proceedings without disruption. Please leave quietly and do not engage others in conversation until you have left the meeting room.

AGENDA ITEMS

1 ANNOUNCEMENTS

On behalf of the Chair, there will be an announcement about the arrangements in case of fire or other events that might require the meeting room or building's evacuation

2 APOLOGIES FOR ABSENCE

(if any) - receive

3 DISCLOSURES OF PECUNIARY INTEREST

Members are invited to disclose any pecuniary interest in any of the items on the agenda at this point of the meeting. Members may still disclose a pecuniary interest in an item at any time prior to the consideration of the matter.

4 MINUTES (Pages 1 - 6)

To agree as a true and accurate record the minutes of the meeting of the Committee held on 24 October 2014, and to authorise the Chair to sign them.

5 MEMBERSHIP OF THE JOINT COMMITTEE

To note that Councillor Ron Ower has replaced Councillor Roger Ramsey as a member of the Joint Committee.

6 ONESOURCE 2015-16 BUDGET (Pages 7 - 14)

7 ONESOURCE FORECAST FINANCIAL POSITION AS AT DECEMBER 2014 (Pages 15 - 20)

8 STRATEGIC AND DELIVERY PLAN REPORT (Pages 21 - 46)

9 ONESOURCE TRANSFORMATION UPDATE (Pages 47 - 54)

10 APPOINTMENT OF MANAGING DIRECTOR - ONESOURCE (Pages 55 - 58)

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**MINUTES OF THE
ONESOURCE
JOINT COMMITTEE
MEETING
1000 Dockside, Newham
Friday, 24 October 2014
(10.00 - 11.00 am)**

Present:

Councillors Ellie Robinson (Chair), Lester Hudson, Forhad Hussain, Roger Ramsey (Vice Chair), Melvin Wallace and Damian White

Unless otherwise indicated, all decisions were agreed unanimously with no member voting against.

There were no disclosures of pecuniary interest.

6 ELECTION OF CHAIR AND VICE CHAIR

Following receipts of nominations, Councillor Ellie Robinson was elected as Chair for the remainder of the 2014/15 municipal. Councillor Roger Ramsey was elected as Vice-Chair.

7 MINUTES

The minutes of the meeting of the Joint Committee held on 15 January 2014 were agreed as a correct record and signed by the Chairman.

8 INTRODUCTION OF THE NEWLY APPOINTED INTERIM MANAGING DIRECTOR FOR ONESOURCE

The Joint Committee congratulated Deborah Hindson on her recent appointment as Interim Managing Director of oneSource. Ms Hindson commented that she would continue with the successful transformation work undertaken thus far and looked forward to the challenges ahead.

9 BUSINESS DEVELOPMENT PLAN REPORT

The Assistant Director of Business Services introduced the report and explained that oneSource was ambitious in continuing to find savings in addition to the £40 million already identified in the Business Case. In order to

do this oneSource would have to explore ways of attracting additional business and identify the best way for others to join oneSource.

It was noted that the vision of OneSource was to be the one source of innovative, high quality and affordable support to all public services. In order to do this, the organisation need to develop commercially to become more profitable by growing the business to create income and further savings.

Shared services was considered a viable transformation initiative to find savings to aid the fiscal challenges ahead for councils. The Assistant Director added that in his view there was a window of opportunity to market the organisation's services over the next eighteen months to the public sector if the objective of being a preferred provider of shared services within the market was to be achieved.

It was explained that in order to understand the opportunities available, the market and potential for further savings a Business Development Plan had been produced, which was appended to the report. The Development Plan would enable oneSource start to understand how it could realise the following:

- Compete effectively in the shared service market
- Take advantages of opportunities for further income and savings
- Develop services to meet the needs of our customers and the market
- Gain buy-in and secure resources to develop our commercial competence
- Develop the business to ensure sound commercial decision-making
- Save costs for other councils/organisations

In addition, it was remarked that the document would help oneSource decide how to trade within the shared service market and plan how to achieve its commercial aspirations.

The report outlined two distinct areas of trading for oneSource to consider. Firstly, using a partnership type on-boarding method and those which required a commercial tendering process. These distinct approaches have different markets, competitors and on-boarding processes which would offer a range of challenges to oneSource when the commercial approach is developed.

It was commented that despite being successful in competing for small distinct services, in order to compete for full ranges of service with large outsourcing companies OneSource would need to invest in a first class offering and tendering ability, which would need to be robust and include full unit costs, a range of case studies and references. Significant investment in resources would be required for this and there was also a risk of losses of this investment through abandoned or unsuccessful tenders. This would be subject to a further piece of work to review the resource required and viability and may be more relevant to transactional type services.

The report suggested two different strategies to trade; firstly with an additional partner, and then commercially. The business development plan assessed the current market and potential customer for OneSource's current products and trading ability. A further assessment would need to be undertaken to take oneSource from this to a fully commercial trading organisation.

The business plan therefore focused on identifying the current areas of opportunity and considers what activity would need to take place to move towards the organisation's ultimate longer term commercial objectives. The report concluded that the initial area of opportunity for oneSource was to look for other local government partners to share some or all of their back office services with. Indeed, staff had been actively promoting oneSource at local and national events and conferences.

Comments received from Committee Members agreed with the report's recommended approach which was to focus on exploring areas of opportunity with local government partners to share back office functions. There was a concern that the organisation, still in its infancy, had neither the reputation nor the tendering acumen to compete in the commercial market. Members were keen however for this option to be explored at a later date.

Another key area of focus for Members concerned the incentives offered to potential partners to come on-board at an early stage in the organisation's development which would in-turn assist in promoting its profile and increase knowledge and expertise.

It was **RESOLVED**:

1. That the business development outlined in the Business Development Plan be agreed. Any potential opportunities would be fully considered and reported back to the Joint Committee.
2. That a further piece of work is undertaken to review the resources required to operate commercially in the longer term.

Reasons for the decision:

The report identified ways for oneSource to grow and provide further savings for the London Borough of Havering and Newham as well as others. In order to do this the Joint Committee will need to agree that further potential partners to the Joint Committee and customers should be explored.

Other options considered:

This paper explores a number of different on boarding options to further generate income, in addition to this it could be decided to not explore developing these business opportunities which would reduce the capacity for oneSource to provide savings over and above those already identified.

10 **ONESOURCE TRANSFORMATION UPDATE**

The report before Members looked at the transformation projects being undertaken to deliver the oneSource savings as outlined in the shared service business case approved by both Havering and Newham Councils.

The report outlined the processes used for transforming services within oneSource and provides an update on progress to date. It was explained that the benefit realisation process was undertaken by the Business Services team. All proposed savings were monitored by the team and finance to ensure that the savings were delivered in line with the proposals. This would enable actual savings delivery to be monitored against the business plan target and not potentially masked by other one off or unplanned savings within service budgets. In addition non financial benefits were captured to demonstrate gains for oneSource and the two councils such as the creation of resilience within functions.

The Committee noted that, to date, savings amounting to £2.1m had been either delivered or identified. This excluded savings that would come out of the reviews which were currently in progress. Furthermore, savings were being delivered by the oneSource Management Team through budget management via vacancy management and other budget savings.

In a separate report before the Joint Committee, it was identified that oneSource was on target to spend within budget and on course to deliver total savings of £4.1m for 2014/15.

It was commented that a critical element of the transformation programme concerned the development and roll out of One Oracle which had been expected for a start date of April 2015. It was agreed that a report on the matter would be presented at the next meeting of the Joint Committee.

The Joint Committee **NOTED** progress on delivering the required savings from oneSource in 2014/15.

Reasons for the decision:

The report was for information only and did not directly require a decision by the Joint Committee.

Other options considered:

Not applicable.

11 **ONESOURCE FORECAST FINANCIAL POSITION AS AT AUGUST 2014**

The report before the Committee detailed the oneSource forecast financial position as at August 2014. It was reported that the overall forecast outturn showed a balanced position; whilst at service level there were 2 significant variances.

An overspend of £236k in Asset Management had been due to delays in completing the transformation reviews, and associated implementation of service improvements and efficiencies. It was explained that this had been offset by salary underspends in Finance. It was also noted that these variances were not expected to be ongoing and would be removed following the outcome of current and forthcoming service reviews and in meeting future savings targets.

The Joint Committee **NOTED** the current oneSource forecast outturn position.

Reasons for the decision:

The report was for information only and did not directly require a decision by the Joint Committee.

Other options considered:

Not applicable.

12 **FUTURE MEETING DATES**

It was agreed that the remaining meetings of the Joint Committee for the 2014/15 municipal year would take place on:

- 13 February 2015
- 26 June 2015

Chairman

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HAVERING AND NEWHAM SHARED BACK OFFICE SUPPORT SERVICE

JOINT COMMITTEE	13 February 2015
Subject heading:	OneSource 2015-16 Budget
Report author and contact details:	Owen Sparks owen.sparks@onesource.co.uk 01708 432203
Financial summary:	The overall oneSource 2015-16 budget is £44.589m. This is analysed at service level in the body of the report.
Is this a Key Decision?	Yes

SUMMARY

The total oneSource budget for 2015-16 is £44.589m. This is the controllable budget and after the 2015/16 savings target of £3.7m has been removed.

RECOMMENDATIONS

The Joint Committee is asked to: -

- note the 2015-16 oneSource budget;
- approve the 2015-16 budget allocation to services;
- approve the changes to the oneSource service portfolio.

REPORT DETAIL

Background

OneSource is funded by Havering and Newham Councils in order to deliver shared back office support services. The joint working is set to realise at least £10.6m of savings in the period up to 2018/19. Savings of £4.1m for 2014/15 are on target to be delivered and £3.7m of additional savings are reflected in the 2015/16 budget.

Each Council will approve funding to oneSource as part of their respective budget reports and Council Tax setting.

OneSource 2015/16 Budget

The 2015/16 total oneSource controllable budget is £44.589m. This is analysed by service in the table below.

Service	Original Budget 15/16 (£'000)		
Finance	7,536		
Business Services	1,341	<u>Council Funding</u>	(£'000)
Exchequer & Transactional Services	17,527	Havering	17,385
Legal & Governance	4,316	Newham	27,204
ICT Services	9,110	Total	44,589
Asset Management Services	1,899		
Strategic & Operational HR	2,860		
Total oneSource Shared	44,589		

Controllable budgets as shown reflect expenditure and income which service managers directly influence and control through the delivery of their services and financial management activity. The non-controllable elements, which have been excluded, largely relate to corporate activity and technical accounting adjustments e.g. recharges, capital charges etc.

As part of budget development the oneSource allocation has been subject to a number of adjustments to take account of items such as inflation, one off budget adjustments etc. The table below summarises the movement from the current period 9 budgeted position (as detailed elsewhere on the agenda): -

Joint Committee, 13 February 2015

Budget Development Movements from Period 9 2014/15 to Original 2015/16

Description	Havering (£'000)	Notes	Newham (£'000)	Notes	Total (£'000)
Revised Budget 2014/15 period 9	19,365		29,746		49,111
Less one off items in 14/15					
Less one off/reserves funding from 14/15 budget	(604)	Project and transformation support			(604)
Removal of Redundancy from 14/15	(256)	Funded on a case by case basis	0	Funded as a year end adjustment	(256)
Un-ringfenced grant allocated to services in 14/15 only	(148)	Housing Benefits & Electoral Reform			(148)
Reduction in Development Funding	(168)	Reduction in funding to support service reviews/transformation	(287)	Reduction in funding to support service reviews/transformation	(455)
Removal of Council Tax growth 14/15			(300)	Benefits Call Centre funding reduction	(300)
Add inflation for 15/16					
Full Year Effect of Pay Award	319	Part year, 3 months included within 2014/15 Revised Budget	447	Part year, 3 months included within 2014/15 Revised Budget	766
Non Pay Inflation Uplift	30			No allocation made	30
Less additional savings for 15/16					
FBC Budget Savings	(1,369)	As set out in the full business case	(2,309)	As set out in the full business case	(3,678)
Add Other Changes					
ICT Licence Costs	87	Additional licensing costs			87
Various other minor changes	129		(93)		36
Original Budget 2015-16	17,385		27,204		44,589

The full business case (FBC) included a number of assumptions surrounding the classification of controllable and non controllable budgets, in determining the savings shares applicable to each Council. This has now been simplified, with no material impact, to consider controllable budgets only.

