



## ONESOURCE JOINT COMMITTEE AGENDA

10.00 am

Friday  
21 April 2017

Havering Town Hall

**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:**

**Anthony Clements**

**[Anthony.clements@onesource.co.uk](mailto:Anthony.clements@onesource.co.uk)**

**Tel: 01708 433065**

## 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 INTERESTS

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 - 4)

To approve as a correct record the minutes of the meeting of the Joint Committee held on 20 January 2017 (attached) and to authorise the Chairman to sign them.

### 5 FINANCE UPDATE (MARCH PERIOD 11 OUTTURN) (Pages 5 - 16)

Report attached.

### 6 ONESOURCE INTERNAL AUDIT PLAN 2017/18 (Pages 17 - 32)

Report attached.

### 7 TRANSFER OF NEWHAM'S COUNCIL TAX AND BENEFITS SERVICE BACK TO THE COUNCIL (Pages 33 - 38)

Report attached.

### 8 ONESOURCE MANAGING DIRECTOR'S UPDATE (Pages 39 - 42)

Attached.

### 9 ONESOURCE 2017/18 BUDGET (Pages 43 - 62)

Report attached.

**10 MEETING DATES - 2017/18**

Meeting dates proposed for the remainder of the 2017/18 municipal year are:

13 October 2017  
19 January 2018  
20 April 2018

Members are asked to bring their diaries to confirm the proposed meeting dates.

**11 ONESOURCE SLAS 2017/18 (Pages 63 - 642)**

Report attached.

**12 EXCLUSION OF THE PUBLIC**

To consider whether the public should now be excluded from the remainder of the meeting on the grounds that it is 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 these items there would be disclosure to them of exempt information within the meaning of paragraph 3 of Schedule 12A to the Local Government Act 1972; and, if it is decided to exclude the public on these grounds, the Sub-Committee to resolve accordingly on the motion of the Chairman.

**MINUTES OF A MEETING OF THE  
ONESOURCE JOINT COMMITTEE  
Civic Offices, Watling Street, Bexley  
20 January 2017 (10.05 - 11.45 am)**

**Present:**

Councillors Lester Hudson (Chair), +Joy Laguda, Donald Massey, Ron Ower, Melvin Wallace and Tonii Wilson were present.

+substitute member: Councillor Joy Laguda (for Forhad Hussain).

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

There were no declarations of interest.

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

**18 MINUTES**

The minutes of the meetings of the Joint Committee held on 14 and 21 October 2016 were agreed as a correct record and signed by the Chairman.

**19 ONESOURCE FORECAST FINANCIAL POSITION AS AT NOVEMBER 2016**

It was stated that the oneSource shared forecast financial position showed a projected overspend of £111k as at November 2016, period eight. This was in the context of savings of £9.4m having been applied to shared budgets since oneSource's inception in 2014/15 and therefore meant that savings of £9.29m would have been achieved by the end of 2016/17. The forecasted split between the three boroughs was £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 had forecasted a balanced budget overall with minor variances; £1k for Newham, £6k for Havering and a nil variance for Bexley. This was 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.

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

20 **ONESOURCE UPDATE FOR JANUARY 2017**

The report before the Joint Committee covered a number of oneSource transformation updates.

Members noted that the proposed upgrade to Oracle Cloud was close to approval. The upgrade was critical in providing increased functionality for staff across the partner Councils.

In terms of customer satisfaction there had been a minor drop of 7% in the overall ratings; that drop had been anticipated however following a number of restructures across oneSource and a significant IT implementation in Newham. It was agreed that a Member survey would be include in the next customer satisfaction round.

It was reported that a number of commercial opportunities were being discussed with interested parties with updates provided at the next meeting of the Joint Committee.

The Joint Committee noted the report.

21 **PROPOSAL TO TRANSFER NEWHAM'S COUNCIL TAX AND BENEFITS SERVICE BACK TO THE COUNCIL**

The Joint Committee was informed that the Mayor of Newham was in the process of requesting to the London Boroughs of Havering and Bexley to transfer the Newham Council Tax and Benefits service from oneSource and into Newham Council's responsibility.

It was explained that once the Mayor had formally made the decision to make the request, Havering and Bexley Councils would be asked to approve the transfer. There was no immediate cost of the proposal however it was explained that oneSource would 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.

It was noted that London Borough of Bexley had not previously assumed savings from joint working.

The Joint Committee

1. noted 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
2. noted that the two councils would have 20 business days to respond to the request once it was received.

3. noted that each Council would separately assess the financial impact of the decision from their individual perspectives, ie to request withdrawal (Newham) or to accept the proposal (Havering & Bexley).
4. noted that oneSource needed to develop new savings plans for Havering to replace those not deliverable through a shared Council Tax and Benefit arrangement with Newham.

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

With the agreement of the Chairman, the report was submitted for consideration as an urgent matter pursuant to Section 100B (4) of the Local Government Act 1972 as it was essential for Members to receive an updated position on the resourcing of the legal service at the earliest available opportunity.

The report before Members provided an overview of the oneSource Legal Service provided to Newham and Havering Councils, its current position with regards to resourcing and future plans.

Members noted that despite major challenges around resourcing and managing demand within budget, the Service had made significant progress in delivering a high quality and client focussed legal service. Significant savings had been made following a restructure, however that had to be balanced against increasing demand for use of the Service.

A significant step forward had been the decision to join the London Boroughs Legal Alliance (a network of 17 London boroughs legal services). This had brought savings on external legal spending by Havering and Newham Councils on barristers and external firms of solicitors who were procured via framework agreements at reduced rates.

In addition, the oneSource structure meant that Legal Services now had to operate in a commercially focussed way, demonstrating value for money. This culture change had taken time to bed in but was now embraced by the Service.

The Joint Committee noted the report.

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**Chairman**







<b>JOINT COMMITTEE</b>	21st April 2017
<b>Subject heading:</b>	<b>oneSource forecast financial position as at February 2017</b>
<b>Report author and contact details:</b>	<b>Natalie Bowie</b> <a href="mailto:natalie.bowie@oneSource.co.uk">natalie.bowie@oneSource.co.uk</a> <b>01708 434241</b>
<b>Financial summary:</b>	The oneSource Shared financial forecast shows a projected overspend of £334k as at February 2017, period 11. Non-shared budgets are forecasting variances of £1.1m underspend for Havering, £259k overspend for Newham and nil variance for Bexley.
<b>Is this a Key Decision?</b>	No

**SUMMARY**

The oneSource shared forecast financial position shows a projected overspend of £334k as at February 2017, period 11. 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 £9.1m are forecasted to have been achieved by the end of 16/17. The projected overspend split between the three boroughs is £194k to Havering, £112k to Bexley and £28k to Newham.

As at period 11, the services managed by oneSource, but not shared are forecasting the following variances; £1.1m underspend for Havering, £259k overspend for Newham and 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 February 2017.

**REPORT DETAIL**

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).

**Shared**

As at period eleven the oneSource shared forecasted financial position has worsened from the £111k overspend in November (period eight) which was reported to the Joint Committee in January. [However, early indications at the time of writing suggest that the overall closing position for oneSource shared is likely to be on budget.] The period 11 forecasted overspend of £334k is estimated to be shared £194k to Havering, £112k to Bexley and £28k to Newham. The £223k worsening is largely due to the recruitment of agency staff required to fill vacancies which remained post restructure within the Finance service in order to deliver business critical year end closure processes and budget setting activities in adherence to statutory deadlines.

The majority of the Bexley share of the forecasted overspend relates to their enforcement services income target which has not been achieved due to a lack of through put of cases to the oneSource enforcement team. It is estimated that the number of cases passed over from Bexley to the oneSource enforcement service is due to increase over the course of 2017/18 as complexities surrounding the Bexley partnership with Bromley (parking) and their Capita contract (council tax) are worked through. Havering are also experiencing a shortfall against income target within enforcement services combined with pressures concerning unfunded legal posts resulting in a forecasted share of the overspend of £194k. Conversely, Newham's share of the pressure relating to unfunded posts within Legal Services is offset by their enforcement income due to Newham being responsible for the majority of cases passed over to the oneSource enforcement team.

There have been no further movements of services in or out of the oneSource shared area since the January 2017 report to Joint Committee which noted the removal of:

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

Since the 20<sup>th</sup> of January report to Joint Committee approval has been gained from Havering and Newham's Section 151 officers to transfer each council's year end balance to/from their oneSource reserve. The forecasted pressure attributable to Bexley has been communicated to their Section 151 officer and incorporated into their monitoring position. It is anticipated that it will be offset by underspends elsewhere within the council.

It is anticipated with the majority of restructures now being completed and designed to accommodate the increases in future years savings targets, that the organisation is well placed to meet the challenges of the net reduction in funding of £1.439m being removed from oneSource shared budgets as part of the 2017/18 budget setting process. Furthermore, additional funding for legal services has been secured from Havering and Newham as of 2017/18 which will offset the pressures experienced in 2016/17 in this area concerning unfunded posts. That being said, there are some areas within the oneSource shared area where further work will have to be done to identify how the increase in savings for 2017/18 will be met.

### **Non-shared**

Havering's non-shared budgets managed by oneSource are forecasted to be underspent by £1.1m. The bulk of this relates to three areas; commercial property, housing benefits' subsidy and Legal and Governance. Commercial property is forecasting an overachievement of income against target in the region of £296k due to a buoyant rental economy and low number of voids. Positive performance regarding recovery of housing benefit overpayments and NNDR court fee income has resulted in a forecast surplus in this area totalling £600k. However, it should be noted that housing benefits subsidy is a large and complex area where small changes in activity drivers as a proportion of the overall total, can result in large changes in income and expenditure. Legal and Governance are reporting an underspend of £172k largely due to staffing vacancies. Other services are reporting minor variances.

Newham's non-shared budgets are currently forecasting an overspend of £259k as at period 11. This overspend equates to final Oracle implementation costs which could not be accommodated within the remaining 2016/17 capital budget. It should be noted that this forecast assumes the costs associated with the exploration of Oracle Cloud will be funded prior to yearend. There is also a large variance within the Asset Management area which is offset by a forecasted underspend within Exchequer Services. The Asset Management forecasted pressure of £1.4m is due to a shortfall of income against target for lettings (Dockside, Stratford Town Hall and East Ham Town Hall), unachieved savings targets of former shared areas (Technical Services and Education Capital Teams) and overspends on repairs and maintenance budgets. The forecasted underspend of £1.6m within Exchequer Services is derived largely from the shortfall on housing benefit grant income vs expenditure being more than offset by invoicing to collect overpayments. The aforementioned volatility concerning housing benefit subsidy income and expenditure applies across all three boroughs.

