



## **ONESOURCE JOINT COMMITTEE AGENDA**

<b>10.00 am</b>	<b>Friday 20 January 2017</b>	<b>Civic Offices, Watling Street, Bexley</b>
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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 Tonii Wilson

**LONDON BOROUGH OF  
BEXLEY**

Councillor Donald Massey

**For information about the meeting please contact:**

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Head of Democratic Services  
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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 Chairman, 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 INTEREST**

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

### **4 MINUTES** (Pages 1 - 6)

To approve as a correct record the minutes of the meetings of the Joint Committee held on 14 and 21 October 2016, and to authorise the Chairman to sign them.

### **5 ONESOURCE FORECAST FINANCIAL POSITION AS AT NOVEMBER 2016** (Pages 7 - 18)

### **6 ONESOURCE UPDATE FOR JANUARY 2017** (Pages 19 - 80)

### **7 PROPOSAL TO TRANSFER NEWHAM'S COUNCIL TAX AND BENEFITS SERVICE BACK TO THE COUNCIL** (Pages 81 - 86)

### **8 ONESOURCE LEGAL SERVICES : OVERVIEW 2016/17**

To receive a presentation report from the Director for Legal & Governance – (Report to follow)

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**MINUTES OF A  
ONESOURCE JOINT  
COMMITTEE MEETING  
Havering Town Hall, Main  
Road, Romford  
Friday, 14 October 2016  
(2.00 - 4.45 pm)**

**Present:**

Councillors Lester Hudson (Chair), +Clarence Barrett,, Forhad Hussain, +Joy Laguda, Donald Massey and Melvin Wallace were present.

+substitute member: Councillors Clarence Barrett (for Ron Ower) and Joy Laguda (for Tonii Wilson)

An apology for absence was received for Councillors Ron Ower, Damian White and Tonii Wilson

There were no disclosures of interest.

An announcement was made explaining the evacuation procedures in the event of an emergency.

**12 EXCLUSION OF THE PUBLIC**

On a motion by the Chairman the Sub-Committee RESOLVED:

That the public be excluded from the remainder of the meeting on the grounds that it was likely that, in view of the nature of the business to be transacted or the nature of the proceedings, if members of the public were present during those items there would be disclosure to them of exempt information within the meaning of paragraph 1 of Schedule 12A to the Local Government Act 1972

**13 APPOINTMENT TO THE POST OF DIRECTOR OF FINANCE**

The Committee interviewed three applicants for appointment to this position. It carefully considered their respective merits and satisfied itself as to their competency by reference to their written profiles, oral presentations and the answers to questions concerning the role and by wider questioning.

The Joint Committee felt that one candidate in particular had more relevant experience in delivering a shared service arrangement which was of particular importance moving forward for oneSource. The Committee had no hesitation in deciding which of the three applicants it would recommend for appointment.

The Joint Committee agreed on a suitable candidate for the post and indicated a provisional intention to make an offer to that candidate.

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**Chairman**

# Public Document Pack

**MINUTES OF A  
ONESOURCE JOINT  
COMMITTEE MEETING  
Committee Room 3A -  
Town Hall  
Friday, 21 October 2016  
(10.00 - 11.05 am)**

**Present:**

Councillors Lester Hudson (Chair), +Andrew Baikie, Donald Massey, Ron Ower and Melvin Wallace were present

+substitute member: Councillor Andrew Baikie (for Forhad Hussain).

An apology for absence was received for Councillors Forhad Hussain, Damian White and Tonii Wilson.

There were no disclosures of interest.

An announcement was made explaining the evacuation procedures in the event of an emergency.

**14 MINUTES**

The minutes of the meetings of the Joint Committee held on 8 July and 2 September 2015 were agreed as a correct record and signed by the Chairman.

**15 ONESOURCE FORECAST FINANCIAL POSITION AS AT OCTOBER 2016**

The report before Members detailed an overall oneSource shared outturn position with an overspend of £373k. It was explained that the overspend largely related to delays in implementing restructures partially offset by vacancy management.

Although a number of steps had been taken to reduce costs within Legal Services, a pressure remained due to an additional staffing requirement to meet the demand from customers. Member expressed an interest in understanding the Legal Services business model. It was agreed that a report be submitted to the next meeting of the Joint Committee.

Management action was underway throughout oneSource to reduce the forecast overspend, with a full year impact expected in 17/18. It was anticipated that any variance remaining at the year-end would be met from

the use of carry forwards and as such would not require additional funding from the partner Councils.

It was also reported that there were no significant overall variances forecast on the non shared budgets for any of the partner boroughs.

The Joint Committee-

1. Noted the oneSource forecast outturn position as at August 2016 and the future plans to bring oneSource back within budget;
2. Noted the transfer of Education Capital, Technical Services and Council Tax and Benefits Services from oneSource shared to non shared.
3. Noted that a report on the Legal Services business model would be submitted for consideration at the next meeting of the Joint Committee.

#### **16      ONESOURCE UPDATE FOR OCTOBER 2016**

The report before Members set out the main areas of recent activity across oneSource, with a specific focus on the following areas:

- The Council Tax and Housing Benefits review.
- The strategic direction in relation to 1Oracle.
- An update on customer satisfaction.
- A summary of a recent internal communications survey.
- An update on commercial development.

The Joint Committee noted the report.

#### **17      TRANSFORMATION REPORT OCTOBER 2016**

Members noted that as part of implementing the shared service and transforming our services, oneSource had undertaken a range of projects to review processes and structures. These projects were now coming to an end with most services re-engineered and a new operating model being implemented.

The report was considered as part of a regular update to the Joint Committee giving details on progress of the projects, how our services were changing and the new operating model.

The Joint Committee noted progress on delivering the required savings from the current transformation projects.



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**Chairman**

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## **ONESOURCE JOINT COMMITTEE 20 January 2017**

**Subject heading:**

**oneSource forecast financial  
position as at November 2016**

**Report author and contact details:**

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**Financial summary:**

The oneSource Shared financial forecast shows a projected overspend of £111k as at November 2016, period 8. Non-shared budgets for all 3 Councils are forecasting minor variances.

### **SUMMARY**

The oneSource shared forecast financial position shows a projected overspend of £111k as at November 2016, period eight. This is in the context of savings of £9.4m having been applied to shared budgets since oneSource's inception in 2014/15 and therefore means that savings of £9.29m will have been achieved by the end of 2016/17. The forecasted split between the three boroughs is £46k to Havering, £71k to Bexley and a credit of £6k to Newham.

As at period eight, the services managed by oneSource, but not shared are forecasting a balanced budget *overall* with minor variances; £1k for Newham, £6k for Havering and a nil variance for Bexley. This is in the context of savings of approximately £700k being removed from Havering non-shared budgets and £3.2m being removed from Newham non-shared budgets since the start of oneSource.

### **RECOMMENDATIONS**

The Joint Committee is asked to note the current oneSource forecasted outturn position based on the financial monitoring as at the end of November 2016.

<b>REPORT DETAIL</b>
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This report provides Members of the Joint Committee with the financial forecast outturn position on the budgets that are shared by Newham, Havering and Bexley (Appendix A) and the budgets that oneSource manages on behalf of Newham, Havering and Bexley (Appendix B, C and D). The position is summarised in the following table:-

Over/underspend(-)		
	Shared £	Non-shared £
Havering	46,206	6,211
Newham	71,217	1,113
Bexley	(6,576)	0
<b>Total</b>	<b>110,847</b>	<b>7,324</b>

Havering's non-shared budgets managed by oneSource are forecasted to be on budget with a £6k overspend overall currently being forecasted.

Newham's non-shared budgets are also currently forecasting a balanced budget with a £1k variance forecasted at period eight.

Bexley's non-shared budgets are currently forecasting a nil variance.

The oneSource shared financial position has improved from the £373k overspend forecast in August (period five) which was reported to the Joint Committee in October 2016. The current shared overspend is £111k, with £46k relating to Havering, £71k to Bexley and a credit of £6k to Newham. The £262k improvement is largely due to progress with delivering restructures and continued vacancy management; the Transactional Services and Strategic HR restructures went live on 1<sup>st</sup> October 2016 and Finance on 9<sup>th</sup> January 2017.

As mentioned in the October 2016 report to Joint Committee, the future delivery model for a number of services is currently being reviewed and as such these services are not currently being brought together. The services affected are:

- Asset Management's Technical Services and Education Schools Capital; and
- Exchequer & Transactional Service's, Council Tax and Benefits.

With regard to technical services and education schools capital, the non-sharing of these services is not contributing towards the shared £111k forecasted pressure as these services

have been relinked to the non-shared areas of each council. However, Havering's council tax and benefits service remains within the oneSource shared model with a view to exploring the possibility of sharing this service with Bexley in the future. Therefore, Havering's forecasted pressure resulting from not sharing at this stage, is contributing towards the £111k forecast. The pressure relating to this area attributed entirely to Havering in the year end cost sharing arrangement. Newham's Council Tax and Benefits service has been moved to non-shared whilst a review of their operating model takes place and this is considered in another report on this agenda.

The majority of the Bexley share of the forecasted overspend relates to enforcement services and the aforementioned delays in delivering restructures. Bexley's oneSource shared savings target relating to enforcement services in 2016/17 was predicated on an assumption around the number of cases passed to the oneSource enforcement team from the council – this assumption hasn't materialised due to complexities surrounding the Bexley partnership with Bromley (parking) and Capita (council tax). It is hoped that subsequent to recent Legal advice, this situation will improve in 2017/18.

Although overall the enforcement service are forecasting a balanced budget and are therefore not contributing towards the £111k forecasted pressure, at a council level, the shortfall in caseloads (which is the basis of the cost share in this area) manifests itself as a pressure to Bexley of £108k, a pressure to Havering of £30k and a surplus to Newham of £138k.

It is anticipated, subject to S151 approval, that Havering & Newham's share of the balance at year end will be transferred to/from their oneSource reserve. The forecasted pressure attributable to Bexley has been communicated to their S151 officer and incorporated into their overall monthly monitoring position.

The oneSource budget workshop in November discussed the opportunities arising in future years for the service to deliver further savings. The three Section 151 officers were present to discuss the three councils' budgetary positions and what oneSource could do to help. oneSource was recognised as already playing an important part in helping our partners meet financial demands and so have not been asked to find any additional savings for the next two years at this time. Additionally, oneSource will draft a Financial Strategy for 2018/19 to 2020/21, which will set out what savings they expect to contribute in the future to help the three boroughs in balancing their budgets. This will be brought to Joint Committee in the autumn .

## **IMPLICATIONS AND RISKS**

### **Financial implications and risks:**

The financial position of oneSource Shared has a direct bearing on the financial position of Havering, Bexley and Newham Councils; with any savings or overspends being shared

as set out in the Joint Committee agreement. Achievement of expected savings is therefore key to each council meeting their Financial Strategy.

The financial positions of non-shared services affect the relevant Council only.

Any use of or contribution to carried forward underspends from previous years must be agreed with the relevant partner Councils, in consideration of their respective financial positions and priorities.

Robust financial management processes are in place across oneSource and the financial position as at period eight 2016/17 is set out in the body of the report.

**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.

<b>BACKGROUND PAPERS</b>
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oneSource Joint Committee Agreement

OneSource Financial Position

SERVICE	REVISED CONTROLLABLE NET BUDGET	YTD ACTUALS	YTD ENCUMBRANCES	ACTUALS + ENCUMBRANCES	FY PROJECTED OUTTURN	FY PROJECTED OUTTURN VARIANCE	REASON FOR FY PROJECTED OUTTURN VARIANCE
Finance oneSource	9,697,412	6,757,721	461,333	7,219,053	9,370,159	(327,253)	Forecasted underspend is due to a realignment of the savings target within the assurance section (due to be offset by assurances' 17/18 increase in savings target) and an updated staffing forecast within the finance section to reflect the latest developments regarding the restructure.
Business Services	1,542,527	658,176	58,555	716,731	1,260,890	(281,637)	Over-achievement of savings, held centrally to offset in year shortfalls in other areas and to contribute towards increase savings targets in future years.
Exchequer & Transactional Services	8,213,142	5,850,744	173,475	6,024,219	8,490,435	277,293	Period 8 forecasted budget deficit has reduced. This is due to vacancy management following the implementation of the transactional restructure. Residual pressure is mainly due to the transactional services restructure being delayed by the implementation of the one oracle project, non-sharing of council tax and benefits and Bexley's enforcement income target which will not be realised this financial year.
Legal & Governance	3,470,960	2,880,180	72,156	2,952,336	3,879,387	408,427	Forecasted pressure relates to over established posts within legal services, required to meet minimum level of service provision. Cost reduction and income generation efforts continue.
ICT Services	8,716,931	11,742,303	1,858,262	13,600,565	8,817,722	100,791	The support costs for CRM (Customer Relationship Management) system are currently unfunded. These have been found elsewhere within the budgets as the system is critical for both the councils. The system is used by both Newham and Havering Contact Centres to manage all customer enquiries both by telephone and online. This has to date created a significant budget pressure on ICT. We have now drafted a new support model and are currently working with the relevant service areas and finance to finalise arrangements.
Asset Management Services	2,533,927	3,296,814	160,128	3,456,942	2,465,976	(67,951)	Variance due to number of staff vacancies and additional recharge income in Health and Safety and Post Room.
Strategic & Operational HR	3,144,220	2,228,288	29,337	2,257,625	3,145,398	1,178	Minor variance.
TOTAL	37,319,119	33,414,225	2,813,247	36,227,471	37,429,966	110,847	Havering's forecasted pressure is largely due to an inability to achieve savings targets through sharing their council tax and benefits service, offset in part by additional recharge income relating to the post room. Much of Newham's forecasted pressure relates to the expected overspend within legal services, which is more than mitigated by an overachievement of savings elsewhere and their share of enforcement income. Bexley's forecasted enforcement pressure of £108k due to a lack of throughput of cases is expected to be offset in part by an improvement in the position relating to restructures.

NOTES

Budgets and forecasts shown above relate to controllable budgets only

Apportionment is based on 16/17 Joint Cttee budget % and may be recalculated to reflect subsequent budget adjustments

The reported variance excludes the oneSource reserve position funded by the 14/15 and 15/16 underspend

Havering

Bexley

Newham

46,206
71,217
(6,576)

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**OneSource Newham non-shared Financial Position at Summary Level**

SERVICE	REVISED CONTROLLABLE NET BUDGET	YTD ACTUALS	YTD ENCUMBRANCES	ACTUALS + ENCUMBRANCES	FY PROJECTED OUTTURN	FY PROJECTED OUTTURN VARIANCE	REASON FOR FY PROJECTED OUTTURN VARIANCE
<b>Finance oneSource</b> (oneSource MD, External Audit, Unallocated Overheads)	(735,600)	371,871	58,696	430,567	(735,600)	0	Nil variance.
<b>Exchequer &amp; Transactional Services</b> (Housing Benefits, Pensions)	10,554,123	29,030,810	2,784	29,033,594	10,232,893	(321,230)	P8 forecasted underspend largely due to delay in recruitment to the debt arrears team.
<b>Legal &amp; Governance</b> (Members costs and Borough Elections)	0	562,951	259	563,209	0	0	Nil variance.
<b>ICT Services</b> (1Oracle implementation, Verto/PMO team, 1Oracle licence and hosting)	1,255,150	2,478,697	169,866	2,648,563	1,244,739	(10,411)	Minor variance.
<b>Asset Management Services</b> (Commercial property, facilities management and schools)	143,700	11,988,232	13,737,542	25,725,774	377,455	233,755	Schools capital and Technical Services now in non shared along with associated savings targets.
<b>Strategic &amp; Operational HR</b> (Union costs, Occupational Health, Training)	686,600	461,808	358,608	820,416	785,600	99,000	Forecasted overspend due to pressure on TU budget as a consequence of consultation on T&C and delay in implementation of review of TU facilities pending the T&C review. The majority of the overspend is due to a change in TU personnel and associated one off redundancy costs and the unions were required to move office (twice) so there were associated costs of the relocation and building costs. As a consequence as these are one-off budget costs, there are no anticipated overspends next year. However, this is dependant on the timing of the implementation of Newham T&C changes as some additional resources may be required to conclude the project. Facility time and accompanying costs will then be reduced.
<b>TOTAL</b>	<b>11,903,973</b>	<b>44,894,368</b>	<b>14,327,755</b>	<b>59,222,123</b>	<b>11,905,086</b>	<b>1,113</b>	Forecasted pressures within Asset Management and HR offset by underspend within Exchequer Services.