Council contributions are as set out in the approved oneSource FBC and Joint Committee agreement. Since inception a number of adjustments have been made to the oneSource service portfolio to refine the initial assumptions. These are reflected in the above figures and set out at appendix A.

Both Councils are still to formally finalise their budget setting processes and approve the 2015/16 Council Tax levels. Until this is completed it is possible that the oneSource budget figures will need to be adjusted to take into account any required funding adjustments. If any material changes occur these will be reported to the joint committee as appropriate.

IMPLICATIONS AND RISKS

Financial implications and risks:

OneSource is funded by the partner Councils, Havering and Newham. The budgets shown are net of the 2015-16 savings target of £3.7m as set out in the FBC and contribute towards the delivery of the respective medium term financial strategies. An established programme of service reviews is in place to deliver the savings target.

Any budget variances at the year-end will directly affect the financial positions of each authority. Robust financial management processes are embedded to minimise the risk of any budget overspends.

Legal implications and risks:

There are no immediate legal implications arising from this report.

Human Resources implications and risks:

There are no significant HR implications and risks associated with this report.

Equalities implications and risks:

There are no significant Equalities implications and risks associated with this report.

BACKGROUND PAPERS

OneSource Joint Committee Agreement
OneSource Business Case

Appendix A - OneSource Shared Services Movements

Service	Amount (£'000)		Total (£'000)
	Havering	Newham	
Spend Budgets to be shared/saved in FBC	22,417	34,822	57,239
Less items not appropriate for sharing:			
Legal Land Charges	(94)		
Leaders Office	(108)		
Surveying Services - Asbestos	(100)		
			(302)
Less budget reductions since FBC			
Legacy Savings		(291)	
Technical Services Closure/Asset Management reduction		(1,572)	
Reduction in oneSource Managing Director costs		(90)	
			(1,953)
Less items included in FBC in error			
Corporate Office Strategy	(86)		
Implementation of local Council Tax & HB reform	(36)		
Business Management	(74)		
Property Database project	(39)		
Newham Dockside		(41)	
Members Expenses		(60)	
Municipal Premises		(259)	
			(595)
Add items added since FBC in:			
Schools and Housing Health & Safety Services	218		
ICT Investment	618		
Revenues Enforcement Growth	122		
Transformation and Projects Support	244		
Electoral Registration	87		
Business Improvement Team		478	
Council Tax Contact Centre & New Burdens		1,304	
In House Bailiff Team		500	
Systems Development		695	
FM (Property Front/Back Office)		1,291	
			5,557
Other Items	11	(5)	6
FBC Equivalent	23,180	36,772	59,952
Increase/(Decrease) in FBC Equivalent			2,713

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HAVERING AND NEWHAM SHARED BACK OFFICE SUPPORT SERVICE

JOINT COMMITTEE	13 February 2015
Subject heading:	OneSource forecast financial position as at December 2014
Report author and contact details:	Owen Sparks owen.sparks@onesource.co.uk 01708 432203
Financial summary:	The oneSource financial forecast shows a projected underspend of (£125k) as at December 2014, period 9.
Is this a Key Decision?	No

SUMMARY

The oneSource forecast financial position shows a projected underspend of (£125k) as at December 2014, period 9. This is detailed at service level in appendix A.

RECOMMENDATIONS

The Joint Committee is asked to note the: -

- current oneSource forecast outturn position;
- oneSource key performance indicators (KPIs).

REPORT DETAIL

Background

OneSource forecasting is undertaken using the Collaborative Planning (CP) system. Appropriate financial information is extracted from the Councils' ledgers, consolidated and presented to give joined up service financial positions, from which service managers then calculate forecasts.

From an outturn perspective only the consolidated oneSource position is relevant. Actual expenditure incurred within the individual Council's will be adjusted periodically to reflect the shares set out in the Joint Committee agreement. This allows flexibility over where costs are incurred on a day to day basis, although this will be monitored at a summary level, whilst meeting the partnership efficiency aims, and legal and accounting requirements.

December 2014 Financial Position

The overall oneSource forecast outturn shows a projected underspend of (£125k). At service level there are four significant variances. There are overspends of £230k and £123k in Asset Management and, Legal and Governance respectively. These are largely due to delays in completing the transformation reviews, and associated implementation of service improvements and efficiencies. These are offset by salary underspends and additional income generation in Finance, and Exchequer and Transactional Services. The variances are not expected to be ongoing and will be removed following the outcome of current and forthcoming service reviews and in meeting future savings targets.

There are no significant issues currently foreseen in meeting the future oneSource savings targets, with these being challenging but achievable.

The variance apportionment within Appendix A is shown at indicative summary level.

Budgets are shown net of recharges and the 2014/15 savings target of £4.1m has been removed.

OneSource KPIs

oneSource has a number of key performance indicators (KPIs) in place for 2014/15 as a measure of the service provided to our customers.

The following two key performance indicators have a direct financial implication to oneSource and the London Borough of Havering and the London Borough of Newham as they relate to the collection of Council Tax and Business Rates.

The oneSource KPIs are informed by the service performance indicators in the SLA service schedules and the key corporate performance indicator requirements of the customer councils.

oKPI 3 – Percentage of Council Tax collected

This KPI is monitored separately for each council as it is an important corporate indicator and revenue stream.

For the London Borough of Havering council tax collection, the performance indicator has exceeded target every month this year with an outturn for December 2014 of 85.77% which is £106.6m collected.

For the London Borough of Newham the collection rate for December 2014 council tax is 75.71% (£64.6m collected), which is up by 0.21% on the re-profiled target for the current year.

The lower payment rate for Newham households goes some way to explain the difference between the collection rates of the two councils. Aside from that, Havering has a greater proportion of household paying in 10 instalments than Newham and therefore will effectively finish collection in January. Newham offers 12 monthly instalments to all households entitled to Council Tax Reduction to enable them to spread the repayment of their minimum 20% liability as far as possible and more generally to other households where it will assist them in repaying in full for the year.

oKPI 4 - Percentage of National Non-Domestic Rates (NNDR) collected

This KPI is monitored separately for each council as it is an important corporate indicator and revenue stream.

For the London Borough of Havering NNDR collection there is a drop from 85% (£65.3m) in December 2013 compared to this year's 84.17% (£63.4m). This is due to businesses now being able to pay over 12 months as opposed to the previous 10 months. The monthly collectible figure has reduced and targets are yet to be redefined; however collection rates are on course to meet the annual target of 98%.

For the London Borough of Newham NNDR collection indicator has been performing slightly lower compared to same period last year with 87.18% (£115.4m) collected out of a total of £133.8m collectable debit. However this can be attributable to there not being a re-profiled target to take into account the changes to legislation allowing ratepayers to pay over 12 months as opposed to the previous 10 months.

Detailed performance by month is set out at appendix B.

IMPLICATIONS AND RISKS

Financial implications and risks:

The financial position of oneSource has a direct bearing on the financial position of both Havering and Newham Councils; with any savings or overspends being shared as set out in the Joint Committee agreement.

Robust financial management processes are in place across oneSource. The budget monitoring process is summarised in the body of the report along with the financial position as at December 2014, period 9.

The collection rates of Council Tax and NNDR do not have a direct financial effect on oneSource itself. Within each respective Council, where there is a direct financial impact, the implications are monitored and reported accordingly.

Legal implications and risks:

There are no immediate legal implications arising from this report.

Human Resources implications and risks:

There are no significant HR implications and risks associated with this report.

Equalities implications and risks:

There are no significant Equalities implications and risks associated with this report.

BACKGROUND PAPERS

Appendix A - OneSource Financial Position

Period 9 2014/15

SERVICE	REVISED CONTROLLABLE BUDGET			YTD ACTUALS + ENCUMBRANCES	YTD REMAINING BUDGET	FY PROJECTED OUTTURN	FY PROJECTED OUTTURN VARIANCE	REASON FOR FY PROJECTED OUTTURN VARIANCE
	EXPENDITURE	INCOME	NET					
Finance	9,946,346	(1,279,310)	8,667,036	6,695,380	1,852,560	8,274,019	(393,017)	There are favourable variances in finance due to staff vacancies and in fraud due to higher than budgeted income. These are partially offset by a delay in restructuring to meet savings targets.
Business Services	3,088,460	(687,000)	2,401,460	1,140,751	730,209	2,393,845	(7,615)	
Exchequer & Transactional Services	20,187,333	(1,716,927)	18,470,406	11,693,990	6,891,044	18,397,969	(72,437)	The variance is largely due to staffing underspending and additional court cost and payroll income.
Legal & Governance	5,246,857	(684,250)	4,562,607	3,642,489	862,341	4,686,101	123,494	A delay to the legal services restructure scheduled for 1 January 2015 has resulted in the efficiency savings for 2014/15 being incapable of full realisation.
IT Services	13,520,189	(3,721,540)	9,798,649	12,983,785	(4,167,125)	9,818,413	19,764	
Asset Management Services	5,918,859	(3,853,380)	2,065,479	3,188,645	(1,795,056)	2,295,880	230,401	The variance reflects the inability to achieve the £964k combined savings target across both boroughs for 2014/5 within the current financial year.
Strategic & Operational HR	3,157,325	(12,099)	3,145,226	2,619,592	486,858	3,119,243	(25,983)	
TOTAL	61,065,369	(11,954,506)	49,110,863	41,964,632	4,860,831	48,985,469	(125,394)	

NOTES

The variance apportionment at service level may need to be repeated at a later date to reflect any subsequent budget adjustments.

The budget figures above include controllable budgets only.

Variance Apportionment

Newham	62%	(77,744)
Havering	38%	(47,650)

The overall oneSource forecast variance is due to salary underspending and the receipt of additional income within Finance and Exchequer and Transactional Services. This is partially offset by a delay in achieving the full year savings targets in Legal & Governance and Asset Management.

