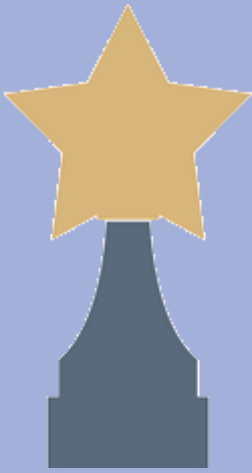




2015 - 2016

ANNUAL REPORT



14

awards won or shortlisted for including: PPMAs, SOPO, IRRV & LGC



3

councils working together

5

specialist areas promoting collaboration

by guest speaking at national events, including:

- CIPFA conference
- Tucana - HR Analytics
- Public Finance – Digital Finance Transformation webinar
- Advanced Business Solutions conference



1

ERP system now operating in Havering and Newham



9

services transformed

£8.5m

reduction in costs

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Message from our MD



“Having come across from West London, where I was the Executive Director of Corporate Resources for the Tri-Borough, I was delighted to join oneSource as Managing Director in November 2015; a partnership in which all parties truly focus on making the best use of their resources, expertise and knowledge to provide an optimal back office solution” – **Jane West**

oneSource has made substantial progress this year. We continued transforming our services by engaging with the partner councils, our customers, and our staff on ideas for step change improvements and streamlining our services to provide an agile and effective service.

Thanks to the hard work, adaptability and resilience of our staff, we finalised the reviews of Asset Management, Transactional Finance and HR and Strategic and Operational HR, and Strategic and Operation Finance; putting us in good stead to meet our savings targets.

Initially a partnership between Havering and Newham Councils, we began exploring joint working with the London Borough of Bexley to enhance our resilience and achieve savings for all three boroughs. Having developed a business case and worked out the practicalities of adding a third partner, I am pleased to say that we welcomed Bexley’s Financial Services to the oneSource family on 1st April 2016.

Our services continued to draw attention from public sector bodies from across England, with our Passenger Transport service contracting new work with Thurrock Council, London Borough of Barking & Dagenham, Network Rail and Essex County Council; Norfolk County Council enlisting the expertise of ICT services; HR services providing assistance to Thurrock Council with TUPE transfer and recruitment; and the Health and Safety service being appointed by Multi-Academy Trusts in Redbridge and Thurrock for the supply of advisory services – just to name a few!

We successfully delivered core projects for the founding councils, including:

- Bringing together the information and processes for Newham’s HR, Finance, Payroll and Procurement with the introduction of One Oracle;
- ICT, Finance, HR and Business Development supporting Newham’s 2020 Transformation programme;
- ICT enabling the councils’ “digital by design” ethos by driving online self service and channel shifting customer interactions; and
- Legal Services and Asset Management ensuring Havering’s and Newham’s housing companies continue to make good progress.

Our priorities for next year are clear; oneSource will continue to provide an agile and customer-focussed service to reinforce the achievements we’ve made so far and will support our clients in

delivering projects for their residents, customers and staff, including:

- assisting Havering's review of customer access;
- developing the financial aspects of Havering, Barking and Dagenham, and Redbridge's Accountable Care Organisation; and
- developing a commercial offer for Newham's emerging small businesses.

We look forward to assisting Bexley further in the delivery of local projects during 2016/17.

It was fantastic to see our services and teams winning and being shortlisted for 14 prestigious awards such as the LGC's Efficiency award, CIPD's Best Recruitment and Talent Management Initiative award and IRRV's Most Improved Team of the Year award. It's a great testament to a year of colossal impact, innovation and the exceptional teamwork.

In a nutshell, it has been a strong and an eventful year for oneSource. I am confident that the successes of 2015/16 put us in an advantageous position to face the challenges ahead and persist with developing our services, embracing innovation, implementing new technology and growing our business.