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

## **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 11 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.

## **BACKGROUND PAPERS**

oneSource Joint Committee Agreement

**OneSource Financial Position**

	REVISED CONTROLLABLE BUDGET						
SERVICE	NET	YTD ACTUALS	YTD ENCUMBRANCES	ACTUALS + ENCUMBRANCES	FY PROJECTED OUTTURN	FY PROJECTED OUTTURN VARIANCE	REASON FOR FY PROJECTED OUTTURN VARIANCE
Finance oneSource	9,596,597	11,941,887	1,800,623	13,742,510	9,618,849	22,252	Forecasted underspend is due to a number of post-restructure vacancies. This forecast could vary depending on the success of recruitment drives between now and year end. Year end recharges will reduce the spend figure.
Business Services	1,495,427	1,093,231	17,842	1,111,073	1,243,732	(251,695)	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	8,346,918	8,684,374	141,619	8,825,993	8,549,956	203,038	Period 11 has seen a decrease in deficit of £110K. This is mainly due to receiving government grants and additional funding. Remaining pressure is mainly due to the transactional services restructure being delayed by the implementation of the 1oracle project and Bexley's enforcement income target which will not be realised this financial year due to a lack of throughput of cases.
Legal & Governance	3,579,260	3,819,204	65,960	3,885,165	3,912,867	333,607	Forecasted pressure relates to over established posts within legal services, required to meet minimum level of service provision and pressures against cost recovery income targets.
ICT Services	8,751,971	12,338,125	1,110,135	13,448,260	8,876,971	125,000	Increased Customer Relationship Management support costs cannot be contained within the current support structure budget for Newham and Havering's Customer Online Transactions. Spend to date includes amounts due to be capitalised.
Asset Management Services	2,560,927	3,746,314	113,208	3,859,521	2,546,741	(14,186)	Variance due to staff vacancies. Budget figure includes non-controllable income budget which will be removed to below the line before year end outturn.
Strategic & Operational HR	3,072,620	3,079,164	27,980	3,107,143	2,988,289	(84,331)	Variance due to staff vacancies.
<b>TOTAL</b>	<b>37,403,720</b>	<b>44,702,299</b>	<b>3,277,366</b>	<b>47,979,665</b>	<b>37,737,404</b>	<b>333,684</b>	

**NOTES**

Budgets and forecasts shown above relate to controllable budgets only

Apportionment is based on P9 permanent controllable budget % and may be recalculated to reflect subsequent adjustments

Havering

193,660

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

Bexley

112,402

Newham

27,621

Newham's forecasted overspend relating to unfunded legal posts is offset in part by a projected surplus relating to enforcement fees (Newham cases account for the majority of enforcement cases). Havering's forecasted pressure relates to unfunded legal posts and a pressure relating to enforcement services. Bexley's forecasted enforcement pressure is approx. £100k due to lack of throughput of cases; it is offset in part by staffing underspends.

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

	REVISED CONTROLLABLE BUDGET						
SERVICE	NET	YTD ACTUALS	YTD ENCUMBRANCES	ACTUALS + ENCUMBRANCE S	FY PROJECTED OUTTURN	FY PROJECTED OUTTURN VARIANCE	REASON FOR FY PROJECTED OUTTURN VARIANCE
<b>Finance oneSource</b> (oneSource MD, External Audit, Unallocated Overheads)	193,200	564,775	0	564,775	226,200	33,000	Minor variance.
<b>Exchequer &amp; Transactional Services</b> (Housing Benefits, Pensions)	10,280,423	100,303,745	61,133	100,364,878	8,713,163	(1,567,260)	P11 forecasted underspend is largely due to benefits subsidy where the shortfall on grant income vs expenditure is more than offset by the invoices/income raised to collect overpayments. There is also an underspend on the debt collection team due to delays in recruitment.
<b>Legal &amp; Governance</b> (Members costs and Borough Elections)	0	797,847	37,564	835,411	25,000	25,000	Minor variance.
<b>ICT Services</b> (1Oracle implementation, Verto/PMO team, Oracle licence and hosting)	1,252,750	2,956,795	110,858	3,067,653	1,509,739	256,989	Forecast assumes capitalisation of 1Oracle spend before year end and funding of Oracle Cloud costs. Pressure relates to 1Oracle project overspend.
<b>Asset Management Services</b> (Commercial property, facilities management and schools)	(6,538,300)	7,127,403	17,685,141	24,812,543	(5,125,715)	1,412,585	Forecasted pressure at P11 £1.4m due to shortfall on lettings income (Stratford Town Hall, Dockside and East Ham Town Hall), savings target pressures due to non-sharing (Education Capital and Technical Services) and overspent repairs and maintenance budgets. Current forecast assumes capitalisation of leisure centre works, Stratford town hall H&S works and a year end rent review accrual. Moratorium on all non-essential spend has been put in place for remainder of 16/17.
<b>Strategic &amp; Operational HR</b> (Union costs, Occupational Health, Training)	686,600	703,055	327,603	1,030,657	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.
<b>TOTAL</b>	<b>5,874,673</b>	<b>112,453,619</b>	<b>18,222,299</b>	<b>130,675,918</b>	<b>6,133,987</b>	<b>259,314</b>	Pressures within Asset Management relating to previously shared savings targets, lettings income and repairs and maintenance offset in part by forecasted surplus relating to Housing Benefit subsidy overpayment recovery. This is a volatile area; small movements in activity can cause large changes in forecasts therefore it will continue to be closely monitored.

**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 Havering non-shared Financial Position at Summary Level**

	REVISED CONTROLLABLE BUDGET						
SERVICE	NET	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)	(1,215,870)	946,076	84,052	1,030,128	(1,816,181)	<b>(600,311)</b>	Period 11 - forecasted underspend attributable to overachievement of subsidy housing benefit overpayment recovery, offset in part by a pressure in court fee income.
<b>Legal &amp; Governance</b> (Members costs and Elections)	1,536,953	1,648,327	491	1,648,819	1,364,717	<b>(172,236)</b>	Variance due to staffing vacancies.
<b>Asset Management Services</b> (Transport, Commercial Property, Schools, Premises Management)	(101,534)	1,673,571	86,561	1,760,132	(397,095)	<b>(295,561)</b>	Pressures relating to technical services and education capital savings targets (previously part of oneSource shared) off set by overachievement of commercial property income.
<b>Strategic &amp; Operational HR</b> (Unions, Apprentices)	496,754	405,104	10,905	416,009	609,857	<b>113,103</b>	Funding not available for full complement of Trade Union employees combined with pressures on the apprentices' budget.
<b>ICT</b> (10ralce budget)	844,430	443,367	0	443,367	783,000	<b>(61,430)</b>	
<b>Business Services</b>	55,000	64,662	0	64,662	6,361	<b>(48,639)</b>	
<b>TOTAL</b>	<b>1,615,733</b>	<b>5,181,109</b>	<b>182,009</b>	<b>5,363,118</b>	<b>550,659</b>	<b>(1,065,074)</b>	

Pressures within HR more than offset by overachievement in commercial property income and housing benefit subsidy performance resulting in an overall forecasted underspend.

**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 Bexley non-shared Financial Position at Summary Level**

SERVICE	REVISED CONTROLLABLE BUDGET	YTD ACTUALS	YTD ENCUMBRANCES	ACTUALS + ENCUMBRANCES	FY PROJECTED OUTTURN	FY PROJECTED OUTTURN VARIANCE	REASON FOR FY PROJECTED OUTTURN VARIANCE
	NET						
Exchequer & Transactional Services (Housing Benefits)	3,541,000	24,952,961	0	24,952,961	3,541,000	0	Nil variance at period 10 includes corporate funding of expenditure incurred with Analyse Local (review has generated additional £1.8m of Business Rates income). Spend higher than budget because total DWP grant income re Housing Benefit subsidy not reflected in the relevant code. Will be transferred in before year end.
Finance	989,000	563,624	0	563,624	989,000	0	Nil variance
<b>TOTAL</b>	<b>4,530,000</b>	<b>25,516,585</b>	<b>0</b>	<b>25,516,585</b>	<b>4,530,000</b>	<b>0</b>	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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## **JOINT COMMITTEE**

**Subject Heading:**

**oneSource Internal Audit Plan**

**Report Author and contact details:**

**David Hogan, Head of Assurance**

**Tel: 0203 045 4943**

**E-Mail: david.hogan@bexley.gov.uk**

**Financial summary:**

**N/A**

### **SUMMARY**

The Public Sector Internal Audit standards refer to the need to produce a risk-based Internal Audit Plan. This should take into account the requirement to produce an annual internal audit opinion and report that can be used by each Council to inform the Annual Governance Statement. The annual internal audit opinion must conclude on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control. To support this, the risk-based plan needs to include an appropriate and comprehensive range of work. The report sets out the approach to producing the draft Internal Audit plan and invites comment from Members of the Joint Committee.

### **RECOMMENDATIONS**

1. To note the contents of the report.
2. To raise any issues of concern and ask specific questions of officers where required.

**REPORT DETAIL**

The Accounts and Audit Regulations require the Council to undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account the Public Sector Internal Auditing Standards (PSIAS) or guidance.

Internal audit is a key component of corporate governance within the Council. The three lines of defence model, as detailed below, provides a simple framework for understanding the role of internal audit in the overall risk management and internal control processes of an organisation:

- First line – operational management controls
- Second line – monitoring controls, e.g. the system's owner
- Third line – independent assurance (Internal audit forms the Council's third line of defence)

An independent internal audit function will, through its risk-based approach to work, provide assurance to each Council's Audit Board/Committee and senior management on the riskier and more complex areas of the Council's business, allowing management to focus on providing coverage of routine operations.

The work of internal audit is critical to the evaluation of the Council's overall assessment of its governance, risk management and internal control systems, and forms the basis of the annual opinion provided by the Head of Assurance which contributes to the Annual Governance Statement. It can also perform a consultancy role to assist in identifying improvements to the organisation's practices.

Officers of the Assurance Service have been involved in work with the Section 151 Officers and with senior management to update the Corporate Risk Registers. Horizon scanning work had already taken place with Heads of Audit, and through the Croydon Framework to identify common risk and audit themes. These, along with manager requests and audit cumulative knowledge and experience, have formed the basis of the plan. Combined plans were compiled for the three member councils. These identified target resources and some common audit themes. These allow for some efficiency to be driven by utilising acquired skills across boroughs where there are common risks. However each borough has its own unique objectives and approach to achieving these and these will be audited individually.

