



ONESOURCE JOINT COMMITTEE AGENDA

10.00 am	Friday 21 October 2016	Committee Room 3A - Havering Town Hall
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COUNCILLORS:

**LONDON BOROUGH OF
HAVERING**

Councillor Ron Ower
Councillor Melvin Wallace
Councillor Damian White

**LONDON BOROUGH OF
NEWHAM**

Councillor Lester Hudson
Councillor Forhad Hussain
Councillor Tonii Wilson

**LONDON BOROUGH OF
BEXLEY**

Councillor Donald Massey

**For information about the meeting please contact:
Andrew Beesley, Committee Administration Manager
Andrew.beesley@onesource.co.uk**

NOTES ABOUT THE MEETING

1. HEALTH AND SAFETY

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

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

2. MOBILE COMMUNICATIONS DEVICES

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

3. CONDUCT AT THE MEETING

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

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

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

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

AGENDA ITEMS

1 ANNOUNCEMENTS

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

2 APOLOGIES FOR ABSENCE

(if any) - receive

3 DISCLOSURES OF INTEREST

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

4 MINUTES (Pages 1 - 6)

To approve as a correct record the minutes of the meetings of the Joint Committee held on 8 July and 2 September 2015, and to authorise the Chairman to sign them.

5 ONESOURCE FORECAST FINANCIAL POSITION AS AT OCTOBER 2016 (Pages 7 - 16)

6 ONESOURCE UPDATE FOR OCTOBER 2016 (Pages 17 - 26)

7 TRANSFORMATION REPORT OCTOBER 2016 (Pages 27 - 34)

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**MINUTES OF A
ONESOURCE JOINT
COMMITTEE MEETING
Committee Room 3B -
Town Hall
Friday, 8 July 2016
(11.25 am - 12.00 pm)**

Present:

Councillors Lester Hudson (Chair), Forhad Hussain, Don Massey, Ron Ower, Melvin Wallace, Damian White and Tonii Wilson were present.

There were no disclosures of pecuniary interest.

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

1 ELECTION OF CHAIR AND VICE CHAIR

Following receipts of nominations and in accordance with the oneSource legal agreement, Councillor Lester Hudson was elected as Chair for the 2016/17 municipal. Councillor Don Massey was elected as Vice-Chair.

2 MINUTES

The minutes of the meetings of the Joint Committee held on 18 March 2015 were agreed as a correct record and signed by the Chair.

3 2015/16 ANNUAL REPORT

In accordance with the oneSource legal agreement, the Joint Committee was presented with an annual report for 2015/16.

In response to a query, Members were informed that the annual report was available to view on the oneSource website and was distributed at various conferences.

Members noted the annual report 2015/16.

4 2015/16 OUTTURN POSITION

It was reported that the overall oneSource shared outturn position showed an underspend of (£560k). This had been agreed to be carried forward to 2016/17 by the respective Council's to meet the ongoing transformation and development challenges.

It was noted that the underspend was a mixture of one off and on-going variances, with the bulk relating to delayed expenditure, over-achievement of savings, vacancy management and income generation.

The Havering and Newham non-shared outturn positions were (£1.202m) and (£1.910m) respectively.

The Joint Committee noted the 2015-16 oneSource outturn position.

5 STRATEGIC AND DELIVERY PLAN

The report and supporting documents before Members outlined oneSource's strategic direction and how its vision would be delivered. The document provided an overview of the organisation's strategy and outlined the priorities and activities which would take place during 2016/17.

A member remarked that customer expectations around the quality of service provision delivered had to be managed carefully and that a 'gold plated' service was no longer a realistic objective given the limit on available resources.

The Joint Committee agreed the oneSource Strategic Plan 2016 and the 2016-17 Delivery Plan.

6 CUSTOMER SATISFACTION REPORT 2016

The report before Members provided details of performance with oKPI 1 - Customer Satisfaction with oneSource services. The indicator was collected by an electronic survey campaign, which was undertaken biannually.

Members noted that the oneSource Business Services team monitors the relationship between oneSource and its customers and overall performance, ensuring oneSource meets the expectations of the programme and needs of its customers.

A challenging target 80% customer satisfaction target had been set for oneSource to exceed in 2015/16. For March 2016, combined customer satisfaction increased to 79%, rising by 3% since the previous survey conducted in September 2015, and just shy of the 80% target.

Individually, customer satisfaction with the service received was 79% from Havering customers, 76% from Newham customers and 86% from oneSource customers. The best performing services were HROD (89%), Facilities Management (84%), Property Services (86%), Health and Safety (98%), Printing Services (95%), and Internal Audit and Counter Fraud (85%).

It was reported that oneSource had made significant improvements to the delivery of its services but still required further action to combat the disparity in satisfaction for all three customers.

Members remarked that feedback was invaluable in identifying service failures and that prompt action to address those failures would assist greatly in increasing customer satisfaction levels.

The Joint Committee noted the report.

7 TRANSFORMATION UPDATE

The report explained that transformation projects covering Finance, HR & OD and Transactional Services were coming to a finish with staff consultation of new structures currently in progress.

It was noted that once implemented, savings of £2.349m would be delivered in 2016/17 against a target of £3.042m, an under achievement of £0.693m. It was reported that the difference was due to the current level of vacant posts. £3.633m would be achieved in 2017/18 compared to a target of £3.724m, a difference of £0.091m.

