



ONESOURCE JOINT COMMITTEE AGENDA

10.00 am	Friday 10 November 2017	Newham Dockside
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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, Head of Democratic Services
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NOTES ABOUT THE MEETING

1. HEALTH AND SAFETY

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

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

2. MOBILE COMMUNICATIONS DEVICES

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

3. CONDUCT AT THE MEETING

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

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

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

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

AGENDA ITEMS

1 ANNOUNCEMENTS

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

2 APOLOGIES FOR ABSENCE

(if any) - receive

3 DISCLOSURES OF INTEREST

Members are invited to disclose any pecuniary interests 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 28 July 2017, and to authorise the Chairman to sign them.

5 ONESOURCE FORECAST FINANCIAL POSITION (Pages 5 - 18)

6 MD ONESOURCE UPDATE FOR NOVEMBER 2017 (Pages 19 - 24)

7 EXCLUSION OF THE PUBLIC

To consider whether the press and 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 press and public were present during those 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 those grounds, the Committee to resolve accordingly on the motion of the Chairman.

8 REPORT CONTAINING EXEMPT INFORMATION (Pages 25 - 96)

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**MINUTES OF A MEETING OF THE
ONESOURCE JOINT COMMITTEE
Havering Town Hall
28 July 2017 (10.00 - 11.30 am)**

Present:

COUNCILLORS

Councillor Ron Ower (Chairman), +Andrew Blaikie, Lester Hudson, Don Massey, Melvin Wallace, Damien White and Tonii Wilson

An apology for absence was received from Councillor Forhad Hussain.

+ Substitute Member – Councillor Andrew Blaikie (for Forhad Hussain).

Unless otherwise indicated, all decisions were taken with no votes against.

The Chairman reminded Members of the action to be taken in an emergency.

1 ELECTION OF CHAIR AND VICE-CHAIR

Following receipts of nominations and in accordance with the oneSource legal agreement, Councillor Ron Ower was elected as Chair for the 2017/18 municipal. Councillor Lester Hudson was elected as Vice-Chair.

2 MINUTES

The minutes of the meeting of the Committee held on 21 April 2017 were agreed as a correct record and signed by the Chairman.

3 ONESOURCE 2016-17 OUTTURN POSITION AND 2017-18 EARLY INDICATIONS

It was reported that the overall oneSource shared outturn position showed an underspend of £0.080m, split between £0.195m to Havering, £0.045m to Newham and £0.070m to Bexley. The Havering underspend had been transferred to its oneSource reserve held on the balance sheet. Newham had met its pressure by transferring in funding from its oneSource reserve (funded by prior years' underspends). Bexley's overspend had been offset by underspends elsewhere in the council.

The non-shared areas closed with the following variances:- Havering non-shared (£1.3m), Newham non-shared (£1.4m) and Bexley non-shared (£0.560).

It was also reported that the period 3 (2017/18) forecast outturn position for oneSource shared is £2.3m overspend; this was largely due to growth in

demand for ICT services. This pressure is split between Havering, Newham and Bexley as follows; £1.044m to Havering, £1.092m to Newham and £0.190m to Bexley.

The period 3 forecasted outturn position for oneSource non-shared areas were Havering non-shared (£0.038m), Newham (£3.5m) and Bexley nil variance.

It was noted that as of period 3 (2017/18), Newham benefits and council tax services had moved out of Newham oneSource non-shared to Newham's Communities directorate and would therefore no longer form part of the overall non-shared reporting position. It was not included in the early indications figures contained within the report before Members.

The Joint Committee: -

1. noted the 2016-17 oneSource outturn position;
2. noted the early indications derived from the 2017/18 period 3 forecasted position;
3. noted the transfer out Exchequer Services from Newham non-shared to Newham's Communities directorate.

4 ONESOURCE ANNUAL REPORT 16/17

In accordance with the oneSource legal agreement, the Committee was provided an annual report on the activities of oneSource over the past financial year, including an account of financial matters and an explanation of the main plans and activities for the coming year.

Members remarked that future drafts should include an executive summary. It was agreed that this be included for future drafts.