Appendix B – Detailed Analysis of KPI Performance

Indicator	Value	Data collection Frequency	Council	2013/14 Annual Performance	2014/15 Annual Target	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	DoT
Percentage of Council Tax collected	Bigger is Better	Monthly	LB Havering	97.14%	97%	12.75% (£15.7m)	21.98% (£27.1m)	31.1% (£38.4m)	40.22% (£49.7m)	49.18% (£60.9m)	58.39% (£72.4m)	67.68% (84.0m)	76.57% (£95.1m)	85.77% (£106.6m)	↑
			LB Newham	92.51%	92.50%	12.22% (£10.3m)	20.36% (£17.2m)	28.11% (£24.1m)	36.23% (£31.0m)	44.15% (£37.9m)	52.25% (£44.8m)	60.39% (£51.8m)	68.36% (£58.5m)	75.71% (£64.6m)	↑
Percentage of National Non-Domestic Rates (NDR) collected	Bigger is Better	Monthly	LB Havering	97.42%	98%	12.41% (£9.7m)	23.84% (£18.2m)	33.84% (£26.0m)	42.84% (£32.8m)	49.11% (£37.6m)	57.64% (£44.0m)	68.19% (£51.7m)	75.45% (£56.9m)	84.17% (£63.4m)	→
			LB Newham	99.78%	99.60%	13.48% (£18.4m)	25.75% (£35.5m)	35.14% (£47.8m)	44.37% (£60.3m)	52.76% (£70.6m)	61.88% (£82.9m)	70.49% (£94.0m)	78.62% (£104.9m)	87.18% (£115.4m)	→



HAVERING AND NEWHAM SHARED BACK OFFICE SUPPORT SERVICE

JOINT COMMITTEE	13 February 2015
Subject heading:	Strategic and Delivery Plan report
Report author and contact details:	Deborah Hindson, 020 3373 0932, deborah.hindson@oneSource.co.uk
Financial summary:	There are no new financial implications outside of those budgeted for
Is this a Key Decision?	No

1. SUMMARY

- 1.1 This report presents and requests that the Joint Committee approves the oneSource Strategic Plan for 2015-18 and the Delivery Plan for 2015-16.
- 1.2 The supporting document outlines oneSource's strategic direction and how we will deliver our vision. The document gives an overview of our strategy for the next three years, considers the key business challenges for oneSource over this period and details the priorities and activities which will be taking place during 2015/16 in order to deliver the strategic objectives of oneSource.

2. RECOMMENDATIONS

- 2.1 It is recommended that the Joint Committee agree the strategic direction, six key strategic objectives, priorities and activities in the 2015-18 oneSource Strategic Plan and the 2015-16 Delivery Plan.

3. REPORT DETAIL

- 3.1 oneSource is currently the largest public sector shared service in London and one of the largest in the country. It has been formed by the London Boroughs of Havering and Newham by bringing together 22 services and 1350 staff. oneSource is supported by members through a joint committee structure who receive key reports and make strategic decisions about its operation.
- 3.2 oneSource provide a range of strategic, operational and transactional services. This means we lead for both Havering and Newham on key strategic issues as well as providing direct services to the councils and support to managers.
- 3.3 oneSource was developed and created quickly with the business case being agreed in November 2013 and the new shared service going live in April 2014. Since going live a number of activities have taken place to create, embed and mould oneSource. There is a dedicated management team in place and services are now being transformed to reduce costs through combining our strengths, economies of scale, reengineering our services and utilising new technologies.
- 3.4 We have developed our own vision, values and ways of working, distinctive from the councils we work with. These reflect the sort of service we want to be and provide to our customers.
- 3.5 oneSource has developed a clear brand and identity both internally to its staff and customers and externally in the local government and shared service market. We have been active in raising awareness and acquiring legitimate interest in oneSource and its services through promotion in service specific media, undertaking keynote speaker slots to best practice communities as well as attending conferences and exhibitions. We have also hosted a shared learning event with high profile speakers from the shared service industry and central government which was attended by councils traveling from as far as Scotland.
- 3.6 Even in our first year of operation oneSource is already being recognised for the work we do with interest from others in working with us and our services being shortlisted and winning industry awards.
- 3.7 Most importantly by creating oneSource we are on target to achieve our first year savings of £4.1m, helping both councils with their fiscal challenges by saving £40m over five years.
- 3.8 Now that oneSource has been formed, the task of fully working together and implementing our target operating model has begun. To continue our plans six key strategic business objectives have been developed, which are used to steer our efforts over the next three years, these are:

1. Delivering savings
2. Focusing on our customers
3. Embedding the oneSource culture
4. Transforming our services
5. Having the technology we need to deliver
6. Growing our business – new partners and customers

3.9 oneSource has developed a delivery plan for 2015/16 which shows the priorities and activities which will be taking place over the year in order to deliver our six strategic objectives and to help deliver each of our customer councils' corporate priorities. These activities have been taken from each of the individual directorate service plans.

3.10 The full details of the strategic plan and delivery plan can be found in the accompanying document to this report titled 'Strategic Plan 2015-18'.

4. REASONS AND OPTIONS

4.1 Reasons for the decision:

4.1.1 This report identifies the strategic direction for oneSource to be able to achieve our vision and strategic aims. In order to do this the Joint Committee will need to agree this strategy and the key priorities for 2015/16.

4.2 Other options considered:

4.2.1 Not applicable.

5. IMPLICATIONS AND RISKS

5.1 Financial implications and risks:

5.1.1 There are no new financial implications outside of those currently budgeted for, any activities described in the delivery plan will be budgeted for through the 2015/16 budget monitoring process.

5.2 Legal implications and risks:

5.2.1 There are no new legal implications identified for this strategic plan.

5.3 Human Resources implications and risks:

5.3.1 There are no new human resource implications identified for this business development plan, specific human resource advice will be taken as necessary as part of any project mentioned in the delivery plan.

5.4 Equalities implications and risks:

5.4.1 Not applicable.

6. BACKGROUND PAPERS

6.1 The oneSource Strategic Plan 2015-18 dated January 2015 which includes the Delivery Plan for 2015-16 has been used in preparation of this report and should be read in conjunction with this paper and to make any recommended decisions.



Strategic Plan

2015 -18 v1

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Strategic Plan 2015-18

oneSource

January 2015

Purpose

This document outlines oneSource's strategic direction and how we will deliver our vision. The document gives an overview of our strategy for the next three years, considers the key business challenges for oneSource over this period and outlines the priorities and activities which will be taking place during 2015/16 in order to deliver the six strategic objectives of oneSource.

Our journey so far

oneSource is currently the largest public sector shared service in London and one of the largest in the country. It has been formed by the London Boroughs of Havering and Newham by bringing together 22 services and 1350 staff. oneSource is supported by members through a joint committee structure who receive key reports and make strategic decisions about its operation.

oneSource provide a range of strategic, operational and transactional services. This means we lead for both Havering and Newham on key strategic issues as well as providing direct services to the councils and support to managers.

oneSource was developed and created quickly with the business case being agreed in November 2013 and the new shared service going live in April 2014. Since going live a number of activities have taken place to create, embed and mould oneSource. There is a dedicated management team in place and services are now being transformed to reduce costs through combining our strengths, economies of scale, reengineering our services and utilising new technologies.

We have developed our own vision, values and ways of working, distinctive from the councils we work with. These reflect the sort of service we want to be and provide to our customers.

oneSource has developed a clear brand and identity both internally to its staff and customers and externally in the local government and shared service market. We have been active in raising awareness and acquiring legitimate interest in oneSource and its services through promotion in service specific media, undertaking keynote speaker slots to best practice communities as well as attending conferences and exhibitions. We have also hosted a shared learning event with high profile speakers from the shared service industry and central government which was attended by councils traveling from as far as Scotland.

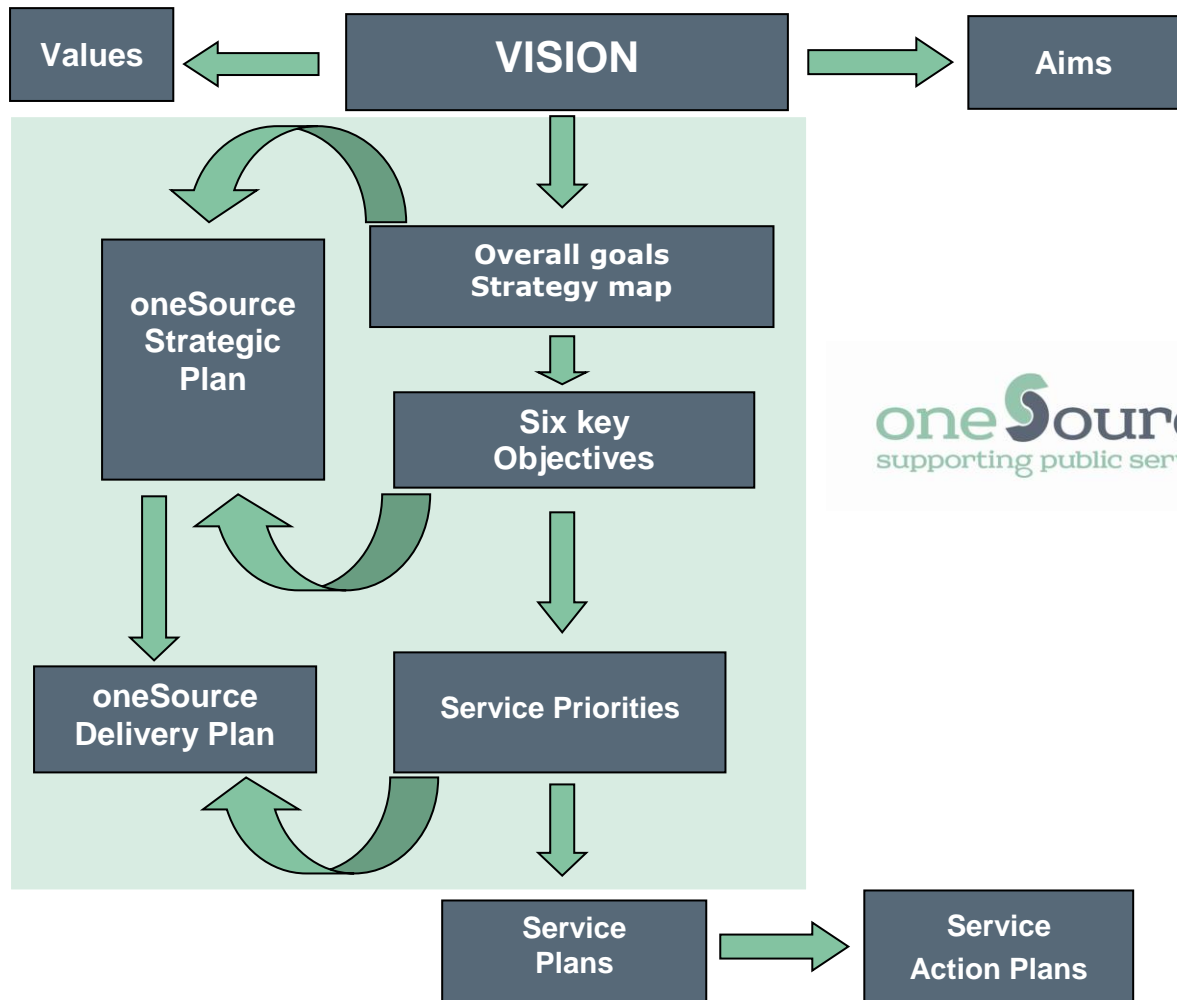
Even in our first year of operation oneSource is already being recognised for the work we do with interest from others in working with us and our services being shortlisted and winning industry awards.

Most importantly by creating oneSource we are on target to achieve our first year savings of £4.1m, helping both councils with their fiscal challenges by saving £40m over five years.

Strategic direction

oneSource's vision is to be the one source of innovative, high quality and affordable support to all public services.

Our values, strategic objectives and service priorities are all focused to help achieve this vision. The diagram below illustrates how the various oneSource plans and goals are linked to strengthen our ability to achieve our vision.