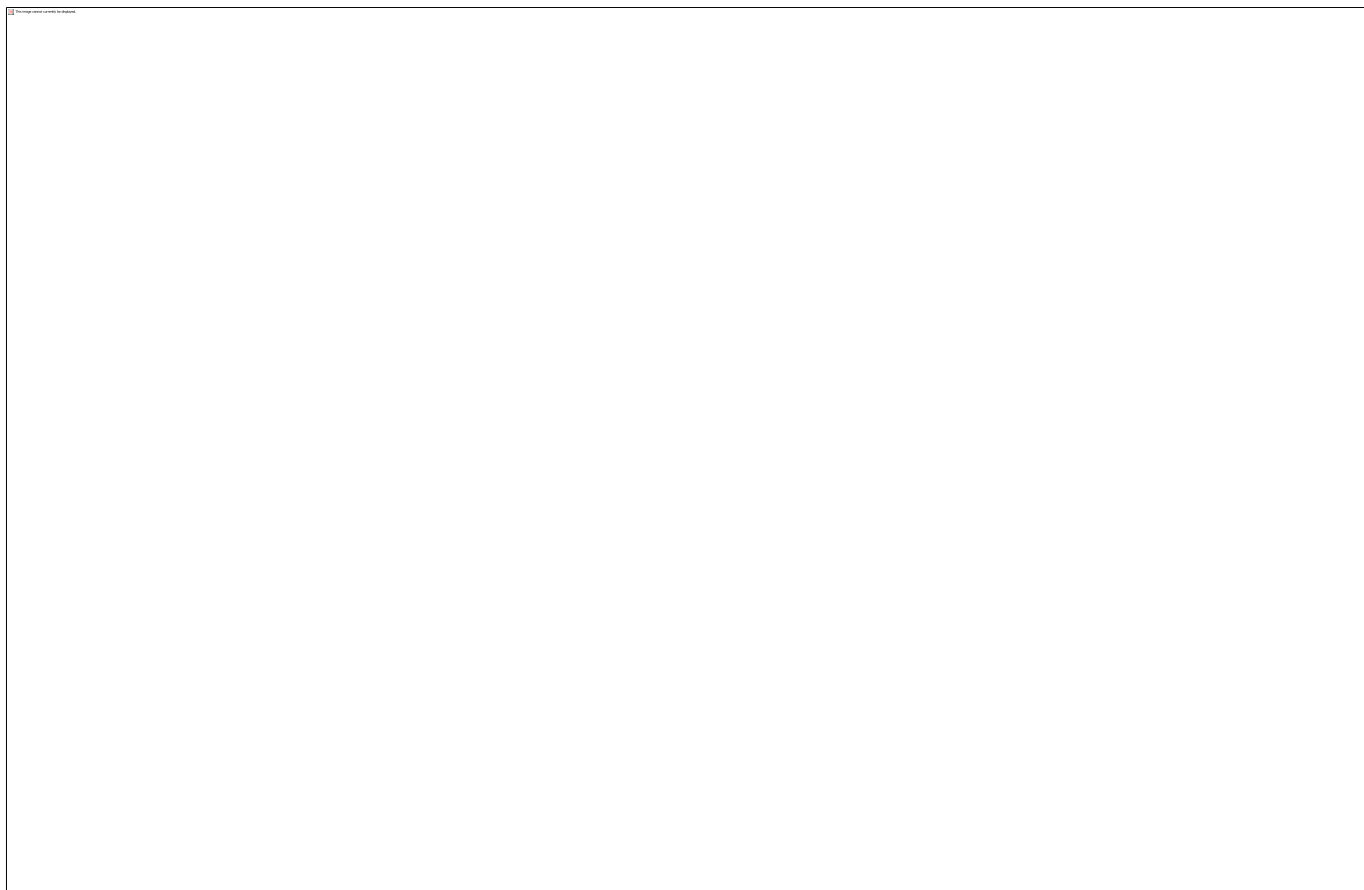
About oneSource

oneSource is currently the largest public sector shared service in London and one of the largest in the country. It was originally formed by the London Boroughs of Havering and Newham by bringing together 22 services and 1350 staff, with the London Borough of Bexley joining the collaborative partnership in 2016. oneSource is governed by Members through a joint committee which receives key reports and makes strategic decisions about its operation.

oneSource provides a range of strategic, operational and transactional services. This means we lead for our partners on key strategic issues as well as providing direct services to the councils and support to managers. It is to some extent a virtual organisation with staff employed by the partner organisations. Its location is also virtual with staff flexibly located where they can best undertake their work. We don't consider ourselves to be necessarily constrained by geography.

oneSource has its own vision, values and ways of working, distinctive from the councils we work with. These reflect the sort of service we want to be in order to meet our customers' requirements.