**NOTES**

The non-shared position has been included for information. The budgets and spend are not part of the cost sharing arrangement, however, they are managed by oneSource.

The budget figures above include controllable budgets only.

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OneSource Bexley non-shared Financial Position at Summary Level

SERVICE	REVISED CONTROLLABLE NET BUDGET	YTD ACTUALS	YTD ENCUMBRANCES	ACTUALS + ENCUMBRANCES	FY PROJECTED OUTTURN	FY PROJECTED OUTTURN VARIANCE	REASON FOR FY PROJECTED OUTTURN VARIANCE
Exchequer & Transactional Services (Housing Benefits)	3,545,000	24,245,381	0	24,245,381	3,545,000	0	Nil variance
Finance	1,989,000	1,423,204	0	1,423,204	1,989,000	0	Nil variance
TOTAL	5,534,000	25,668,585	0	25,668,585	5,534,000	0	Nil variance

NOTES  
The non-shared position has been included for information. The budgets and spend are not part of the cost sharing arrangement, however, they are managed by oneSource.

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OneSource Havering non-shared Financial Position at Summary Level

SERVICE	REVISED CONTROLLABLE NET BUDGET	YTD ACTUALS	YTD ENCUMBRANCES	ACTUALS + ENCUMBRANCES	FY PROJECTED OUTTURN	FY PROJECTED OUTTURN VARIANCE	REASON FOR FY PROJECTED OUTTURN VARIANCE
<b>Exchequer &amp; Transactional Services</b> (Housing Benefits, court fee income and pensions)	(1,141,430)	836,069	83,701	919,770	(1,211,318)	(69,888)	Majority of forecasted underspend relates to the forecasted adjustment to the Housing Benefit overpayments bad debt provision.
<b>Legal &amp; Governance</b> (Members costs and Elections)	1,536,953	1,321,513	507	1,322,021	1,563,701	26,748	Variance due to efficiency target within committee admin and member services. These will be analysed with options discussed with director for legal and governance.
<b>Asset Management Services</b> (Transport, Commercial Property, Schools, Premises Management)	(125,807)	1,175,394	109,402	1,284,796	(129,381)	(3,574)	
<b>Strategic &amp; Operational HR</b> (Unions, Apprentices)	496,754	271,568	2,102	273,670	610,279	113,525	Forecasted overspend due to pressure on TU budget as a consequence of consultation on Job Evaluation exercise and T&C and delay in implementation of review of TU facilities pending the T&C review. The majority of the overspend is due to a change in TU personnel when there was an overlap of resources due to an individual's notice period and as a consequence the budget is not anticipated to overspend next year. However, this is dependant on the timing of the implementation of Havering T&C changes as some additional resources may be required to conclude the project which has impacted on schools as well as corporately. Facility time and accompanying costs will then be reduced during 2017. As the number of apprentices taken on was increased, money is due from reserves so the overspend will be reduced by year end.
<b>ICT</b> (10 local budget)	843,600	414,828	0	414,828	783,000	(60,600)	Variance to be reviewed at P9.
<b>Business Services</b>	55,000	63,045	0	63,045	55,000	0	
<b>TOTAL</b>	<b>1,665,070</b>	<b>4,082,417</b>	<b>195,712</b>	<b>4,278,129</b>	<b>1,671,281</b>	<b>6,211</b>	

**NOTES**

The non-shared position has been included for information. The budgets and spend are not part of the cost sharing arrangement, however, they are managed by oneSource.

Pressures within Democratics and HR offset by forecasted underspend within Exchequer and IT resulting in minor variance overall.

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**ONESOURCE JOINT  
COMMITTEE  
20 January 2017**

**Subject heading:**

**oneSource update for January  
2017**

**Report author and contact details:**

**Jane West**  
[jane.west@onesource.co.uk](mailto:jane.west@onesource.co.uk)  
**020 3373 2703**

**Financial summary:**

**This report provides an update of  
current activity across oneSource.**

<b>SUMMARY</b>
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The report covers:-

- The strategic direction in relation to Oracle Cloud.
- An update on customer satisfaction.
- The latest position in relation to transformation projects.
- An update on commercial developments.

An update on the budget is detailed in a separate report on this agenda

<b>RECOMMENDATIONS</b>
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The Joint Committee is asked to note the report.

## REPORT DETAIL

### Background

The report sets out the main areas of activity across oneSource over the last three months.

### Oracle Cloud

Havering and Newham councils have both recently received reports from oneSource recommending that they move to the Oracle Cloud from 1 April 2018. These are currently being considered by both councils and an update will be given at the meeting.

We have been working on the Oracle Cloud Strategy with the other 1Oracle councils. This has allowed us to share workloads reducing the effort required from each individual council.

At the last meeting we reported that one of the other councils was going to commission a security report comparing the cheaper Commercial Cloud offer from Oracle to the Government Cloud they provide with higher security built in. Unfortunately this work was incomplete and oneSource Information Management picked up the review and completed it. The review concluded that the cheaper Commercial Cloud was of a sufficiently low security risk that it met the oneSource Councils' needs. This report has been shared with the other 1Oracle councils to use as they wish.

Lambeth have led a very successful procurement process for the Systems Integrator. The recommendation from oneSource is that Newham and Havering use the successful bidder.

The recommendation to upgrade to Oracle Cloud is projected to deliver an annual net revenue saving of £0.45m in Newham and £0.38m in Havering from 2019/20 for an implementation cost of £2.7m each. The business case has been calculated over a 10 year term and is based on a 3 year contract for Oracle Cloud licences (ending in January 2020), at which point there will be an opportunity to flex the number of licences to adjust to changes in each organisation's user population.

Upgrading to Oracle Cloud represents an excellent opportunity to modernise the existing solution and create the right foundations for efficiencies and flexibility over the coming years. A more modern and intuitive user experience including the ability to access applications from any device will save time for front-line staff and enable them to focus more on improving service delivery and outcomes for residents. Specific programme outcomes include:

- Reduced costs of technology, delivering annual revenue savings.
- Increased productivity through:
  - Adoption by the organisation of standard best practice Oracle Cloud processes.
  - Increased uptake of self-service features due to improved user functionality.
  - Further integration of corporate services process to support shared services.
  - Access to Oracle Cloud applications on any device including PC, tablets or phones enabling greater mobile and flexible working.
  - Improved team collaboration enabled by integrated social media functionality within each business application.
  - Improved management decision making enabled by Oracle Cloud reports, which are updated in real-time as changes are made to data in the system.
  - Increased staff satisfaction due to an improved user experience of a modern and more intuitive system which can be accessed from any device.

An independent analysis of the potential options was commissioned from SOCITM on behalf of a number of the 1Oracle councils. The version for Newham, Havering and Bexley is attached



as Appendix 1 to this report. Three alternative options to Oracle Cloud (do nothing, hosting by Brent and implementation of alternative technology) were explored and discounted in the development of this recommendation. The options appraisal includes an assessment of each one, comparing time to implement, cost, modern best practices and level of functionality. Based on this analysis it is recommended that an upgrade to the Oracle Cloud solution will provide the right solution for Newham and Havering. Bexley do not have the same pressures as their existing Oracle arrangements can run through until approximately 2020.

The contract with the Systems Integrator Partner is based on a February start as delivering implementation for go-live by April 2018 will require a minimum of 14 months. It is financially advantageous to sign this contract during January to secure discounts negotiated for Oracle Cloud licences.

## **Customer Satisfaction**

The Customer Satisfaction Survey completed in the summer has now been thoroughly analysed and responded to by the teams across oneSource.

The survey demonstrates a drop in satisfaction of 7% when compared to the spring survey which is disappointing but maybe not surprising. Whilst we are not complacent in any way, the following issues may have had a temporary impact on satisfaction:-

- 1Oracle implementation in Newham
- Councils having to adjust to having less corporate support in the Age of Austerity
- Reluctance of managers to embrace self-service ethos, across the councils but also in oneSource
- Managers losing trusted advisers during the restructures
- The impact of the restructures on staff morale in oneSource
- Lack of internal communication methods
- Further roll out of self-service

Each of the services has responded in the paper to the issues raised about their service. In addition, the following actions have been taken corporately:-

- New service level agreements have been drafted, including service standards and Key Performance Indicators. The drafts are currently in discussion with senior managers in Newham and Havering (Bexley have indicated they are content to review the Finance related SLAs later)
- Customer panels have been established in Havering and Newham and monthly meetings are being held with a work programme of improvements being monitored by the panel in Newham
- oneSource presentations for senior managers (Top 30-50 managers) are planned for Newham and Havering in January and February. We plan to follow this up with a oneSource showcase for wider staff and Members in March in all three boroughs.
- 1Oracle customer boards have been established in Newham and Havering
- Team action plans are being drafted to respond to specific issues raised
- We are working with managers to support the transition to self-service eg a new e-portal called Dash has been introduced for processing HR transactions replacing many paper forms
- Individual services are developing their own surveys to get into the detail of what is driving satisfaction eg Procurement
- The main survey will be repeated in the spring and more publicity will be undertaken to increase submissions as there was a low response to the summer survey.

The report is attached as Appendix 2 to this report.

### **Transformation Programme update**

Now that the restructures are largely complete, the Transformation Team are focussing on process improvements across oneSource. Appendix 3 sets out the range of projects the team are currently engaged in.

### **Commercial opportunities**

Although internal customer satisfaction is the focus, oneSource is still working to keep up its external profile.

The summit with Orbis and LGSS sponsored by LGA was a great success. The challenges we face in oneSource were echoed by Orbis and LGSS. We identified a number of areas where further work would be beneficial in the areas of strategic procurement and staff development and networking. These will be taken forward jointly in the coming months.

oneSource has been shortlisted for the Local Government Chronicle award for Most Innovative Service Delivery Model. The awards will be announced in early March.

In addition, we continue to have regular meetings in the diary with various boroughs in East London and beyond where some specific opportunities are being explored. A verbal update can be provided at the meeting.

### **Financial Implications**

There are no financial implications arising directly from this report which is for information only. There are financial implications associated with some of the issues in this report (eg implementation of Oracle Cloud) and they will be separately assessed and raised through the appropriate channels.

### **Background Papers:**

**None**

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

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## Appendix 2

### Customer Satisfaction Report

oneSource conducts a biannual customer satisfaction to assess the service it provides to its customers, through an online survey sent to all senior managers within oneSource, Bexley Council (LBB), Havering Council (LBH) and Newham Council (LBN).

The purpose of this report is to present the findings of the most recent Customer Satisfaction survey conducted in September 2016.

96 senior managers took part (46 from LBN, 29 from LBH, 3 from LBB and 18 from oneSource) answering a potential 36 questions (excluding breakdown questions). This compares to a previous response of 172 senior managers in March 2016.

The principle focus of the survey was to understand customers<sup>1</sup>:

- Overall satisfaction with the service they received;
- Satisfaction with the amount of resources / level of support received;
- Satisfaction with the quality of support provided; and
- Satisfaction with the speed at which the support was provided.

The exact satisfaction level was determined using a six point Likert scale.<sup>2</sup>

“Satisfaction with the quality of support received”, Business Improvement, Programme Management Office (PMO) and Technical Services were included for the first time in September 2016. However, only Newham and oneSource provided feedback regarding Business Improvement and PMO as Havering and Bexley customers do not utilise this service.

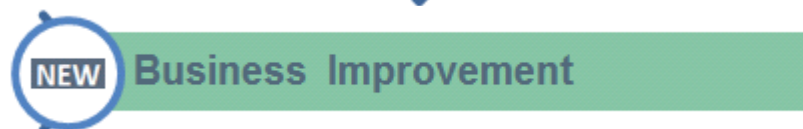
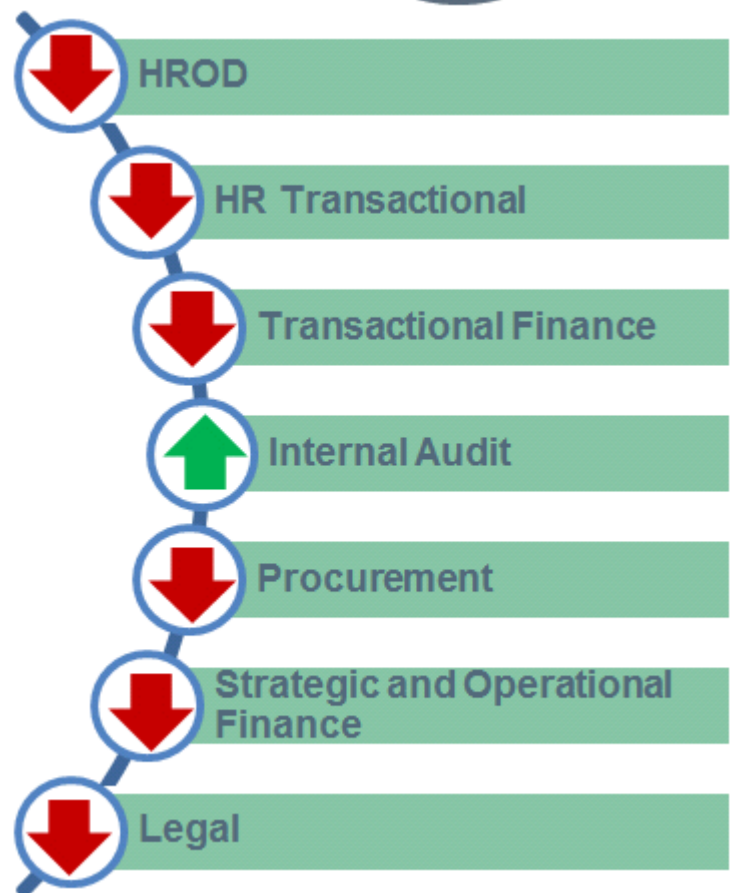
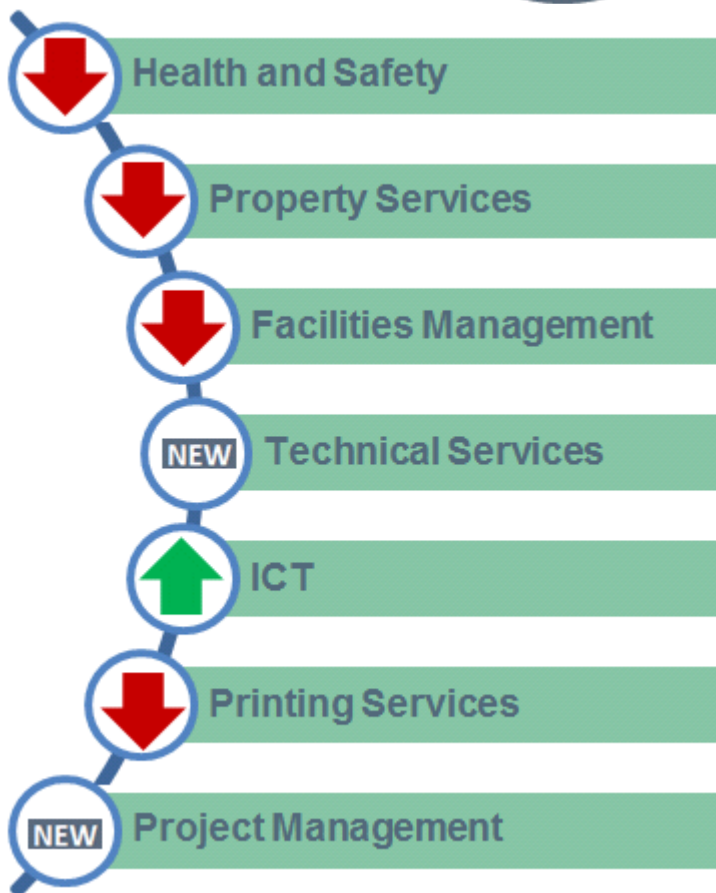
In addition, Bexley Council were surveyed for the first time, having joined the oneSource partnership in April 2016. Bexley Council provided feedback only on Strategic and Operational Finance, Internal Audit and Transactional Finance as these are the only services that they utilised from oneSource.