The Joint Committee noted the draft annual report.

5 AMENDMENT TO THE ONESOURCE SCHEME OF DELEGATION

Following a decision at Newham's Mayoral Proceedings on 20 July 2017 to change the delegations in respect of the leasing of property to the voluntary and community sector, the Joint Committee was required to amend its scheme of delegation to officers in oneSource.

The Joint Committee agreed the amendments to the Scheme of Delegation at Appendix A of the report (appended to these minutes).

6 CUSTOMER SATISFACTION REPORT

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 has been set for oneSource to exceed in 2016/17. For March 2017, combined customer satisfaction increased to 75%, rising by 3% since the previous survey conducted in September 2016, and slightly lower than the 80% target.

Individually, customer satisfaction with the service received was 82% from Havering customers, 65% from Newham customers, 89% from Bexley customers and 83% from oneSource customers. The best performing services were Strategic Finance (82%), Health and Safety (98%), Printing Services (95%), and Internal Audit and Counter Fraud (85%), Business Improvement (85%) and Project Management Office (82%).

These figures demonstrated 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.

The Joint Committee noted oneSource's Customer Satisfaction key performance indicator (KPI).

7 TRANSFER OF NEWHAM'S COUNCIL TAX AND BENEFITS SERVICE BACK TO THE COUNCIL

The Joint Committee had been notified at previous meetings that the request by Newham Council to transfer its element of the Council Tax and Benefits service from oneSource back into Newham Council's responsibility had been agreed by both Havering and Bexley Councils.

Subsequent to the previous meeting, a deed of variation had been drafted to reflect the change and preparations were underway to implement the transfer of service.

The Joint Committee noted the report.

8 MD UPDATE

The report from the Managing Director updated Members on the governance services review, Oracle implementation, and commercial developments.

Concerning the governance services review it was reported that a business case and a five year strategy for the future direction of oneSource had been drafted for approval by the three councils in September 2017. It was noted that an update would be provided at the next Joint Committee meeting.

The Joint Committee noted the report.

Chairman



ONESOURCE JOINT COMMITTEE

10 November 2017

Subject heading:

oneSource forecast financial position as at September 2017

Report author and contact details:

Paul Thorogood
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Financial summary:

The oneSource Shared financial forecast shows a projected overspend of £0.796m as at September 2017, Period 6. Non-shared budgets are forecasting variances of £0.034m overspend for Havering, £4.550m overspend for Newham and nil variance for Bexley.

Is this a Key Decision?

No

SUMMARY

The oneSource shared forecast financial position shows a projected overspend of £0.796m as at September 2017, Period 6. This is in the context of savings of £11.069m having been applied to shared budgets since oneSource's inception in 2014/15 and therefore means that savings of £10.273m are forecasted to have been achieved by the end of 2017/2018. The projected overspend split between the three boroughs is £0.341m to Havering, £0.170m to Bexley and £0.286m to Newham.

As at Period 6, the services managed by oneSource, but not shared are forecasting the following variances; £0.034m overspend for Havering, £4.550m overspend for Newham and nil variance for Bexley. These include an increase in savings of the non-shared areas as follows for the 2017/18 financial year:- Havering (£0.328m), Newham (£0.512m) and Bexley (£0.097m).

RECOMMENDATIONS

The Joint Committee is asked to note the current oneSource forecasted outturn position based on the financial monitoring as at the end of September 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 6 the oneSource shared forecasted financial position has improved from £2.327m forecasted overspend which was reported to Joint Committee in July 2017. The Period 6 forecasted overspend of £0.796m is estimated to be shared £0.341m to Havering, £0.169m to Bexley and £0.286m to Newham. The £1.531m improvement between Period 3 and Period 6 is largely due to an improvement in the ICT and Asset Management forecasts, offset by a worsening within the Exchequer and Transactional forecast.

In Period 3 the ICT service was forecasting an overspend of £2.143m due to growth in the demand for ICT services at Havering and Newham. This included pressures relating to unfunded ongoing support to the datawarehouse and the Customer Relationship Management system, increased ICT security and compliance requirements a recommendation to introduce ICT business partnering posts as well as inability to deliver on previously agreed savings targets which were predicated on the implementation of Oracle Cloud.