The plan is exclusive of Counter Fraud investigations but there is provision for Internal Audit staff to support Counter Fraud work across the 3 authorities on system related work. It should be noted that it is a statement of intent and can be revised or amended at any time should higher priority risks or issues be identified, and there is provision to address emerging risk.

Appendix 1 oneSource Internal Audit Plan Summary

Appendix 2 oneSource Internal Audit Detailed Plan for oneSource and LB Newham, LB Havering and LB Bexley.

**REASONS AND OPTIONS**

**Reasons for the decision:**

N/A

**Other options considered:**

N/A

**IMPLICATIONS AND RISKS**

**Financial implications and risks:**

There are none arising directly from this report which is for noting and/or providing an opportunity for questions to be raised.

By maintaining an adequate audit service to serve each Council, management are supported in the effective identification and efficient management of risks. Failure to maximise the performance of the service may lead to losses caused by insufficient or ineffective controls or even failure to achieve objectives where risks are not mitigated. In addition recommendations may arise from any audit work undertaken and managers have the opportunity of commenting on these before they are finalised. In accepting audit recommendations, the managers are obligated to consider financial risks and costs associated with the implications of the recommendations. Managers are also required to identify implementation dates and then put in place appropriate actions to ensure these are achieved. Failure to either implement at all or meet the target date may have control implications, although these would be highlighted by any subsequent audit work. Such failures may result in financial losses for the Council.

**Legal implications and risks:**

None arising directly from this report.

**Human Resources implications and risks:**

None arising directly from this report.

**Equalities implications and risks:**

None arising directly from this report.

**BACKGROUND PAPERS**

Public Sector Internal Audit Standards  
Risk Registers for oneSource, LB Newham, LB Havering & LB Bexley  
Horizon Scanning – Challenges and Opportunities 2016 Mazars



## Internal Audit Annual Plan 2017/18

oneSource Internal Audit is a statutory service in the context of The Accounts and Audit (England) Regulations 2015, which state: “A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance”.

From April 2013, organisations in the UK public sector are required to adhere to the Public Sector Internal Audit Standards (the Standards).

The Standards require that the Chief Audit Executive (Head of Assurance) “establish risk-based plans to determine the priorities of the internal audit activity, consistent with the organisation’s goals”. When completing these plans, the Head of Internal Audit should take account of the organisation’s risk management framework. The plan should be adjusted and reviewed, as necessary, in response to changes in the organisation’s business, risk, operations, programs, systems and controls. The plan must take account of the requirement to produce an internal opinion and assurance framework.

This audit plan has been drawn up, therefore, to enable an opinion to be provided at the end of the year in accordance with the above requirements.

The expectation of the public for services provided by the public sector has never been greater; yet the money that is available for these services will continue to be reduced. All public sector organisations are looking at how these services can be transformed; what worked in the last decade may not meet new challenges. The use of, and dependency on, IT for service delivery will only increase further; this brings rewards but also carries its own risk.

The Internal Audit function has a key role in helping management fully understand their risks and in designing effective and efficient controls that mitigate these risks to an acceptance level; a consistent application of a quality internal audit opinion assists the organisation to develop alternative and new delivery solutions that will deliver the service required.

The audit plan has been developed to enable us to respond to changes during the year. Whilst every effort will be made to deliver the plan, it must be recognised that we need to be flexible and prepared to revise audit activity – responding to changing circumstances or emerging risks. **The plan is therefore a statement of intent** – our liaison meetings with senior management will enable us to firm up audit activity during the year.

The oneSource Internal Audit plan coverage for **2017/18** includes 2,700 direct days in line with the pre restructure business case. It should be borne in mind that, in accordance with the Public Sector Internal Audit Standards, the plan needs to be flexible to be able to reflect and respond to the changing risks and priorities of the Authorities and, to this end, it will be regularly reviewed, and updated as necessary, to ensure it remains valid and appropriate. As a minimum, the plan will be reviewed in six months to ensure it continues to reflect the key risks and priorities of the oneSource Councils given the significant changes across the public sector. In order to allow greater flexibility, the Internal Audit Plan includes a contingency to allow for unplanned work.

# Newham London

**The Audit Plan for Newham includes 868 days for Newham, and 400 days for oneSource Services. There is also a provision of 75 days across the three councils for Internal Audit support of Proactive and Counter Fraud work.**

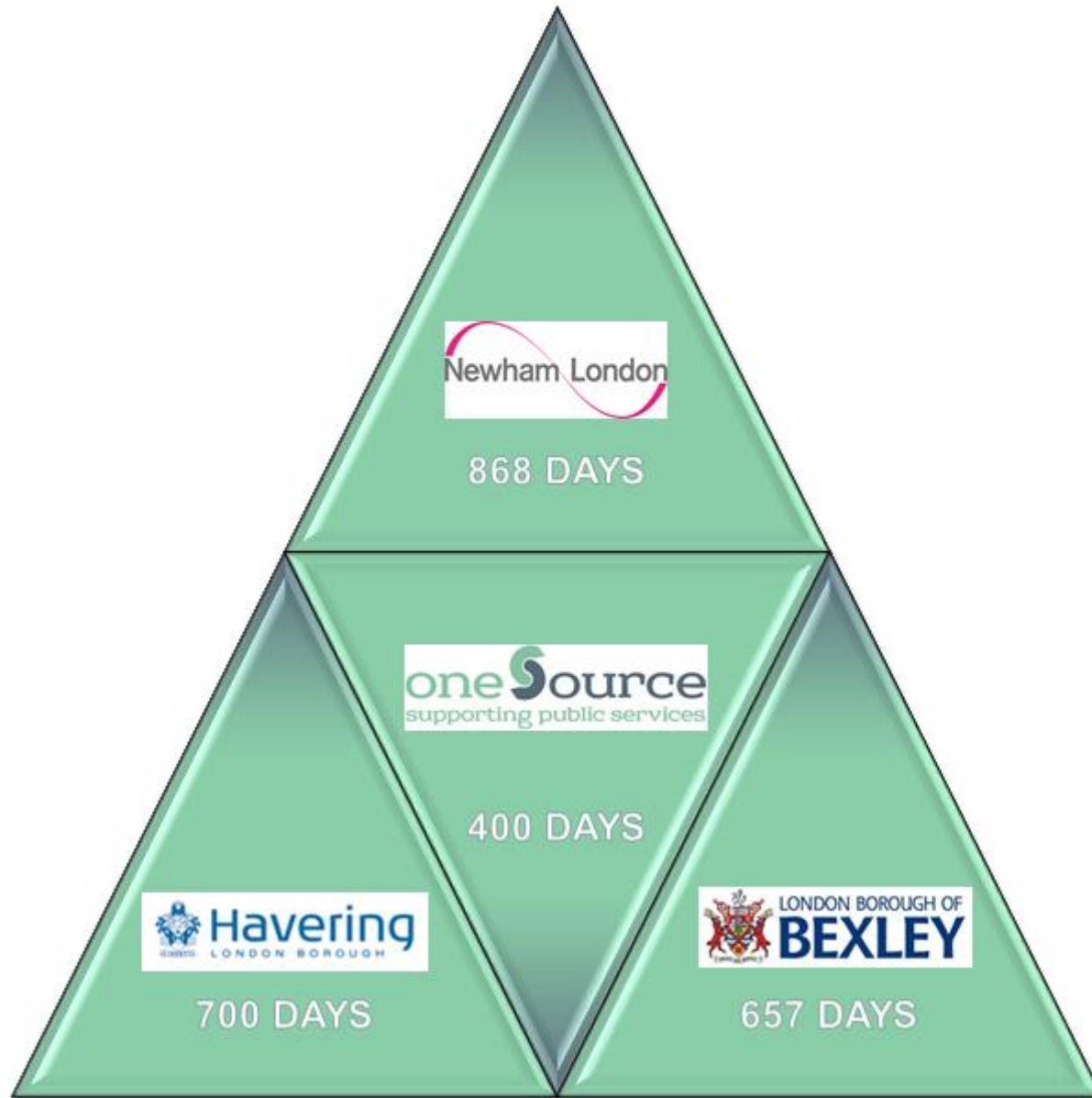


**Havering**  
L O N D O N B O R O U G H

**The Audit Plan for Havering includes 700 days for Havering, and 400 days for oneSource Services. There is also a provision of 75 days across the three councils for Internal Audit support of Proactive and Counter Fraud work.**



**The Audit Plan for Bexley includes 657 days for Bexley, and 120 days for relevant oneSource Services which Bexley receives.  
There is also a provision of 75 days across the three councils for Internal Audit support of Proactive and Counter Fraud work.**



Council	Directorate /Service	Audit name	Days v1	Objective or Rationale
oneSource	Exchequer & Transactional Services (oneSource)	NNDR - debt recovery and write offs	25	To confirm that there are robust arrangements to ensure that NNDR income is maximised.
oneSource	Exchequer & Transactional Services (oneSource)	Establishment controls	30	Review the adequacy of controls and processes relating to the staff establishment
oneSource	Exchequer & Transactional Services (oneSource)	Housing Benefit - new claims or changes in circumstances	30	Review to be scoped in consultation with Director of Exchequer and Transactional Services
oneSource	Exchequer & Transactional Services (oneSource)	Staff Vetting	30	Compliance checks on ID check, right to work, and criminal records clearance
oneSource	Exchequer & Transactional Services (oneSource)	Debt Recovery	30	To confirm that there are robust arrangements to ensure that income is maximised.
oneSource	Exchequer & Transactional Services (oneSource)	Northgate (Revs & Bens) application review	15	Review to confirm availability, integrity and confidentiality of data
oneSource	Exchequer & Transactional Services (oneSource)	Enforcement Agents	25	To confirm compliance with the Taking Control of Goods (Fees) Regulations 2014
oneSource	Finance	Budget Monitoring / Savings Programme	40	Although a national risk, bringing together three council's processes requires a review of controls. Failure of oneSource to meet financial targets is already considered in each council's risk register.
oneSource	Finance	Treasury Management	25	Key financial system bringing together three council's processes requires a review of controls.
oneSource	Finance	Pension Fund governance	25	Ensure governance standards are made and include preparation for investment vehicles
oneSource	Finance	1Oracle	30	Health check and follow up of recommendations from prior year audit
oneSource	Human Resources/Organisational Development	Off payroll engagement / IR35	20	Review of authority arrangements to review and record status of temporary agency staff, personal service companies and consultants under new HMRC requirements
oneSource	ICT	Cyber security	30	Review against GCHQ cyber security guidance
oneSource	Procurement	Serious and Organised Crime	15	Raise awareness of the findings from Organised Crime Procurement Pilot reports and carry out Audit following Home Office Guidance
oneSource	Procurement	Procurement - including compliance with Public Contract Regulations 2015	30	Review to establish compliance with Council rules and regulations, use of Capital Esourcing and checkpoint governance or equivalent.
oneSource	Total presented to Audit Board/Committee		400	
Council	Directorate /Service	Audit name	Days v1	Objective or Rationale
Pro-Active and Counter Fraud	Cross cutting	Proactive and counter fraud support by Internal Audit	75	Contingency outside of counter fraud work
Fraud	Total presented to Audit Board/Committee		75	
Council	Directorate /Service	Audit name	Days v1	Objective or Rationale
Newham	Adults	Care Act 2014 - Financial Arrangements	15	Review of financial Support and deferred payment schemes
Newham	Adults	Azeus case management application viewer	15	Confirm confidentiality, availability and integrity of data held on the new system.
Newham	Adults	Mental Health Safeguarding	20	Confirm there are robust arrangements to manage concerns