The Joint Committee noted the report.

8 JOINT COMMITTEE SCHEME OF DELEGATION TO OFFICERS

The report before Members sought approval for minor amendments to the attached consolidated Scheme of Delegation to Officers.

The Joint Committee agreed the minor amendments to the Scheme of Delegation as set out in Appendix A to the report.

9 FUTURE MEETING DATES

The Joint Committee agreed to meet on the following dates for the remainder of the 2016/17 municipal year:

21 October 2016
20 January 2017
21 April 2017

Chairman

Public Document Pack

**MINUTES OF A
ONESOURCE JOINT
COMMITTEE MEETING
Newham Dockside
Friday, 2 September 2016
(9.30 am - 1.00 pm)**

Present:

Councillors Lester Hudson (Chair), Forhad Hussain, Don Massey, Ron Ower, Melvin Wallace and Tonii Wilson were present.

There were no disclosures of interest.

Unless otherwise indicated, all decisions were agreed unanimously.

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

10 EXCLUSION OF THE PUBLIC

On a motion by the Chairman the Committee **RESOLVED:**

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

11 APPOINTMENT TO THE POST OF DIRECTOR OF TECHNOLOGY & INNOVATION

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

The Joint Committee felt that one candidate in particular had more relevant experience in delivering a shared service arrangement which was of particular importance moving forward for oneSource. In addition, that candidate also demonstrated a real passion and enthusiasm for delivering the oneSource vision.

The Joint Committee therefore had no hesitation in deciding which of the candidates it would recommend for appointment and indicated a provisional intention to make an offer to that candidate.

Chairman



ONESOURCE JOINT COMMITTEE

21 October 2016

Subject heading:

oneSource forecast financial position as at October 2016.

Report author and contact details:

Owen Sparks
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 01708 432203

Financial summary:

The oneSource shared forecast financial position as at August 2016 shows an overspend of £373k.

There are no significant overall variances forecast on the non shared budgets for any of the partner boroughs.

Is this a Key Decision?

No

SUMMARY

The overall oneSource shared outturn position shows an overspend of £373k.

This largely relates to delays in implementing restructures partially offset by vacancy management. Although a number of steps have been taken to reduce costs within Legal Services, a pressure remains due to an additional staffing requirement to meet the demand from customers.

Management action is underway throughout oneSource to reduce the forecast overspend, with a full year impact expected in 17/18. It is anticipated that any variance remaining at the year-end will be met from the use of carry forwards and as such will not require additional funding from the partner Councils.

There are no significant overall variances forecast on the non shared budgets for any of the partner boroughs.

RECOMMENDATIONS

The Joint Committee is asked to: -

- note the oneSource forecast outturn position as at August 2016 and the future plans to bring oneSource back within budget;
- note the transfer of Education Capital, Technical Services and Council Tax and Benefits Services from oneSource shared to non shared.

REPORT DETAIL

This report provides Members of the Joint Committee with the forecast outturn position of both the oneSource shared budgets (Appendix A) and the non shared budgets that oneSource manages on behalf of the individual partners (Appendices B, C and D).

The current shared overspend is £373k and this is apportioned based on the current profile of variances; £58k relating to Newham, £100k relating to Bexley and £215k relating to Havering.

There are no significant overall variances forecast on the non shared budgets for any of the partner boroughs. Within Havering however, at service level, a forecast Housing Benefit subsidy deficit and overspends in HR are offset by increased commercial property income and reduced staffing expenditure in Member and Election services.

The shared overspend is largely due to delays in implementing service review recommendations and associated service restructures.

There is a significant programme of restructures currently underway including Finance, Strategic & Operational HR and Exchequer & Transactional services. This follows the delayed implementation of One Oracle in Newham and includes an associated programme of service and process transformation.

These restructures will deliver the full savings targets currently required in the relevant services up until 2018/19, with a full year effect delivered from 2017/18. The position for the current year is being managed through holding vacancies and delaying non-essential expenditure. Directors and managers are also continuing to review their budgets to identify further opportunities to deliver savings and/or

additional income. It is anticipated the shared overspend will decrease over the remainder of the year.

Should the overspend not be completely eliminated by 31 March 2017, a proportion of the carried forward over achievement of savings will be required to support the 2016/17 savings slippage.

As well as the restructures detailed above, the other oneSource services e.g. ICT, Revenues and Benefits and Legal Services are examining their service delivery to identify different ways of providing services to reduce costs and bring in income.

Projects that have been initiated include:-

- Moving ICT services into the Cloud
- Standardising and sharing ICT systems across the two Councils e.g. workflow systems
- Maximising the return on commercial properties
- Using business intelligence already in place to bring in additional income in areas such as Council Tax, NNDR and Housing Benefit overpayments
- Bringing in legal work that is currently outsourced, together with a reduction in costs (eg postage, printing, publications) and

All services are looking for further opportunities to increase income from other boroughs e.g. further sharing of the health and safety service, developing ICT products to sell on, selling bailiff services and winning more contracts for passenger transport, providing legal services re school appeals and right to buy.