In Period 6 this forecasted pressure had reduced by £1.844m to £0.299m in light of Cabinet approval at Havering to fund £1.055m from their share of the oneSource reserve and confirmation from the Section 151 Officer at Newham that £500k of their pressure could be funded from contingency and £300k from transformation reserves. Discussions are still ongoing with Newham in relation to the unfunded element of this projected overspend. It is anticipated that the overspend will eventually either be funded or work will be cut back in Newham to remain within budget.

The Period 3 Asset Management forecast of £0.165m has reduced to (£0.215m) at Period 6 – this is due to the inclusion within the Period 6 forecast of Havering unflow costs recharge income which wasn't included within the Period 3 forecast.

These improvements have been offset by a worsening within Exchequer and Transactional services from a Period 3 position of nil variance to a Period 6 forecasted overspend of £750k.

This worsening is due to two factors; an income shortfall relating to enforcement services of £0.200m in part due to a reduction in council tax cases from Newham and a reduction of £0.542m in the level of funding from reserves for Havering's council tax and benefits service, compared to earlier assumptions. Conversations are actively taking place with both Section 151 Officers regarding these pressures. If the Havering Section 151 agreed to the funding requests that have been submitted this will have a positive impact on the reported shared position by £0.542m. This would result in a revised shared position as follows:

Service	Full Year Projected Outturn Variance
Finance	£0.282
Business Services	(£0.322)
Exchequer & Transactional Services	£0.209
Legal & Governance	£0.002,
ICT Services	£0.299
Asset Management	(£0.215)
Strategic & Operational Human Resources	0
Total	£0.255

With the £0.255 being distributed between the three boroughs in the following proportions:

Havering (£0.201)

Newham £0.286

Bexley £0.170

The majority of Bexley's 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 from Bexley 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.

A further £1.5m of savings will be removed from oneSource budgets in 2018/19 taking the total oneSource shared savings to £12.6m. oneSource services are well placed to meet these additional savings in most cases. The exception is the ICT service which has submitted growth

bids to Havering and Newham in relation to the items described above where there are overspend this year.

Havering non-shared

Havering's non-shared budgets managed by oneSource are forecasting a small overspend as at Period 6 of £0.034m. This is made up of an underspend within Exchequer and Transactional Services and an overspend within Asset Management.

The underspend of (£0.124m) within Exchequer and Transactional services relates to positive performance around housing benefit overpayment income of (£0.358) offset by £0.235m of pressure relating to Emergency Assistance Scheme, council tax debt collection and a review of council tax discounts where spend presumed to be funded by reserves is taking place but reserve funding has not yet been agreed. As ever, 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. Discussions similar to those within the shared budgets are taking place with the Section 151 Officer regarding the use of reserves. If agreed this would mean Havering non-shared would be forecasting an underspend of (£0.201m).

The forecasted underspend within Exchequer and Transactional services is offset by a forecasted overspend within Asset Management. The Asset Management pressures relates to a technical change in relation to recharging to capital. In addition, Romford Market is showing a shortfall against income target of £0.250m which is currently being offset by an overachievement of commercial property income due to a buoyant rental economy and low number of voids.

The adverse movement of £73k since the Period 3 forecasted surplus of (£0.039k) is due to the inclusion in Period 6 of the reserve funding shortfall of £0.235m within Exchequer and Transactional Services offset by improvements in ICT relating to approved funding for the 1Oracle licencing and hosting shortfall plus the net effect of £28k of other minor movements.

Newham non-shared

Newham's non-shared budgets are currently forecasting an overspend of £4.550m at Period 6 as compared to a forecast at Period 3 of £3.545m. The overspend continues to relate to shortfalls against income targets relating to commercial property generally but also specifically income targets for Dockside, East Ham town hall and Stratford town hall (the latter town halls no longer being the responsibility of oneSource), undelivered savings relating to the Bridge Road depot review (not a oneSource project), changes to the government's carbon reduction commitment scheme security costs associated with vacant premises and an overspend on business rates for operational buildings.