Newham	Adults	Health and Social Care Integration - Better Care Fund	15	Review governance and decision making processes relating to the allocation of funding under the new structures
Newham	Adults	Deprivation of Liberty Assessments	15	Review of DOL applications and assessments
Newham	Adults	Health and Social Care Integration - Hospital Discharges	15	Ensure that arrangements between the Council and NHS Trust is effective and efficient
Newham	Children's services	Azeus case management application viewer	15	Confirm confidentiality, availability and integrity of data held on the new system.
Newham	Children's services	Disabled children's care packages	15	Review of the implementation of the new system and compliance with controls introduced. Review to be undertaken in quarter 4.
Newham	Children's services	Troubled Families Programme	10	Grant certification work required under Terms and Conditions
Newham	Children's services	Triage and MASH	20	Review of compliance with data sharing protocols and compliance with processes.
Newham	Cross cutting	Information Governance / Data Protection	20	Review arrangements prior to regulations (GDPR) coming in to force. Significant penalties may be incurred for non-compliance. Increasing volumes of data also raises the risk. Also consider compliance with retention schedules
Newham	Cross cutting	Accounts payable service payment teams in directorates	20	Services supply information which interface with Oracle. Review controls in operation.
Newham	Cross cutting	Corporate Culture	15	Ethics review. To include, for example, declarations of interest and gifts and hospitalities
Newham	Cross cutting	Alternative Delivery Models (including small business programme Teckal companies)	30	Governance arrangements and process of adopting alternative delivery models, including Teckal company arrangements
Newham	Cross cutting	Contract Management: Client checking of contractor works	15	Confirm that contract management arrangements are operating effectively.
Newham	Community and Environment	Vehicle Maintenance	20	Confirm that arrangements provide value for money
Newham	Corporate Services	Customer complaints system (ELIF) application review	15	Confirm confidentiality, integrity and availability of data
Newham	Finance	Newham Legacy Investment	20	Review issues raised in Annual Audit Letter
Newham	Finance (oneSource)	Commercial Investments	15	Ensure business plans in place for all investments, monitoring, shareholder agreements, robust loan agreements
Newham	Housing	Homelessness - eligibility	15	Confirm council complies with its legal obligations
Newham	Housing	Homelessness - income collection/recovery	15	To confirm that robust arrangements are in place to ensure that income is maximised
Newham	Housing	Right to Buy	20	Confirm that the scheme is operating effectively
Newham	Housing	Housing and Planning Act 2016	20	Ensure that the Council is operating in accordance with the Act
Newham	Housing	Housing Register	15	Confirm that the Register is administered in accordance with the new procedure.
Newham	ICT	Language Shop	20	Contractual obligation, involving Ministry of Justice. Chargeable
Newham	Planning and Regeneration	Community infrastructure levy	15	Confirm that arrangements are in place to raise and collect the levy. Confirm that there are arrangements in place to spend receipts in accordance with regulations
Newham	Schools	Plaistow Primary	7	Review of systems and procedures including: ♦ Purchasing and payments ♦ Taxation ♦ Income/bank reconciliation ♦ Petty cash/cheque reimbursements ♦ School inventory
Newham	Schools	Salisbury Primary	7	
Newham	Schools	Southern Road Primary	7	
Newham	Schools	Woodgrange Infants	7	
Newham	Schools	Sheringham Nursery	7	



Newham	Schools	St Stephen's Nursery	7	♦ Payroll
Newham	Schools	St James' CofE Junior (VC)	7	♦ Budgetary controls management
Newham	Schools	West Ham CofE Primary (VC)	7	♦ Computer and information security
Newham	Schools	St Edward's Catholic Primary (VA)	7	♦ School voluntary fund
Newham	Schools	Eastlea Secondary	8	♦ Pupil Premium eligibility
Newham	Governance	Consultancy and advice to directorates	20	Contingency for advice / guidance contribution to corporate projects
Newham	Governance	Schools' consultancy	20	Advice and Guidance includes development and management of programme
Newham	Governance	NFI - Counter Fraud support	10	Provision to assist counter fraud team with NFI issues
Newham	Governance	External Grants	10	Contingency for certification requests that may arise
Newham	Governance	Follow up and implementation of higher priority recommendations	50	Ensuring implementation of recommendations
Newham	Governance	Provision of training	12	Training courses on control risk or corporate governance
Newham	Governance	External liaison with other authorities and agencies	10	Effective contributions to regional or national initiatives
Newham	Governance	Corporate Governance (inc. Audit Board and s.151 support)	15	Advice/guidance to Members/Senior Management
Newham	Governance	Attendance at Assurance and Governance Boards or equivalent	10	Provision for meetings and preparation
Newham	Governance	Annual Report & Internal Audit Plan	10	Strategic evaluation of outcomes and trends to advice Management leading to effective planning and prioritisation of resources for current and future years
Newham	Governance	Contingency allowance and provision for assurance work on emerging risk	185	Work to be commissioned following risk assessment and agreement by Senior Management
Newham	Total presented to Audit Board		868	
<b>Council</b>	<b>Directorate /Service</b>	<b>Audit name</b>	<b>Days v1</b>	<b>Objective or Rationale</b>
Havering	Adults' services	Care packages	15	Confirm that care packages meet the client's needs and are value for money
Havering	Adults' services	Reablement service	15	Confirm that the service is effective and efficient
Havering	Adults' services	Care Act 2014 - Safeguarding	15	Compliance with the Council's safeguarding policies and procedures in line with the Care Act 2014
Havering	Adults' services	Health and Social Care Integration - Hospital Discharges	15	Ensure that arrangements between the Council and NHS Trust is effective and efficient
Havering	Children's services	Troubled Families programme	10	Grant certification in accordance with Terms and Conditions
Havering	Children's services	No Recourse to Public Funds (NRPF)	15	Fraud prevention systems review. Issues identified at other authorities.
Havering	Community and Resources	Client Finance deputyship and appointees	15	Carry out spot checks of client files and review compliance with revised administration of records
Havering	Community and Resources	Fairykys	15	Review of financial and management information system
Havering	Cross cutting	Accounts payable service payment teams in directorates	15	Services supply information which interface with Oracle. Review controls in operation.
Havering	Cross cutting	Information Governance / Data Protection	15	Review arrangements prior to regulations (GDPR) coming in to force. Significant penalties may be incurred for non-compliance. Increasing volumes of data also raises the risk. Also consider compliance with retention schedules
Havering	Cross cutting	Contract Management: Client checking of contractor works	15	Confirm that contract management arrangements are operating effectively.

Havering	Cross cutting	Corporate Culture	20	Ethics review. To include, for example, declarations of interest and gifts and hospitalities
Havering	Cross cutting	Compliance with new Report Approval Processes	12	To ensure that corporate processes for input and clearance of decision making reports are applied consistently
Havering	Cross cutting	Alternative delivery models	20	Governance arrangements and process of adopting alternative delivery models
Havering	Crosscutting (Adults/Children)	Children's and Adults' disability service	20	Confirm that service is operating effectively and efficiently
Havering	Housing	Homelessness - Housing Tenancy Arrangements	15	Confirm that the service is effective and efficient
Havering	Housing	Private Sector Leasing scheme - Liberty Housing	20	Post implementation of new system
Havering	Housing	Housing and Planning Act 2016	20	Ensure that the Council is operating in accordance with the Act
Havering	oneSource ICT	Data warehouse security	15	Confirm that confidential and personal data is protected and access to it controlled
Havering	Schools	Branfil Primary	5	Review of systems and procedures including: ♦ Purchasing and payments ♦ Taxation ♦ Income/bank reconciliation ♦ Petty cash/cheque reimbursements ♦ School inventory ♦ Payroll ♦ Budgetary controls management ♦ Computer and information security ♦ School voluntary fund
Havering	Schools	Crownfield Infant	5	
Havering	Schools	Crownfield Junior	5	
Havering	Schools	Engayne Primary	5	
Havering	Schools	Gidea Park Primary	5	
Havering	Schools	Harold Court Primary	5	
Havering	Schools	Scargill Infant	5	
Havering	Schools	Squirrels Heath Infant	5	
Havering	Schools	Squirrels Heath Junior	5	
Havering	Schools	St Alban's RC Primary	5	
Havering	Schools	St Mary's RC JM&I	5	
Havering	Schools	Towers Junior	5	
Havering	Schools	Whybridge Junior	5	
Havering	Schools	Health checks (30)	75	
Havering	Governance	Consultancy and advice to directorates	20	Requested and funded by Schools
Havering	Governance	Schools' consultancy	20	Contingency for advice / guidance contribution to corporate projects
Havering	Governance	NFI - Counter Fraud support	10	Advice and Guidance includes development and management of programme
Havering	Governance	External Grants	10	Provision to assist counter fraud team with NFI issues
Havering	Governance	Monitoring arrangements (council awarded grants)	10	Contingency for certification requests that may arise
Havering	Governance	Follow up and implementation of higher priority recommendations	40	Council awarded grants
Havering	Governance	Provision of training	10	Ensuring implementation of recommendations
Havering	Governance	External liaison with other authorities and agencies	10	Training courses on control risk or corporate governance
Havering	Governance	Corporate Governance (inc. audit committee and s.151 support)	15	Effective contributions to regional or national initiatives
Havering	Governance	Attendance at Assurance and Governance Boards or equivalent	10	Advice/guidance to Members/Senior Management
Havering	Governance	Annual Report & Internal Audit Plan	10	Provision for meetings and preparation
Havering	Governance	Contingency allowance and provision for assurance work on emerging risk	93	Strategic evaluation of outcomes and trends to advice Management leading to effective planning and prioritisation of resources for current and future years
				Work to be commissioned following risk assessment and agreement by Senior Management
Havering	Total presented to Audit Committee		700	
<b>Council</b>	<b>Directorate /Service</b>	<b>Audit name</b>	<b>Days v1</b>	<b>Objective or Rationale</b>
Bexley	Adults	Health and Social Care Integration - Bexley Care	15	Review of Governance and Risk Management