In some cases, there may be a need for some invest to save funding, especially in new ICT, to deliver the savings and business cases will be presented to the Councils for consideration.

A joint Budget Workshop is planned between the oneSource Management Team and the s151 officers and transformation leads from Havering, Newham and Bexley in November. This workshop will begin to shape the budget envelope for the next three years from 1 April 2018.

To support Newham's new corporate structure and service delivery model, Council Tax and Benefits services have been moved to non shared. The movement is reflected in the forecasts within this report. The associated savings targets have also accordingly been transferred and will need to be delivered by the relevant partners as appropriate.

Similarly, Technical Services and Schools Asset Management will be moved to OneSource non shared from period 7 (October). These services are currently managed by oneSource for Havering and Newham only.

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.

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

Any use of carried forward underspends 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 5 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 Shared Financial Position - Period 5 2016/17

Appendix A

SERVICE	NET REVISED CONTROLLABLE BUDGET	YTD ACTUALS	YTD ENCUMBRANCES	ACTUALS + ENCUMBRANCES	FY PROJECTED OUTTURN	FY PROJECTED OUTTURN VARIANCE	REASON FOR FY PROJECTED OUTTURN VARIANCE
Finance oneSource	6,234,027	4,657,171	494,916	5,152,086	6,454,035	220,008	The projected overspend is largely due to the delay in implementing restructures, partially offset by withholding vacancies.
Business Services	2,501,027	(836,178)	704	(835,474)	1,770,968	(730,059)	Overachievement of savings targets.
Exchequer & Transactional Services	8,101,754	4,310,507	67,153	4,377,660	8,553,417	451,663	Variance mainly due to delay in achieving savings targets and re-assessment of case load for enforcement services from LBB. Monitoring of the overall budget position by all managers will continue.
Legal & Governance	3,139,045	1,415,888	54,784	1,470,672	3,488,203	349,158	Forecasted pressure relates to over established posts within legal services, required to provide minimum level of service provision. A review of spend to identify further savings continues to take place as do investigations into additional sources of income. This will continue to be closely monitored.
IT Services	9,166,460	10,432,271	1,267,913	11,700,185	9,166,460	0	
Asset Management Services	1,283,327	6,675,562	9,204,822	15,880,384	1,271,800	(11,527)	
Strategic & Operational HR	3,120,260	1,463,703	30,345	1,494,049	3,214,257	93,997	Variance represents part-year effect of restructure partly mitigated by vacancy management.
TOTAL	33,545,900	28,118,924	11,120,637	39,239,561	33,919,139	373,239	The bulk of the forecasted overspend reflects the pressure derived from delays in implementing restructures. Many of the planned restructures are due to take effect this year but will only achieve a part-year effect/benefit due to not being live as of 1st of April.

NOTES

Budgets and forecasts show above relate to controllable budgets only

Apportionment is based on the 2016/17 Joint Committee budget percentages and may be recalculated to reflect subsequent budget adjustments

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

Havering 215,043

Bexley 100,290

Newham 57,907

OneSource Havering Non-Shared Financial Position - Period 5 2016/17

Appendix B

SERVICE	NET REVISED CONTROLLABLE BUDGET	YTD ACTUALS	YTD ENCUMBRANCES	ACTUALS + ENCUMBRANCES	FY PROJECTED OUTTURN	FY PROJECTED OUTTURN VARIANCE	REASON FOR FY PROJECTED OUTTURN VARIANCE
Exchequer & Transactional Services (Housing Benefits)	(1,139,400)	(5,616,976)	84,901	(5,532,075)	(1,054,643)	84,757	Invoices raised are 800k down compared to last year. Less errors are being found in the system and the bigger over payment exercises were completed last year, therefore, forecast is a deficit of £250k
Internal Shared Services (Pensions)	(2,030)	157,179	(686)	156,492	13,190	15,220	
Legal & Governance (Members costs and Elections)	1,575,748	784,390	7,694	792,084	1,487,748	(88,000)	Bulk of underspend relates to staffing
Asset Management Services (Transport, Commercial Property, Schools, Premises Management)	643,993	68,810	(62,483)	6,326	507,076	(136,917)	At this stage in the cycle the projected under-recovery in respect of Romford Market and the Land Restoration Scheme is comfortably offset by rent income that reflects low voids and a previously buoyant economy
Strategic & Operational HR (Unions, Apprentices)	496,754	145,615	2,074	147,689	596,692	99,938	Cumulative effect of various pressures currently being investigated
Business Services	55,000	23,463	0	23,463	55,000	0	
TOTAL	1,630,065	(4,437,520)	31,500	(4,406,020)	1,605,063	(25,002)	Bulk of forecasted underspend relates to staffing and over-achievement of commercial property income. This is offset in part by a number of smaller variances within the HR budgets.

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.

OneSource Bexley Non-Shared Financial Position - Period 5 2016/17

Appendix C

SERVICE	NET REVISED CONTROLLABLE BUDGET	YTD ACTUALS	YTD ENCUMBRANCES	ACTUALS + ENCUMBRANCES	FY PROJECTED OUTTURN	FY PROJECTED OUTTURN VARIANCE	REASON FOR FY PROJECTED OUTTURN VARIANCE
Exchequer & Transactional Services (Housing Benefits)	3,996,000	6,390,143	0	6,390,143	3,996,000	0	
Finance	1,480,000	634,903	0	634,903	1,480,000	0	
TOTAL	5,476,000	7,025,046	0	7,025,046	5,476,000	0	No variances reported

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.