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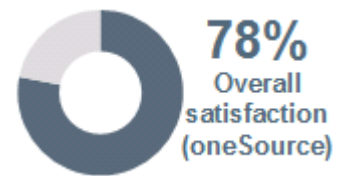
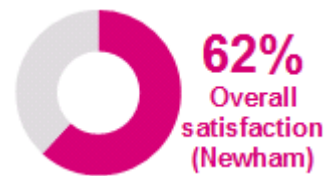
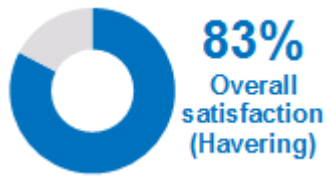
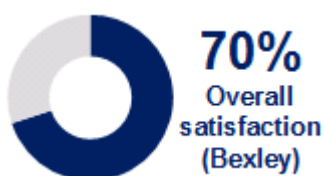
<sup>1</sup> Figures have been rounded up to two significant figures – exact percentages can be found in the appendix.

<sup>2</sup> Likert Scale – six point scale measuring either positive or negative response to a statement. Extremely Satisfied, Very Satisfied, Somewhat Satisfied, Somewhat Dissatisfied, Very Dissatisfied and Extremely Dissatisfied were used in the scale for the customer satisfaction survey.

# Customer Satisfaction Data

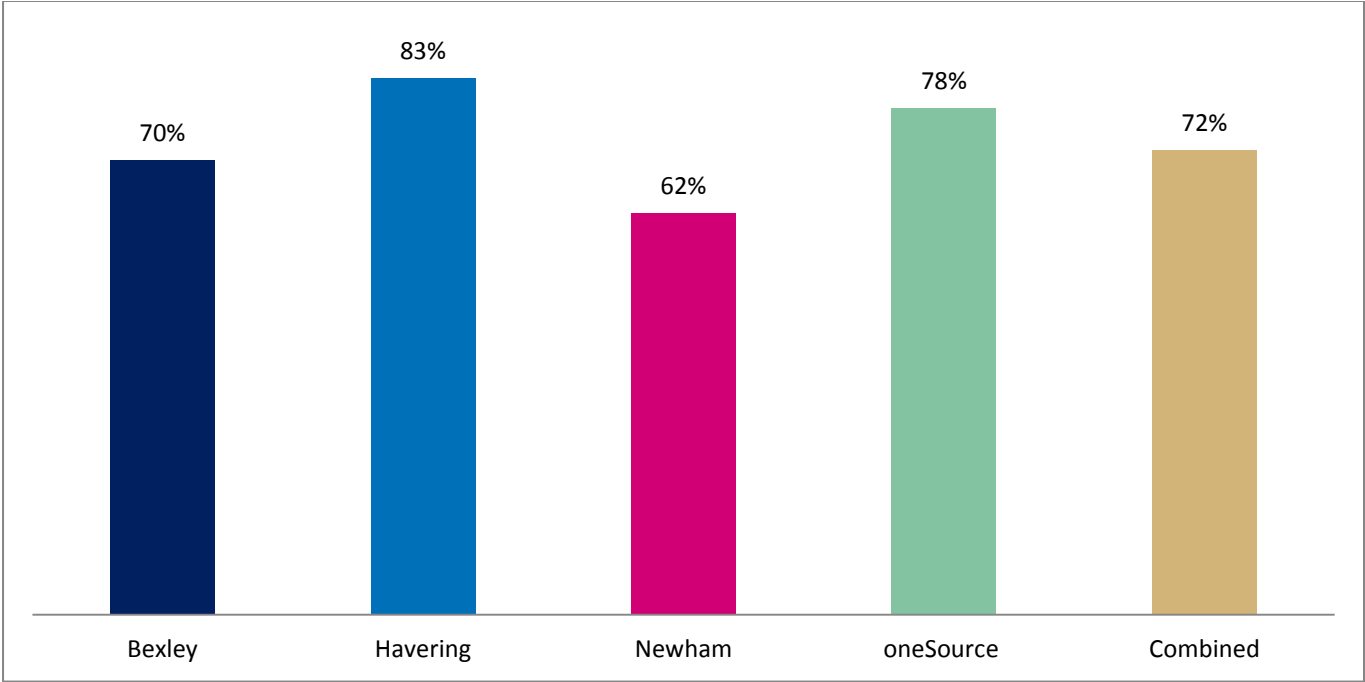


## Overall



The overall satisfaction for oneSource services (combining the four organisations) is 72%, decreasing slightly from that found in the March 2016 survey, where 79% of customers were satisfied with the service they received.

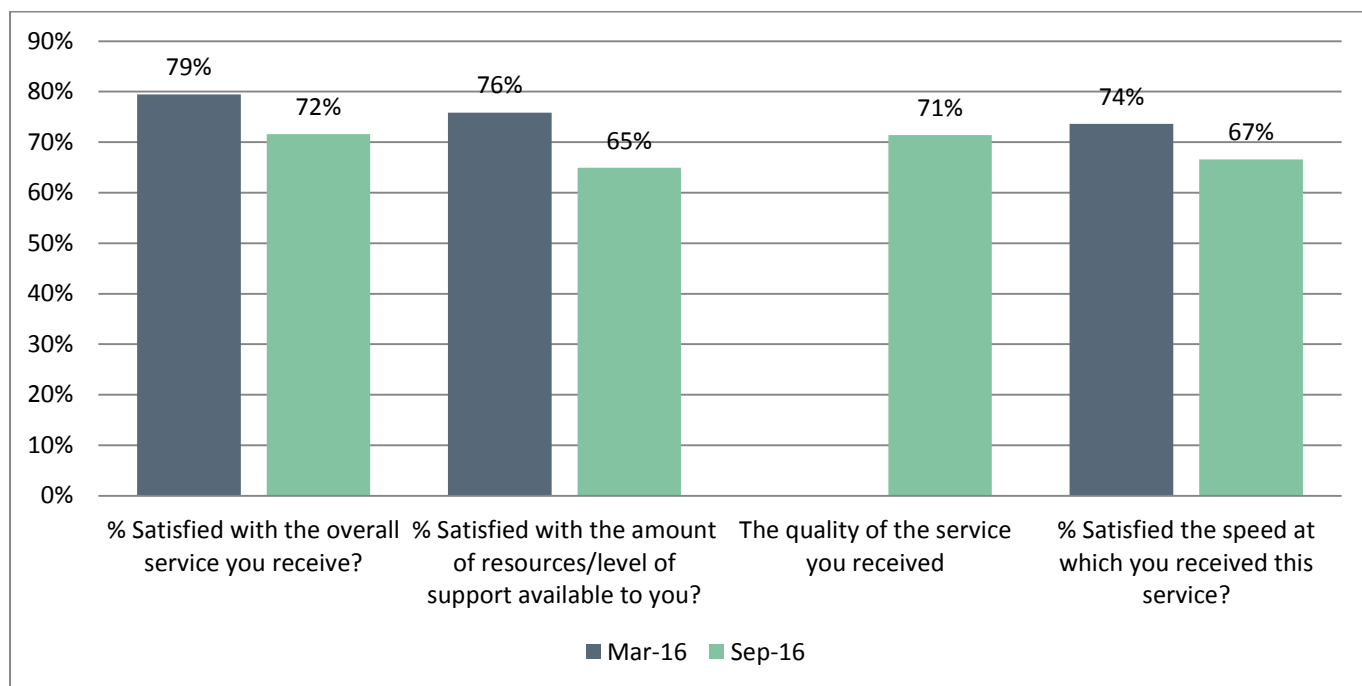
Individually, customer satisfaction with the service received is 83% from Havering Council, 62% from Newham Council, 70% from Bexley Council and 78% from oneSource. Customer satisfaction has increased within Havering but has decreased for oneSource and Newham. Bexley was included for the first time, therefore no historical data is available for comparison. Havering increased by 4% and exceeded the 80% target for customer satisfaction. Satisfaction dropped in oneSource and Newham by 8% and 13% respectively.



Graph 1: Overall Satisfaction in Bexley, Havering, Newham, oneSource and combined total

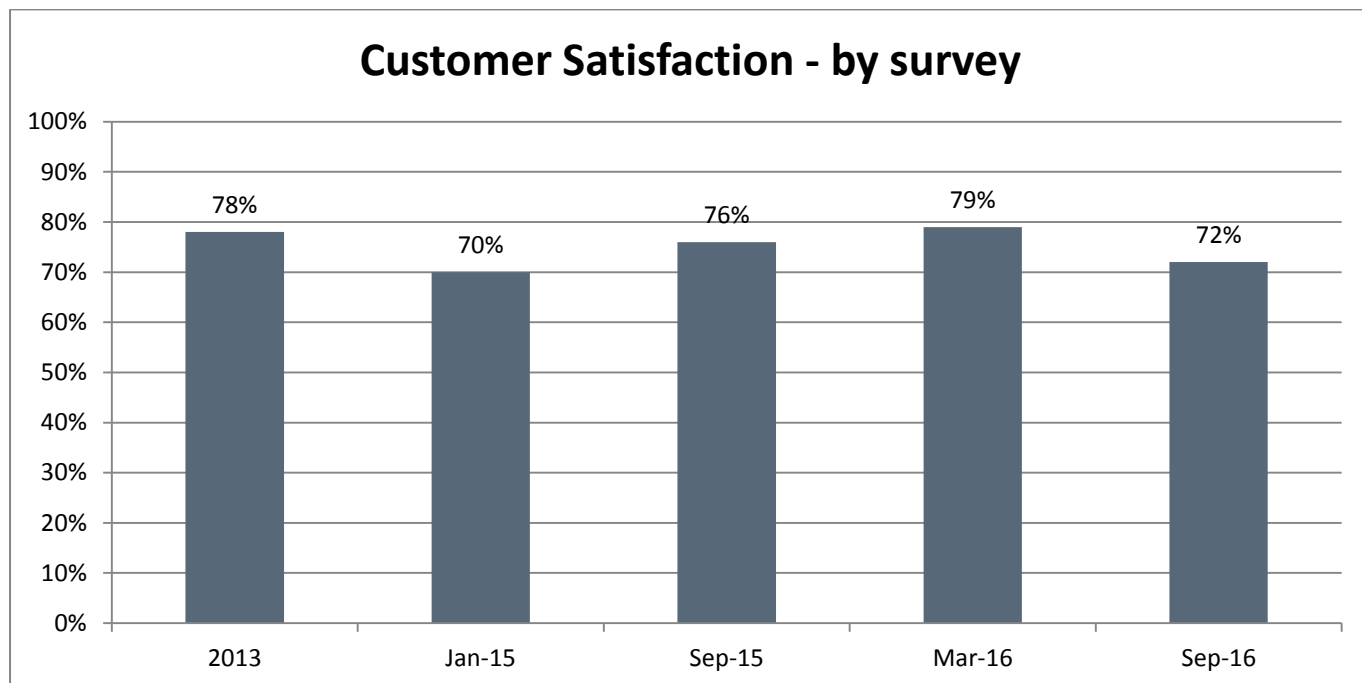
Though customer satisfaction dropped within oneSource, it is marginally below the 80% target. There is a disparity customer satisfaction across the organisations, therefore further actions are required to address this, especially given the recent decrease in oneSource and Newham.

Customer satisfaction has decreased across all three previously reported indicators since March 2016, with 71% satisfaction with quality of the service received.



Graph 2: Satisfaction across all three indicators (March 2016 vs. September 2016)

Customer satisfaction has increased since the first oneSource survey, however the most recent survey showed a slight dip.



Graph 3: Customer Satisfaction by survey

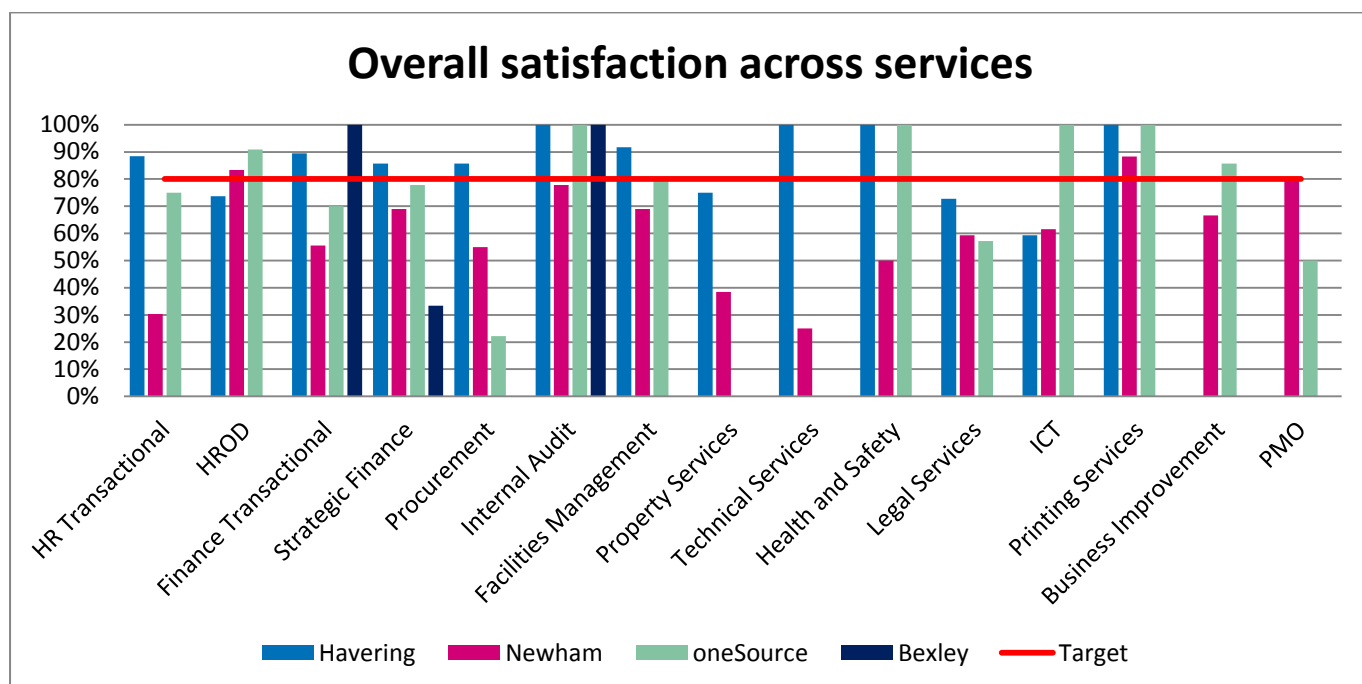
The overall decrease in customer satisfaction is a result of drops in satisfaction in particular service areas for particular customers, as outlined in this report. Four out of the fourteen services were rated highly overall, either meeting or exceeding the 80% target. The best



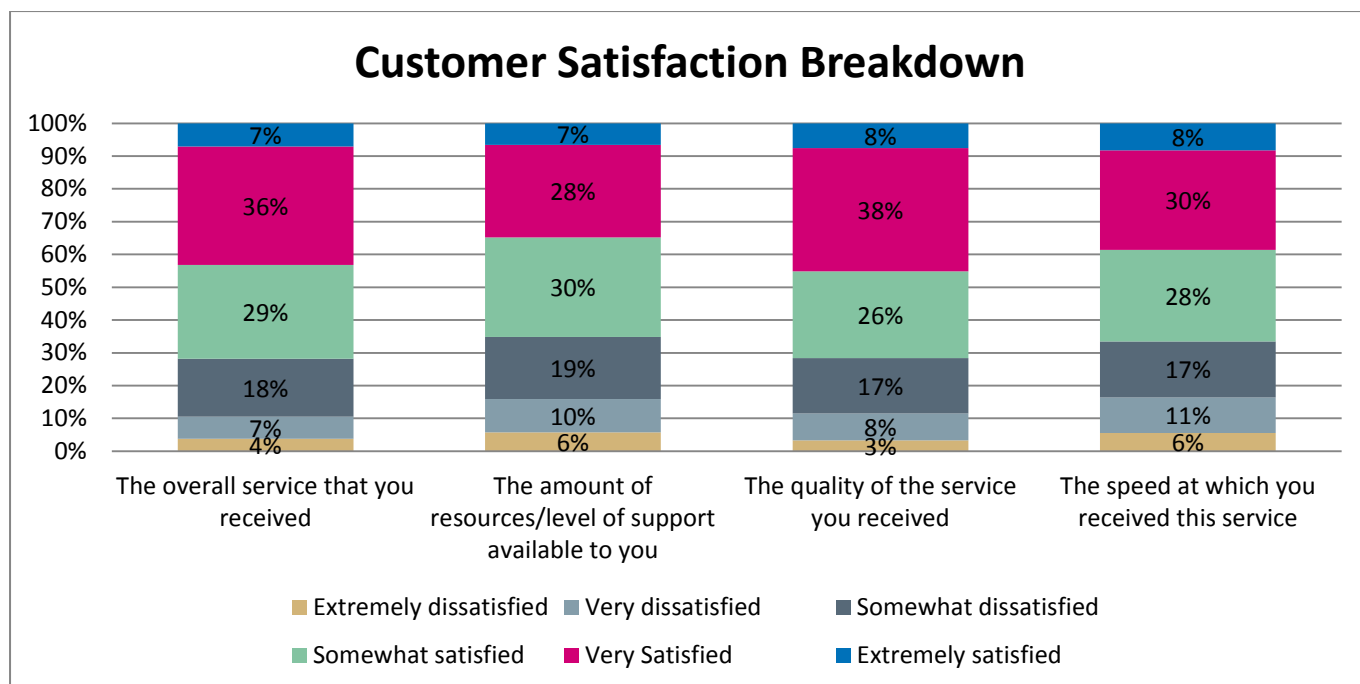
performing services were HROD (82%), Health and Safety (84%), Printing Services (95%), and Internal Audit and Counter Fraud (91%).