The forecasted overspend takes into account postponed and/or reduced facilities management spend on all but the most pressing costs associated with repairs, maintenance and compliance (which in itself carries the risks of increasing costs in future years) in order to prevent the forecasted overspend from being even higher.

The increase between Period 3 and Period 6 is largely down to a recent notification of an increase in business rates costs of £0.811m for the West Wing of Dockside. Of this £0.811m, £0.539m is a one-off back dated charge relating to 2015/16 and 2016/17 and £0.272m is the 2017/18 charge which will be made on an ongoing basis. Although an increase in business rates benefits the council from a corporate perspective, because Asset Management receives charges for a large number of council owned properties this increase adversely impacts on services budgets.

The Managing Director of oneSource is currently in discussion with Newham's Section 151 Officer around securing additional funding to offset some of the pressures which are out of Asset Management's control. If these discussions are successful this would result in an improved Period 7 forecast.

Bexley non-shared

Bexley's non-shared budgets are currently forecasting a nil variance. There has been no movement since period 3 which was also 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.

The forecasts are estimates based on information available at the time; they are subject to change should any unforeseen circumstances present themselves.

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

None

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	8,870,657	6,370,760	434,386	6,805,146	9,153,054	282,397	Forecasted pressure relates to the cost agency staff exceeding the established budget for the permanent equivalent.
Business Services	1,194,870	436,048	(1,397)	434,650	873,098	(321,772)	Forecasted underspend of £322 at P6 relates in the main to overachievement of savings against notional business case target in other areas/services. Forecasted underspend at P5 was £322k underspend, therefore, no change in forecast since last month.
Exchequer & Transactional Services	7,814,392	3,485,564	89,578	3,575,143	8,564,939	750,547	Period 6 Forecast is for £0.751m overspend. Decision awaited from Corporate Finance at Havering regarding reserve funding application of £0.542m. If application approved service will be £0.208m overspent. This is due to an increase in the reduction in Newham council tax enforcement cases. The £0.542m relates to a funding request to offset housing benefit admin grant reduction, additional spend re council tax and benefits processing, an additional NNDR post and agency spend related to IR35 review.
Legal & Governance	3,306,430	2,144,659	29,828	2,174,488	3,308,055	1,625	Period 6 forecast for Legal and Democratic is on budget. This is on the assumption that agreed additional funding is transferred into the Legal Services budget before year end and that submitted recharges of costs out to services are actioned.
ICT Services	7,905,450	7,303,253	716,315	8,019,568	8,204,110	298,660	The Period 6 forecast is showing a pressure of £300k. The forecast is based on an assumption that Havering will fund all of its share of additional costs re security, data warehouse work and CRM from reserves and Newham will fund all apart from £300k of its share of additional costs from a combination of transformation and contingency.
Asset Management Services	2,640,450	1,664,896	223,061	1,887,957	2,425,155	(215,295)	The Period 6 forecast shows a forecasted underspend of £215k. This is due to the forecasted over-recovery of printing costs within the post room.
Strategic & Operational HR	2,876,170	1,506,506	25,228	1,531,734	2,876,170	0	Reporting a nil variance at Period 5 - this takes account of budget due into the HR service regarding intern funding (due in from Havering transformation) and apprentice levy funding.
TOTAL	34,608,419	22,911,686	1,517,000	24,428,685	35,404,581	796,162	The Period 6 forecast of £796k is an increase of £577k on the Period 5 position of £219k. The Period 5 position assumed

NOTES

Budgets and forecasts shown above relate to controllable budgets only

Apportionment is based on 2016/17 permanent controllable budget % and may be recalculated to reflect subsequent adjustments

Havering

340,761

Bexley

169,607

Newham

285,795

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OneSource Newham non-shared Financial Position at Summary Level