OneSource Newham Non-Shared Financial Position - Period 5 2016/17

Appendix D

SERVICE	NET REVISED CONTROLLABLE BUDGET	YTD ACTUALS	YTD ENCUMBRANCES	ACTUALS + ENCUMBRANCES	FY PROJECTED OUTTURN	FY PROJECTED OUTTURN VARIANCE	REASON FOR FY PROJECTED OUTTURN VARIANCE
Finance oneSource (oneSource MD, External Audit, Unallocated Overheads)	(678,200)	38,292	0	38,292	(678,200)	0	
Business Services (Verto/PMO team)	324,100	129,712	0	129,712	313,739	(10,361)	
Exchequer & Transactional Services (Housing Benefits, Pensions)	10,792,823	54,993,836	4,806	54,998,642	10,800,969	8,146	
Legal & Governance (Members costs and Borough Elections)	0	494,319	54,427	548,745	0	0	
IT Services (One Oracle implementation)	0	1,361,908	22,358	1,384,266	0	0	
Asset Management Services (Commercial property, facilities management and schools)	1,076,700	9,580,777	10,087,093	19,667,870	1,059,653	(17,047)	
Strategic & Operational HR (Union costs, Occupational Health, Training)	686,600	271,256	390,646	661,902	686,600	0	
TOTAL	12,202,023	66,870,101	10,559,330	77,429,430	12,182,761	(19,262)	

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 JOINT COMMITTEE

21 October 2016

Subject heading:

oneSource update for October 2016

Report author and contact details:

Jane West
jane.west@onesource.co.uk
020 3373 2703

Financial summary:

This report provides an update of current activity across oneSource.

Is this a Key Decision?

No

SUMMARY

The report covers:-

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

It does not cover the budget or the transformation projects which are detailed in separate reports on this agenda

RECOMMENDATIONS

The Joint Committee is asked to note the report.

REPORT DETAIL

1. Background

- 1.1 The report sets out the main areas of activity across oneSource over the last two months.

2. Council Tax and Housing Benefits

- 2.1 It has previously been reported that a review was underway of Council Tax and Housing Benefits. oneSource is due to deliver savings of £1.32 million from this area by 2017/18 in Newham and Havering.
- 2.2 This review is currently on hold for two reasons:
- the Mayor of Newham has asked the Council Services to Small Businesses (CSSB) development unit in Newham to undertake an options appraisal to consider, alongside other options, spinning Newham's Council Tax and Housing Benefit service out into a small business. The CSSB team are utilising the work we had initially done as part of our review and are including the options we considered as well as the ones they have added, such as spinning the service out. We expect this review to be completed by the end of October.
 - Havering is developing a Digital Strategy which also covers customer services. A significant element of Council Tax and Housing Benefit activity takes place within Havering's Customer Services Centre (face to face and telephone contact). Any changes to the oneSource Council Tax and Housing Benefit Service needs to be in the context of any new Digital Strategy.
- 2.3 The pause on the review has put the £1.32 million savings at risk. We are currently examining opportunities to deliver them within the context of these uncertainties but without the ability to share services it is proving difficult for us to deliver the anticipated level of savings.
- 2.4 Similar CSSB options appraisals are anticipated over the next twelve months.

3. 1Oracle

- 3.1 oneSource is considering the strategic direction for the finance and HR systems in Newham, Havering and Bexley for the next 7-10 years. We are working closely with the other 1Oracle councils (Brent, Lambeth, Croydon, Lewisham and Barking and Dagenham) plus the City of London on a visioning exercise led by SOCITM, the local authority ICT professional society.
- 3.2 Oracle organised and hosted a number of in-depth workshops over the summer period to demonstrate their new Cloud offer to Subject Matter Experts from the councils. Attendance has been very good and the feedback from these has been very positive. We are also undertaking a high level financial analysis of the cost of the Oracle in the Cloud offer compared to current costs but also other options open to the councils eg Agresso in the Cloud. We expect to have this completed by November.
- 3.3 The new Cloud offer is very exciting because it changes the look and feel of the system to what you would expect from a twenty first century system. The finance and HR systems can be accessed through Apps on people's mobile phones and work very much like the Apps we all use in our private lives eg Amazon, Zoopla, Trip Advisor etc. Oracle have pre-empted the needs of local authority customers and are currently developing the additional

functionality we need such as Teachers' Pensions Returns. But you very much get what you are given with no opportunity to configure the system locally (in the same way we don't get to configure Amazon to our own liking). We were expecting this to be a barrier but the SMEs have embraced the need to change our ways of working to match the system rather than vice versa.