In oneSource, the top performing services were HROD (91%), Internal Audit (100%), Facilities Management (80%), Health and Safety (100%), ICT (100%), Printing Services (100%) and Business Improvement (86%). For Newham, the top performing services were HROD (83%), Printing Services (88%) and PMO (80%).

In Havering, the top performing services were HR Transactional (88%), Finance Transactional (89%), Procurement (86%), Internal Audit (100%), Facilities Management (92%), Technical Services (100%), Health and Safety (100%) and Printing Services (100%). Within Bexley, two of the three services rated highly, Finance Transactional (100%) and Internal Audit (100%).



Graph 4: Overall Satisfaction across oneSource Services



**Graph 5: Customer satisfaction breakdown**

Across the oneSource services surveyed:

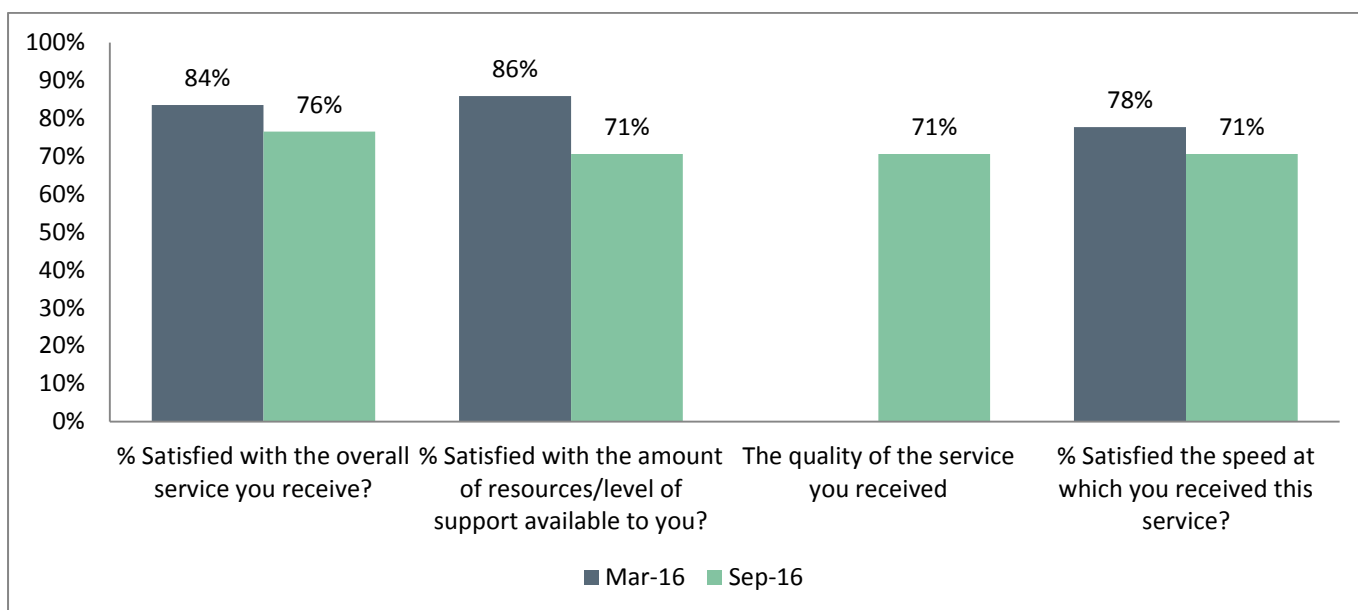
- The lowest combined satisfaction score in all four indicators (overall satisfaction, satisfaction with resources, satisfaction with quality, satisfaction with speed) was Property Services. However, there were only a handful of responses for this service.
- Customers in LBN were least satisfied with Technical Services, despite it achieving 100% in Havering.
- Procurement rated poorly within oneSource despite achieving high levels within Havering.
- Property Services had the most significant decrease in customer satisfaction, falling by 39.3%, with Procurement having the second largest decrease (17.72%) overall.
- Internal Audit has seen a continued improved in customer satisfaction and remaining one of the top performing services.
- In oneSource, the top performing services were HROD, Internal Audit, Facilities Management, Health and Safety, ICT, Printing Services and Business Improvement.
- For Newham, the top performing services were HROD, Printing Services and PMO.
- In Havering, the top performing services were HR Transactional, Finance Transactional, Procurement, Internal Audit, Facilities Management, Technical Services, Health and Safety and Printing Services.
- Within Bexley, two of the three services rated highly, Finance Transactional and Internal Audit.

## Appendix A

# Asset Management

## Facilities Management

Facilities Management received 51 responses with 12 from LBH, 29 from LBN and 10 from oneSource. Facilities Management has decreased in customer satisfaction across three indicators, with overall satisfaction decreasing by 8%. Overall satisfaction within Havering increased by 4%, with satisfaction decreasing in Newham and oneSource by 9% and 4% respectively.



Graph 6: Facilities Management (March 2016 vs. September 2016)

There were a few issues raised in the survey regarding Facilities Management that need to be reviewed and addressed:

- Issues not being resolved
- Difficulties in knowing who to contact
- Lack of update on issues on who or when it will be resolved
- Lack of budget to replace or reallocate lost keys for lockers
- Slow response times regarding issues (e.g. blockage in toilet)

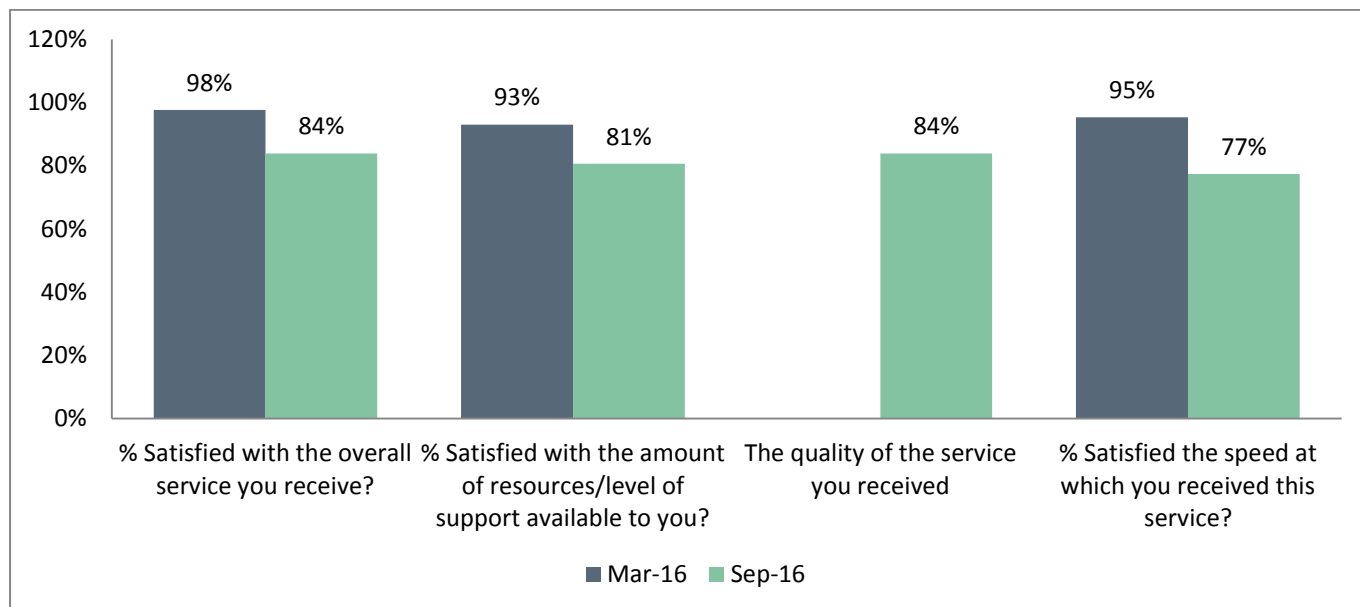
There were several positive comments received about the service including:-

- Complaints dealt with and in a timely manner
- Helpful service, especially in getting a large external meeting set up

The introduction of the Technology Forge helpdesk and its extended use in 2017 will provide customers a universal point of contact. The system will allow improved information flow and tracking for operators. The imminent restructure will allow the development of new processes, routes and procedures to better support customers, but the helpdesk should remain the principle contact for most requests and enquiries.

## Health and Safety

Health and Safety remains a top performing service though there was a decrease in customer satisfaction. It exceeded the 80% target in three of four indicators, with satisfaction with speed only marginally below the target. Satisfaction was impacted by lower scores from Newham Council. Health and Safety received 31 responses in total (16 LBH, 10 LBN and 5 oneSource).



Graph 7: Health and Safety (March 2016 vs. September 2016)

Health and Safety achieved 100% overall customer satisfaction with LBH and oneSource customers, with oneSource also rating 100% satisfaction in all four indicators. Havering also rated 100% satisfaction in quality of the service received, and the remaining two indicators exceeding the 80% target. Within Newham, satisfaction in the three previously reported indicators dropped by almost 42%, with satisfaction at 50% across all four indicators.

The service received a number of positive comments regarding the helpfulness of staff, especially regarding scrutinising and commenting on Health and Safety policies.

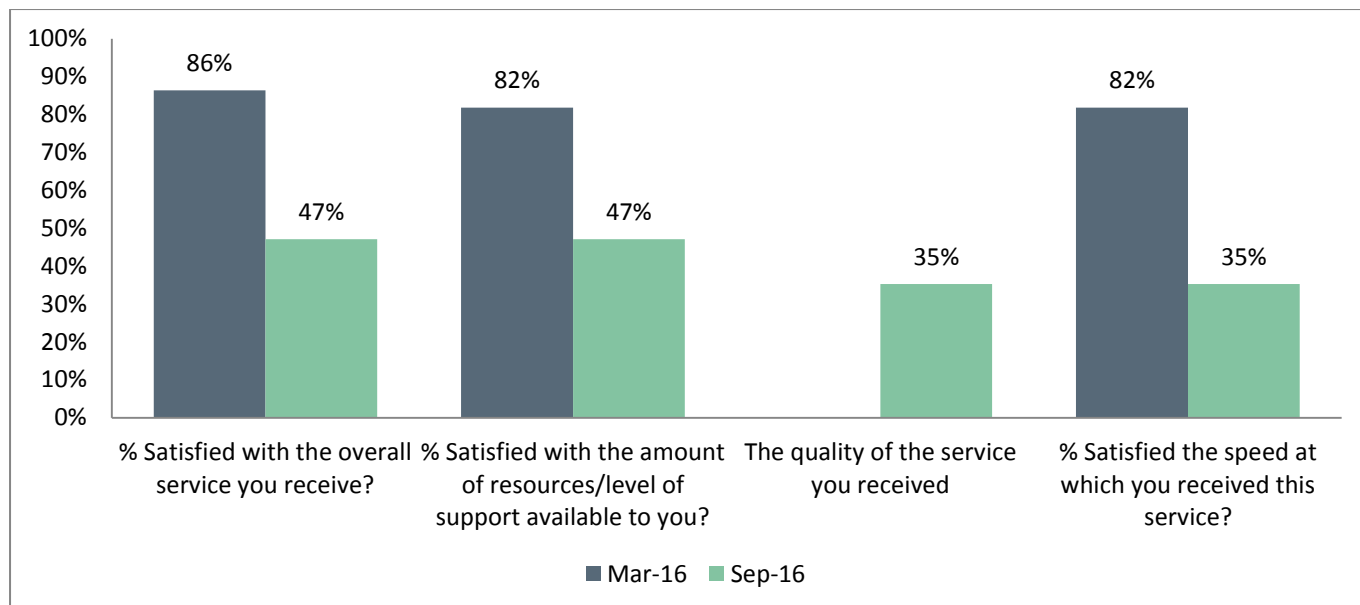
Issues raised regarding the service included:

- Burdensome approach to Framework audits
- No zero tolerance approach developed for dealing with public abusing staff
- Unclear who to approach for advice

Some Havering initiatives have been introduced in Newham, and vice versa, including IOSH Training and CCD. Utilising consistent systems and support enables the team to continue to work across Havering and Newham.

## Property Services

In general, Property Services significantly decreased in overall customer satisfaction by 39%, with similar levels of dissatisfaction with the other three indicators. However, the service received only 17 responses with none from oneSource.



**Graph 8: Property Services (March 2016 vs. September 2016)**

There were no responses from oneSource regarding satisfaction with Property Services, which may have impacted results as oneSource previously scored the service as 100% in all three indicators. Havering satisfaction was 75% in all four indicators and not much lower than the target, though satisfaction did decrease by 25% in the three previously reported indicators. Within Newham, satisfaction was very low with only 38% in overall satisfaction and satisfaction with resources. Property Services will need to address the disparity in service.

Reasons cited for dissatisfaction with the service included: -

- Poor advice;
- Delayed responses creating risks;
- Poor management, especially regarding subcontractor issues and project management; and
- Difficulties in obtaining advice

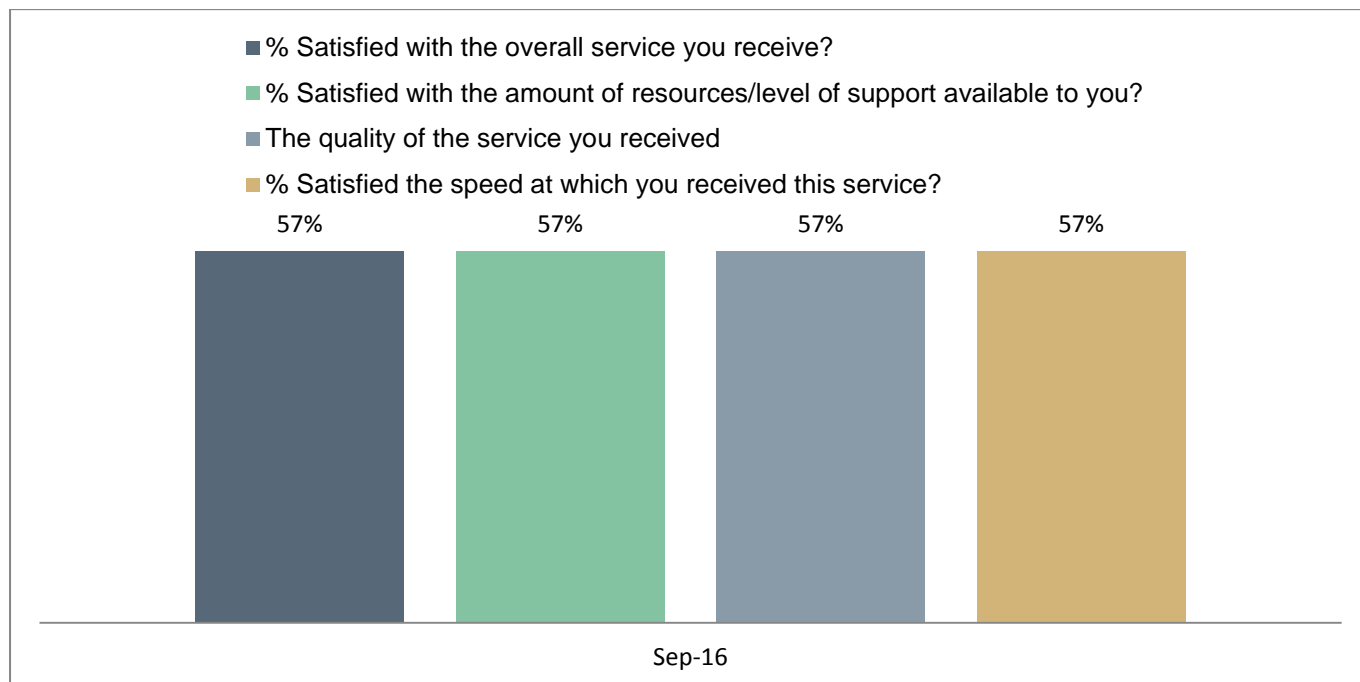
Part of these comments reflects a mismatch in expectations and what the service can offer. In particular, there is an expectation that all property information is held within Property Services. GIS information showing the location of LBN assets is held and 'owned' by the corporate GIS team within LBN which Property Services themselves have to pay to access. Land Registry information is held by Legal Services. Asset Management will work with other services with the aim of broadening access to this information.