The services we offer



Our customers



A range of services are also provided to a multitude of schools, academies, associations and clubs, as well as our Health and Safety advisory service having an additional 95 customers.

Review of the year

A new partner joining oneSource

As part of efforts to generate savings and balance the Councils' budgets, we have been exploring alternative methods of delivering services and the outcomes outlined in the oneSource Strategic Plan i.e. finding new partners to share services with.



June 2015 saw the three Chief Executives of Havering, Newham and Bexley councils sign a Memorandum of Understanding to explore whether oneSource could be strengthened, enhanced and bring in further savings with the addition of Bexley's support services.

A Business Case was developed and the practicalities of a third borough joining the shared service were considered over the subsequent months, and on 1st April 2016 Bexley's Financial services joined the oneSource family with the aim of delivering £1.7m in savings by 2017/18 and improve the service we provide to the partner councils.

New customers

Since 2014, oneSource has brought in a number of new businesses and customers, helping to generate revenue. As well a new partner joining, during 2015/16 we also saw a number of new customers use our services, these include:

- **Thurrock Council** awarded our Operational HR team new business. oneSource assisted the authority to TUPE a large number of staff into Thurrock Council from an external provider
- Passenger Transport Service within Asset Management has continued to attract new contract work with external customers including: **Thurrock Council, London Borough of Barking & Dagenham, Network Rail and Essex County Council**
- Health & Safety team have recently been appointed by **two multi-academy trusts (MAT) in Redbridge and Thurrock** for the supply of advisory services, with a third MAT due to buy in later this year when their existing contract arrangements expire
- **Thurrock Council** was very impressed with Operational HR's assistance with the transfer of staff back into the authority from an external organisation that we are now being engaged further to carry out a large recruitment campaign

Supporting the councils we work with

oneSource has an important role to play in supporting our partners in achieving their corporate goals and aspirations. oneSource is particularly supporting our partners in delivering their financial strategies by making considerable savings by delivering our services differently.

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

Awards and accolades

We have received recognition and accolades within the public sector industry, including being shortlisted and winning a number of awards:

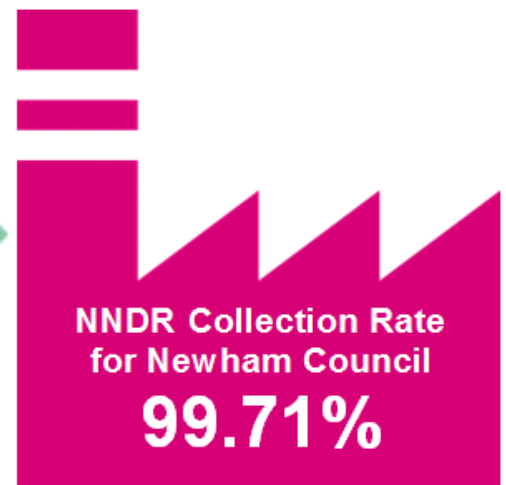
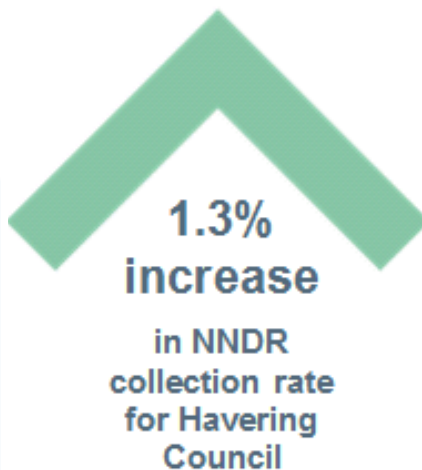
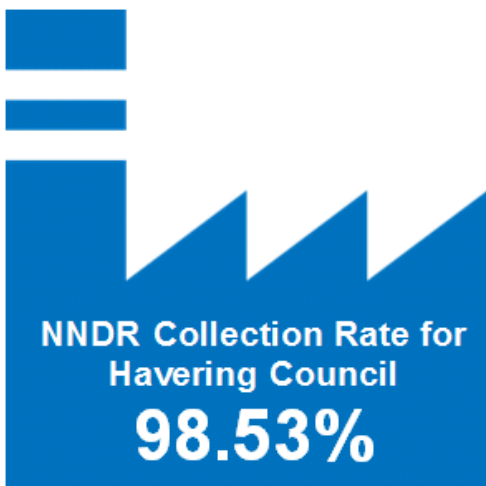
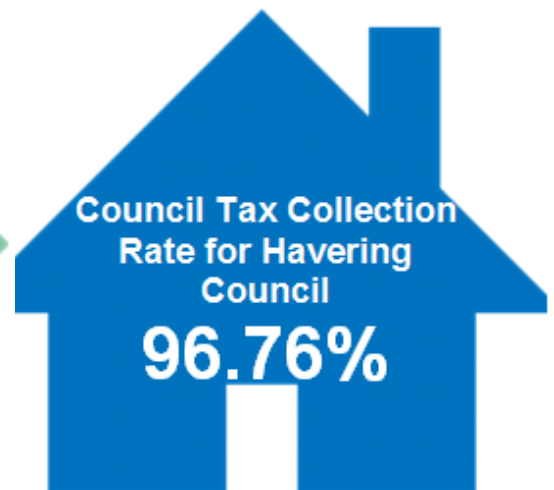
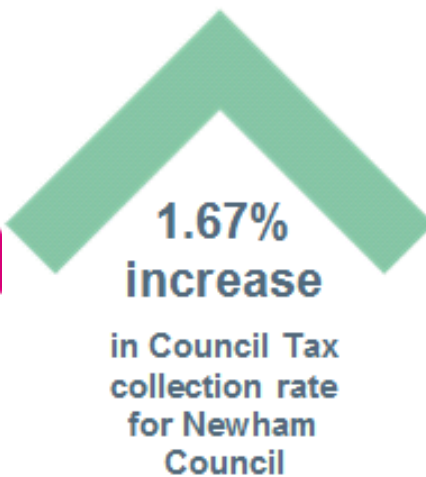
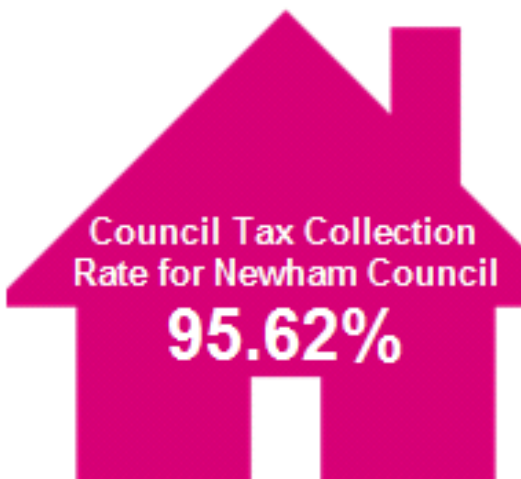
- oneSource Procurement division shortlisted for the **Outstanding Savings Delivery Award** by the Society of Procurement Officers (SOPO);
- oneSource HR & OD team won two PPMA Excellence in HR awards in the categories of **Private Sector Partner** for Social Worker recruitment and **Youth Talent**;
- oneSource HR and OD service has been shortlisted for, and came in the final six in the **Best HR team: public and not-for-profit sector**;
- Geoff Connell, oneSource Director of ICT, secured a spot in **CIO Magazine's 2015 list of leading CIOs in the UK's Private, Public and 3rd sectors**;
- oneSource HR worked collaboratively with Havering Council's Children's Services and external partners to address the shortage of Children's Social Workers and have been shortlisted for the '**Best Recruitment and Talent Management Initiative**' award;
- Newham's Pensions service within oneSource won the **Public Sector Pension Fund of the Year award**, for providing the best public sector scheme in the country;
- oneSource HR team was shortlisted for the **HR Excellence Award**;
- oneSource Asset Management was shortlisted for an **LABC's Regional Building Excellence Award** for the development of the state-of-the-art £4.5M Rainham Library;
- HR has secured a finalist spot in the **Personnel Today Awards in the "Innovation in Recruitment" category** for supporting Havering's Children's Services with attracting and maintaining newly qualified social workers;
- Head of Talent, Ray Ellul was shortlisted for **People Management Magazine's Top 50 people in HR over 50**;
- oneSource Benefits Service for Newham Council has been recognised for high levels of performance, increase in service standards and customer satisfaction, and implementation of effective administrative practises by the **Institute of Revenues Rating and Valuation (IRRV)** ;
- Geoff Connell, oneSource Director of ICT, won **Member of the Year from SOCITM** (Society of ICT Managers) ; and
- Strategic Procurement unit was shortlisted in the **Efficiency Award** category in the LGC Awards.