Bexley	Adults	Connect Care	15	Review of joint IT system with the NHS to confirm integrity of data and that adequate controls are in place
Bexley	Children's Services	Troubled Families	10	Grant Certification in accordance with the Terms and Conditions
Bexley	Children's Services	Payments to adoptive parents & special guardians	10	Follow up review requested by service following changes to the processes in place
Bexley	Children's Services	Building Better Opportunities Project	10	Review to ensure compliance with the funding agreement.
Bexley	Children's Services	SEN Transport	12	The SEN transport system has been reconfigured. Review of controls over expenditure and budget monitoring.
Bexley	Customer Services and Programmes	Information Governance / Data Protection	15	Review arrangements prior to regulations (GDPR) coming in to force. Significant penalties may be incurred for non-compliance. Increasing volumes of data also raises the risk. Also consider compliance with retention schedules
Bexley	Customer Services and Programmes	New ICT Contract	12	Review of contract management and the effective operation of the new contract
Bexley	Customer Services and Programmes	Contract Management: Facilities Management Contract	15	Health check - Discuss scope with DOF / senior management
Bexley	Council Wide	Contract Management: Client checking of contractor works	10	Review of contract management arrangements
Bexley	Cross cutting	Corporate Culture	15	Ethics review. To include, for example, declarations of interest and gifts and hospitalities
Bexley	Education	School place planning (inc. admissions)	12	Review of systems including School expansion programme
Bexley	Finance	Capital Programme delivery	15	Review of expansion of programme agreed by Cabinet
Bexley	Finance	Council Tax	15	To ensure that the system is administered effectively and that processes are in place to maximise income.
Bexley	Finance	Key Financial Reconciliations	12	Review of arrangements to ensure confidence in the new service
Bexley	Finance	NNDR	15	Revised Business Rates process for 2017-18
Bexley	Finance	Housing Benefit	15	Review of claims or changes in circumstances
Bexley	HR and Corporate Support	Off payroll engagement / IR35	10	Review of authority arrangements to review and record status of temporary agency staff, personal service companies and consultants under new HMRC requirements
Bexley	Procurement	Serious and Organised Crime	10	Raise awareness of the findings from Organised Crime Procurement Pilot reports and carry out Audit following Home Office Guidance
Bexley	Public Protection, Housing and Public Realm	Homelessness - eligibility	15	Confirm council complies with its legal obligations
Bexley	Public Protection, Housing and Public Realm	Homelessness - income collection/recovery	15	Issues identified previously and include follow up to limited assurance 15/16 review of procurement and payments
Bexley	Public Protection, Housing and Public Realm	Housing and Planning Act 2016	20	Ensure that the Council is operating in accordance with the Act
Bexley	Public Protection, Housing and Public Realm	Highway maintenance	15	Medium category on RR
Bexley	Public Protection, Housing and Public Realm	Commercial Waste - including Thames Road contractor	15	Ensure that the waste processes are operating effectively and risks are adequately managed.
Bexley	Public Protection, Housing and Public Realm	NRPF Follow up	15	Follow up to limited assurance review
Bexley	Public Protection, Housing and Public Realm	Alternative Delivery Model - Regeneration vehicle (Growth Fund and Housing Company)	15	Housing delivery and Housing Zone implementation Sharing models and formats, delivery arrangements and governance
Bexley	Public Protection, Housing and Public Realm	Property Purchases for temporary accommodation - follow up	15	follow up and include controls re. transactions
Bexley	Schools	Belmont Primary School	6	Review of systems and procedures including: ♦ Purchasing and payments ♦ Taxation ♦ Income/bank reconciliation
Bexley	Schools	Belvedere Infant School	6	
Bexley	Schools	Danson Primary School	6	
Bexley	Schools	Foster's Primary School	6	

Bexley	Schools	Jubilee Primary School	6	♦ Petty cash/cheque reimbursements
Bexley	Schools	Oakwood School	6	♦ School inventory
Bexley	Schools	Pupil Referral Unit / Pathways	6	♦ Payroll
Bexley	Schools	Westbrooke School	6	♦ Budgetary controls management
Bexley	Schools	Woodside School	6	♦ Computer and information security
Bexley	Schools	New Horizons Federation	6	♦ School voluntary fund
Bexley	Governance	Consultancy and advice to directorates	20	Contingency for advice / guidance contribution to corporate projects
Bexley	Governance	Schools' consultancy	20	Advice and Guidance includes development and management of programme
Bexley	Governance	NFI - Counter Fraud support	10	Provision to assist counter fraud team with NFI issues
Bexley	Governance	External Grants	10	Contingency for certification requests that may arise
Bexley	Governance	Monitoring arrangements (council awarded grants)	6	Council awarded grants
Bexley	Governance	Follow up and implementation of higher priority recommendations	40	Ensuring implementation of recommendations
Bexley	Governance	Provision of training	10	Training courses on control risk or corporate governance
Bexley	Governance	External liaison with other authorities and agencies	10	Effective contributions to regional or national initiatives
Bexley	Governance	Corporate Governance (inc. audit committee and s.151 support)	15	Advice/guidance to Members/Senior Management
Bexley	Governance	Attendance at Assurance and Governance Boards or equivalent	10	Provision for meetings and preparation
Bexley	Governance	Annual Report & Internal Audit Plan	10	Strategic evaluation of outcomes and trends to advise Management leading to effective planning and prioritisation of resources for current and future years
Bexley	Governance	Contingency allowance and provision for assurance work on emerging risk	68	Work to be commissioned following risk assessment and agreement by Senior Management
Bexley		Total presented to Audit Committee	657	
		<b>Total</b>	<b>2700</b>	
			<b>0</b>	



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**ONESOURCE JOINT  
COMMITTEE  
21 April 2017**

**Subject heading:**

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

**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 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 Joint Committee received a report at its January meeting explaining that the Mayor of Newham was 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 provides an update to the Joint Committee on matters that have progressed since.

## RECOMMENDATIONS

The Joint Committee is asked:

- to note Newham's decision 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 an extension of time was agreed for Havering to consider the request.

## 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.

### 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.

After the Mayor formally made the decision to make the request (in February 2017), the Secretary to the Joint Committee wrote to Havering and Bexley councils notifying them in line with the oneSource Joint Committee and Delegation Agreement. The councils were given 20 business days with which to respond to the request.

Haverling subsequently sought permission for an extension of time to consider the matter. Both Newham and Bexley agreed to an extension deadline of 26 April.

Subject to the variation being approved 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 (Haverling & 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 Haverling as a result of sharing. oneSource has set a savings target for the Haverling 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 Haverling 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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**ONESOURCE JOINT  
COMMITTEE  
21 April 2017**

**Subject heading:**

**oneSource update for April 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.**

**SUMMARY**

The report covers:-

- The position in relation to Oracle Cloud
- An update in relation to the Governance project
- The position in relation to IR35
- An update on commercial developments.

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

**RECOMMENDATIONS**

The Joint Committee is asked to note the report.

## REPORT DETAIL

### **Oracle Cloud**

Members will recall that the Mayor of Newham decided not to move to Oracle Cloud in April 2018 and to instead commission an independent review of the options available to Newham. In the light of this decision, Havering decided not to move to Oracle Cloud in 2018 and to wait to see what Newham decided to do following its independent review.

The oneSource Oracle Cloud project was therefore shut down and the abortive costs will be written off in 2016/17.

oneSource continues to work with the 1Oracle Partnership, led by Brent, on developing options for future service provision at the end of the Cap Gemini contract at the end of June 2018.

### **Governance Structures Review**

The governance structures review has been discussed with the Chief Executives from the three councils who have asked for additional work to be completed. A meeting is being arranged with the Mayor of Newham and the Leaders of Havering and Bexley but diary pressures mean this is unlikely to take place before June. This will be followed up by a meeting of the Joint Committee.

### **IR35**

A major review of agency staff has been undertaken to prepare for the change in responsibility in relation to determining the status of agency staff and interims for the purposes of the HMRC's IR35 tax rules from 6 April 2017. In the past, the determination around status has been made by the individual but this responsibility has now been transferred to public bodies (the private sector is not impacted in the same way at present). The HMRC has also issued a toolkit for reaching the determination.

Managers have had to undertake the determination for all agency and interim staff and this led to the vast majority of agency and interim staff being found to be operating within IR35. Many agency and interim staff had previously assumed they were outside IR35. The impact for these staff is that from 6 April 2017 they are liable for higher tax and NI contributions and therefore will receive lower take home pay. The councils' and oneSource's position is that it is not prepared to review daily rates except in exceptional circumstances.

In the event, a small number of agency and interim staff have chosen to move on but most have remained with oneSource on their current rates. A small number have been recruited into permanent positions. However, it remains to be seen what the market response is to the change in tax arrangements for agency and interim staff in the medium to long term. oneSource managers are keeping the situation under close scrutiny as any upwards movement on rates in the market will eventually impact budgets adversely.

## **Commercial opportunities**

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

oneSource HR has recently been shortlisted for five PPMA awards:-

- Social media recruitment campaign of the year
- Commercialisation in HR
- The role of HR in innovation
- Best frontline recruitment campaign advert
- Improving workplace productivity through better work life balance.

Caroline Nugent, oneSource's Director of HR and OD, takes over later this month as President of the PPMA for 2017/18.

In the Public Finance Innovation Awards, oneSource has been shortlisted in two categories:-

- Innovation in Internal Audit
- Innovation in Treasury & Asset Management.

oneSource was shortlisted for the Local Government Chronicle award for Most Innovative Service Delivery Model in March but unfortunately was unsuccessful on the night.

oneSource will have a presence at the LGA Conference in July and the CIPFA Conference which is also in July.