Resourcing within the Property Services team has been an issue with an over-reliance on agency workers generating a turnover of resources and lack of continuity. Revised

arrangements are due to be in place during early 2017 which should serve to address resourcing issues.

## Technical Services

Technical Services was included for the first time within the oneSource customer satisfaction survey, with a combined satisfaction score of 57% across all four indicators. It only received a handful of responses, with only 7 in total (3 LBH and 4 LBN) and none of which were from oneSource. Therefore it should be noted the results are unlikely to be representative of the service provided.



**Graph 9: Technical Services (September 2016)**

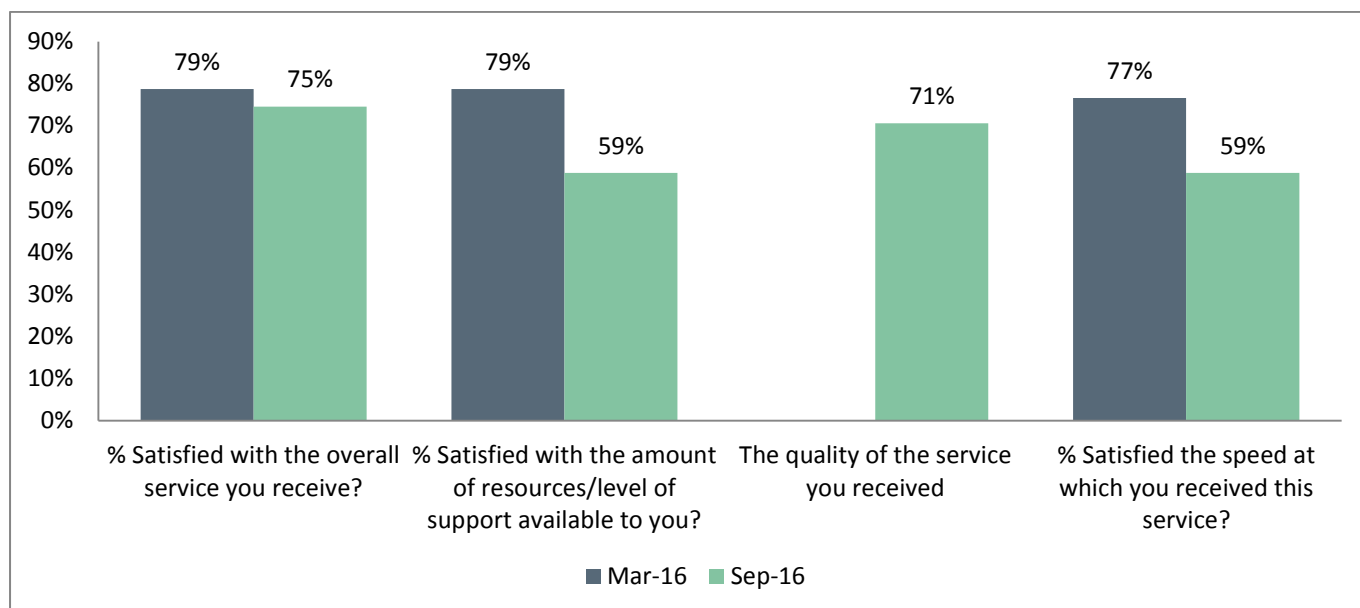
Of the responses received, Technical Services was one of the top performing services within Havering with 100% satisfaction in all four indicators. In Newham, the service rated poorly with the four customers that responded with only 25% satisfaction in all four indicators. There were no responses received from oneSource respondents, despite previously rating 100%.

No comments were given to explain the poor satisfaction within Newham, therefore further investigation is needed.

## Exchequer and Transactional

### Finance Transactional

Finance Transactional included results from Bexley Council for the first time, since the council joined the partnership in April 2016. In total there were 50 responses from across the organisations with 19 from LBH, 18 from LBN, 10 from oneSource and 3 from LBB. Combined overall satisfaction marginally decreased by 4%, but there were lower scores in satisfaction with resources and satisfaction with speed.



**Graph 10: Finance Transactional (March 2016 vs. September 2016)**

Finance Transactional was one of the top performing services within Havering and Bexley, with 89% and 100% overall customer satisfaction respectively. Within Havering, Finance Transactional significantly increased in customer satisfaction by 22%. In Bexley, it achieved 100% satisfaction in all four indicators. However, in oneSource and Newham, overall customer satisfaction decreased by 9% and 35% respectively. In Newham, Finance Transactional dropped from being one its top performing service; this is likely due to the implementation of 1Oracle in April 2016 impacting ways of working and navigation of processes.

There were a few issues raised regarding Finance Transactional including:

- Lack of readily available advice on standard transactional queries;
- Transitional issues with 1Oracle;
- Slow or differing response times to queries;
- Differing customer service;
- Difficulties on how to access or use services;
- Poor or lack of user guides, especially regarding the switch to 1Oracle; and
- Difficulties in navigating 1Oracle.

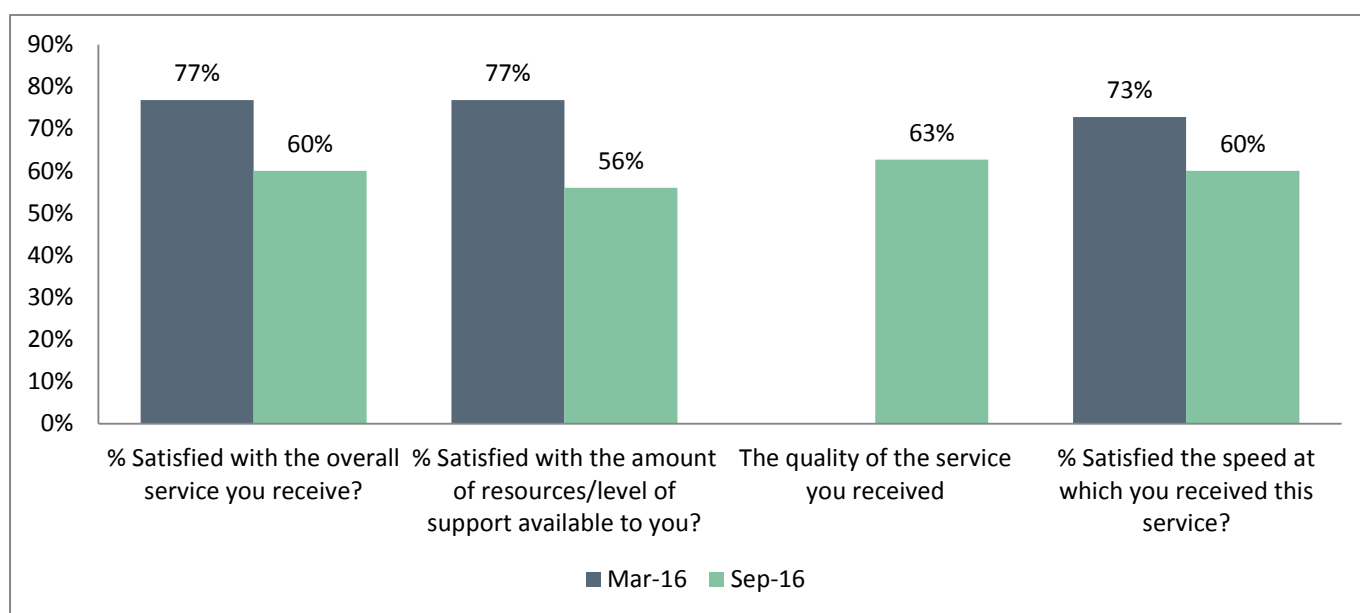
The implementation of 1Oracle at Newham Council has led to backlog of work, particularly in Newham. oneSource Havering staff have greatly been supporting this work and the implementation of 1Oracle. Alongside this, the service underwent a complete restructure that was launched in May 2016 and went live on 1<sup>st</sup> October. This has meant changes in roles, processes and systems as the service operates across three boroughs.

In view of the major change in systems, processes, management, culture and environment; it is inevitable that there is a decrease in customer satisfaction and this has been noted by Exchequer and Transactional's Management team.

It is intended that once full recruitment has completed, and with staff training and development, the team will work collaboratively and focus on providing consistent systems and processes. An increase in performance and customer satisfaction is anticipated.

## HR Transactional

HR Transactional received 75 responses across Havering (26), Newham (33) and oneSource (16). The combined overall customer satisfaction for HR Transactional dropped by 17%, with a decrease in the other two previously reported indicators. Combined satisfaction scores were severely impacted by lower than expected results from Newham Council.



Graph 11: HR Transactional (March 2016 vs. September 2016)

Since March 2015, HR Transactional has made significant improvements in overall customer satisfaction in Havering and has further increased by 12% since March 2016. Satisfaction also increased in satisfaction with speed; with satisfaction with quality exceeding the 80% target. However, customer satisfaction has decreased by 36% in Newham and 11% in oneSource. The customer satisfaction decrease in Newham may be due to the implementation of 1Oracle, which may have impacted ways of working and navigation through processes.

There were a number of issues identified within HR Transactional including:

- Lack of awareness of differing policies across the councils;
- Unclear processes and procedures;
- Poor record keeping (e.g. recruitment);
- Significant problems after implementation of 1Oracle (e.g. issue affecting payroll);
- Mistakes in recruitment, pension and payroll;
- Delays in recruitment process; and
- Poor advice and support.



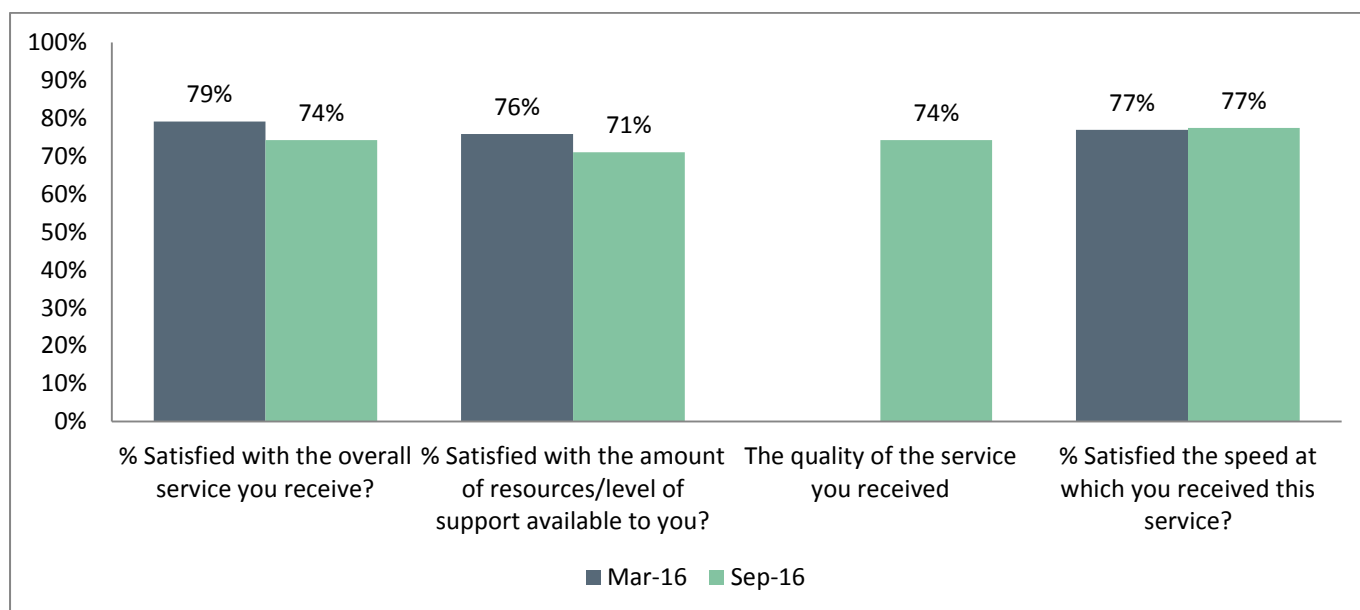
As mentioned, the implementation of 1Oracle and restructures within the service has meant changes in roles, processes and systems as the service operates across three boroughs. The service welcomes comments raised by customers for the service to learn and improve; and will continue its efforts to work collaboratively with staff and customers to improve.

HR Transactional have outlined a number of actions to target the issues raised including implementing an e-resourcing portal and a DBS project. The DBS project will move DBSs online and will re-evaluate all positions within Newham to assess their DBS position. This will then ensure that all employees have the right level of checks for their role.

## Finance

### Strategic and Operational Finance

Strategic and Operational Finance included results from Bexley Council for the first time, since the council joined the partnership in April 2016. There were 62 responses from across the four organisations with 21 from LBH, 29 from LBN, 3 from LBB and 9 from oneSource. Overall, Strategic and Operational Finance has seen a marginal decrease in two of its indicators with a 5% decrease in overall satisfaction.



Graph 12: Strategic Finance (March 2016 vs. September 2016)

Within Havering, Strategic and Operational Finance exceeded its 80% target in three indicators and became one its top performing services. Overall customer satisfaction and satisfaction with speed increased by 7%. In Newham, satisfaction decreased in the three previously reported indicators with overall satisfaction at 69%. Within oneSource, satisfaction is marginally below the 80% target; decreasing by 10% in the three previously reported indicators. Strategic and Operational Finance rated poorly within Bexley with 33% across all four indicators; this rating is heavily skewed by the fact only three people responded regarding the service area.