- 3.4 Security is often also seen as a barrier but Oracle offer two versions of Oracle in the Cloud. One is a commercial offer that companies like BT use. The other is a highly secure government version that is more expensive. Local authorities that are ahead of us are currently examining the commercial offer and the general view is that this is secure enough for their needs. The 10 Oracle councils held a workshop to look at the security of Oracle in the Cloud at Oracle's Reading site and have commissioned Gartner to compare the two offers. The report is expected within the next couple of weeks.
- 3.5 Havering and Newham's contract with Cap Gemini runs out in two years so it is important we have a strategic direction of travel and associated business case for Havering and Newham agreed by Christmas. We are also looking at our options for extending the usage of the current systems should the councils not be ready to, or not wish to, move to the new solution by 1 April 2018.
- 3.6 oneSource is also leading on the development of a strategic direction of travel for Bexley which currently uses Oracle Financials but the timetable for this is longer as there is no contract date looming.

4 Customer Satisfaction

- 4.1 The most recent Customer Satisfaction Survey closed a short time ago. The preliminary results are disappointing as satisfaction is down overall but this is perhaps not surprising given the extent of change that oneSource has experienced over the last eight months. Responses from managers were down very significantly, particularly within oneSource itself. A full service by service analysis will be provided in a report to the Joint Committee at a later date.
- 4.2 Having spent the last year removing cost, the oneSource Management Team is focussing on improving customer satisfaction significantly over the next twelve months. A number of initiatives are underway to achieve this:-
 - Newham has established a Stakeholder Group which has met three times, with and without oneSource, to work on improving client/customer relationships. The general view is that the group is having a positive impact on relationships.
 - Havering's Senior Leadership Team have agreed to set up a similar group.
 - Both these groups will be receiving draft service level agreements from each oneSource service at the end of October for consultation before final sign off. The aim of the SLAs is to increase the transparency of what service is offered for the core funding and what is not provided or can only be provided at additional cost.
 - 10 Oracle Customer Boards have been established in both Newham and Havering (Bexley's system is older and more established).
 - oneSource is supporting the development of the Newham small businesses and has been chosen to deliver a number of services to the new companies that have gone live. A brochure is available on request.
 - Further analysis will be undertaken, team by team, to understand the negative customer feedback from the last survey and put in place interventions to improve particular services. A further survey will be completed in March and extra effort will be made to improve the number of responses.

- 5.1 Havering ran an internal communications survey a few months ago. oneSource expanded this to its staff in Newham and Bexley, with some adjustment to the questions.
- 5.2 The survey shows staff to feel:-
- reasonably well informed about the three councils
 - fairly happy with communication within their team
 - on balance, advocates of the councils and oneSource.
- 5.3 These are qualified findings though because a large proportion of staff chose the option of 'neither agree nor disagree'.
- 5.4 Management of change is a weakness with 38% of staff disagreeing that change is well managed. Working between teams across oneSource scored badly as well with 37% disagreeing that communication between teams is good.
- 5.5 On a more positive note, only 15% of staff were actually dissatisfied with working for their council or oneSource.
- 5.6 These results have been presented to the oneSource managers at an awayday and a cross-team group is being established to work on the areas of weakness corporately. In addition, all management teams have been asked to develop their own action plans.

6 Commercial opportunities

- 6.1 Although internal customer satisfaction is the focus, oneSource is still working to keep up its external profile. Events where we have participated to date include CIPFA Conference, the Solace Summit and the IRRV Conference. Others on the horizon include a national Shared Services Conference, a summit with Orbis and LGSS sponsored by LGA and the Zurich Municipal Customer Conference.
- 6.2 In addition, we have regular meetings in the diary with various boroughs in East London and beyond where some specific opportunities are being explored. An update can be provided at the meeting.

IMPLICATIONS AND RISKS

Financial implications and risks:

There are no immediate financial implications other than those identified in the body of the report.

Legal implications and risks:

There are no immediate legal implications identified for this report.

Human Resources implications and risks:

There are no immediate hr implications identified for this report.

Equalities implications and risks:

There are no immediate equality implications identified for this report.

BACKGROUND PAPERS

None

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ONESOURCE JOINT COMMITTEE

21 October 2016

Subject heading:

oneSource Transformation Update

Report author and contact details:

**Stephanie Sharp
Programme Manager
01708 433613
Stephanie.Sharp@oneSource.co.uk**

Financial summary:

oneSource is required to deliver savings to the councils through transformation, creating shared services to remove duplication and improve process efficiency. This report identifies progress on delivering savings from the transformation projects.

Is this a Key Decision?

No

SUMMARY

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

This report is part of a regular update to the oneSource Joint Committee giving details on progress of these projects, how our services are changing and our new operating model. This will help oneSource make the required savings and reduce the cost of the services we provide.

RECOMMENDATIONS

The Joint Committee is recommended to note progress on delivering the required savings from the current transformation projects.