Our Performance in 2015/16



Exceeded £7.9m financial savings target with an overall saving of

£8.5m





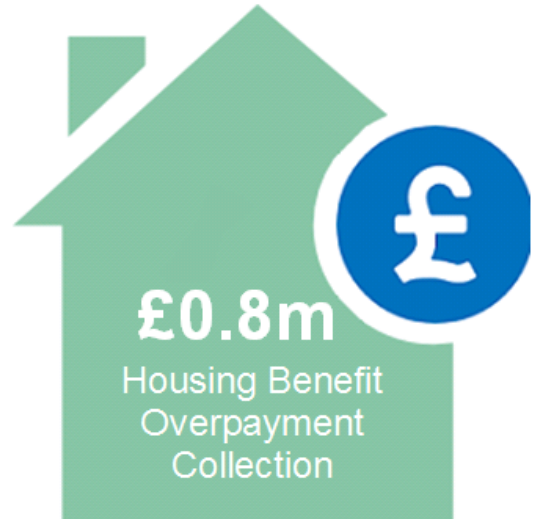
20.42 days

Speed of processing new Housing Benefit/Council Tax support claims



6.84 days

Speed of processing change in circumstances of Housing Benefit/Council Tax support claims



£0.8m

Housing Benefit Overpayment Collection



25 days

Speed of processing new Housing Benefit/Council Tax support claims



5.61 days

Speed of processing change in circumstances of Housing Benefit claims



£2.6m

Housing Benefit Overpayment Collection



99.90%

Business Systems Availability

95.84%

Invoices paid within 30 days



79.79%

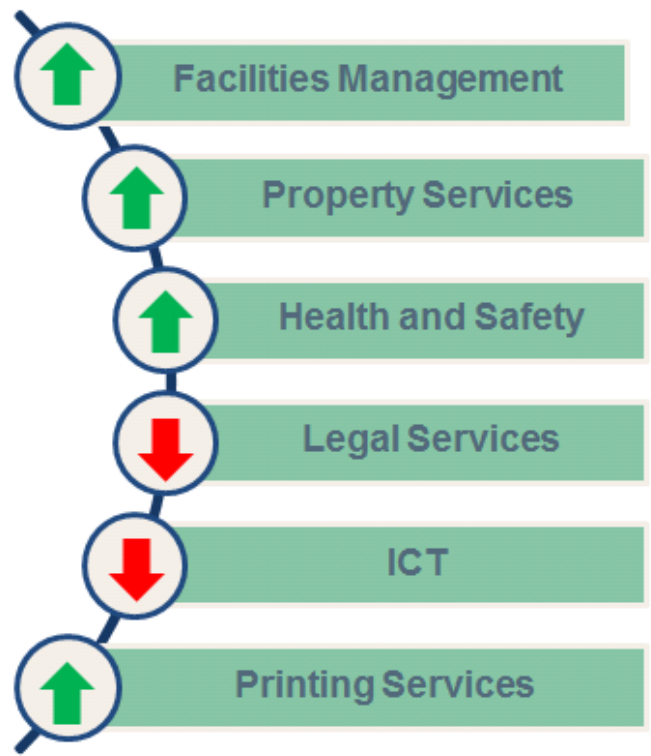
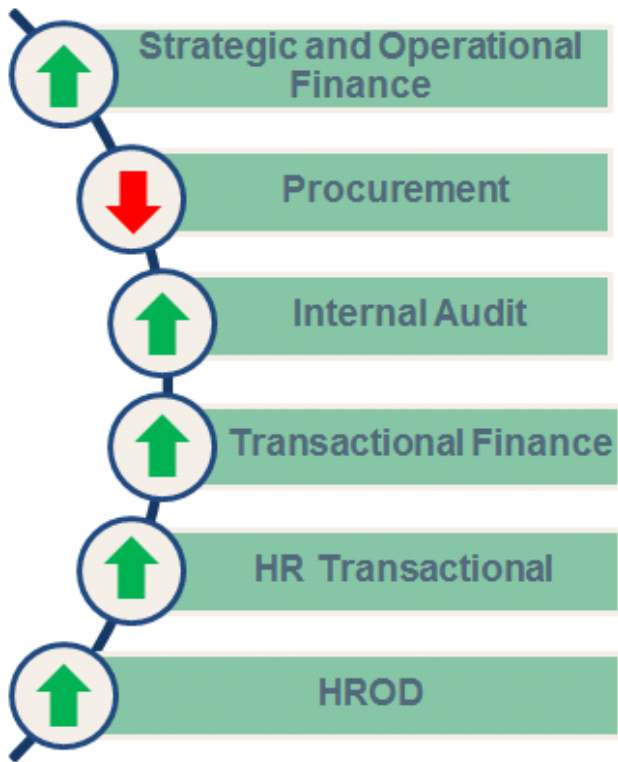
Severity 1 and 2 incident resolution