There were a number of issues identified within Operational and Strategic Finance including:

- Competing resources and limited time to assist;
- Limited understanding of requirements; and
- Issues with budget codes and CP

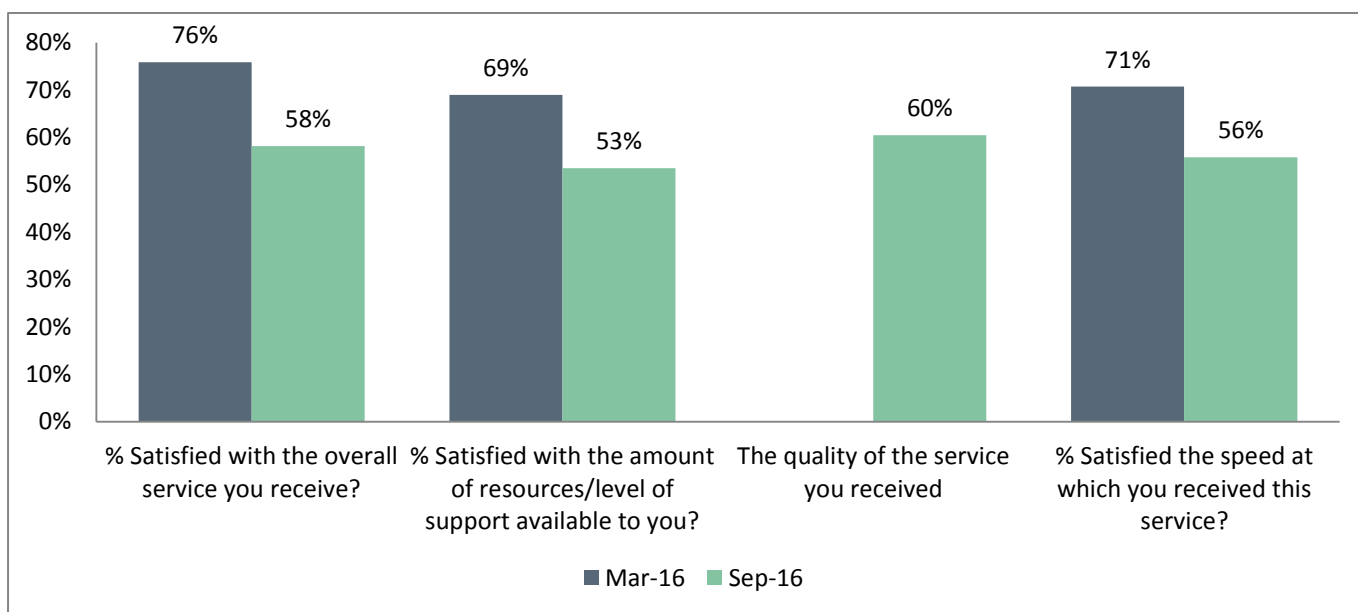
A number of comments praised staff on their helpfulness but indicated that the limited resources available have impacted service delivery.

Survey results show some issues with Finance. As the service is currently nearing the end of a long reorganisation, and Newham have moved to 1Oracle during the period covered by the survey, this is not unexpected. The small number of replies from Bexley means analysis of these would be of limited value.

Finance management team will consider the comments from customers and will ensure that where relevant, these form the basis of the transformation plan to the new structure. It is noted that several comments reflect the satisfaction or otherwise of the 'self service' model. Comments in respect of assurance were limited (two in total). Satisfaction levels varied, and again as the service has been undergoing a protracted review, a dip in satisfaction was expected. Management will address customer satisfaction during the integration of the combined service.

## Procurement

Procurement decreased in customer satisfaction across the three previously reported indicators, with satisfaction with quality of service at 60%. The service received 43 responses overall with 14 from Havering, 20 from Newham and 9 from oneSource.



Graph 13: Procurement (March 2016 vs. September 2016)

Satisfaction with Procurement increased in Havering, with the service become one of its top performers and satisfaction increasing significantly by 19%. Within oneSource, Procurement significantly decreased in customer satisfaction to 22% in overall satisfaction and satisfaction with resources, with the remaining two indicators at 33%. This is a decrease in 62% in overall customer satisfaction since the previous survey. Within

Newham, customer satisfaction also decreased by 21% in overall customer satisfaction, with satisfaction at 55% in all four indicators.

Other important issues identified include:

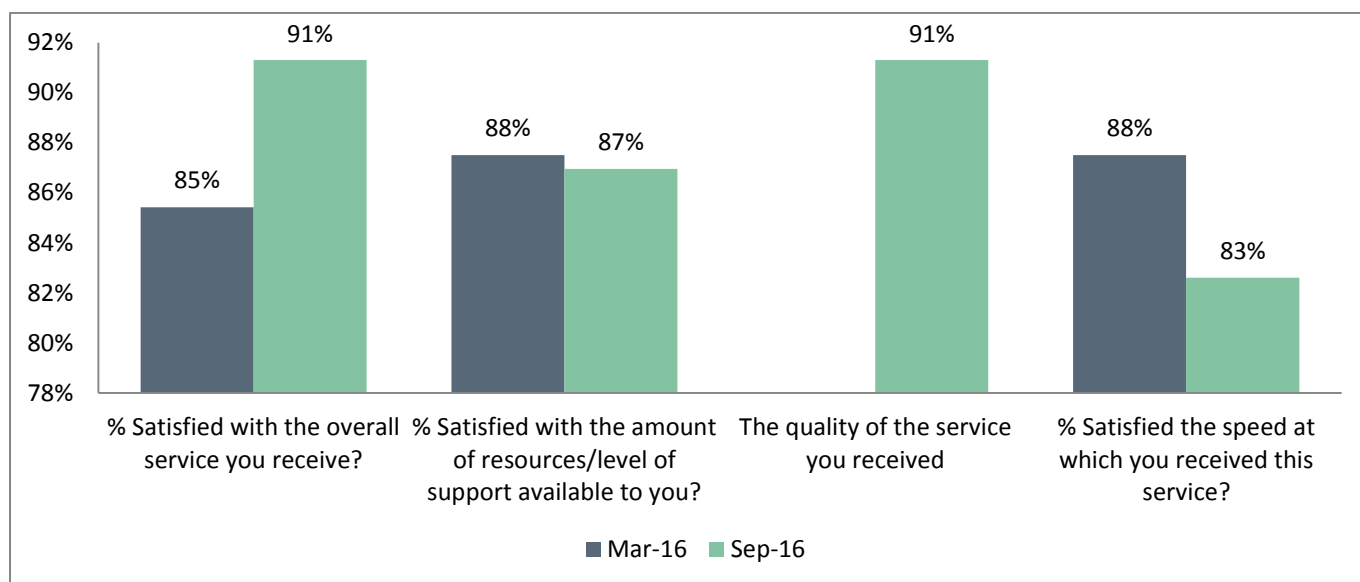
- Quality of advice is officer dependent or poor;
- Delayed responses;
- Not informing customers of procedures (e.g. purchase orders over £25k are held to check that it's not in breach of EU limits); and
- Delay in providing a replacement officer when procurement lead is pulled away or on leave

There were a number of positive comments singling out staff for their “efficiency”, “helpfulness” and “knowledge”. There is a disparity in customer satisfaction and further action is required to address this.

Procurement has undertaken a more specific voice of the customer review which is being analysed and will form part of their plan to improve customer satisfaction. The results are being analysed, and will inform how the service interacts with customers in future.

### Internal Audit, Risk, Insurance and Counter Fraud

The overall customer satisfaction for Internal Audit, Risk, Insurance and Counter Fraud has improved by 6%; and all four indicators exceeded the 80% target. This is a significant improvement since March 2015, where Internal Audit was rated the second lowest (57%) for customer satisfaction.



Graph 14: Internal Audit, Risk, Insurance and Counter Fraud (March 2016 vs. September 2016)

Individually, Internal Audit exceeded the target in all four indicators in Havering and oneSource, with 100% satisfaction across the board in Havering. In Newham, overall customer satisfaction increased to 78% by a significant 18% rise. The service received 24 responses overall with 6 from Havering, 9 from Newham, 3 from Bexley and 6 from oneSource.

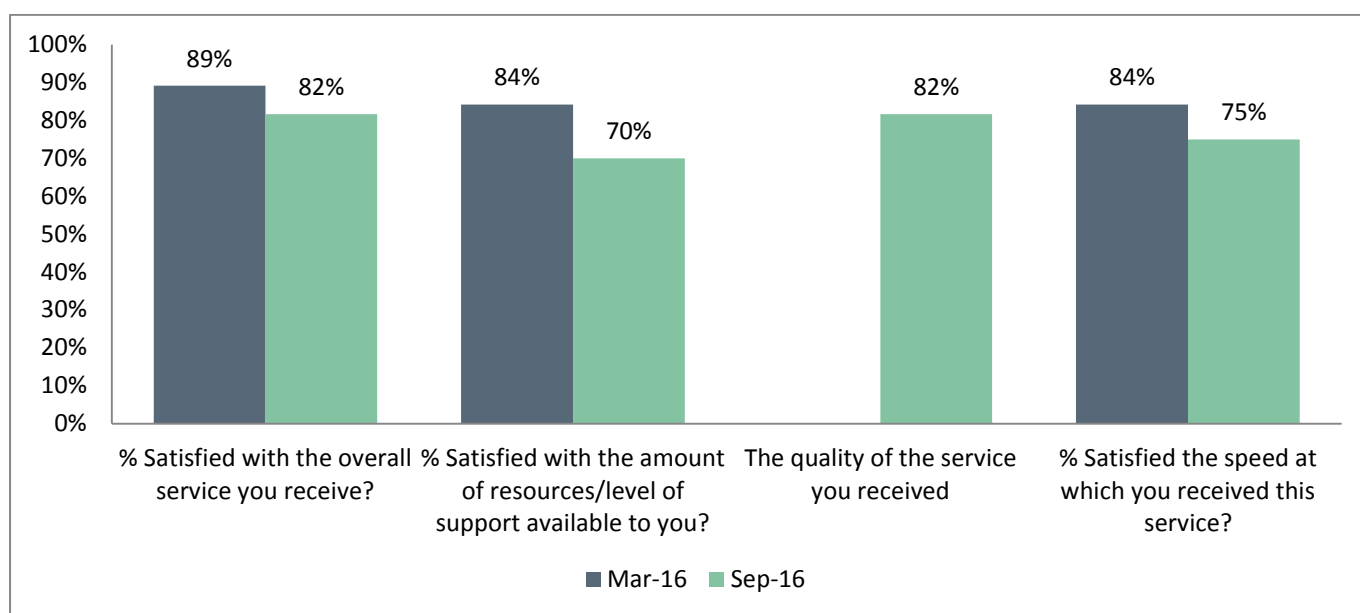
Only two comments were received regarding Internal Audit, with differing opinions. One comment remarked on the “excellent support on school internal audits” and the other comment stated the service is “not fit for purpose.”

## Human Resources

### HROD

HROD is one of the top performing services in oneSource, and rated highly with oneSource and Newham customers. The service exceeded the 80% target in two of its indicators (overall satisfaction and satisfaction with quality). Overall combined satisfaction decreased by 7%, due to lower than expected results in Havering. Satisfaction with resources and satisfaction with speed decreased by 14% and 9% respectively.

During this reporting period, HROD underwent its restructure with the reduction in staff numbers resulting in over 150 years worth of knowledge and experience being lost within a short period of time. This may have contributed to the lower satisfaction scores.



Graph 15: HROD (March 2016 vs. September 2016)

HROD exceeded targets in all four indicators in oneSource and two indicators in Newham. However in Havering, customer satisfaction decreased in the three previously reported indicators. Overall satisfaction, satisfaction with resources and satisfaction with speed dropped by 10%, 16% and 11% respectively.

The issues raised were in regards to:

- Not providing enough support
- Lack of digital forms;
- Speed of responses; and
- Lack of information (e.g. which HR officer needs to be contacted, whether an officer is dealing with a submitted request).

There were a number of positive comments about staff within the service and the quality of work they provide, with different staff being singled out for the support and help.

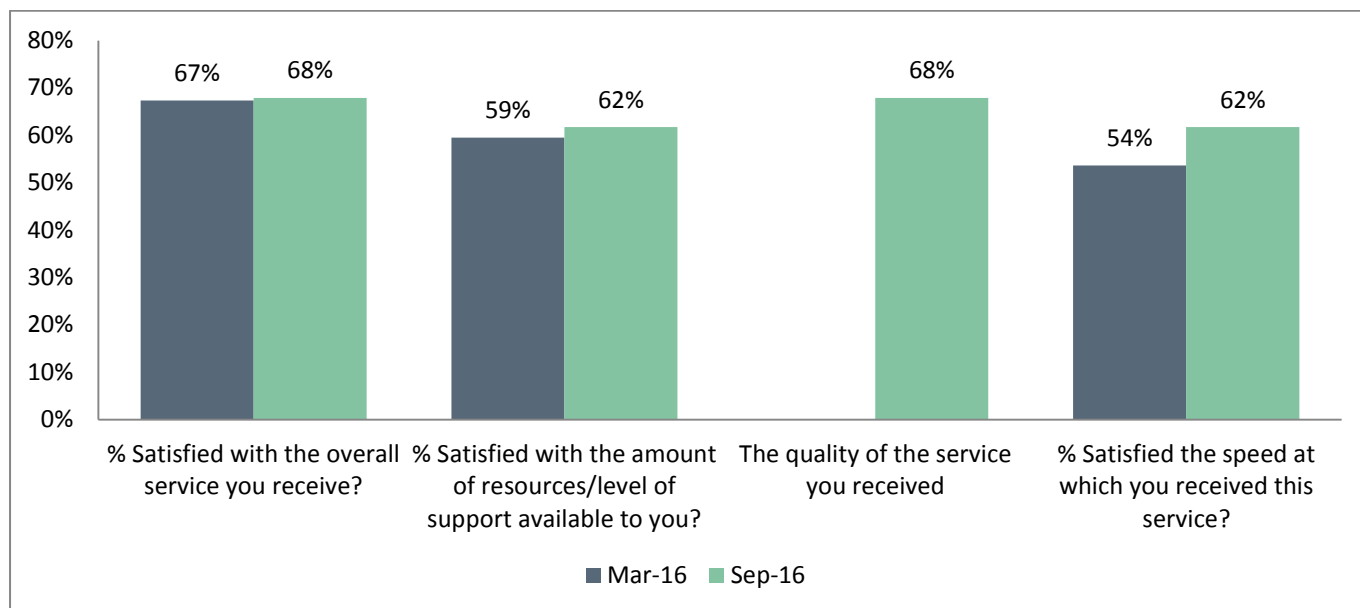
HROD have outlined a number of actions to target the issues raised and will be discussing the customer satisfaction results at their away day session including:

- Monthly drop-in sessions have been organised for managers to discuss any issues or problems with accessing services;
- E-resourcing form will remove paper forms and duplication, therefore result in fewer queries;
- Management at both Havering and Newham met with the new HROD teams;
- A structure chart with pictures will be circulated once recruitment has been finalised;
- A document is being developed with Exchequer and Transactional outlining the roles and responsibilities for self-service (officers and managers), HROD and HR Transactional.

## Technology and Innovation

### ICT

ICT has marginally increased in satisfaction in three previously reported indicators. The service received 81 responses in total (27 LBH, 39 LBN and 15 oneSource). Overall satisfaction has increased by 1% since March 2016; with 3% and 8% increase in satisfaction with resources and satisfaction with speed of service respectively. This is a result of increase satisfaction within oneSource.



Graph 16: ICT (March 2016 vs. September 2016)

Within Havering, overall satisfaction decreased by 11% with greater decreases in satisfaction with resources (17%) and satisfaction with speed (11%). Within Newham, satisfaction increased in two indicators, with satisfaction with resources and satisfaction with speed increasing by 10% and 14% respectively. Overall satisfaction marginally decreased by 1%. oneSource rated satisfaction highly within all four indicators, with satisfaction exceeding the 80% target in all four. However, most of the responses received from oneSource were from individuals within ICT, therefore indicating an inherent bias.

Upon review of the comments made by customers, there were a number of issues identified within ICT including, with opportunities for improvement.

- Delays in resolving service requests;
- Managers needing to “chase” up service requests;
- Issues not resolved correctly;
- Poor customer service;
- Applications freezing or slow; and
- Cost of hardware

There were a number of positive comments stating that individuals within the service are good at delivering a service, but indicating that ICT as a whole has poorer delivery.

There has been a significant drive to reduce the backlog of Service Requests and Incidents to within target Service Levels. The average completion time is down from 12 to 3 days. The target operating model is for incidents to be cleared the same day.

The management team recognises that communication has been poor and calls will not now be closed without first contacting the customer and confirming everything is working correctly. This has resulted in improved call customer satisfaction rising from 5.71 in February to 6.33 in October.

ICT has recruited permanent staff to fill vacancies in general and specialist groups reducing the dependence upon a few key individuals and ensuring appropriate cover is available when needed.