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.

## **IMPLICATIONS AND RISKS**

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

There are no financial implications associated with this report, which is for information only.

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## JOINT COMMITTEE

21st April 2017

**Subject Heading:**

**oneSource Budget 2017/2018**

**Report Author and contact details:**

**Paul Thorogood  
paul.thorogood@oneSource.co.uk  
020 3373 4838**

**Financial summary:**

**The oneSource base budget for 2017/2018 is £52.068m made up of £35.979m for oneSource Shared and £16.089m for oneSource non Shared.**

### SUMMARY

The report sets out the base budget for oneSource services for both shared and non shared for the financial year 2017/2018 including the apportionment between the three partner Councils.

The base budget for oneSource shared is £35.979m and £16.089m for non shared after taking into consideration non recurring funding from 2016/2017 and agreed growth and savings for 2017/2018.

### RECOMMENDATIONS

The Joint Committee is asked to note the based budget for oneSource services for 2017/2018.

### REPORT DETAIL

#### **Base Budget 2017/2018 – oneSource Shared**

The closing budget for the 2016/2017 financial year for oneSource shared services is £37.418m. Taking into account non recurrent funding, growth and savings previously

agreed for 2017/2018 this reduces the budget by £1.439m to provide an opening budget of £35.979m for the 2017/2018 financial year. The summarised position is set out in the table below:

*Table 1 - oneSource Shared Budget Opening Budget*

	Income £'m	Expenditure £'m	Net Income/ Expenditure £'m
Closing Budget 2016/2017	(11.297)	48.715	37.418
Removal of One Off Funding		(0.336)	(0.336)
Additional Growth		0.649	0.649
Removal of Savings		(1.752)	(1.752)
Opening Budget 2017/2018	(11.297)	47.276	35.979

The net expenditure is funded by the three partner Councils based on set percentages agreed on a service by service basis. The £35.979m is budgeted to be funded 6.79% by the London Borough of Bexley, 45.26% by the London Borough of Havering and 47.95% by the London Borough of Newham. The tables below summaries the movement in budget by Council.

*Table 2a - oneSource Shared Budget for Bexley Opening Budget*

	Income £'m	Expenditure £'m	Net Income/ Expenditure £'m
Closing Budget 2016/2017	(0.242)	2.980	2.738
Removal of Savings		(0.296)	(0.296)
Opening Budget 2017/2018	(0.242)	2.684	2.442

*Table 2b - oneSource Shared Budget for Havering Opening Budget*

	Income £'m	Expenditure £'m	Net Income/ Expenditure £'m
Closing Budget 2016/2017	(1.371)	18.244	16.873
Removal of One Off Funding		(0.206)	(0.206)
Additional Growth		0.237	0.237
Removal of Savings		(0.620)	(0.620)
Opening Budget 2017/2018	(1.371)	17.655	16.284



*Table 2c - oneSource Shared Budget for Newham Opening Budget*

	Income £'m	Expenditure £'m	Net Income/ Expenditure £'m
Closing Budget 2016/2017	(9.684)	27.491	17.807
Removal of One Off Funding		(0.130)	(0.130)
Additional Growth		0.412	0.412
Removal of Savings		(0.836)	(0.836)
Opening Budget 2017/2018	(9.684)	26.937	17.253

### **One Off Funding – oneSource Shared**

As set out in Table 1, the 2016/2017 net budget for oneSource Shared included non recurrent funding of £0.336m which was funded 61.31% by Havering and 38.69% by Newham. This funding was in respect of:

*Table 3 – oneSource Shared one off Funding for 2016/2017*

	Expenditure £'m	Funded by Havering £'m	Funded by Newham £'m
Information Communication Technology	0.286	0.156	0.130
Strategic & Operational Human Resources	0.050	0.050	
<b>Total</b>	<b>0.336</b>	<b>0.206</b>	<b>0.130</b>

During the 2016/2017 financial year there will have been further additional funding for oneSource services for projects and programme support however in a number of cases expenditure was charged straight to the respective service within the Council. For transparency on the full cost of oneSource services, financial procedures for the 2017/2018 financial year are being reviewed to ensure this is fully traceable.

### **Growth – oneSource Shared**

As set out in Table 1, the 2017/2018 net budget for oneSource Shared includes additional funding of £0.649m which is funded 36.54% by Havering and 63.46% by Newham. This funding is recurring and has been agreed by both Councils Senior Leadership Teams and is in respect of:

*Table 4 – oneSource Shared Growth for 2017/2018*

	Expenditure £'m	Funded by Havering £'m	Funded by Newham £'m
HR Agency Worker Posts	0.088	0.035	0.053
Legal Capacity	0.561	0.202	0.359
<b>Total</b>	<b>0.649</b>	<b>0.237</b>	<b>0.412</b>

*HR Agency Working Posts*

This is recurring funding to deliver comprehensive contract management of the MSTAR framework. The pressing need to find savings from this contract will only be realised with strong contract management as we enter into more third-party arrangements to identify further savings. The biggest savings will come from managing these contracts effectively, it is more than ensuring that suppliers meet their contractual obligations, it is about continuous improvement throughout the life of the contract. The arrangements will include checking of invoices and incorrect payments to ensure the provider deliver their obligations, as well as ongoing monitoring to drive out further savings and to advise managers on alternative ways of resourcing.

*Legal Capacity*

As reported to the Joint Committee in January 2017, the oneSource legal service has consistently seen an increase demand for legal services from both Havering and Newham. This has resulted in additional capacity being in place since at least October 2015 and to date this additional expenditure has been funded through oneSource, however this position is not sustainable. The additional funding will support the service in continuing to meet the demands of the Councils and provide a sustainable workforce.

**Savings – oneSource Shared**

As set out in Table 1, the 2017/2018 net budget for oneSource Shared includes additional savings of £1.752m. The apportionment of this saving is 16.89% Bexley, 35.41% Havering and 47.70% for Newham.

These savings are predominantly in respect of a reduction in employee related expenditure as set out in the original business cases for oneSource. As reported previously to the Committee in a number of cases Directors delivered restructures in 2016/2017 to achieve both the 2016/2017 and 2017/2018 saving in order that only one restructure was required. Due diligence on the remaining deliverable savings for 2017/2018 is currently underway and will be reported to the next meeting of the Joint Committee.

The savings split by oneSource service are set out in the table below:

*Table 4 – oneSource shared increase in savings for 2017/2018*

	Saving £'m	Saving for Bexley £'m	Saving for Havering £'m	Saving for Newham £'m
Audit, Risk, Insurance & Fraud	(0.177)	(0.060)	(0.081)	(0.036)
Procurement (incl strategic)	(0.036)	(0.000)	(0.013)	(0.023)
Corporate/Strategic/ Operational Finance	(0.344)	(0.170)	(0.042)	(0.132)
ICT / Business Systems	(0.383)	(0.000)	(0.158)	(0.225)
NNDR	(0.011)	(0.000)	(0.004)	(0.007)
Transactional	(0.235)	(0.090)	(0.038)	(0.107)
Debt Management/Recovery	(0.068)	(0.000)	(0.037)	(0.030)
Benefits - Havering	(0.042)	(0.000)	(0.042)	(0.000)
Council Tax - Havering	(0.029)	(0.000)	(0.029)	(0.000)
Legal	(0.081)	(0.000)	(0.030)	(0.051)
Facilities management	(0.034)	(0.000)	(0.012)	(0.021)
Health & Safety	(0.111)	(0.000)	(0.055)	(0.056)
Property	(0.034)	(0.000)	(0.013)	(0.022)
Post Room	(0.027)	(0.000)	(0.010)	(0.017)
Directors Support	(0.006)	(0.000)	(0.002)	(0.004)
Human Resources & Organisational Development	(0.102)	(0.000)	(0.026)	(0.075)
Business Services	(0.031)	(0.000)	(0.058)	0.028
<b>Total</b>	<b>(1.752)</b>	<b>(0.320)</b>	<b>(0.630)</b>	<b>(0.824)</b>

**Breakdown by Service – oneSource Shared**

Appendix A to this report provides the split of the 2017/2018 oneSource shared budget by service.

**Reserves**

In previous years where oneSource has underspent a reserve has been set up in the respective Council to hold this balance to fund future year financial pressures or to be utilised as an invest to save funding stream. After year end adjustments for 2016/2017 it is expected the reserve will have a balance of £0.763m as set out below.

*Table 5 – oneSource Shared Reserve for 2017/2018*

	Balance £'m	Funded by Havering £'m	Funded by Newham £'m
Closing Balance 2015/2016	1.867	1.189	0.679
Estimated Used in 2016/2017	(1.034)	(0.526)	(0.508)
Forecast Closing Balance 2016/2017	0.834	0.663	0.171

The estimated use in 2016/2017 includes the forecast overspend as reported for month eleven and funding to support incurred expenditure in respect of finance transformation, business improvement and IT services.

**Base Budget 2017/2018 – oneSource non Shared**

The closing budget for the 2016/2017 financial year for oneSource non shared services is £17.593 Taking into account non recurrent funding, growth and savings previously agreed for 2017/2018 this reduces the budget by £1.504m to provide an opening budget of £16.089m for the 2017/2018 financial year. The summarised position is set out in the table below:

*Table 6 - oneSource non Shared Budget Opening Budget (3 councils combined)*

	Income £'m	Expenditure £'m	Net Income/ Expenditure £'m
Closing Budget 2016/2017	(512.642)	530.235	17.593
Removal of One Off Funding		(1.913)	(1.913)
Additional Growth		1.286	1.286
Removal of Savings	(0.570)	(0.307)	(0.877)
Opening Budget 2017/2018	(513.212)	529.301	16.089

The table above shows the total oneSource non-shared budgets combined. However, it should be noted that these budgets are not part of the cost-sharing arrangement. All three councils' budgets have been combined within the above table to provide information regarding the size of the non-shared budgets for which oneSource managers are responsible outside of/over and above the oneSource cost sharing arrangement resources.

The tables below summaries the movement in budget by Council.