REVISED CONTROLLABLE BUDGET							REASON FOR FY PROJECTED OVERTURN VARIANCE
SERVICE	NET	YTD ACTUALS	YTD ENCUMBRANCES	ACTUALS + ENCUMBRANCES	FY PROJECTED OVERTURN	FY PROJECTED OVERTURN VARIANCE	
Finance oneSource (oneSource MD, External Audit, Unallocated Overheads)	568,200	346,062	229,808	575,870	569,024	824	The Period 6 Asset Management forecasted overspend is £4.5m which is an increase £200k from Period 5. This is due to: - An £800k improvement in the forecasted recharge to capital within the Technical Services area; - This has been offset by a £1m increase in business rates within Facilities Management area of which £800k relates to Dockside's west wing (£500k one-off backdated amount and £200k ongoing). Much of the remaining £4.5m projected overspend relates to unachievable income targets. Work continues to try and increase rental incomes at Dockside and within the wider commercial property portfolio however there will be a lead in time to this activity.
Exchequer & Transactional Services (Child Care Vouchers, Pensions, court fees, BIDS)	(411,300)	689,183	308,050	997,233	(417,683)	(6,383)	
Legal & Governance (Borough Elections)	0	564,020	(27)	563,993	0	0	
ICT Services (Verto/PMO team, 1Oralce licence and hosting)	787,050	520,912	(139,944)	380,968	787,000	(50)	
Asset Management Services (Commercial property, facilities management and schools)	(1,319,823)	12,801,345	2,722,779	15,524,123	3,203,999	4,523,822	
Strategic & Operational HR (Union costs, Occupational Health, Training)	664,400	276,236	(57,384)	218,852	696,512	32,112	
TOTAL	288,527	15,197,757	3,063,282	18,261,039	4,838,852	4,550,325	

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.

The bulk of the Newham non-shared overspend relates to Asset Management. This pressure reflects a combination of shortfalls against income targets relating to lettings income and pressures on premises budgets, particularly in relation to business rates. Priority repairs and maintenance works have been delayed in order to try and contain the forecasted pressure as much as possible, however, there is a risk that this action in itself might have cost ramification in later years.

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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
Exchequer & Transactional Services (Housing Benefits, court fee income and pensions)	(1,172,950)	(6,760,129)	179,951	(6,580,177)	(1,296,886)	(123,936)	Period 6 forecast is a surplus of £124k. This is made up of a forecasted surplus regarding Housing Benefit subsidy overpayment income of £350k and other minor underspends equating to £8k offset by reserve funding requests of £235k where spend has taken place but funding has not been released as yet. Housing Benefit subsidy is a notoriously complex and volatile area whose forecast is visited each month and is subject to revision. The unfunded spend relates to the council's Emergency Assistance Scheme, Task Force Council Tax debt collection and contract spend on a Council Tax discounts review.
Legal & Governance (Members costs and Elections)	1,554,060	1,094,469	362	1,094,831	1,549,021	(5,039)	
Asset Management Services (Transport, Commercial Property, Schools, Premises Management)	315,523	205,281	93,385	298,667	464,720	149,197	
Strategic & Operational HR (Unions, Apprentices)	446,004	258,000	131,805	389,805	459,704	13,700	
ICT (100% budget)	653,600	818,935	365,499	1,184,434	653,600	0	
Business Services	550	0	0	0	550	0	
TOTAL	1,796,787	(4,383,443)	771,002	(3,612,441)	1,830,709	33,922	

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 oneSource non-shared directorate is forecasted a break even position overall, however, this is reliant on current projects regarding Housing Benefit subsidy being maintained throughout the year.

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OneSource Bexley 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	
Exchequer & Transactional Services (Housing Benefits)	2,854,000	10,185,377	0	10,185,377	2,854,000	0	Nil variance	
Finance	846,000	244,348	0	244,348	846,000	0	Nil variance	
TOTAL	3,700,000	10,429,724	0	10,429,724	3,700,000	0		

No variances reported at Period 6

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 JOINT COMMITTEE

10 November 2017

Subject heading:

oneSource update for November 2017

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.

SUMMARY

The updates in this report include:-

- Transition to Trading
- Oracle
- The oneSource Transformation Programme
- 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.