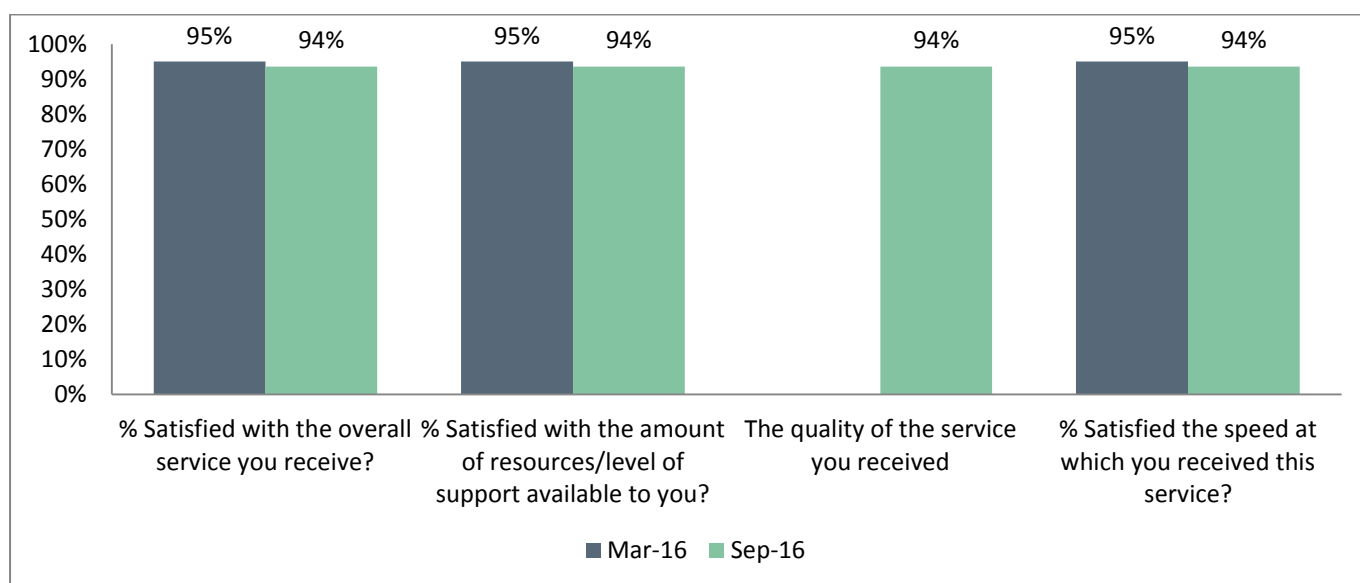
Positive strides have been made in the last 3 months around ownership, delivery and customer service but there is still much work to be done. This will continue on an ongoing basis.

There are a number of ongoing initiatives to improve ICT service delivery, specifically:

- Better understanding partners' needs, allocation of resources according to project needs, prioritisation of programmes and projects with partners' agreement.
- Review and replacement of the current ICT infrastructure to improve system speed and availability with a drive to move to cloud services improving availability.
- Creation of clear ICT and Digital strategies which support the business aims and direction.

## Printing Services

Printing Services has remained in the 90% range and exceeded the 80% target though there was marginal 1% decrease in customer satisfaction. Customer satisfaction was 94% in all four indicators. The service received 47 responses overall with 19 from Havering, 18 from Newham and 10 from oneSource.



Graph 17: Printing Services (March 2016 vs. September 2016)

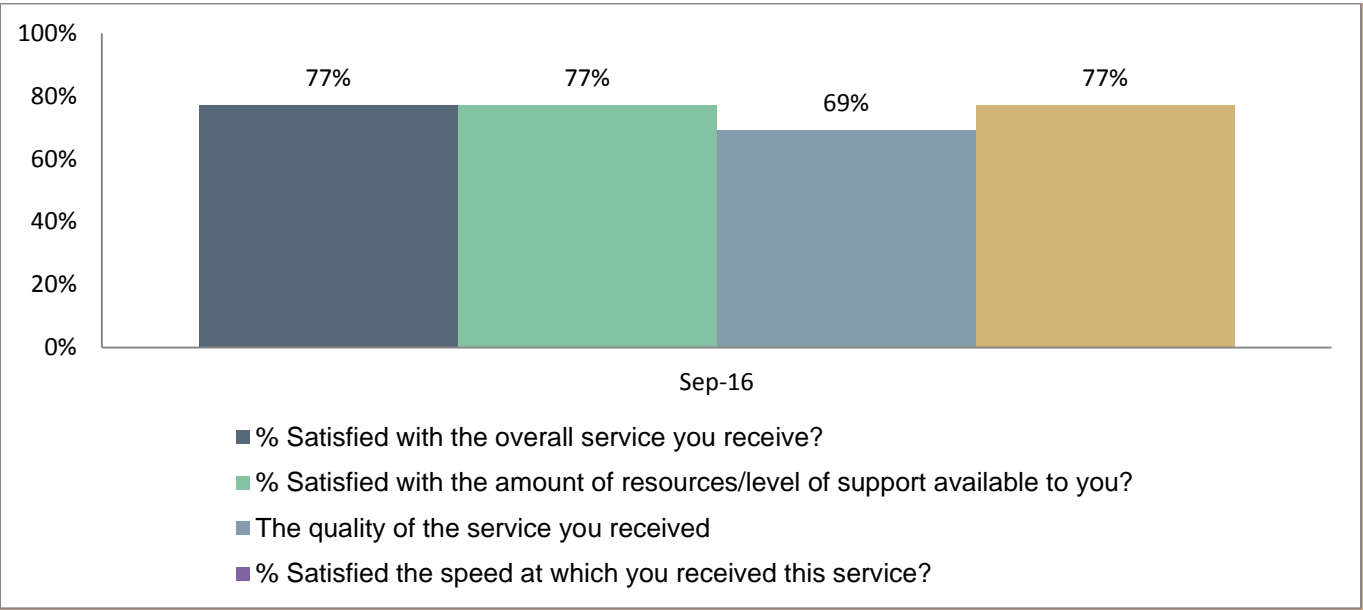
Individually, Printing Services scored highly and achieved 100% in all four indicators in Havering and oneSource. In Newham, Printing Services surpassed the target in all four indicators with 88% satisfaction.

The only issues raised were in regards to speed of delivery and responsiveness. However, a number of the comments were positive, with comments stating “outstanding service” and “top class service”.

The SLA standard is for a 3 day turnaround and whilst the service tries to accommodate requests for a faster turnaround, this is limited by the resources available and work demands.

Business Improvement

Business Improvement was surveyed for the first time for customer satisfaction. The service was marginally below the 80% target figure in three of four indicators. The only issues raised were in regards to the poor customer engagement for data needed and how manual processes can be improved.



Graph 18: Business Improvement (September 2016)

Individually, Business Improvement rated highly within oneSource with 86% overall satisfaction and exceeding the 80% target in satisfaction with resources and satisfaction with speed. The Business Improvement team is predominantly utilised by oneSource as the team helps deliver the transformation projects. Within Newham, satisfaction was 67% in all four indicators. Havering Council and Bexley do not utilise this function and therefore no results were provided. The service received 13 responses overall with 6 from Newham and 7 from oneSource.

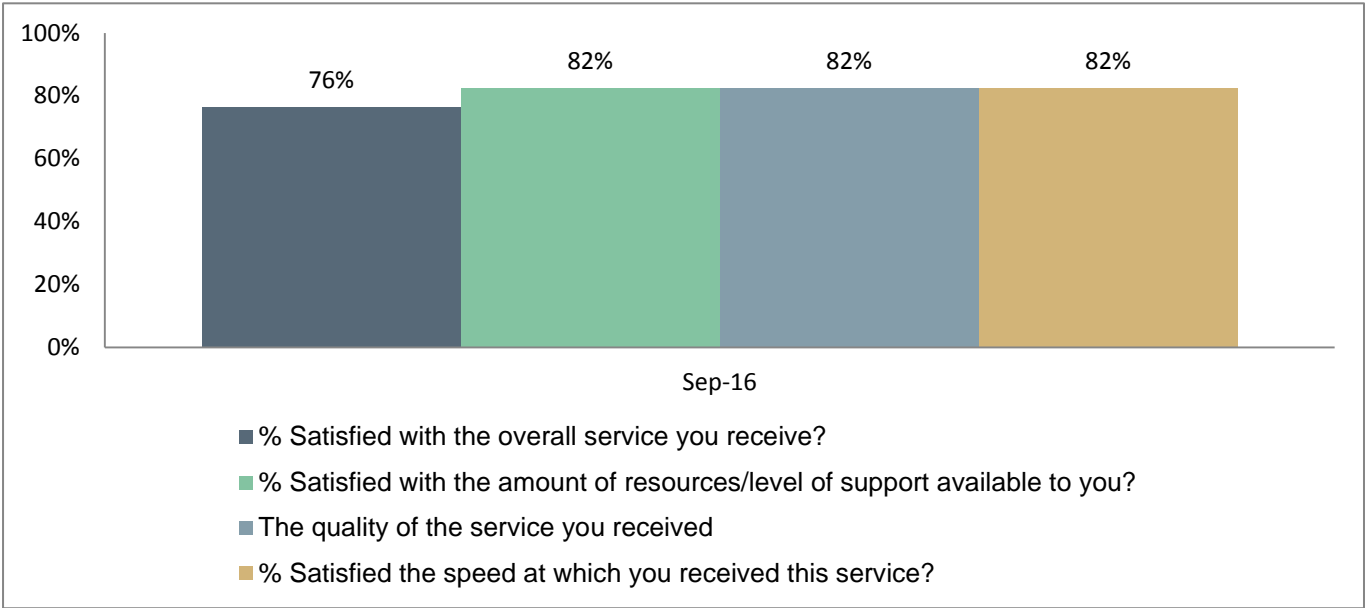
The data is used to form an overview of processes, transactional flows, demand levels and activity over time; establishing trends and determining what success is for business improvement engagement. Greater transparency and communication around the ‘art of the



*possible*’ and what Business Improvement can do will assist services to achieve service improvements.

### Programme Management Office (PMO)

The Programme Management Office was surveyed for the first time for customer satisfaction. The service was exceeded the 80% target figure in three of four indicators, with overall satisfaction marginally below. Issues raised were in regards to the Verto process which appeared to be over bureaucratic and complex.



Graph 19: Programme Management Office (September 2016)

Individually, PMO rated highly within Newham with 80% overall satisfaction and 87% in the remaining three indicators (satisfaction with speed, quality and resources). Within oneSource, customer satisfaction was 50% in all four indicators. Havering Council does not utilise the PMO function and therefore no results were provided. Overall there were 17 responses for PMO with 15 from Newham and 2 from oneSource.

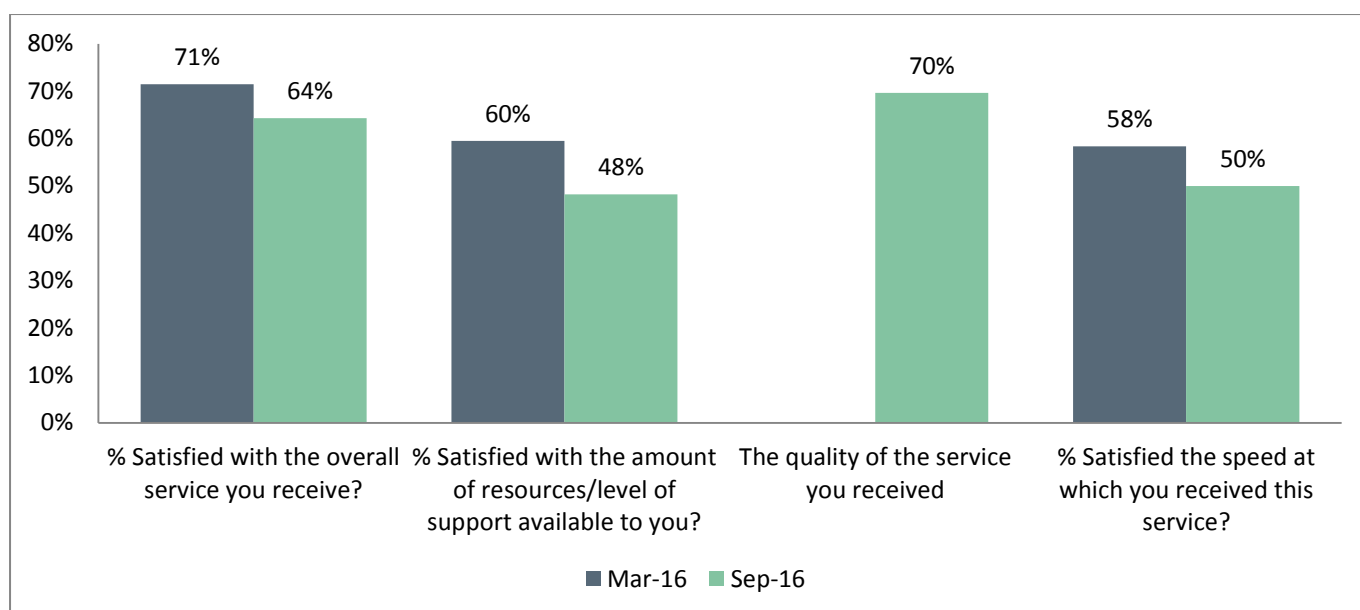
The PMO has gathered feedback from services and the wider professional project management community to adopt leaner templates proportionate to good project governance. Governance is determined by the requirements of the financial regulations. The PMO offers advice but does not determine corporate policy.

Verto was chosen as the best solution for the council. It provides the necessary functional features such as toolkit, governance, approvals, along with integration with CP, finance and reporting. The expectation that all projects are managed using the Council methodology MAAP and Verto is a corporate decision. The PMO provides support and training on request to meet services’ needs.

## Legal and Governance

### Legal Services

Legal Services has dropped in overall customer satisfaction by 7%, with satisfaction also dropping in the other two previously reported indicators. Customer satisfaction with quality of work was 70%. Legal Services has 56 responses, with 22 from Havering, 27 from Newham and 7 from oneSource.



Graph 20: Legal Services (March 2016 vs. September 2016)

Satisfaction with resources available and speed were low for all three organisations. However satisfaction with quality rated highly in Havering with 82%. There is a disparity in customer satisfaction across the three organisations and needs to be addressed.

The issues identified included:

- Slow responses and delays in work;
- Delays in clearing reports
- Difficulties in engaging service or obtaining advice;
- Limited capacity impacting speed at which supported;

This has impacted on other services ability to deliver on time, as they are continuously awaiting advice or instructions. However, there were a number of positive comments, particularly from Newham customer, indicating that there is a “turnaround” and the service is making steady improvement.

It is evident that the current SLA resource is short of the demand for the service, leading to delays in key areas (e.g. commercial work). A significant number of posts are funded by additional resources from directorates rather than the service’s base budget and oneSource is also funding 5 legal posts to meet demand. This is creating an overspend which is not sustainable.

Legal services will be working with departments and authorities to ensure that the resources available and the demand match as far as possible. Where there is a gap, the service will need to agree with the relevant authority on whether there additional resources are made available or demand is reduced. The service is currently in the early stages of building resources, and improving poor systems and its backlog.

In addition, the service will be working on the following initiatives to improve customer satisfaction and communication: -

- Implementing a transactional customer survey for feedback on individual cases. This will be circulated to all on a day-to-day basis providing meaningful feedback.
- Highlighting customer satisfaction at team meetings to ensure officers are aware of client perceptions and can improve accordingly.
- Emphasising the importance of maintaining customer contact, even if tasks are in the middle of completion.
- Introducing SLAs with timescales which will assist in monitoring solicitors' performance and adherence to timescales but also set realistic timescales and instructions for customer expectations.

## Further Feedback

Customers were asked a number of open ended questions regarding oneSource including "what they liked most about the services provided?", "what do they like least about the services provided?", "what would they like to see more of?", "what can oneSource do to improve service delivery" and any other comments.

In response to the question "what do you like most about the services provided", there were many positive comments on the staff within oneSource, including "individuals go above and beyond", "staff and managers trying hard", "helpful", "responsive" and "customer focused". In regards to operational style, there was a clear understanding from oneSource customers who praised the opportunities and benefits of the shared service.

For "what do you like least about the service provided", customers have indicated there is a fragmentation of services within oneSource and the differing political agendas have impacted on delivery. In addition, the restructures and continual changes within oneSource has left staff unsure of the main contacts for service delivery. In general, the delay in responses is one of the least liked aspects of oneSource and is frequently cited as the thing that needs to improve the most.