Strategic aims

oneSource has been created to achieve a number of strategic aims these are to:

Improving the customer experience by building an outstanding service, with focussed experts, best practice business services, the latest Enterprise Resource Planning (ERP) system and a strong customer management focus

Reducing the cost of support services by sharing assets (IT, buildings, resources, management) and reducing process cost through economies of scale

Improving services by freeing the departments to focus on their core objectives, taking the best from each other to capitalise on our strengths and reduce our weaknesses

Increasing operational efficiency through improved delivery, better systems and management information

Creating new opportunities by using our own talent to redesign our business, creating an excellent service which others will want to use and learn from

Giving resilience and flexibility by using standard systems where a pool of resources is able to cover unexpected resource shortages.

Core values

Our vision is underpinned by our values which are summed up as **A-C-T**



Accountable – we are open and honest, challenging and supportive



Customers, oneSource and you matter – we work collaboratively, everyone is important and plays a part



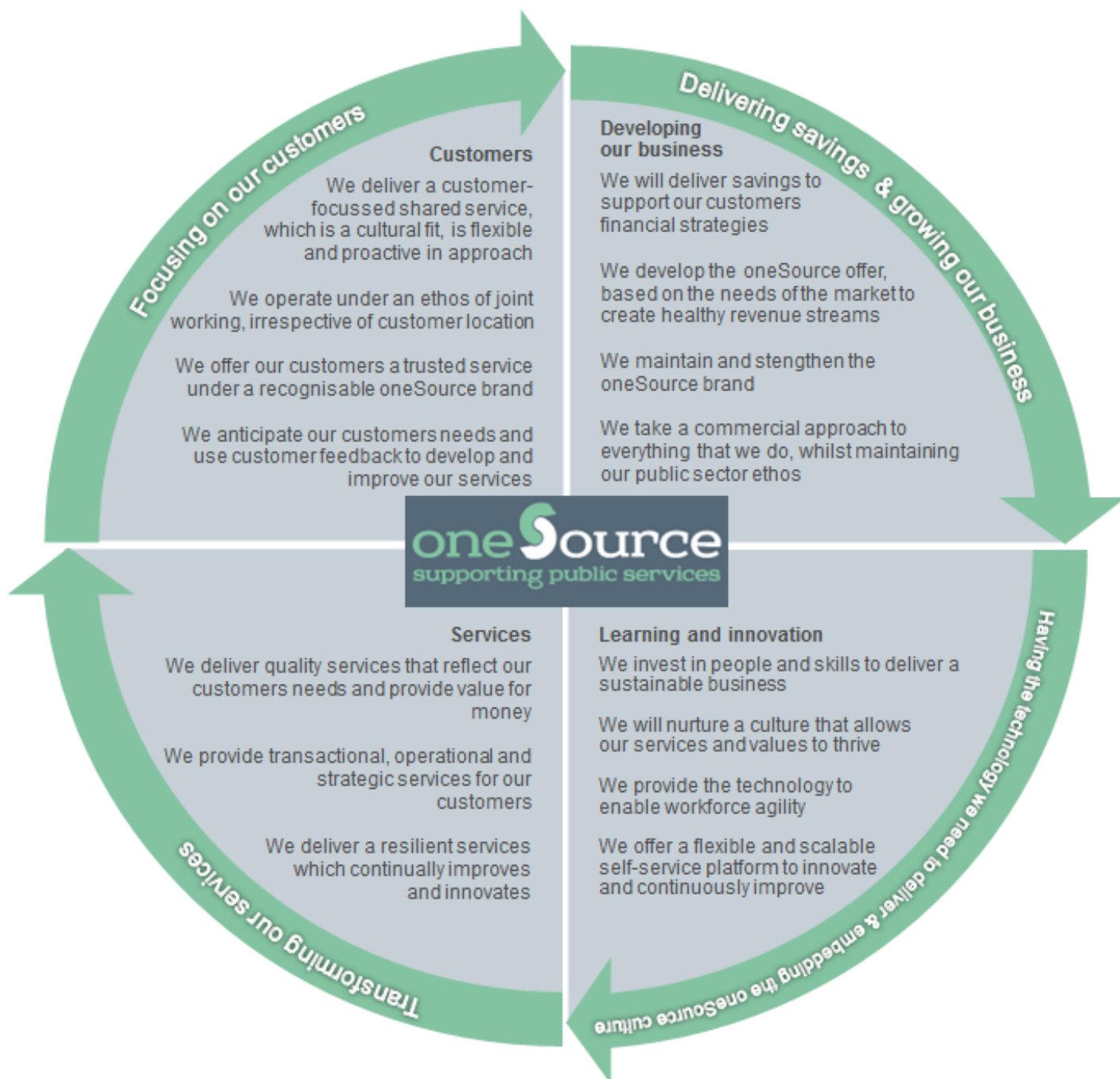
Think differently – we are open to change, we are flexible and innovative.

Strategy map

The aim of the strategy map below is to improve the oneSource partnership value.

The strategy map considers a number of perspectives taking into account our design principles, target operating model and critical success factors to help us focus the strategic direction of oneSource. The strategy map is divided into four perspectives which are:

- Developing our business (e.g. savings, revenue growth, cost reduction)
- Customer (e.g. customer focus leading to trusted brand, customer management processes)
- Services (e.g. understanding customer needs, TOM)
- Learning and innovation (e.g. self-service, staff competence and development; corporate culture, adoption of new technology)



Supporting the councils we work with

oneSource has an important role to play in supporting both the London Borough of Havering and the London Borough of Newham in achieving their corporate goals and aspirations. oneSource is particularly supporting both councils in delivering their financial strategies by making considerable savings by delivering our services differently.

Each of the services within oneSource support the councils' corporate goals whether it is through providing a key service, delivering a project on behalf of a council or supporting other sections so they can deliver the councils' and residents' priorities.

Key business challenges over the next three years

Now that oneSource has been formed, the task of fully working together and implementing our target operating model has begun. To continue our plans six key strategic business objectives have been developed, which are used to steer our efforts over the next three years, these are:

1. Delivering savings
2. Focusing on our customers
3. Embedding the oneSource culture
4. Transforming our services
5. Having the technology we need to deliver
6. Growing our business – new partners and customers

Delivering savings

In our business case we estimated we could deliver £40million of savings over five years by sharing services.

One of the main aims of oneSource is to make savings, whilst balancing this with maintaining and improving services.

oneSource has an important role to play in helping the Councils we work with achieve their financial strategies by delivering savings, this supports the efficiency of each council and helps to protect frontline services.

The financial benefits of the programme will be realised over five years from April 2014 to March 2019, facilitated by a set of transformation projects over the first three years. As well as the transformation projects, other benefits will be put in place by oneSource for example where management restructuring of services is necessary or where there are quick win benefits, which can be achieved.

The savings are monitored as part of the oneSource financial monitoring process. Each Director is responsible for delivering savings in their area and is responsible for reporting if any savings are not going to be achieved, over achieved or not achieved in target time which will all affect the overall success of oneSource.

oneSource is currently on course to deliver its first years saving of £4.1m for 2014/15 and we have already identified how £22.9m of savings will be achieved over the five years.

To date, the senior management team have been established following a restructure starting the process of one shared service and providing £2.12m of savings over five years.

ICT has been redesigned and restructured to offer a more efficient service by adopting the operating model and processes of the more efficient council, we have also implemented a shared helpdesk, reduced duplication of roles and have a shared enterprise agreement, which allows licence pooling around infrastructure and full sharing of technical support and consultancy services. The savings being achieved in ICT are expected to be £6.74m over the five years.

Our Legal service has been reviewed through a transformation project and there are currently a number of proposal which are being considered. Improvements come from a restructure of the function to maximise legal output from lawyers and reduce administrative functions. The savings being achieved in Legal are expected to be a

minimum of £2.99m over the five years. Savings can be maximised from reducing external commissioned work at both councils. This proposal will need further consultation with the two councils and will be dependent on capacity building within the legal services function.

The management structure in transactional and exchequer services has been reviewed to identify where changes in the structure need to be made to pave the way for the service being shared further. This has identified a potential £1.94m of savings over five years and will help the next stage of the project for the services to be redesigned together.

We have also started to create an integrated procurement service; the initial stage of this process is the review the services structure, which has identified a potential £1.62m of savings over five years. The procurement service has also signed up to the capitalE-sourcing system, which makes the procurement process more efficient as it allows tendering to be automated, cutting out a large amount of administration and paper work.

The Asset Management reviews are being undertaken during 2014/15 and have been broken down into the following separate reviews:

- Health & Safety
- Schools Capital Programme
- Facilities Management
- Property Services
- Capital Programmes

The facilities management review is expected to deliver savings up to £1.89m over five years and the health and safety review to deliver savings of up to £1.17m over the same period. The final savings for the schools capital programme is currently being calculated and the report is being finalised and the property services and capital programmes reviews are currently being undertaken.

The Audit review was completed in November 2014. Much of the counter fraud service is due to transfer to the DWP in April 2015 which has meant that this area has had to be dealt with separately as a number of posts in Havering will be transferring to the DWP (Newham had already allowed for this in its structure). Consultation with the staff stakeholders and the Audit Committee of each council will need to be undertaken on these transformation proposals. If the proposals remain unaltered then savings of up to £4.44m can be delivered within this service over the five year period.

The savings which we estimated could be achieved in the business case are just a starting point and we are actively looking to save as much as possible during the transformation reviews, whilst being able to maintain an acceptable service level. We also have in place a business development plan as oneSource can now provide a shared service solution to other public sector organisations taking advantage of opportunities for further income and savings.

Focusing on our customers

A fundamental oneSource value is that customers matter – we work collaboratively, everyone is important and plays a part.

A strategic aim of oneSource is to improve the customer experience the key things that our customers told us were important to them in a shared support service were to have:

- standardised processes where possible
- a more business-focused service, that understands the councils' business
- more services provided on-line
- streamlined decision-making processes
- better management information
- a faster response to enquiries
- a clear understanding of the level of support available and how it would be provided.

Our vision for how we wanted our customers to feel about our service was captured in our shared vision for the shared service. This is what we will be aiming to deliver over life of this strategy, to offer a good quality, flexible and business focused service which allows our customers to have the information they need to do their job effectively.