Transition to Trading

In July it was reported to the Joint Committee that funding was being sought from the three councils to develop a business case and a five year strategy for oneSource. The funding request was approved by all three councils and Red Quadrant were appointed to assist the oneSource Management Team. Their work was divided into two stages:-

- Drafting the Business Case for approval in autumn 2017
- Drafting the strategic documents that flow from the business case eg the five year strategy and the transition plan plus assisting the oneSource Management Team in developing methodologies for service reviews and an eventual business plan. This stage is anticipated to conclude in January 2018.

The first of these stages has been concluded and the Business Case is reported elsewhere on this agenda.

Oracle

Gartner was commissioned to undertake a review of Newham's requirements for finance, payroll and HR systems in the future. The report has been concluded but it has not been released by Newham. However, Newham is clear that it has no appetite to move to Oracle Cloud within the next two years. Alternative arrangements are being finalised with Cap Gemini to continue to provide Oracle Version 12 on the 1Oracle platform for Newham and Havering. Brent, Barking and Dagenham, Lambeth and Lewisham are on track to come off 1Oracle in the summer of 2018. Croydon will come off in the summer of 2019. Costs of the 1Oracle platform are being shared with Croydon for 2018/19.

oneSource Transformation Programme

Following the completion of the 1Oracle implementation in Newham and the bulk of the restructures, the oneSource Management Team has established a oneSource Transformation Programme. Appendix A sets out details of the projects within the programme. The programme is still in its early stages but in future quarterly reports will be made to the Joint Committee on progress.

An early exemplar has been the oneSource Starters and Movers project. The Business Improvement team are the first in oneSource to take the Government Digital Services' agile based approach to transforming the laborious paper based processes. The objective of this project was to standardise the process of setting up starters and leavers across Havering and Newham, improve the customer experience and contribute to the paperless initiative by reducing the number of forms and emails required to complete these activities.

New online forms that make it easier for managers to set up new staff in their teams and to notify payroll that a member of staff is leaving, are now available. These online forms have been designed to be simple to use and, wherever possible, complete basic information for the user. The forms do this by making use of intelligent design, coupled with an auto-populate function driven by One Oracle.

This is a key improvement for oneSource managers too as the process has been standardised and the same form can be used for Havering, Newham and oneSource staff. With the simultaneous launch of the Universal Single Employee Database (SED) oneSource managers will be able to access team information from both instances of One Oracle when using the forms.

Feedback from the business has been extremely positive.

Commercial developments

oneSource continues to have successes in being shortlisted for awards.

Newham's Local Government Pensions Scheme (LGPS), managed by the oneSource Treasury and Pensions Team, has won a national Pensions award beating off fierce competition from Lothian Pension Fund and London Borough of Hounslow LGPS for the Secure Income Strategy of the Year award. The Local Authority Pension Fund (LAPF) Investment Awards recognise the best in the UK Local Government market and are judged by a panel of industry experts.

The Scheme was also shortlisted in a further three categories:

- LGPS Fund of the Year (under £2.5 billion)
- Investment Strategy of the Year
- Scheme Governance Award

Newham's investment strategy, administered by oneSource, was recognised for its pivot towards capital protection and shift to new income generating assets that are ahead of what is currently available from the London Pensions Collection Investment Vehicle asset pool and what many other LGPS' have managed to achieve.

The oneSource Enforcement Team was recently shortlisted for Excellence in Enforcement Services in the IRRV Awards and were Highly Commended for our efforts in refreshing our approaches to managing debt recovery whilst working with council services and the third sector to address socio-economic issues in our communities. We were up against two private companies and a joint service in Dorset.

Personnel Today have shortlisted the oneSource Human Resources and Organisational Development Team for the Award for Excellence in Public Service HR for redefining our HR service offer to meet the demands of our customers and demonstrating commercial viability. We will have to wait until the 21 November 2017 to find out whether we have been successful.

Regular award nominations are keeping our profile high in the sector.