*Table 7a - oneSource non Shared Budget for Bexley Opening Budget*

	Income £'m	Expenditure £'m	Net Income/ Expenditure £'m
Closing Budget 2016/2017	(101.665)	106.195	4.530
Removal of One Off Funding		0.000	0.000
Additional Growth		0.126	0.126
Removal of Savings		(0.097)	(0.097)
Opening Budget 2017/2018	(101.665)	106.224	4.559

*Table 7b - oneSource non Shared Budget for Havering Opening Budget*

	Income £'m	Expenditure £'m	Net Income/ Expenditure £'m
Closing Budget 2016/2017	(85.745)	87.820	2.075
Removal of One Off Funding		(1.603)	(1.603)
Additional Growth		0.760	0.760
Removal of Savings	(0.236)	(0.070)	(0.306)
Opening Budget 2017/2018	(85.981)	86.907	0.926

*Table 7c - oneSource non Shared Budget for Newham Opening Budget*

	Income £'m	Expenditure £'m	Net Income/ Expenditure £'m
Closing Budget 2016/2017	(325.232)	336.220	10.988
Removal of One Off Funding		(0.310)	(0.310)
Additional Growth		0.400	0.400
Removal of Savings	(0.334)	(0.140)	(0.474)
Opening Budget 2017/2018	(325.566)	336.170	10.604

Note – this doesn't include the apportionment of Newham 2020 savings or the Newham vacancy factor savings which are due to be allocated across Newham budgets in 2017/18.

**One Off Funding – oneSource non Shared**

The one off funding for each of the boroughs relates to transfers from reserves which have taken place throughout 2016/17 for a variety of reasons such as; funding of demountable

buildings, Oracle Cloud exploration costs, terms and conditions review staffing costs and emergency assistance scheme funding.

**Growth – oneSource non Shared**

Growth has been agreed in all three councils for a number of reasons including pay inflation and contract inflation.

**Savings – oneSource non Shared**

Each of the authorities have tasked oneSource non-shared with savings targets. These are set out below:

Bexley:

- Pension deficit savings relating to early retirement £8k
- Capital contract saving £89k

Havering

- Stubbers County Park saving £70k
- Commercial Property income £236k

Newham

- HR contract saving £10k
- Commercial Property income £333k
- Depot Review £130k

**Breakdown by Service – oneSource Shared**

Appendix B, C and D provide the information cited above at service level.

**REASONS AND OPTIONS**

The oneSource budget is developed from the three partner Councils revenue budgets which have already been agreed by full Council for each of the respective of the partners. The content of this report is for noting by the committee and is consolidating the oneSource budget from that held by the respective Councils.

**Reasons for the decision:**

Not applicable.

**Other options considered:**

Not applicable.

**IMPLICATIONS AND RISKS**

**Financial implications and risks:**

The financial position of oneSource for both shared and non shared has a direct bearing on the financial position of Bexley, Havering and Newham Councils; with any overspends being shared as set out in the Joint Committee agreement. Delivering of oneSource services within the set budget is therefore vital to each council meeting their Financial Strategy.

Robust financial management processes are in place across oneSource and the financial performance against the set budget will be monitored through the Joint Committee inline with current practice.

**Legal implications and risks:**

There are no immediate legal implications arising from this report.

**Human Resources implications and risks:**

There are no immediate HR implications arising from this report.

**Equalities implications and risks:**

There are no equalities implications arising from this report.

**BACKGROUND PAPERS**

oneSource Joint Committee Agreement

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Appendix A - oneSource Shared Based Budget 2017/2018

	Closing Budget 2016/2017				Removal of One Off Funding			Additional Growth			Removal of Savings				Opening Budget 2017/2018			
	Bexley £'m	Havering £'m	Newham £'m	Combined £'m	Havering £'m	Newham £'m	Combined £'m	Havering £'m	Newham £'m	Combined £'m	Bexley £'m	Havering £'m	Newham £'m	Total £'m	Bexley £'m	Havering £'m	Newham £'m	Total £'m
<b>Finance Services</b>	<b>2.166</b>	<b>2.613</b>	<b>5.017</b>	<b>9.796</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>(0.206)</b>	<b>(0.115)</b>	<b>(0.236)</b>	<b>(0.557)</b>	<b>1.960</b>	<b>2.498</b>	<b>4.781</b>	<b>9.239</b>
Audit, Risk, Insurance & Fraud	0.352	0.273	0.960	1.585	0.000	0.000	0.000	0.000	0.000	0.000	(0.036)	(0.060)	(0.081)	(0.177)	0.316	0.213	0.879	1.407
Corporate & Operational Finance	1.814	2.131	3.191	7.136	0.000	0.000	0.000	0.000	0.000	0.000	(0.170)	(0.042)	(0.132)	(0.344)	1.644	2.089	3.059	6.792
Procurement	0.000	0.210	0.866	1.075	0.000	0.000	0.000	0.000	0.000	0.000	0.000	(0.013)	(0.023)	(0.036)	0.000	0.196	0.843	1.040
<b>Business Services</b>	<b>0.000</b>	<b>1.432</b>	<b>0.111</b>	<b>1.543</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>(0.058)</b>	<b>0.000</b>	<b>(0.058)</b>	<b>0.000</b>	<b>1.374</b>	<b>0.111</b>	<b>1.484</b>
<b>Exchequer &amp; Transactional Services</b>	<b>0.572</b>	<b>4.763</b>	<b>2.878</b>	<b>8.213</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>(0.090)</b>	<b>(0.151)</b>	<b>(0.145)</b>	<b>(0.386)</b>	<b>0.482</b>	<b>4.612</b>	<b>2.733</b>	<b>7.827</b>
Council Tax and Benefits	0.222	2.075	0.000	2.297	0.000	0.000	0.000	0.000	0.000	0.000	0.000	(0.071)	0.000	(0.071)	0.222	2.003	0.000	2.225
Debt Management & Recovery	(0.130)	(0.094)	(0.039)	(0.263)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	(0.037)	(0.030)	(0.068)	(0.130)	(0.131)	(0.070)	(0.331)
NNDR	0.000	0.203	0.369	0.572	0.000	0.000	0.000	0.000	0.000	0.000	0.000	(0.004)	(0.007)	(0.011)	0.000	0.199	0.362	0.561
Transactional Services	0.480	1.829	2.389	4.697	0.000	0.000	0.000	0.000	0.000	0.000	(0.090)	(0.038)	(0.107)	(0.235)	0.390	1.790	2.282	4.462
Exchequer & Transactional Management	0.000	0.751	0.159	0.910	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.751	0.159	0.910
<b>Legal &amp; Governance</b>	<b>0.000</b>	<b>1.436</b>	<b>2.035</b>	<b>3.471</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.202</b>	<b>0.359</b>	<b>0.561</b>	<b>0.000</b>	<b>(0.030)</b>	<b>(0.051)</b>	<b>(0.081)</b>	<b>0.000</b>	<b>1.609</b>	<b>2.342</b>	<b>3.951</b>
Democratic & Electoral Services	0.000	0.456	0.336	0.792	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.456	0.336	0.792
Legal	0.000	0.980	1.699	2.679	0.000	0.000	0.000	0.202	0.359	0.561	0.000	(0.030)	(0.051)	(0.081)	0.000	1.153	2.006	3.159
<b>ICT Services</b>	<b>0.000</b>	<b>4.128</b>	<b>4.589</b>	<b>8.717</b>	<b>(0.156)</b>	<b>(0.130)</b>	<b>(0.286)</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>(0.158)</b>	<b>(0.225)</b>	<b>(0.383)</b>	<b>0.000</b>	<b>3.814</b>	<b>4.234</b>	<b>8.048</b>
<b>Asset Management Services</b>	<b>0.000</b>	<b>1.535</b>	<b>0.999</b>	<b>2.534</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>(0.082)</b>	<b>(0.103)</b>	<b>(0.185)</b>	<b>0.000</b>	<b>1.453</b>	<b>0.895</b>	<b>2.349</b>
Facilities Management	0.000	0.116	0.026	0.142	0.000	0.000	0.000	0.000	0.000	0.000	0.000	(0.012)	(0.021)	(0.034)	0.000	0.104	0.005	0.108
Property	0.000	(0.023)	0.026	0.003	0.000	0.000	0.000	0.000	0.000	0.000	0.000	(0.013)	(0.022)	(0.034)	0.000	(0.036)	0.005	(0.031)
Health & Safety	0.000	0.914	0.965	1.879	0.000	0.000	0.000	0.000	0.000	0.000	0.000	(0.055)	(0.056)	(0.111)	0.000	0.859	0.909	1.768
Asset Management Support	0.000	0.529	(0.019)	0.510	0.000	0.000	0.000	0.000	0.000	0.000	0.000	(0.002)	(0.004)	(0.006)	0.000	0.526	(0.022)	0.504
<b>Strategic &amp; Operational HR</b>	<b>0.000</b>	<b>0.965</b>	<b>2.179</b>	<b>3.144</b>	<b>(0.050)</b>	<b>0.000</b>	<b>(0.050)</b>	<b>0.035</b>	<b>0.053</b>	<b>0.088</b>	<b>0.000</b>	<b>(0.026)</b>	<b>(0.075)</b>	<b>(0.102)</b>	<b>0.000</b>	<b>0.923</b>	<b>2.157</b>	<b>3.080</b>
	<b>2.738</b>	<b>16.873</b>	<b>17.807</b>	<b>37.418</b>	<b>(0.206)</b>	<b>(0.130)</b>	<b>(0.336)</b>	<b>0.237</b>	<b>0.412</b>	<b>0.649</b>	<b>(0.296)</b>	<b>(0.620)</b>	<b>(0.836)</b>	<b>(1.752)</b>	<b>2.442</b>	<b>16.284</b>	<b>17.253</b>	<b>35.979</b>

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**Appendix B - oneSource Bexley Non Shared Based Budget 2017/2018**

	<b>Closing Budget 2016/2017</b>	<b>Removal of One Off Funding</b>
	<b>£'m</b>	<b>£'m</b>
Exchequer Services	3.541	0.000
Finance Services	0.989	0.000
	<b>4.530</b>	<b>0.000</b>

<b>Additional Growth</b>	<b>Removal of Savings</b>	<b>Opening Budget 2017/2018</b>
<b>£'m</b>	<b>£'m</b>	<b>£'m</b>
0.126	(0.089)	3.578
0.000	(0.008)	0.981
<b>0.126</b>	<b>(0.097)</b>	<b>4.559</b>

**Appendix C- oneSource Havering Non Shared Based Budget 2017/2018**

	<b>Closing Budget 2016/2017</b>	<b>Removal of One Off Funding</b>
	<b>£'m</b>	<b>£'m</b>
Exchequer Services	(1.099)	(0.115)
Business Services	0.055	(0.055)
Asset Management	0.099	(1.231)
Strategic HR & OD	0.497	(0.054)
Legal & Democratic Svs	1.550	(0.021)
ICT Services	0.971	(0.318)
	<b>2.074</b>	<b>(1.794)</b>