Key:

-  = Havering Council
-  = Newham Council
-  = oneSource

Customer Satisfaction

March 2016



79%
Overall Satisfaction
in Havering

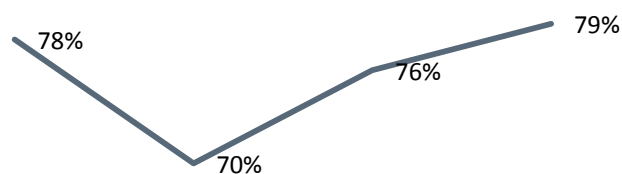


75%
Overall Satisfaction
in Newham



86%
Overall Satisfaction
in oneSource

Customer Satisfaction - by date






Transforming our services

Transformation reviews

During 2015/16 we continued to transform our services, this is being done through Transformation Projects which fully analyses each services' function, using business improvement techniques (including LEAN and value stream mapping) and provides a range of recommendations for improvements, efficiencies and savings.

The services which have been reviewed in the last year are:

 <p>Transactional HR (including payroll)</p>	<p>Transactional services were split into two projects - Finance and HR.</p> <p>Most of the proposed savings for Havering and Newham are through using the same 1-Oracle processes across both councils, reducing duplication. The review looked at how 1-Oracle is used in Havering to see where improvements could be made to either deliver savings or improve the customer experience. This work will continue in 2016/17.</p> <p>The new service will launch in September 2016.</p>	<p>£</p> <p>Savings identified</p> <p>16/17</p> <p>£272,000</p> <p>17/18 →</p> <p>£469,000</p>
 <p>Transactional Finance</p>	<p>This project began in February 2015 working to bring Havering and Newham finance functions together to deliver savings through the removal of duplication and process improvement. In February 2016, proposals for on-boarding of Bexley finance functions were agreed.</p> <p>A potential shared Target Operating Model has been produced in conjunction with the councils' Section 151 Officers. This has been shared and consulted on with staff across the three current finance functions and managers in the three councils.</p> <p>We are planning to launch the new service in August 2016.</p>	<p>£</p> <p>Savings identified</p> <p>16/17</p> <p>£562,000</p> <p>17/18 →</p> <p>£774,000</p>
 <p>Operational & Strategic Finance</p>	<p>This project began in February 2015 working to bring Havering and Newham finance functions together to deliver savings through the removal of duplication and process improvement. In February 2016, proposals for on-boarding of Bexley finance functions were agreed.</p> <p>A potential shared Target Operating Model has been produced in conjunction with the councils' Section 151 Officers. This has been shared and consulted on with staff across the three current finance functions and managers in the three councils.</p> <p>We are planning to launch the new service in August 2016.</p>	<p>£</p> <p>Savings identified</p> <p>16/17</p> <p>£1.118m</p> <p>17/18 →</p> <p>£1.782m</p>



Operational & Strategic HR

Work commenced on this project in March 2015.