Our innovative solutions are also receiving industry recognition; The Mediation Service has been mentioned in a couple of well-respected publications. Personnel Today, a web-magazine attracting 300,000 unique visitors every month, quotes Catherine Anderson (HR and OD team) about putting resolution at the heart of managing conflict at work. The benefits of the oneSource resolution policy have also been highlighted in David Liddle's (CEO, The Conflict Management group) "Managing Conflict" book about achieving a system that discourages harmful and dysfunctional disputes in the workplace. It is a brilliant demonstration of the oneSource reputation and ability to provide progressive solutions.

We continue to be awarded work by the Newham small businesses as they move to company status and we have recently been appointed by Bexley's Housing Company to provide its finance services. This is requiring oneSource to rethink the offer it provides, diversifying into services that are more suited to small businesses and improving our customer service. Our services are improving fast in these areas and this could become a growing side to the business over time, beyond companies connected to the three partner councils.

We are doing more projects jointly with other teams in the three boroughs, particularly Education in both Havering and Newham. For example, we are having success selling on a product the oneSource ICT Team have developed in conjunction with the Newham Education Team. The CLA

Live system supports professionals in meeting the needs of currently and formerly looked after children and young people from ages 3-25 years. It automatically deals with data capture, enabling professionals to focus on the educational, training and employment needs of a child. By holding information about key social care factors it assists in identifying the needs of an individual young person or hundreds of young people.

What is unique about this product is that it looks at educational needs within the context of wellbeing factors. Looked after children often carry a history of trauma which impacts on educational performance. The right educational intervention can be the start of unravelling a complex emotional and social web which the young person has been caught up in.

It also enables high level analysis using straightforward language ready for Virtual School staff to manage their caseload or make the case for resources.

Finally we are also working on specific opportunities with a number of London Boroughs and a District Council.

Legal implications and risks:

None

Financial Implications and risks:

None

HR Implications and risks:

None

Background Papers

None

Appendix A

oneSource Transformation Programme

oneSource transformation workstreams Nov 2017					
REF	Workstream	Description	SRO	Project Manager/ Lead	Status
1	Case management system	HR system	CN/JD	TB	In Progress
2	Work allocation / porta (service manager)	Automatic redirection of work request to teams	DF	MD	In Progress
3	Legal Trading account	Establish cost base of service, Recharging model	DF	DF	In Progress
4	Strategic Legal Commissioning	Establish the model	DF	DF	In Progress
5	Discovery (processes)	Identify processes/ inform work programme	JW	MD / CL	In Progress
6	Central repository for guidances	Forms and guidances in one place	JW	KS /CL	Not Started
7	Induction process end to end	HR process	JD	SA	Completed
8	Robotics RPA	Pilot RPA	JW	TBC	In Progress
9	Agile Pilot End to end starters-leavers	Agile 1st iteration minimum viable product	JW	CL	Completed
10	ICT transformation	Target operating model	PJ	PJ	Not Started
12	Oracle development	Wherever possible mirror to one instance	PT	JJ	In Progress
13	Time recording system	To record time for chargeable work and mgmt info	PT	TBC	Not Started
14	Continuous improvement Procurement	Critical to customer (CTQ) / Master scheduling	PT	KS / AA	In Progress
15	Finance Transformation	Strategic and operational	PT / SB	PT / SB	In Progress
16	Transactional Process standardisation	Oracle workarounds	PT	TBC	In Progress
17	Recruitment process end to end	HR process owner	SB / CN	KS	Not Started
18	Ctax & bens and exchequer LBH / cust serv	Target operating model	SB	TBC	In Progress
19	E resourcing portal	Review E-Resourcing Portal (Current urgent)	SB	KS	In Progress
20	ONE 1 Wireless	Sale of ducting, wireless and masts	PJ		Not Started
21	ONE 2 Digital post room (oneSource/ LBH)	Transformation of post, scan and print functions	JW		In Progress
22	ONE 4 Transition to Trading	oneSource to become a commercial entity	JW	JW	In Progress
23	ONE 5 Spans and Layers	Review compliance with Organisational Policy	CN		In Progress
24	ONE 7 Business Support (LBH)	Review of all business support across the services	JW	JP	Not Started
25	ONE 8 Agency Staff	Review of all agency workers	CN		Not Started
26	Movers	Next iteration following Starters and leavers	TBC	TBC	Not Started

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