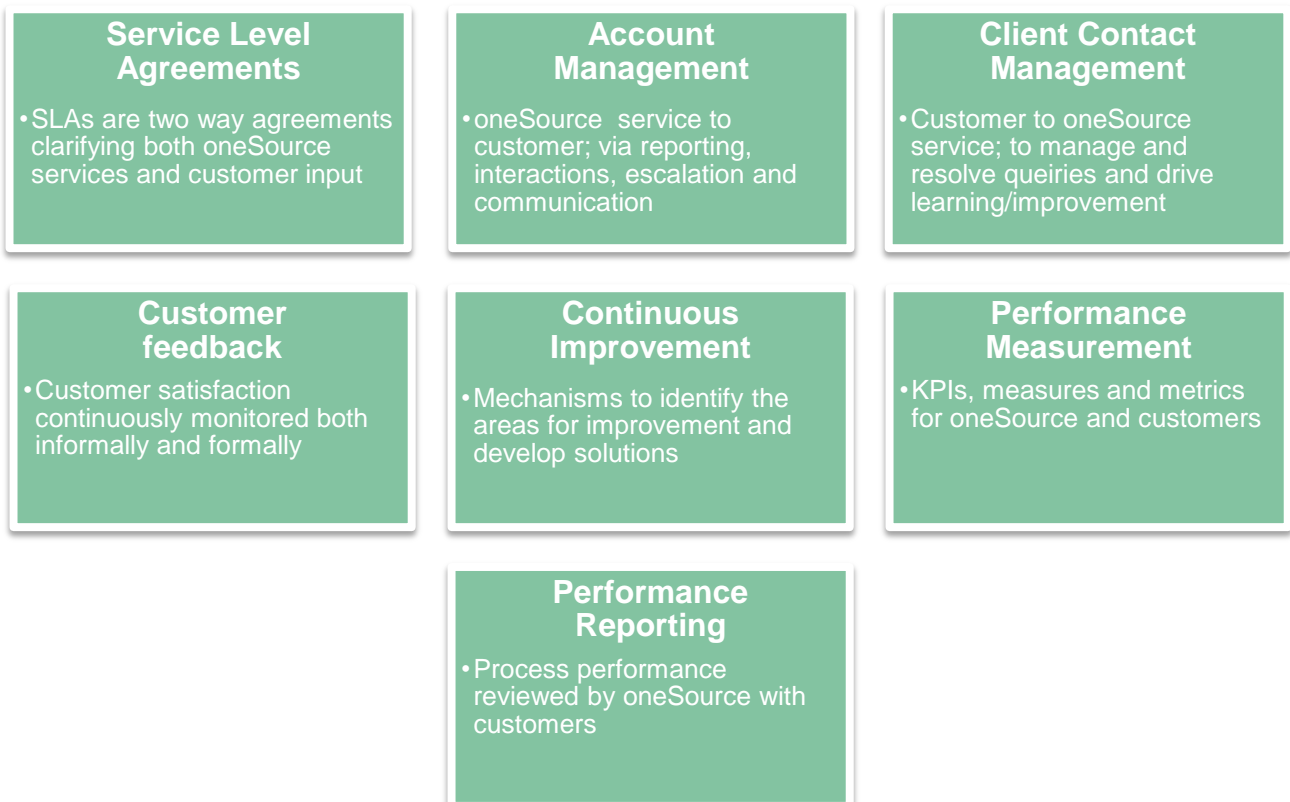
What is important to our customers, our vision and our strategic aims have all been incorporated into the different aspects of developing oneSource as well as in our customer relationship management processes without adding a labour intensive and costly client function.

Our commitment to our customers is that we:

- will maintain service standards and reduce the cost of the service we deliver
- aim to improve our services, and work more efficiently, wherever we can
- provide a clear statement of the services we provide, through the Service Level Agreements
- will be transparent and accountable in everything that we do
- will provide customers with clear points of contact; both with individual services and at a wider oneSource level
- will monitor our performance to ensure that we are providing a service that meets our customers' expectations
- will ensure we understand our customers service and listen to their requirements
- will communicate and meet with customers on a regular basis to discuss our performance.

We have used these principles in the business model used to create oneSource and will continue to when redesigning and improving each of our services.

oneSource manages its relationship with its customers through a number of activities which are linked to our strategic direction and the key objective of focussing on our customers, these are:



It is the responsibility of all of the oneSource services to improve their services by listening to our customers and learning from their experiences. It has been important for oneSource to work with and consult customers to ensure that we designed a new shared service that

met our customers' needs. We have done this through customer workshops and a survey of customer views of the support services they received. We also ensure that customers are part of our transformation projects, informing what needs to change and how we can deliver the service they need.

Embedding the oneSource culture

In our shared vision we wanted our culture to enable our staff to be proud to be part of the shared service, enjoy their working environment, enjoy sharing their skills and knowledge and learning from others in the service.

Culture change involves moving an organisation on from one form of culture to another, usually through a culture change programme. Culture change can only be achieved by doing things differently.

Our vision for how we wanted our staff to feel about oneSource was captured in our shared vision for the shared service. This is what we will be aiming to deliver over life of this strategy, to have a service which staff are proud to be part of.



Developing oneSource's culture is about creating norms for acceptable behaviour that new members are encouraged to follow. It includes the way that people working for oneSource think, feel and perceive.

oneSource is following a three step model of culture change.

Awareness	<ul style="list-style-type: none"> • Understanding the values • Understanding the reasons for change • Hearing the commitment from the top team
Adoption	<ul style="list-style-type: none"> • Using behaviours that demonstrate the values • Reward those who demonstrate values • Hearing of success stories
Advocacy	<ul style="list-style-type: none"> • Being a champion of the values and behaviours • Recommending them to others

- Part of the way things are done around here

We have started our cultural change process through awareness. We have developed a set of values which we have promoted widely to staff. We openly communicated with everyone in oneSource throughout its setup both face to face and through staff updates about why we needed to change. This was delivered by the managing directors and directors to show the commitment from the top. There is more to do, as real cultural change means living and breathing our values every day until they become the 'oneSource way' of doing things.

We are now moving on to adoption and being advocates of the new culture, ensuring that we demonstrate and champion the values. To help this we have developed a new set of messages to support our values and show how they will be demonstrated.

	Our Value	Our message to oneSource staff	We will demonstrate this by
A	We are open and honest	We will make sure that we keep you informed about everything you need to know to work for oneSource and do your job, in an open and honest way.	Providing information about changes to your service or team as soon as we can and being clear about the proposals.
	We are challenging and supportive	We want to continually improve our services and throughout oneSource we will positively challenge our performance.	Reviewing our Performance Indicators and how we report performance so it is meaningful and helps us improve.
C	Customers, oneSource and you matter	Customers are at the heart of everything we do.	Being visible and accessible, talking with customers and staff and acting and listening on what they tell us.
	We work collaboratively	Working together as one organisation we achieve more than the sum of what we can do on our own.	Dedicating oneSource people and resources from both councils to projects which each council couldn't do on its own.
	Everyone is important	You are an important part of oneSource and we will involve you in decision making, wherever we can.	Managers will keep their doors open and are always happy to hear your views and opinions.
	Everyone plays a part	You are all ambassadors of oneSource and what you do creates our customer's impression of our services.	We will find different ways to involve you in decision making including asking you for your views and holding staff events.
T	We are open to change	We will welcome and listen to all ideas for how we can improve what we do.	Acknowledging your ideas, telling you what we have done as a result and how it has made a difference. Sharing your ideas with colleagues.
	We are flexible	We demonstrate a proactive 'can do' approach and work flexibly to meet our customers requirements.	Working across all our locations to provide the services that customers need.
	We are innovative	We love to get information and ideas from you, which helps us change how we work to improve our services to customers and reduce bureaucracy.	Providing an easy way (through the intranet) for people to give us one idea each to make their job easier.

As well as this we have in place a communications plan with a range of activities to support cultural change. We are planning a dedicated communications campaign to engage staff with the oneSource values and culture. The focus will be on encouraging staff to think about what the values mean to them, and how they can put these into action in the way that they work.

We are planning on using staff events and team meetings in an interactive way, as workshop-based sessions to get oneSource staff involved in developing the values further, and how we can turn these values into expected behaviours – the important thing is that people are encouraged to think about the values and ‘what it means for them’.

We will be using people stories in wider oneSource communications to feature oneSource staff who are living/exhibiting our values as well as considering a recognition scheme based on the new values.

Transforming our services

Improvement and innovation is at the heart of the oneSource business operating model.

oneSource provides a range of services, which are delivered both within Havering and Newham these include:

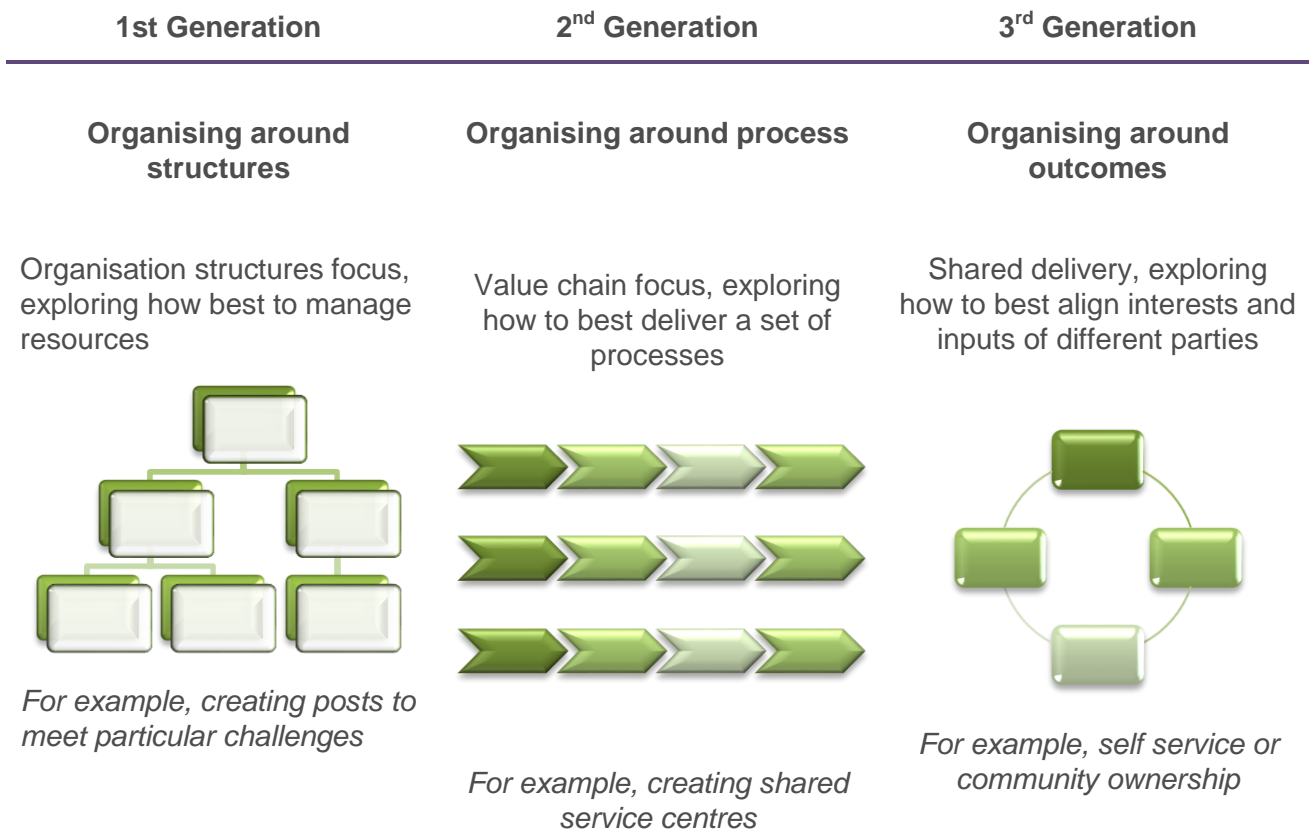
- | | |
|------------------------|---|
| ✓ Payroll | ✓ Democratic Services |
| ✓ HR | ✓ Programme Management |
| ✓ Finance and Pensions | ✓ Business Improvement |
| ✓ ICT | ✓ Property, Asset Management and Facilities |
| ✓ Council Tax | ✓ Health and Safety |
| ✓ Housing Benefits | ✓ Audit, Insurance, Risk and Fraud |
| ✓ Business Rates | ✓ Transport (Havering) |
| ✓ Legal | |

oneSource has in place a programme of business transformation projects to review all oneSource services over next three years to deliver our new target operating model. A number of business improvement techniques are used depending on the nature of the service being reviewed. Techniques used include LEAN systems thinking techniques such as value stream mapping, process waste analysis and other techniques such as “rough cut” activity based costing. In addition consultation is undertaken with internal customers of the service (and external customers if relevant).