Customers would like more support from oneSource, with clear points of contacts for services. Given the changes and the implementation of new systems and processes, comments have also indicated that customer would like better communication regarding these and training where appropriate.

Finally, for how oneSource can improve its service delivery, comments indicate a clear list of responsibilities are needed to understand self-service and for greater transparency. In addition, customers would like greater flexibility when dealing with requests and for staff to improve customer service (e.g. to listen to customers and manage their expectations).

For Havering customers, there have been several comments regarding delays in delivering services and the capacity of staff to deliver. Comments from Newham customers indicate that they believe that oneSource is shifting responsibility from oneSource to managers, thus not supporting managers, and there is a lack of clarity regarding lines of responsibility. For oneSource, understandably the comments are centred on needing greater communication and top-level information, with less bureaucracy and more streamlining of processes.

## Conclusion

Overall, customer satisfaction has decreased since March 2016. Several service areas have decreased in customer satisfaction though there were more top performing services in Havering. Despite the decrease, there is a difference in how customers rate oneSource from each organisation. Within Newham, Property Services and HR Transactional rated poorly despite having high scores within Havering and oneSource (in the case of HR Transactional). It is clear that the disparity in the different services provided needs to be addressed, but given the lower response it should be noted that the results may not be representative of the service. The general issue with the decrease in customer satisfaction appears to be delays in responses and lack of information available, whether this is clarity on roles and responsibilities, or service request updates. Each service has developed a list of actions to tackle the issues raised within the customer satisfaction survey.

## Action Plan

Service Area	Director	Actions
Asset Management	Mark Butler	<ul style="list-style-type: none"> <li>• Implementation of Technology Forge helpdesk to provide a universal point of contact and improve information flow.</li> <li>• Review of lockers and deposit system</li> <li>• Work with other services to broaden access to GIS systems and Land Registry information.</li> </ul>
Exchequer and Transactional	Sarah Bryant	<ul style="list-style-type: none"> <li>• A project plan has been established to identify and support customers priorities for service improvement.</li> <li>• Transactional Services Managers will be working closely with managers across the councils to identify issues and address them through training, support and help.</li> <li>• Additional resources are working to reduce backlogs of work until the restructure is embedded and resourced.</li> </ul>
HROD	Caroline Nugent	<ul style="list-style-type: none"> <li>• Monthly drop-in sessions have been organised for managers to discuss any issues or problems with accessing services;</li> <li>• E-resourcing form will remove paper forms and duplication, therefore result in fewer queries;</li> <li>• Management at both Havering and Newham met with the new HROD teams;</li> <li>• A structure chart with pictures will be circulated once recruitment has been finalised;</li> <li>• A document is being developed with Exchequer and Transactional outlining the roles and responsibilities for self-service (officers and managers), HROD and HR Transactional.</li> </ul>
Technology and Innovation	Priya Javeri	<ul style="list-style-type: none"> <li>• Better understanding partners' needs, allocation of resources according to project needs, prioritisation of programmes and projects with partners' agreement.</li> <li>• Review and replacement of the current ICT infrastructure to improve system speed and availability with a drive to move to cloud services improving availability.</li> <li>• Creation of clear ICT and Digital strategies which support the business aims and direction.</li> </ul>

Legal	Daniel Fenwick	<ul style="list-style-type: none"><li>• Implementing a transactional customer survey for feedback on individual cases. This will be circulated to all on a day-to-day basis providing meaningful feedback.</li><li>• Highlighting customer satisfaction at team meetings to ensure officers are aware of client perceptions and can improve accordingly.</li><li>• Emphasising the importance of maintaining customer contact, even if tasks are in the middle of completion.</li><li>• Introducing SLAs with timescales which will assist in monitoring solicitors' performance and adherence to timescales but also set realistic timescales and instructions for customer expectations.</li></ul>
Strategic and Operational Finance	Paul Thorogood	<ul style="list-style-type: none"><li>• Finance management team will consider the comments from customers and will ensure that where relevant, these form the basis of the transformation plan to the new structure</li></ul>



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## Appendix 3

### Transformation update

#### *HR OD services – Systems, processes and continuous improvement (LBN, LBH)*

Transformation HROD is the implementation / continuous improvement phase post-restructure. This includes:

1. Process improvement/redesign (incorporating/linking to automation and digital design)
2. Systems (requirements, internal IT system improvements, case management system)
3. Continuous improvement training to facilitate transformation change (eg. process mapping, waste analysis and problem solving)

#### *Finance transactional services (LBH, LBN, LBB)*

Transformation Finance is implementing the continuous improvement phase post restructure. This includes:

1. Accounts Receivable – Continuous Improvement workshop held in December 2016 and observation sessions booked for January 2017 to review Oracle processes in both LBN and LBH to allow for To Be map to be finalised. Electronic scanning process for invoices procured and due for implementation in January 2017.
2. Accounts Payable – Continuous Improvement workshop held December 2016. Officers allocated for tasks and first progress meeting arranged for January 2017.
3. Reconciliations – Continuous Improvement workshops delayed to allow for recruitment in the team.

#### *Committee Reports management process redesign (LBN, LBH)*

Final As Is maps produced and review meeting with the Director held in December. The project is moving into the procurement phase. The Business Improvement team will support the design of the To Be process to implement a solution to manage the reporting process for the Committee teams in LBN and LBH.

#### *Digital Post Room (LBN, LBH)*

Preparation and scoping phase of the digital post room project. Data collected for LBH and LBN to allow for initial costing exercise for the options appraisal and estimation of savings.

#### *Bexley process improvement and redesign (services outside oneSource)*

### *Bexley Adult Services*

Work completed for process review of Day Care, Home Care, Respite Care and Transport. Final presentation to Director of Social Care and Director of Legal and HR held 5/1/17 with recommendations for improvement.

### *Bexley Children's Social Care:*

Initial scoping meeting held for Foster Care 5/1/17. Further dates to be planned through January and February 2017.

### *Strategic Procurement Unit (LBN, LBH)*

The Business Improvement team conducted a Voice of the Customer (VOC) exercise with the Strategic Procurement Unit (SPU) using new Lean tools to extract what is valuable for customers, this is to inform further areas of improvement and embed a continuous improvement culture. Customer feedback was gathered by conducting an online survey and holding interviews, the feedback was then analysed using affinity diagrams and KANO analysis. The results of the VOC were presented back to the Strategic Procurement Unit and subsequently to the new Director of Finance, Paul Thorogood and Jane West, oneSource Managing Director in December. The feedback was mainly positive for the service with a overall satisfaction rate of 75% and an even higher satisfaction rate of 82% with their help on achieving outcomes, however there are still some opportunities for improvement. A workshop is planned with Strategic Procurement Unit staff in January 2017 to create Critical to Customer (CTC) and Critical to Quality (CTQ) requirements. Business Improvement will then create an action plan with the service as a result of the workshop and the VOC analysis.

### *Transactional People Services (LBN, LBH)*

Transactional People Services are in a period of transition, they are implementing new ways of working and embedding their new culture in a joint location. Business Improvement are helping the service implement their actions needed to achieve and embed the change, in particular scoping and drafting communications to customers to ensure they know what the new service provides, how they can access the service and key tips and facts to engage customers. Meetings are being held in January with Corporate Communications in both Newham and Havering to ensure we understand the methods, timelines and rules for internal communications in both councils. This information will be shared with the other services currently implementing change.

### *oneSource resourcing portal (LBN, LBH)*

Following the success of the HR Resourcing portal, DASH, the Business Improvement Team were asked to scope what other oneSource services could benefit from using the Portal. Currently Business Improvement are drafting a template for services to complete with details of their current forms and potential new online forms which they would like to be considered for creation into the Portal. An analysis of the business and customer need based on information provided will be completed and a report produced outlining the potential scope, resource

requirements and benefits of a Project(s) to complete this work provided to oneSource Senior Management for consideration.

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## **ONESOURCE JOINT COMMITTEE 20 January 2017**

**Subject heading:**

**Proposal to transfer Newham's  
Council Tax and Benefits service  
back to the council**

**Report author and contact details:**

**Jane West  
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020 3373 2703**

**Financial summary:**

**This report is for info only. The request by Newham to remove its Council Tax and Benefit service from oneSource will reduce the potential for oneSource to deliver the full identified savings to be made for Havering Council but there is no immediate additional cost. Each Council will separately assess the financial impact of the decision.**

<b>SUMMARY</b>
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The Mayor of Newham is in the process of requesting to Havering and Bexley Councils to transfer the Newham Council Tax and Benefits service from oneSource and into Newham Council's responsibility. This report summarises the process that will be followed as a result.

Once the Mayor has formally made the decision to make the request, Havering and Bexley Councils will be asked to approve the transfer. There is no immediate cost of the proposal but oneSource will potentially not be able to deliver the full savings that had been anticipated in the original oneSource business case in relation to the Council Tax and Benefits service in Havering.

Bexley has not previously assumed savings from joint working.

## RECOMMENDATIONS

The Joint Committee is asked:-

- To note the Mayor of Newham's intention to request to Havering and Bexley Councils to remove Newham's Council Tax and Benefits service from the Joint Committee and Delegation Agreement
- To note that the two councils have 20 business days to respond to the request once it is received.
- To note that each Council will separately assess the financial impact of the decision from their individual perspectives, ie to request withdrawal (Newham) or to accept the proposal (Havering & Bexley).
- To note that oneSource needs to develop new savings plans for Havering to replace those not deliverable through a shared Council Tax and Benefit arrangement with Newham.

## REPORT DETAIL

### Background

All three councils that make up the oneSource Joint Committee have delegated their council tax and benefits services to oneSource, albeit that all three have different models of provision and that the services have, to date, remained standalone. Bexley's service is outsourced to Capita with oneSource providing contract management.

In July, oneSource presented to the Mayor of Newham proposals to combine Havering and Newham's Council Tax and Benefits teams in line with the original oneSource business case. The proposals potentially delivered savings and additional income by 2018/19 as follows:-

	Newham £000	Havering £000	Total £000
Efficiency savings	699.1	344.3	1,043.4
Additional income	2,199.1	98.1	2,297.2
Total	2,898.2	442.4	3,340.6

However, the Mayor of Newham has a vision for Newham that involves reducing bureaucracy and making all council service managers more motivated and better able to make decisions by transforming service areas into small businesses where possible. Therefore when the oneSource review was presented to the Mayor he immediately requested that Newham's Council Tax and Benefits area be put through an Options Appraisal by the Council's 'Council Services to Small Businesses' Programme (CSSB) as part its ongoing programme.

The CSSB Options Appraisal review has recently been completed and the outcome of this process is that the Mayor is initiating a request to Havering and Bexley councils to

transfer the Council Tax and Benefits service out of oneSource as soon as is practicably possible in order for Newham to be able to transform it into a small business. A formal decision to make such a request still needs to be taken through Mayoral Proceedings. This is currently being processed by Newham.

### Process

Variation is allowed for only in the terms set out in the oneSource Joint Committee and Delegation Agreement which was agreed by all parties in 2014 and reaffirmed in 2016 when Bexley joined.

Once the Mayor has formally made the decision to make the request, the Secretary to the Joint Committee will write to Havering and Bexley councils notifying them in line with the oneSource Joint Committee and Delegation Agreement (in no more than 10 days). The councils then have 20 business days with which to respond to the request.

If both councils approve the variation, then the Secretary to the Joint Committee will arrange for the preparation of a Deed of Variation for execution by the three councils. The change will take effect from the point of the completion of the Deed.

If either of the councils did not approve the change then the change would not immediately occur and the matter would likely be taken through the dispute resolution procedure set out in the Joint Committee and Delegation Agreement.

## **IMPLICATIONS AND RISKS**

### **Financial implications and risks:**

There are no financial implications associated with this report which is for information only. However, there will be a financial impact of implementing the proposed changes. Each Council will separately assess the financial impact of the decision from their individual perspectives, ie to request withdrawal (Newham) or to accept the proposal (Havering & Bexley).

There are no costs associated with the transfer of Newham's Council Tax and Benefits service out of oneSource as the service had not been combined with the services in the other councils. This is unusual within oneSource. Most other services (but not quite all) have been transformed and fully integrated in order to deliver the savings included in the original oneSource Business Plan.

However, oneSource will not be able to deliver the savings envisaged on behalf of Havering as a result of sharing. oneSource has set a savings target for the Havering Council Tax and Benefits area of £609k based on the original oneSource business case and additional savings required. The savings identified in the July review undertaken by oneSource identified specific proposals for £442.4k in savings, with a further £166.6k expected to be delivered by 2018/19 through identifying further process efficiencies.

By not combining services, there is potentially an impact on the £344.3k already identified as potential efficiency savings. The additional income target is still achievable.

It should be noted that there is a potential financial risk to oneSource should Newham look to transfer the council tax enforcement activity from the current in-house oneSource provision to an alternative arrangement.

oneSource Management Team will need to look for alternative ways to deal with the shortfall in savings for Havering and any ongoing financial risk resulting from loss of enforcement work. In terms of the medium term strategy, this will be a key plank of the oneSource financial strategy which is being worked up in collaboration with the three boroughs' s151 officers over the coming months. However, in order to balance the overall oneSource budget in the short term there will need to be some more immediate measures put in place. These have not yet been identified.

Bexley is not affected financially by Newham taking its Council Tax and Benefit service out of oneSource as it currently has a contract with Capita for the provision of its service, with oneSource providing the contract management service.

It should be stressed that although in this instance transferring the service in question is not generating additional cost for the councils, in the case of virtually all other oneSource services this would not be the case. The Newham Council Tax and Benefits service is a standalone service for Newham and all staff are Newham employees, including the Head of Service. The service from Head of Service downwards can simply be lifted and shifted to Newham Council's line management. In all other oneSource services the staff have been integrated under Heads of Service serving two if not three councils. To transfer a service back to one specific council would require extensive staff reorganisations and would inevitably lead to additional costs, both one-off and ongoing, for all boroughs involved as the cost of change would need to be met and the ongoing benefits of sharing the service would be lost. In many services there could also be infrastructure and contractual implications that would need to be worked through.

### **Legal implications and risks:**

Section 101(5) of the Local Government Act 1972 allows two or more local authorities to arrange for the discharge of their functions by Joint Committees.

Section 102 deals with the appointment of Committees.

Section 9EB of the Local Government Act 2000 specifies that the Secretary of State may make Regulations in connection with permitting arrangements under s101(5) of the 1972 Act where any functions which are subject to the arrangements are the responsibility of an executive of a local authority under the executive arrangements.

Under these powers, the Secretary of State has made "The Local Authorities (Arrangements for the Discharge of Functions) (England) Regulations 2012 [SI 2012/1019]. Regulation 11 of these Regulations deals with arrangements involving Joint Committees, with Regulation 12(2) providing that "every person appointed to a Joint Committee in accordance with regulation 11 by an executive, a member of an executive, or a committee of the executive must be a member of that executive, and the political balance requirements do not apply to the appointment of such members".

The Joint Committee arrangements are underpinned by a contractual agreement and governance arrangements setting out the delegations of each authority.

The Local Authorities (Goods and Services) Act 1970 permits the Councils to trade services with each other.



Newham are proposing to vary the contractual agreement relating to the provision of a service to remove that service from the agreement and withdrawing the delegation of that particular function. Newham are not proposing a withdrawal of the remaining functions and complete withdrawal from the contractual agreement.

Newham are therefore engaging clause 13 of the contractual agreement, which deals with variations, in the manner set out in the report, with the intention of continuing to participate in the arrangements.

#### **Human Resources implications and risks:**

As indicated in the report, the Newham Council Tax and Benefits service has not been fully integrated within oneSource and therefore can be moved across to Newham Council's line management with minimal human resources impact. There would be a change of line management for the current Newham Head of Customer Transactions from the oneSource Director of Exchequer and Transactional Services to the relevant line management within Newham but a change of line management does not require a period of formal consultation to be held. All employees within the Newham Council Tax and Benefits service are employed on Newham terms and conditions of employment so there are no contractual implications or risks that arise as a result of the move back to Newham. All affected employees will be communicated with and the move back to Newham confirmed in writing as courtesy.

#### **Equalities implications and risks:**

There are no equality implications or risks.

### **BACKGROUND PAPERS**

OneSource Joint Committee Agreement

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