REPORT DETAIL

1.0 Introduction

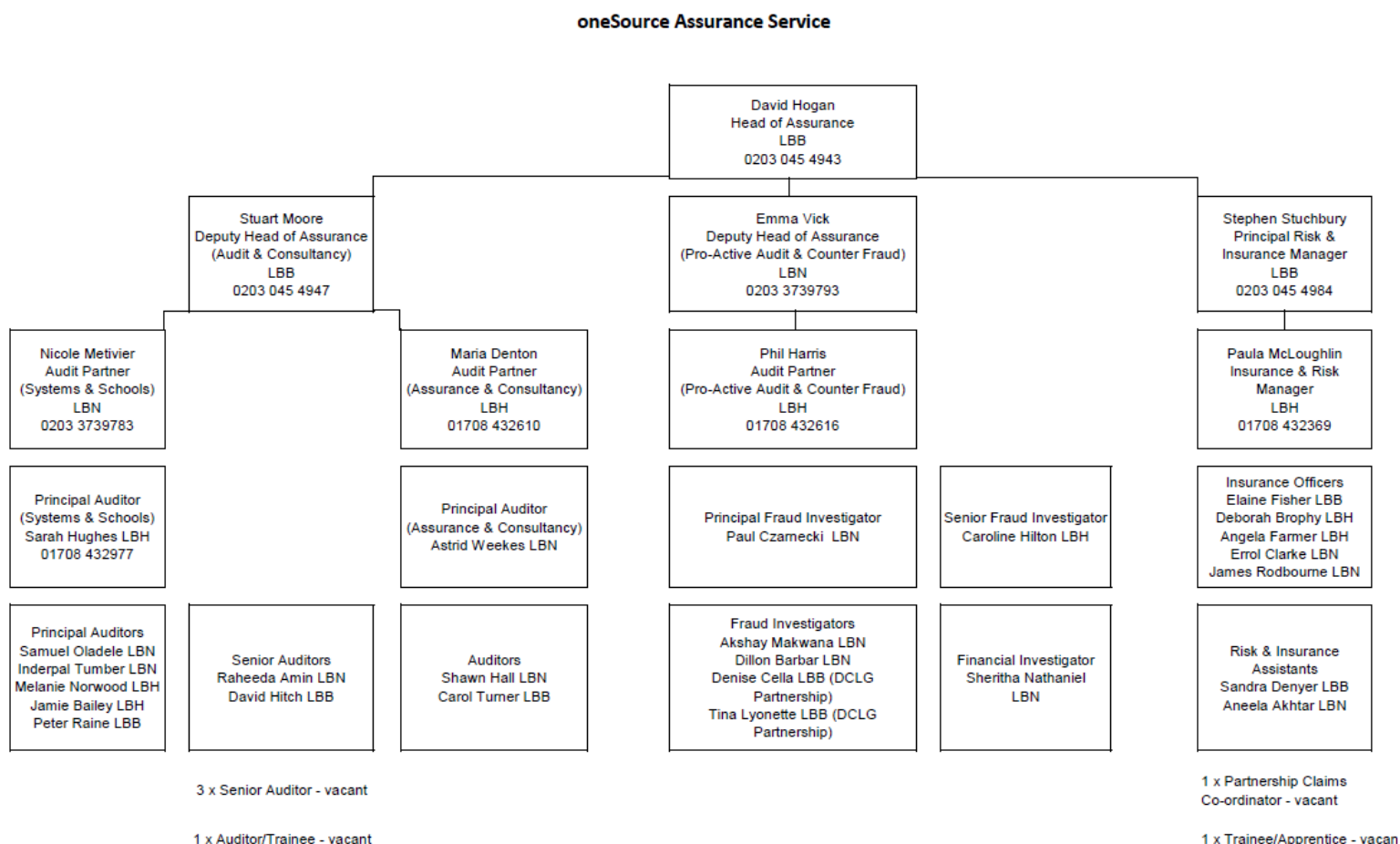
- 1.1 The transformation of Strategic and Operational HR, Democratic Services and Assurance have been completed; enhancing resilience, improving delivery of services and achieving long-term financial benefits for Newham, Bexley and Havering Councils. The transformation projects for Transactional Finance and HR, Asset Management and Strategic and Operational Finance are drawing to a close; once complete, the functions will deliver savings through the removal of duplication and increased process efficiency, and improve the customer experience following consultation with managers across the three Councils.
- 1.2 The review for Council Tax and Benefits started in January 2016 and recommendations were suggested for more effective collaboration between Havering and Newham Councils. You may have heard however that this has been put on hold; this is because Newham's CSSB team is considering whether it may be more effective to spin out the service as an External Business Unit to fulfil its vision of being a commissioning-only council by 2020.
- 1.3 Business Services and ICT have undergone external reviews to better understand what they could be doing to better serve our needs and the needs of our customers.
- 1.4 Agilisys conducted a review to assess the current organisation of Business Services and to design a new organisation based upon a new offer to oneSource; and Socitm has undertaken a review of the ICT element of Technology and Innovation and is following this up with a review of the ICT strategy and programme of work that comes out of it.
- 1.5 The proposed savings delivered by the new oneSource operating model for the services that have complete their restructures are shown below. The exact cost will be dependent on the appointments made, whether they on LBH or LBN pay scales (with associated on costs) and whether staff work full or part time and will be known after on full completion of the restructures.

	Operational and Strategic Human Resources and Organisational Development		Transactional Human Resources		Transactional Finance		Operation and Strategic Finance	
Year	Proposed savings £000's	Cumulative Savings £000's	Proposed savings £000's	Cumulative Savings £000's	Proposed savings £000's	Cumulative Savings £000's	Proposed savings £000's	Cumulative Savings £000's
2016/17	334	334	272	272	562	562	1,013	1,013
2017/18	274	608	197	469	212	774	307	1,320
2018/19	0	608	0	469	0	774	0	1,320

- 1.6 This report provides an update on progress of the oneSource reviews and restructures. These restructures will deliver the full savings targets currently required in the relevant services up until 2018/19, with a full year effect delivered from 2017/18.