The aim of transforming our services is to:

- Remove duplication
- Re-engineer processes
- Use common systems, including One Oracle
- Converge HR policies and procedures
- Improve customer satisfaction
- Offer scalability – so that the service can grow with new partners.

The target operating model oneSource is moving towards is based on the 3rd generation shared service operating model which is organised around outcomes wherever possible, for example a self-service model.



the shared services generations (PwC)

The transformation projects are undertaken by oneSource’s Business Improvement team. This team works with each of the oneSource services to understand the customer requirements and re-engineer the new shared service. This business transformation will bring services together, improve performance, create capacity and identify savings. Transformation projects can take up to six months to fully analyse the functions and to make their recommendations.

Transformation project agreed timetable (*subject to review – see commentary below*):

Year 1	Year 2	Year 3
<ul style="list-style-type: none"> • NNDR • Facilities Management • Health and Safety • Management of School Capital • Property • Technical Services • Audit, Insurance and Risk • Pensions (contract at LBN) • Procurement • Democratic Services • Election Services 	<ul style="list-style-type: none"> • Payroll • Transactional Finance • Transactional HR • Operational / Strategic Finance • Operational / Strategic HR • Debt Management / Recovery team 	<ul style="list-style-type: none"> • Benefits • Council Tax

We have already completed the reviews for ICT, Legal, Health and Safety, NNDR, Audit Insurance and Risk, Technical Services, Management of Schools Capital and Facilities Management. These are currently each in different stages of implementation, finalising the review recommendations or consultation with staff. Property services and Capital Programmes are currently being reviewed.

Democratic Services will be reviewed by the Director of Legal and Governance Services in consultation with Lead Members / Leader / Mayor once the legal services review has been finalised and implemented. It is unlikely that the review will commence before the summer of 2016.

In advance of the transformation project of the Procurement function across both councils a restructure has been proposed. The proposed restructure removes currently vacant posts but also introduces category management into Havering Council and creates a single team across both councils. There are no proposals for any other changes until the transformation review has taken place. This review will commence late 2015/16 or early 2016/17. Staff have been consulted and the proposals are in the process of being implemented.

Work has already commenced on a number of transformation reviews timetabled for year two (2015/16). These are as follows:

- Payroll
- Transactional Finance
- Transactional HR
- Operational / Strategic Finance
- Operational / Strategic HR
- Transactional Procurement

These reviews are dependent on Newham Council Go Live on to the One Oracle ERP system in April 2015. At this point in time there is little reason for this not to happen. Due

to the complexities of the services involved and the linkages between them is anticipated that the reviews will take up to 12 months to complete.

Business development – new partners and customers

Our vision is to be the one source of innovative, high quality and affordable support to all public services.

oneSource is ambitious in continuing to find savings in addition to the £40 million already identified in the Business Case. In order to do this oneSource is exploring ways of attracting additional business and understanding what would be the best way for others to join oneSource.

In order to deliver our vision we need to develop commercially. Growing the business by on-boarding a new partner will generate further savings for the founding councils.

Shared services are now being considered a viable transformation initiative to find savings to aid the fiscal challenges ahead for councils. Due to this we feel there is a window of opportunity to market our services over the next eighteen months to the public sector if we are to meet our objective of being a preferred provider of shared services within the market.

In order to understand the opportunity available to us, the market and potential for further savings a Business Development Plan has been produced. This document helps us understand how we can:

- compete effectively in the shared service market
- take advantage of opportunities for further income and savings
- develop services to meet the needs of our customers and the market
- gain buy-in and secure resources to develop our commercial competence
- develop the business to ensure sound commercial decision making
- save costs for other councils/organisations.

oneSource has identified three unique selling points it has to promote itself and offer the market:

- being an alternative to outsourcing
- our public sector experience
- having a flexible approach to on-boarding.

oneSource has a number of products to offer the market. These have been broken into four main areas of opportunity, which are:

- A total shared service offering - all back office services
- Individual services or a group of services
- Transactional service center – undertaking transactional activity
- Consultation and project management.

It has been agreed that oneSource's trading objective is to market services through discussing a bespoke full partner or groups of service offerings to regional districts, unitary authorities and London boroughs in the short term.

oneSource has already been promoting itself in order for the brand and service to be identifiable to others. This has included exhibiting and speaking at the CIPFA conference, networking and meeting with other councils who are considering sharing services, and hosting a national shared service learning event.

A marketing plan has been implemented to maximise awareness of oneSource in its target local government markets and take advantage of any early business opportunities, which include:

- a core narrative and key messages
- media targeting
- award entries
- use of social media
- events and speaking opportunities
- best practice communities.

The result of this work has been positive as more and more public sector organisations are beginning to recognise oneSource. Within eight months of 'go live', 16 local authorities have approached oneSource in a bid to open up a dialogue as to whether joining in any capacity would be practical in achieving savings.

This work will continue to explore if other partners would like to join oneSource.

Having the technology we need to deliver

One of our main objectives in setting up oneSource is ensuring that we have the technology we need to deliver.

Newham and Havering have shared ICT support services for a number of years before oneSource was created in April 2014. This meant that much of the underpinning technology had already been aligned and designed to cope with supporting the needs of oneSource staff. This has undoubtedly reduced the cost of enabling oneSource to launch. However, as services are merged and processes transformed with staff potentially moving and restructuring, the technology will need to continue to evolve to support our evolving business needs.

The main areas in which ICT systems and services are expected to be further developed over the next five years are:

- Mobile and flexible working
- Oracle ERP
- Application systems
- Data centres, hosting and disaster recovery
- Help desk and self service
- Business intelligence and data warehousing
- Intranet and corporate collaboration tools
- CRM, web and portal
- Relevant services
- Security.

Staff can already log in from any site and access a number of shared systems. We will be improving this capability to make the process seamless regardless of location or device. We will be introducing a wider selection of mobile working technologies with flexible access to application systems hosted in either borough. This will in turn support a further opportunity to reduce the accommodation space needed by both oneSource and other council staff.

The Oracle system is currently live in Havering and is the main system used by Finance, Payroll, HR, Procurement, Creditors and Debtors / Transactional Services. It is due to go live in Newham in April 2015 and is the key system to allow oneSource staff to work efficiently together sharing both technology and processes. Consequently this will also allow further efficiencies in Newham as staff use it for self-service HR, payroll, expenses and ordering. The system will be further enhanced through the use of Talent Link for recruitment and Collaborative Planning for budget monitoring and forecasting.

As each service is reviewed the application systems will also be reviewed with a view to consolidating on the best system to reduce running costs and gain efficiency from the best practices enabled by the systems. In addition oneSource is prioritising new Social Care Systems to support the evolving needs in Adults and Children's Services, particularly in light of the Care Act. Havering's Housing system will also be replaced in 2015 and all system procurement processes will allow both authorities to align systems over time if it is mutually beneficial.

oneSource savings have already been made by exiting external data centre and disaster recovery contracts and using the combination of Newham and Havering's data centres in such a way that the performance has improved. Disaster recovery is better by design and costs will continue to come down as we host systems for other organisations. We will continue to optimise the systems to maximise speed of systems and minimise downtime. We will also embrace the opportunities provided by "Cloud" computing to support flexible working, resilience and cost savings. However, we will only do this where there is a clear business case to do so.

We will continue to offer a telephone help desk service and a walk in service because this is important to our customers and the quality of our service. However, we will complement this with more self-service where staff can help themselves and will also offer a remote help desk service to external customers to generate income through sharing of overheads. The help desk system will also be tailored and made available for use by other oneSource services (in addition to the three services already using it in Newham).

ICT will retain and further develop its capabilities to help oneSource and the wider council to benefit from analysis of data sets help within the councils systems and external data sources where available. This will be carried out in conjunction with service experts and analysts across the council as well as GIS specialists where it is beneficial to map the results.

The councils' intranets and the oneSource intranet will be redeveloped to improve ease of use, quality of information and functionality. SharePoint will remain available for team and project sites internally and externally and Yammer will be introduced to provide Social Networking style functionality to help improve internal communication and collaboration.

The councils' operate consistent technologies to support online customer services. This will continue to be developed to maximise resident self-service and will also be used as an engine to support end-to-end workflow changes and automation. Inevitably with web based technologies they need to be regularly reviewed to stay up-to-date with the rapid

changes in the consumer technology landscape. This will mean redesign of the Web Site and Portal so that they work well on smart phones, “phablets” and tablets as well as PCs. Apps will also be used such as “Love Newham” where they add value by interacting with the GPS and the camera in the phone.

Our major systems such as ERP, CRM, Social Care, Housing and Council Tax and Benefits are large complex systems which are necessarily complex, extremely robust and therefore expensive to buy/rent and maintain. In these cases we will look to share procurement and maintenance costs with others to minimise the costs. However, major, corporate grade systems are not always appropriate and we are committed to developing low cost, agile systems for small business units and other appropriate services. We also recognise that there will be times where we are not best placed to provide the right ICT systems and services and in these cases we will support services to access or procure fit-for-purpose systems and services while complying with security requirements.

Although ease of use and efficiency are the top priorities for our ICT systems, networks and services, they must be designed and maintained in such a way that they are secure. Risks associated with data loss in particular are ever increasing as hackers and con-artists grow ever more sophisticated. Joining up systems and services with other public sector and third sector organisations also increases complexity and risk. We will continue to invest appropriately in expertise and services to keep our customer data and corporate systems safe.

2015/16 delivery plan

oneSource has developed a delivery plan for 2015/16 which shows the priorities and activities which will be taking place over the year in order to deliver our six strategic objectives and to help deliver each of our customer councils corporate priorities. These activities have been taken from each of the individual service plans.