<b>Additional Growth</b>	<b>Removal of Savings</b>	<b>Opening Budget 2017/2018</b>
<b>£'m</b>	<b>£'m</b>	<b>£'m</b>
0.041	0.000	(1.173)
0.001	0.000	0.001
0.696	(0.306)	(0.741)
0.003	0.000	0.446
0.020	0.000	1.549
0.000	0.000	0.654
<b>0.760</b>	<b>(0.306)</b>	<b>0.735</b>

**Appendix D - oneSource Newham Non Shared Based Budget 2017/2018**

	<b>Closing Budget 2016/2017</b>	<b>Removal of One Off Funding</b>
	<b>£'m</b>	<b>£'m</b>
Finance	0.109	0.000
Human Resources	0.687	0.000
Legal & Democratic	0.000	0.000
Asset Management	(0.778)	0.000
LBN Transactional Services	9.717	(0.295)
ICT Services	1.253	0.000
Business Services	0.000	(0.015)
	<b>10.988</b>	<b>(0.310)</b>

<b>Additional Growth</b>	<b>Removal of Savings</b>	<b>Opening Budget 2017/2018</b>
<b>£'m</b>	<b>£'m</b>	<b>£'m</b>
0.000	0.000	0.109
0.000	(0.010)	0.677
0.000	0.000	0.000
0.000	(0.464)	(1.242)
0.400	0.000	9.822
0.000	0.000	1.253
0.000	0.000	(0.015)
<b>0.400</b>	<b>(0.474)</b>	<b>10.604</b>



Appendix A - oneSource Shared Based Budget 2017/2018

	Closing Budget 2016/2017				Removal of One Off Funding			Additional Growth			Removal of Savings				Opening Budget 2017/2018			
	Bexley £'m	Havering £'m	Newham £'m	Combined £'m	Havering £'m	Newham £'m	Combined £'m	Havering £'m	Newham £'m	Combined £'m	Bexley £'m	Havering £'m	Newham £'m	Total £'m	Bexley £'m	Havering £'m	Newham £'m	Total £'m
Audit, Risk, Insurance & Fraud	0.352	0.273	0.960	1.585	0.000	0.000	0.000	0.000	0.000	0.000	(0.036)	(0.060)	(0.081)	(0.177)	0.316	0.213	0.879	1.407
Corporate & Operational Finance	1.814	2.131	3.191	7.136	0.000	0.000	0.000	0.000	0.000	0.000	(0.170)	(0.042)	(0.132)	(0.344)	1.644	2.089	3.059	6.792
Procurement	0.000	0.210	0.866	1.075	0.000	0.000	0.000	0.000	0.000	0.000	0.000	(0.013)	(0.023)	(0.036)	0.000	0.196	0.843	1.040
Business Services	0.000	1.432	0.111	1.543	0.000	0.000	0.000	0.000	0.000	0.000	0.000	(0.058)	0.000	(0.058)	0.000	1.374	0.111	1.484
Council Tax and Benefits	0.222	2.075	0.000	2.297	0.000	0.000	0.000	0.000	0.000	0.000	0.000	(0.071)	0.000	(0.071)	0.222	2.003	0.000	2.225
Debt Management & Recovery	(0.130)	(0.094)	(0.039)	(0.263)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	(0.037)	(0.030)	(0.068)	(0.130)	(0.131)	(0.070)	(0.331)
NNDR	0.000	0.203	0.369	0.572	0.000	0.000	0.000	0.000	0.000	0.000	0.000	(0.004)	(0.007)	(0.011)	0.000	0.199	0.362	0.561
Transactional Services	0.480	1.829	2.389	4.697	0.000	0.000	0.000	0.000	0.000	0.000	(0.090)	(0.038)	(0.107)	(0.235)	0.390	1.790	2.282	4.462
Exchequer & Transactional Management	0.000	0.751	0.159	0.910	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.751	0.159	0.910
Democratic & Electoral Services	0.000	0.456	0.336	0.792	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.456	0.336	0.792
Legal	0.000	0.980	1.699	2.679	0.000	0.000	0.000	0.202	0.359	0.561	0.000	(0.030)	(0.051)	(0.081)	0.000	1.153	2.006	3.159
ICT Management	0.000	(0.076)	(0.493)	(0.569)	(0.156)	(0.130)	(0.286)	0.000	0.000	0.000	0.000	(0.158)	(0.225)	(0.383)	0.000	(0.389)	(0.848)	(1.238)
Support Centre	0.000	0.256	0.000	0.256	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.256	0.000	0.256
Application and Development	0.000	1.912	1.977	3.889	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	1.912	1.977	3.889
Commercial Services	0.000	(0.026)	(0.174)	(0.201)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	(0.026)	(0.174)	(0.201)
Programmes and Projects	0.000	0.535	0.517	1.052	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.535	0.517	1.052
Unified Communications	0.000	1.527	2.762	4.289	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	1.527	2.762	4.289
Facilities Management	0.000	0.116	0.026	0.142	0.000	0.000	0.000	0.000	0.000	0.000	0.000	(0.012)	(0.021)	(0.034)	0.000	0.104	0.005	0.108
Property	0.000	(0.023)	0.026	0.003	0.000	0.000	0.000	0.000	0.000	0.000	0.000	(0.013)	(0.022)	(0.034)	0.000	(0.036)	0.005	(0.031)
Health & Safety	0.000	0.914	0.965	1.879	0.000	0.000	0.000	0.000	0.000	0.000	0.000	(0.055)	(0.056)	(0.111)	0.000	0.859	0.909	1.768
Asset Management Support	0.000	0.529	(0.019)	0.510	0.000	0.000	0.000	0.000	0.000	0.000	0.000	(0.002)	(0.004)	(0.006)	0.000	0.526	(0.022)	0.504
Strategic & Operational HR	0.000	0.965	2.179	3.144	(0.050)	0.000	(0.050)	0.035	0.053	0.088	0.000	(0.026)	(0.075)	(0.102)	0.000	0.923	2.157	3.080
	<b>2.738</b>	<b>16.873</b>	<b>17.807</b>	<b>37.418</b>	<b>(0.206)</b>	<b>(0.130)</b>	<b>(0.336)</b>	<b>0.237</b>	<b>0.412</b>	<b>0.649</b>	<b>(0.296)</b>	<b>(0.620)</b>	<b>(0.836)</b>	<b>(1.752)</b>	<b>2.442</b>	<b>16.284</b>	<b>17.253</b>	<b>35.979</b>

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**ONESOURCE JOINT  
COMMITTEE  
21 April 2017**

**Subject heading:**

**2017/18 Service Level Agreements  
and Service Plans**

**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 sets out the service levels and the service plans that oneSource is committing to for the budget it expects to receive from Newham and Havering. Bexley's service level agreements will be developed in the coming months, if they decide they are required.**

<b>SUMMARY</b>
----------------

The Service Level Agreements (SLAs) and service plans define the services provided by oneSource, the required level of standards and the major projects or priorities for those services. The SLAs for 2017/18 were developed in consultation with the Senior Leadership Teams (SLTs) in Havering and Newham, with individual sets produced for both boroughs. SLAs for Bexley Council will be developed in the coming months, if the Council decides that they are required. The current drafts of the SLAs are available for Joint Committee Members under Part B of this agenda.

Service Plans have been developed and are included as appendices to the SLAs. Newham Council also provides Commissioning Intentions documents each year and these will be included once they have been finalised by Newham. SLTs, in both councils, will be consulted on these plans over the coming month.

The SLAs are living documents and comments are welcome on all documentation. The SLAs can be varied as necessary throughout the year in agreement with the relevant stakeholders.

## RECOMMENDATIONS

The Joint Committee is asked to approve the oneSource Service Level Agreements and Service Plans for 2017/18 and to delegate authority to the Managing Director to approve any amendments that prove necessary during the year.

## REPORT DETAIL

### Background

The Joint Committee is required under the oneSource Scheme of Delegation to consider and approve the annual service plan for each shared service. This report sets out the Service Level Agreement for 2017/18 for each service and the associated Service Plans..

### Process

The Director of each service developed a SLA for their service, which were collectively shared with both Newham and Havering's SLTs before end of December 2016. This was followed by an extremely detailed period of examination and review by both boroughs; with considerable feedback received. This was an iterative process to ensure that both sets of SLAs captured the necessary information. The comments are incorporated into the current versions of the Service Level Agreements.

Service Plans for 2017/18 have recently been developed by each Director based on the budget available from the three councils, and are included within the SLAs. These have not yet been consulted on with SLTs, but this process will commence following the April Joint Committee meeting.

The Service Level Agreements and the Service Plans cannot be set in stone, as the context for oneSource continually changes. It is therefore requested that any subsequent changes to these documents are approved by the Managing Director during the year.

Bexley did not require Service Level Agreements for the Finance and Exchequer Services for 2017/18. The Service Plans for Finance and Exchequer and Transactions include the services to be provided to Bexley.

### Service Level Agreements and Service Plans

The SLAs are important aspect in delivering services to the councils. oneSource has agreed an overarching SLA with both Havering and Newham Councils, which set out the overall service customers can expect to receive from oneSource. In addition to this, there are separate SLAs for each service-area within oneSource detailing the specific functions provided by each service.

The SLAs set out standards, timescales and range of services to be provided. The Service Plans details the projects and priorities for the service for the upcoming year.

## IMPLICATIONS AND RISKS

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

There are no financial implications associated with this report. The SLAs and Service Plans have been written in the context of the budget being made available by Newham, Havering and Bexley and set out the services to be delivered within this budget. The SLAs also set out mechanisms for managing any required changes to service delivery that emerge during the year and the associated impact on funding from the relevant Council(s).

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

oneSource is a joint committee established under 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.

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.

The SLAs are non-contractual agreements that are not legally enforceable.

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

Current staffing levels are set out within the Service Plans. Service commitments are made in the context of the current level of staffing within oneSource.

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

There are no equality implications or risks.

**BACKGROUND PAPERS**

Service Level Agreements, including Service Plans, are provided under Part B of this agenda for the following services:-

	Newham	Havering
Finance (including Procurement and Assurance)	✓	✓
Exchequer and Transactions	✓	✓
Human Resources	✓	✓
Legal Services	✓	✓
Asset Management	✓	✓
ICT	✓	✓
Main oneSource SLA	✓	✓

The Service Plans are included in the Service Level Agreements and for Finance and Exchequer and Transactions include the services for Bexley.

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

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