2.0 Operational & Strategic Finance

- 2.1 The Assurance Service restructure has now been finalised, the Section 151 officers for Havering, Newham and Bexley councils have agreed a new Target Operating Model for the oneSource Assurance service.
- 2.2 The new model will be fit for purpose, enhance resilience and achieve significant long term benefits for the partner councils by sharing management, improving efficiency of processes and removing duplication. Additional benefits will be achieved by fully exploiting the synergies that exist between internal audit, Counter Fraud, Risk Management and Insurance.
- 2.3 This will be a transitional year whilst we develop a “One Policy, Strategy and Procedure” approach, in line with the principles in the business case that will ensure duplication is removed and partners receive the same service standard.
- 2.4 A structure chart of the new service is shown below:



- 2.5 With respect to the finance (including systems) restructure, the interviews for the senior levels in the new structure have now concluded and the following individuals have been appointed with effect from 1st October:

- Margaret Barrow - Strategic Business Partner
- Sam Gable - Strategic Business Partner
- Wesley Guy - Strategic Business Partner
- Keith Lazarus - Strategic Business Partner
- Marion Long - Strategic Business Partner
- Rav Nijjar - Strategic Business Partner
- Paul Durrant - Financial Strategy Manager
- Taryn Eves - Financial Strategy Manager
- Mark White - Capital Strategy Manager
- Paul Speller - Projects & Development Lead (Corporate Business Systems Team)
- Naseeba Bibi - Systems Control Lead (Corporate Business Systems Team)
- Mark Kelross - Business Intelligence & Reporting Lead (Corporate Business Systems Team)

2.6 The service is currently interviewing the next two levels of the structure, and it is anticipated that this will be completed by the end of November / beginning of December.

3.0 Operational and Strategic Human Resources and Organisational Development (HR&OD)

3.1 The transformation of Strategic and Operational HR has been successfully completed, and the new service moved into its new location on 10th October.

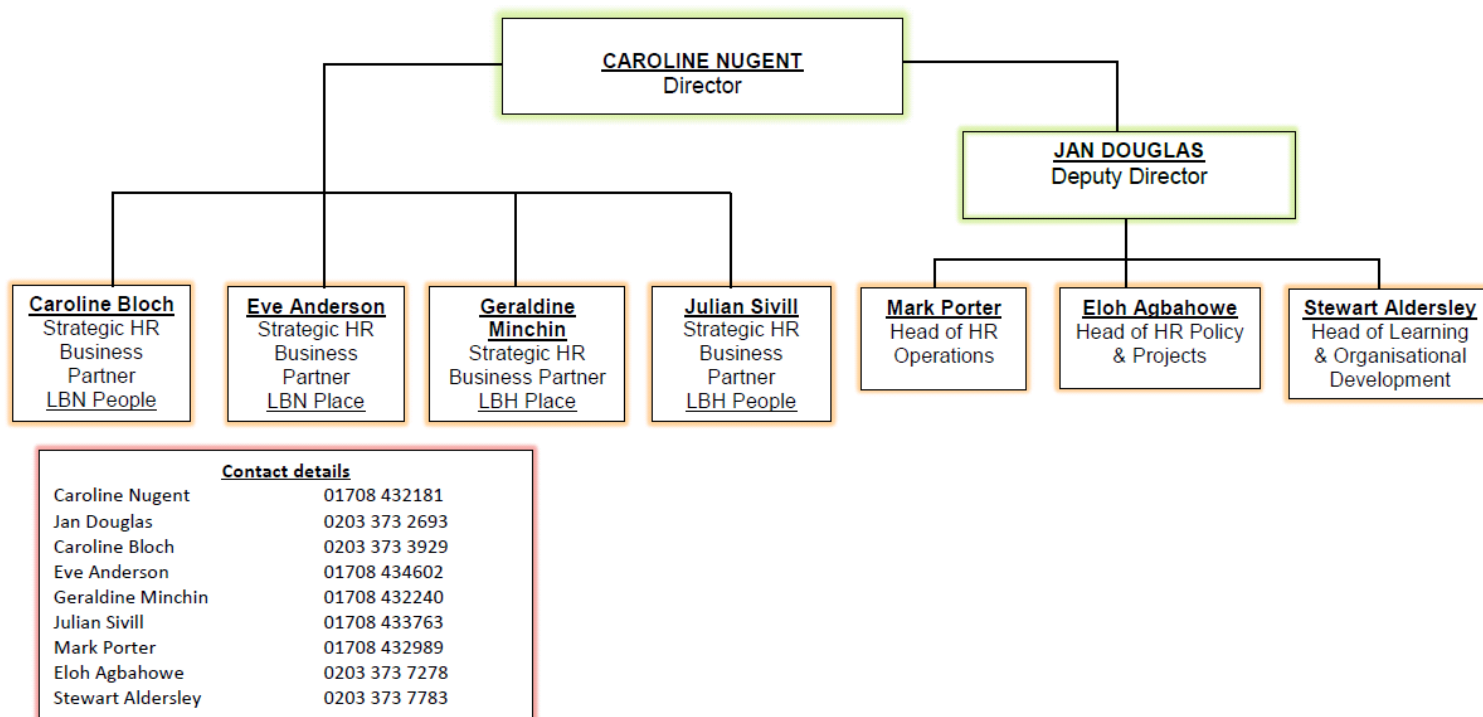
3.2 Following completion of the restructure, we now have a fit-for-purpose and more resilient HR Service which can undertake:

- Strategic support and policy framework
 - Policy direction to support the vision of each council
 - Corporate projects, e.g. terms and conditions review, pay and grading review, Trade Union facility time review
 - Legally compliant policies, procedures including template documents to enable managers to manage staff effectively
 - Easily accessible information and guidance via the intranet or the telephone
- Advice and guidance
 - Complex casework e.g. disciplinary, absence management, grievance cases and ET/EAT cases
 - Change management, i.e. service reviews
 - TUPE transfers (in and out) including support to CSSB
 - Staffing implications of new business models
 - Supporting managers with complex recruitment campaigns
- Talent and skills
 - Commission, manage and deliver of a range of learning and development tools and activities
 - Competency/behavioural frameworks and appraisal systems
 - Management of apprenticeship, supported employment and supporting redeployment

- Employee Relations
 - Manage corporate negotiating and consultation machinery
 - Manage arrangements for trade union duties, activities and training.
 - Provide advice, guidance and co-ordination of industrial dispute, ensuring compliance with legislation

3.3 The chart below shows the Senior Leadership team structure.

HUMAN RESOURCES AND ORGANISATIONAL DEVELOPMENT



4.0 Transactional Services

4.1 Transactional services were split into two projects: Finance and HR. The two projects coordinated with the relevant operation / strategic project where there were potential cross over issues. In some areas all four projects crossed over (e.g. restructure processes in 1-Oracle). Most of the proposed savings for Havering and Newham are through using the same 1-Oracle processes across both councils reducing duplication. However the review did look at how 1-Oracle is used in Havering to see where improvements could be made to either deliver savings or improve the customer experience.

4.2 Transactional Finance

4.2.1 The Finance Transactional Review has completed and the new shared structures have been in place from the beginning of October, having finished appointment to posts.

4.2.2 Implementation of recommendations from the transformation project will start in November with service area managers. This includes new processes to be implemented; some traditional functions to stop entirely and continuous improvement work. It is estimated that these will be fully implemented by March 2017.

4.2.3 The final recruitment to remaining vacant posts is to be agreed in November 2016.

4.3 Transactional Human Resources

4.3.1 The implementation phase of the project is nearing its completion. Consultation with staff and the assimilation/interview phase has now been completed. The new structure has a number of vacancies to fill and these are out to advert and currently being recruited to.

4.3.2 Co-location of the service in Havering is planned for November 2016, with only a few staff based in Newham to cover specific functions.

4.3.3 As part of the new service the E-Resourcing Portal development is ongoing and aiming to go live by the end of October. The portal allows staff in Newham and Havering to electronically send requests to Transactional HR, rather than using the current paper-based methods of communication. Newham already has in place a similar system which this will replace. Presentations on the portal have been given to Havering SLT and oneSource OMT and access and training being arranged for staff as it will be rolled out across the whole service.

5.0 Democratic services

5.1 The review of Democratic services is now complete and the new structure goes live on the 1st November 2016. The review of Democratic services proposed a restructuring of Committee Administration within Legal and Governance in Havering (Committee Services are delivered outside of oneSource in Newham). The changes are to embed and expand modern ways of working within the team, to bring additional senior skills and client focus into the team but also to deliver savings to meet oneSource targets.

5.2 All posts within the service have now been appointed to with the final recruited post joining the service in mid December.

5.3 As previously reported, the changes to the service will help maximising the functionality and use of ICT, help to generate income, facilitate shared working as well as making the advisory role more robust and providing modern governance.

5.3 The changes will give an anticipated net saving of approximately £112k in a full year (reducing to approximately £107k after deducting pension back funding costs). The exact final savings and costs of the structure will be finalised when the new service goes live as the service aims to recruit to an apprentice post.

6.0 Asset management

6.1 The Technical Services (Havering) restructure has been signed off and implementation is due to commence this week (w/c 17 October).

6.2 Amendments are due to be circulated prior to sign off of the restructure of Project and Programmes (Newham) and it is expected to be implemented from November.

- 6.3 Revised proposals are currently due to be issued for the shared Facilities Management for a 2 week consultation period, consultation will close in early November, with implementation anticipated from late November onwards.
- 6.4 Property Services - Newham service is moving towards a client/commissioning role with outsourcing of transactional work relating to the commercial property portfolio. It is anticipated that this outsourcing will take place by the end of the financial year (following a pilot) and the service restructure will coincide with that change.

REASONS AND OPTIONS

Reasons for the decision:

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

Other options considered:

Not applicable.

IMPLICATIONS AND RISKS

Financial implications and risks:

The delivery of the transformation programme directly relates to oneSource delivering the required level of savings as per the oneSource business case and subsequent amendments to savings targets agreed by the councils.

Legal implications and risks:

There are no legal implications identified for this report.

Human Resources implications and risks:

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

Equalities implications and risks:

There are no equality implications identified for this report.

BACKGROUND PAPERS

None