2015/16 Delivery plan

Our vision is: “To be the one source of innovative, high quality and affordable support to all public services”

	Customers	Services		Developing our business		Learning and innovation
Strategic objectives	Focusing on our customers	Transforming our services	Embedding the oneSource culture	Delivering savings	Growing our business – new partners and customers	Having the technology we need to deliver
Service level priorities / outcomes (All)	Delivering services within targets and to customers satisfaction Engaging existing customers more effectively to forecast changing demands and expectations Enhanced customer awareness and services more responsive to customer needs Support the customer councils' financial strategies Deliver key projects	Embedding new structures, joint working, new processes, common approaches and where appropriate team locations Being creative and innovative in re-designing services, thinking and acting differently	Embed the oneSource values and the 'oneSource way' Staff identify themselves with the oneSource brand Share skilled and knowledgeable staff Enabling self-service and effective provision of management information	Re-design and restructure services Implementing the outcome of Year one service reviews and delivery of related savings Procure together to get better economies of scale Improved medium term financial planning and support for delivery of savings programmes	Adapting a business ethos and commercial attitude to business growth seeking new opportunities Expanding our customer base and increasing net income from the provision of services to external clients Share services more broadly where appropriate	Providing technology to enable workforce agility and flexible working capability Share systems wherever possible Cost effective and fit for purpose IT solutions in place Deployment of technology to support collaboration and business processes Improved network resilience Completing the systems review and migration to support joint working
Key activities (service level)	Continue to develop and agree SLAs (All) Improve performance reporting to customers (All) Improve/maintain customer satisfaction and relationship (All) Provide transformation service to customer councils including rapid improvement events and problem solving workshops (Bus Serv) Enhance customer awareness of the finance service and make more responsive to customer needs (Finance) Improve hierarchy and restructure support to all customers to enable effective business operations (Ex & Trans) Develop exchequer services including:	Jointly procure contracts and services (All) On-going review of people management policies and procedures (HR & OD) Embed continuous improvement of services already transformed (Bus Serv) Set up PMO function and governance arrangements (Bus Serv) Implement shared management structures and joint, co-located teams for Audit, fraud, risk and insurance service (Finance) Develop effective procurement arrangements (with Ops Procurement) to include i-supplier and on-boarding suppliers (Ex & Trans) Review new ways of collecting income – working with other councils to share ideas and	Implement the communications plan including cultural change activities (Bus Serv) Develop of a fit for purpose organisation, including systems and culture (HR & OD) Develop a strategic approach to organisational development and associated training and development strategies (HR & OD) Develop and embed KPI and performance culture across oneSource (Bus Serv) Continue to develop and implement oneSource accommodation strategy (Asset Mgt) Review of scheme of delegations for oneSource to aid maximum operating model efficiencies (Legal) Review stakeholder	Deliver year two savings through implementation of transformation project recommendations, restructuring and through budget management (All) Support change and provide strategic advice for transformation projects, including the integration and restructuring of oneSource (HR & OD) More timely identification of savings and improved sustainability of medium term financial plans (Finance)	Seek opportunities to develop further service offers and possible income (All) Continue to engage and look for additional partners (Bus Serv) Continue to implement Business Development and Marketing plan (Bus Serv) Embed the services provided to new customers (ICT) Develop proposals for support to potential new business for example council owned companies, small business programme, voluntary sector (Bus Serv) Implement an income generating Lithographic print offering (ICT) Develop Business Service offering (Ex and Trans) Progress on-going discussions with potential new customers	Implement common systems in use across boroughs supporting joint working (All) Deploy new technologies to support oneSource operating model and flexible working e.g. oneSource Desktop (ICT) Implement Technology Forge (Cloud) and interface with Oracle (Asset Mgt) Continue to support and, where appropriate lead the implementation of IT systems, including One Oracle and Talentlink (ICT, HR & OD, Ex & Trans, Bus Serv) Integrate systems and processes with LBN through oneSource (ICT) Develop data warehouse (ICT) Implement new Intranet, including social media collaboration tool and upgraded web browser (ICT)

<ul style="list-style-type: none"> • Providing online services and easier payment methods for council tax and benefits customers - to enable self-service and increase income for councils (Ex & Trans) • Promote available business rates initiatives and reliefs to increase income collection (Ex & Trans) • Develop new ways of contacting SPD claimants (Ex & Trans) • Manage debts effectively and reduce amounts owing to the councils. (Ex & Trans) • Increase Business Rates funding/grants through data matching (Ex & Trans) 	<p>actions to maximise income collection (Ex & Trans)</p> <p>Fully embed and develop enforcement services seeking growth in line with legislation (Ex & Trans)</p> <p>Embed joint Business Rates Team (Ex & Trans)</p> <p>Undertake the year 2 timetabled transformation projects to review services (Bus Serv)</p> <p>Embed a joint Property Services function across both boroughs (Asset Mgt)</p> <p>Implement the Legal service review and restructure recommendations (Legal)</p>	<p>management skills across the service (Asset Mgt)</p> <p>Develop a strategic approach to overall workforce planning to ensure oneSource addresses skills shortages and an aging workforce (HR & OD)</p>		<p>regarding provision of H&S services both to the Council and direct to schools, children centres etc (Asset Mgt)</p> <p>Continue to develop successful relationship with existing external customer and expand selling of Transport/PTS services under their framework agreement (Asset Mgt)</p>	<p>(ICT)</p> <p>Design new service architecture for corporate collaboration (ICT)</p> <p>Upgrade/decommission MS SQL Server 2003 technology (ICT)</p> <p>Review network to reduce risk of failure - removal of single points of failure (ICT)</p> <p>Continue to develop self-service info through dashboards, intranet, training and other self-service processes (Ex & Trans)</p> <p>Source third party supplier to provide technical capacity in support on new business requirements (ICT)</p>
<p>Key activities - Supporting the corporate priorities of the Councils we work with</p> <p>Review the HR&OD service to align provision with each Council's strategic requirements, within the available budget (HR & OD)</p> <p>Support both councils in the development of a fit for purpose organisation, including systems and culture (HR & OD)</p> <p>Support change and provide strategic advice for transformation projects (HR & OD)</p> <p>Develop a strategic approach to overall workforce planning to ensure each Council addresses skills shortages and an aging workforce (HR & OD)</p> <p>On-going review of people management policies and procedures (HR & OD)</p>	<p>Develop a strategic approach to organisational development and associated training and development strategies (HR & OD)</p> <p>Support the corporate reduction in sickness and use of agency/interim workers. (HR & OD)</p> <p>Continue to support and, where appropriate, lead the implementation of IT systems, including One Oracle and Talentlink (All)</p> <p>Lead corporate transformation project to carry out T&C Review (HR & OD)</p> <p>Lead LBN review of zero hours contracts to agree council position on the use of zero hours contracts which is documented (HR & OD)</p>	<p>Provide LBN with an occupational health and EAP service - lead on Occupational health and EAP procurement exercise (HR & OD)</p> <p>Deliver new online functionality to support channel shift to enable Customer Services Programme - (ICT)</p> <p>Agree strategic roadmap and procurement route to acquire implement and support new call centre solution (ICT)</p> <p>Enable the technology components to support new transformed operating model for LBN Project Delphi programme (ICT)</p> <p>Deploy Business intelligence capability (ICT)</p>	<p>Support the LBH Corporate Brain project and develop data warehouse (ICT)</p> <p>Deploy technology to support:</p> <ul style="list-style-type: none"> • new social care business processes and implement new Social care system (Azeus) (ICT) • new housing management business processes (ICT) • new Care Act related business processes (ICT) • new Youth Offending Management System (Childview) (ICT) <p>Embed One Oracle Project in Havering (Ex & Trans)</p> <p>Continue to develop and implement the councils' Accommodation Strategy (Asset Mgt)</p>	<p>Review councils' scheme of delegation\Constitution (Legal)</p> <p>Support rollout of LA housing vehicle for both boroughs (Asset Mgt)</p> <p>Implement energy reduction initiatives for both boroughs including the RE-FIT programme (Asset Mgt)</p> <p>Deliver key capital projects including:</p> <ul style="list-style-type: none"> • Final phase of East Ham Campus, including urgent repairs to Town Hall (Asset Mgt) • Schools expansion programme for client boroughs (Asset Mgt) • Romford Leisure Development (Asset Mgt) 	<ul style="list-style-type: none"> • Refurbishment of Plaistow, North Woolwich and Custom House libraries (Asset Mgt) • Construction of new library for Harold Hill (Asset Mgt) • Rebuilding/restoration of Stratford Courthouse (Asset Mgt) • Havering Corporate Office Property Strategy (COPS) Phase 4 (Asset Mgt) • Stratford Old Town Hall - Complete works to achieve self-containment of function room lettings and office accommodation (Asset Mgt)

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HAVERING AND NEWHAM SHARED BACK OFFICE SUPPORT SERVICE

JOINT COMMITTEE	13 February 2015
Subject heading:	oneSource Transformation Update
Report author and contact details:	Tony Huff, 01708 434155, tony.huff@oneSource.co.uk
Financial summary:	The oneSource Business Case identified that savings of £4.1m could be achieved in 2014/15. This report identifies that to date projected savings from transformation reviews and other restructures have identified savings of £2.4m in 2014/15 and £5.2m of the required £10.6m savings by 2018/19. Other transformation reviews are currently in progress or still to be commenced in 2014/15 that will contribute to the target. The overall budget monitoring report shows that oneSource is on target to deliver the required savings.
Is this a Key Decision?	No

SUMMARY

This report looks at the transformation projects being undertaken to deliver the oneSource savings as outlined in the shared service business case approved by both councils. The report outlines the processes used for transforming services within oneSource and provides an update on progress to date.

Overall benefit realisation is being managed by the Business Services Team.

RECOMMENDATIONS

The Joint Committee is recommended to note progress on delivering the required savings from oneSource in 2014/15.

REPORT DETAIL

1. Background

1.1 The business case approved by Newham and Havering Councils in November / December 2014 set out challenging and substantial savings to be delivered by oneSource over a 5 year period. The saving targets are set out in table 1 below.

	Estimated Savings				
	Year 1 2014/15 (£000)	Year 2 2015/16 (£000)	Year 3 2016/17 (£000)	Year 4 2017/18 (£000)	Year 5 2018/19 (£000)
Havering	1,460	2,829	3,314	3,566	3,904
Newham	2,652	4,961	5,629	6,182	6,708
Total	4,112	7,790	8,943	9,748	10,612

Table1. OneSource Business Case savings

1.2 The business case savings were predicated on a complete review of services provided by oneSource within an overall timetable. This timetable was revised and noted by the Joint Committee at its last meeting. The revised timetable is shown in table 2 below.

Year 1 (2014/15)	Year 2 (2015/16)	Year 3 (2016/17)
<ul style="list-style-type: none"> • NNDR • Facilities Management • Health and Safety • Management of School Capital • Property • Technical Services • Audit, Insurance and Risk • Pensions (contract at LBN) • Procurement • Democratic Services • Election Services 	<ul style="list-style-type: none"> • Payroll • Transactional Finance • Transactional HR • Operational / Strategic Finance • Operational / Strategic HR • Debt Management / Recovery team 	<ul style="list-style-type: none"> • Benefits • Council Tax

Table 2. Transformation Programme timetable

- 1.3 The transformation programme is lead by a team within Business Services. The Business Improvement team consists of 5 permanent posts topped up with 7 further temporary posts (funded for 2 years). There are 4 teams of 3 people in each team. Each team works on a service project in conjunction with the relevant Director / Manager. Transformation projects can take up to six months to fully analyse the functions and to make their recommendations.
- 1.4 A number of business improvement techniques are used depending on the nature of the service being reviewed. Techniques used include LEAN systems thinking techniques such as value steam mapping, process waste analysis and other techniques such as “rough cut” activity based costing. In addition consultation is undertaken with internal customers of the service (and external customers if relevant).
- 1.5 Outputs of the transformation projects include:
- An executive summary report
 - A savings profile
 - An implementation plan
 - A business case for the recommended restructure
- 1.6 During the review key products are produced that are discussed and agreed at checkpoint meetings with the relevant Director and lead officers. These include:
- An As-Is report – current operating model of LBH and LBN
 - A To-Be report – new model for oneSource
- 1.7 The objective of these projects are to analyse the current operating structures and process models of both council's back office functions in scope in order to produce the new target operating model for oneSource.

2. Transformation Project / Other Restructure Updates

2.1 ICT

- 2.1.1 The ICT transformation project commenced in the summer of 2013 to test the assumptions in the oneSource business case. By April 2014 final proposals were in place to consult with staff during May / June 2014. The final restructure was implemented over the summer of 2014. Full details were provided at the last meeting of the joint committee. The total savings identified are shown in Table 3 below.

	2014/15	2015/16	2016/17	2017/18	2018/19
	£000	£000	£000	£000	£000
Restructure Saving	485	880	880	880	880
License Savings	100	100	100	100	100
Income from CCTV	100	100	0	0	0
Income from 6th Form College	145	145	145	0	0
Network Savings	80	80	80	80	80
Data Centre Savings	60	285	285	285	285
Total	970	1,590	1,490	1,345	1,345

Table 3. Savings identified in the ICT transformation Review.

2.2 Legal Services

2.2.1 The Legal Services transformation project commenced in December 2014 and at this moment in time has a number of draft proposals. These proposals are as yet provisional as the consultation process that had started with staff over the proposed revised staffing structure was suspended due to the departure of the Director of legal Services in the autumn. The proposals are currently being reviewed by the Managing Director and the Acting Director of Legal Services with a view to recommencing the staff consultation process.

2.2.2 The provisional savings are shown in table 4 below.

Legal Services Savings	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000
Minimum	248	612	711	711	711
Maximum	248	612	1,120	1,220	1,220

Table 4. Provisional savings identified.

2.2.3 The minimum savings represent guaranteed savings from the service review process. Savings come from a restructure of the function to maximise legal output from lawyers and reduce / eliminate administrative functions. The purchase of a legal case management system is key to this to reduce administration tasks. The cost (£60k) was funded from the Business Services budget. The case management system allows for the standardisation of processes and the removal of any duplication within the service. The new structure will deliver a single legal function able to provide high quality services to the two councils and be scalable for future partners / customers.

2.2.4 Savings can be maximised from reducing external commissioned work at both councils. This proposal will need further consultation with the two councils and will be dependent on capacity building within the legal services function.

2.3 Asset Management

2.3.1 The Asset Management reviews are currently in process and have been broken down into the following separate reviews (progress shown in parentheses).

- Health & Safety (report being finalised)
- Schools Capital Programme (final savings being calculated & report being finalised)
- Facilities Management (report being finalised)
- Property Services (review commenced)
- Capital Programmes (review commenced)

2.3.2 It is expected that consultation with staff will commence in early March on the proposals for savings in the areas where the reviews have been completed. The facilities management review is expected to deliver savings up to £481k by 2018/19 and the health and safety review to deliver savings of up to £310k. Full details of the review will be reported to the next Joint Committee meeting.

2.4 Internal Audit, Risk, Insurance and Counter Fraud

2.4.1 The Audit review was completed in November 2015. Much of the counter fraud service is due to transfer to the DWP in April 2015 which has meant that this area has had to be dealt with separately as a number of posts in Havering will be transferring to the DWP (Newham had already allowed for this in its structure). The final report for the remainder of the service is currently being finalised.

2.4.2 The final report is ready to commence consultation with staff and stakeholders within the next few weeks. Consultation with the Audit Committee of each council will also need to be undertaken. If the report remains unaltered then savings of up to £1.2m can be delivered within this service. Full details of the proposal will be reported to the next Joint Committee Meeting.

2.5 Exchequer and Transactional Services

2.5.1 Details of this review were provided to the last Joint Committee meeting. Savings identified to date are shown in table 5 below:

Transformation Projects / Restructures to Date	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000
Transactional & Exchequer Senior Management Restructure	0	65	65	65	65
NNDR	0	119	119	119	119
Transactional	240	240	240	240	240
Transactional / Exchequer	240	424	424	424	424

Table 5. Provisional savings identified

2.6 Procurement

2.6.1 In advance of the transformation project of the Procurement function across both councils a restructure has been proposed in advance. The proposed restructure removes currently vacant post but also introduces category management into Havering Council and creates a single team across both councils. The restructure delivers £249k in 2014/15 and £343k in following years. There are no proposals for any other changes until the transformation review has taken place. This review will commence late 2015/16 or early 2016/17. Staff have been consulted and the proposals are in the process of being implemented.

2.7 Democratic Services / Election Services

2.7.1 Democratic Services will be reviewed by the Interim Director of Legal and Governance Services in consultation with Lead Members / Leader / Mayor once the legal services review has been finalised and implemented. It is unlikely that the review will commence before the summer of 2015.

2.8 Pension Services

2.8.1 The review of pension services is in the process of being started. Due to the specialist nature of this service an external review will be undertaken. The review will look at the

in-house service at Havering and the contract in place at Newham. The final proposals will need to report into both council's Pension Committees.

2.9 Summary of savings to date

2.9.1 A summary of the savings delivered by the transformation projects are shown in table 6 below. Also included are the proposed restructures proposed by Directors outside of the transformation project process.

Transformation Projects / Restructures to Date	Where in process	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000
Finance		343	1,152	1,465	1,548	1,548
Audit, Insurance, Risk & Counter Fraud	Finalising Report	94	809	1,122	1,205	1,205
Procurement	Consultation closed	249	343	343	343	343
ICT / Business Systems	Implemented Shared Service	970	1,590	1,490	1,345	1,345
Transactional / Exchequer		240	424	424	424	424
Transactional & Exchequer Senior Management Restructure	Consultation closed	0	65	65	65	65
NNDR	Consultation closed	0	119	119	119	119
Transactional	Consultation closed	240	240	240	240	240
Legal (Minimum savings)		248	612	711	711	711
Legal (Maximum savings)	Consultation Paused	248	612	1,120	1,220	1,220
Asset Management		141	639	695	791	791
Facilities management	Finalising Report	19	425	481	481	481
Health & safety	Finalising Report	122	214	214	310	310
oneSource Senior Management Restructure	Implemented Shared Service	423	423	423	423	423
Total Savings (includes min savings where relevant)		2,365	4,840	5,208	5,242	5,242
Savings delivered through budget management / To be completed /signed off reviews		1,747	2,950	3,735	4,506	5,370
Business Case Savings		4,112	7,790	8,943	9,748	10,612

Table 6. Provisional savings identified

2.9.2 It can be seen from table 6 above that to date savings amounting to £2.4m have been either delivered (ICT) or identified in 2014/15. Ongoing savings by 2018/19 of £5.2m have been identified – nearly half of the required target. This excludes savings that will come out of the reviews currently in progress or to be finalised. Further savings are being delivered by the oneSource Management Team through budget management through vacancy management and other budget savings. The budget report elsewhere

on the agenda identifies that oneSource is on target to spend within budget and on course to deliver total savings of £4.1m for 2014/15.

3.0 Year 2 (2015/16) Reviews

3.1 Work has commenced on a number of transformation reviews timetabled for year 2 (2015/16). These are as follows:

- Payroll
- Transactional Finance
- Transactional HR
- Operational / Strategic Finance
- Operational / Strategic HR
- Transactional Procurement (from Oracle implementation).

The delivery of some of the savings in line with the savings profile in the business case is dependent on Newham Council Go Live on the 1-Oracle ERP system in April 2015. The timetable for this is challenging but the council is on track to go live in April. At this point in time there is little reason for this not to happen. There will be a verbal update at the meeting. Due to the complexities of the services involved and the linkages between them is anticipated that the reviews will take up to 12 months to complete.

4.0 Benefit realisation

4.1 The benefit realisation process is undertaken by the Business Services team. All proposed savings are monitored by the team and finance to ensure that the savings are delivered in line with the proposals. This will enable actual savings delivery to be monitored against the business plan target and not potentially masked by other one off or unplanned savings within service budgets. In addition non financial benefits are captured to demonstrate gains for oneSource and the two councils such as the creation of resilience within functions.

REASONS AND OPTIONS

Reasons for the decision:

This report is for information only and does not directly require a decision by the Joint Committee.

Other options considered:

Not applicable.

IMPLICATIONS AND RISKS

Financial implications and risks:

The delivery of the transformation programme directly relates to oneSource delivering the required level of savings as per the oneSource business case agreed by both councils. Table 6 above identifies the savings made so far from transformation and other restructures. Transformation projects currently in process will deliver further savings. The oneSource senior management team is managing the overall delivery of savings and management of the overall oneSource budget. The budget monitoring report reports that oneSource is on course to outturn at budget.

Legal implications and risks:

There are no legal implications identified for this report.

Human Resources implications and risks:

The restructure reports that result from the transformation projects are subject to consultation with staff through each council's managing change policies.

Equalities implications and risks:

There are no equality implications identified for this report.

BACKGROUND PAPERS

OneSource Business Case



HAVERING AND NEWHAM SHARED BACK OFFICE SUPPORT SERVICE

JOINT COMMITTEE	13 February 2015
Subject heading:	Appointment of Managing Director - oneSource
Report author and contact details:	Jan Douglas, Deputy Director – Human Resources Jan.Douglas@onesource.co.uk 020 3373 2693
Financial summary:	Salary costs budgeted for. Additional cost of up to £25,000 associated with the recruitment campaign which will be contained within the salaries budget
Is this a Key Decision?	No

SUMMARY

This report updates the Joint Committee with regard to the recruitment and selection process for the Managing Director of oneSource.

RECOMMENDATIONS

The Joint Committee is asked to:

- Note the process for recruitment and selection and the indicative timeline associated with this

REPORT DETAIL

Introduction

The Managing Director of oneSource is a 1st tier post and reports to the Chief Executive of the Authority of which the post holder is an employee. Discussions are currently underway regarding which council will employ the new Managing Director.

This post falls within the purview of the JNC for Chief Officers. The appointment of Chief Officers and Deputy Chief Officers are ordinarily made by a member appointments committee. For the purposes of oneSource, the Managing Director and direct reports to that post are deemed to be Chief Officers.

The oneSource partnership agreement states that appointments will be made by the appointing authority following consultation with the Joint Committee, who will be responsible for recommending the final candidate(s) to the relevant member appointments committee. For the purposes of the Managing Director post, candidates shall be interviewed by the Joint Committee and it's preferred candidate shall be recommended to the employing Council to appoint following its own procedural rules.

Recruitment process

An external consultancy will be engaged, via a mini competition off an existing framework agreement. They have the experience, expertise and networks to search and contact potential recruits to ensure we reach a wide market of suitably qualified candidates. There is a cost associated with the use of an external company, which is likely to be in the region of £25,000.

Once a company is appointed to undertake this exercise, they will work closely with both Chief Executives and Human Resources to develop a campaign to source suitable candidates for the role and agree the selection process to be undertaken. This will culminate in a panel interview by the Joint Committee and a recommendation for appointment by the employing council.

Indicative Timescale

Taking into account the need to contract a company to undertake the campaign on behalf of oneSource and both councils, the time necessary to advertise the post and search for suitable candidates and the selection process itself, it is likely to take in the region of 3-4 months for this phase of the process. Once a candidate is appointed, they are likely to be on a notice period of up to 3 months. With this in mind, and once the process commences, it will be up to 6-7 months before a new Managing Director takes up their role.

REASONS AND OPTIONS

This report is presented to the Joint Committee to provide an update on the recruitment and selection process and indicative timescale associated with this.

The current interim arrangements for the Managing Director role were agreed as a six month secondment. By proceeding now with the recruitment any delay in confirming a new permanent Managing Director will be minimised. Consideration has been given to managing the recruitment process in-house, however, the team does not have the networks or relationships with a wide range of potential candidates and other employers and would rely on a normal advertisement to attract candidates. For posts at this level, and in particular for oneSource's unique circumstances, a company experienced in this type of appointment would give oneSource the best chance of securing high calibre candidates.

IMPLICATIONS AND RISKS

Financial implications and risks:

Cost of recruitment campaign, which will be in the region of £25,000 and will be on-call off from a framework.

Legal implications and risks:

None

Human Resources implications and risks:

Human Resources will manage the process, in consultation with the Chief Executives of both councils

Equalities implications and risks:

Equalities matters will be taken into consideration throughout the recruitment and selection process.

BACKGROUND PAPERS

None

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