The project obtain a baseline position of the service – the “As Is”, identifying current service budget, establishment, service offering, cost, performance and customer satisfaction. It also looked to identify and standardise key processes for a shared HR & OD service as well as develop a Target Operating Model for a shared service.

The new service will launch in September 2016.



Savings identified

16/17

£334,000

17/18 →

£608,000



Council Tax & Benefits

The Council Tax and Benefit transformation review started earlier than expected in January 2016.

The aim of the project is to create a Council Tax and Housing Benefits service that provides an efficient, high performing and affordable service for the councils and residents, no matter what the preferred model is for each council e.g. in-house or outsourced. The top priority is to continue to increase the income collected through the service year on year.

The new service will launch in January 2017.



Savings identified

16/17

£1.013m

17/18 →

£1.32m



Assurance, Insurance & Fraud

A range of savings have been identified for Internal Audit and Risk, with the biggest saving achieved through creating a single shared structure that delivers financial and efficiency savings. The review of the service completed in 2015 for Havering and Newham but was then delayed for the potential joining of the Bexley service.

The new service will launch in September 2016.



Savings identified

16/17

£1.126m

17/18 →

£1.394m

Financial statement

Summary of savings to date

oneSource has successfully met and exceeded our £7.9m financial savings target for 2015/16.

The oneSource Joint Committee had a revised controllable net budget of £44,475,618 for 2015/16, as shown in the table below. Actual spend for the year amounted to £43,916,077 giving an underspend of £560k. The budget included savings of £7.9m to be found during the year (as per the business case) so the actual reduction in expenditure against the budget (at the inception of oneSource) was £8.5m.

The oneSource budget underspend is from a mixture of one off and on-going variances, with the bulk of the underspend relating to delayed expenditure, over-achievement of savings, vacancy management and income generation. It is expected that all these will contribute to oneSource's challenging future transformation savings targets.

It has been agreed by the respective Councils that this underspend will be carried forward to support the on-going development of oneSource with the significant service and financial challenges anticipated over the coming year. The carry forward will also help to support any necessary transitional arrangements until recommendations from the emerging service reviews can be fully implemented and will be used to invest in IT solutions to support cross borough working.

Outturn 2015/16

Service	NET Controllable Budget £	Actuals £	FY Outturn Variance £
Finance oneSource	7,503,120	7,727,212	224,092
Business Services	2,231,047	1,421,045	-810,002
Exchequer & Transactional Services	17,727,729	17,471,582	-256,147
Legal & Governance	3,472,465	3,878,497	406,032
ICT Services	8,725,183	8,439,112	-286,071
Asset Management Services	1,682,404	1,712,434	30,030
Strategic & Operational HR	3,133,670	3,266,194	132,524
TOTAL	44,475,618	43,916,077	-559,541

Non-shared budgets

oneSource delivers non-shared services on behalf of the partner Councils. These have their own additional savings targets as part of the respective Councils' Medium Term Financial Strategy (MTFS). For Newham, £3.087m of savings have been delivered for 2015/16 and £14.864m is anticipated to be delivered in 2016/17. For Havering, £1.244m of savings have been delivered for 2015/16 and £0.1m is anticipated to be delivered in 2016/17.

Newham non-shared 2015-16 budget outturn position

The 2015/16 total oneSource Newham non-shared controllable outturn position shows an underspend of £1.9m. This is analysed by service and activity in the table below.

Service	Net Revised Controllable Budget £	Actuals £	FY Outturn Variance £
Finance	-223,800	-214,953	8,847
Business Services	286,420	239,020	-47,400
Exchequer & Transactional Services	794,400	-3,096	-797,496
Legal & Governance	2,047,400	2,203,424	156,024
ICT Services	-488,000	-488,000	0
Asset Management Services	-1,698,400	-2,788,553	-1,090,153
Strategic & Operational HR	844,000	703,857	-140,143
TOTAL	1,562,020	-348,301	-1,910,321

NOTE - The budget figures above include controllable budgets only.

Nature of the outturn underspend

The oneSource Newham non-shared budget underspend is largely due to one-off income within the Asset Management area relating to invoicing for previous years (which hadn't been accrued) and a back-dated NNDR rebate. The underspend relating to Housing Benefit subsidy is not significant in the context of the size of the income and expenditure budgets (approx. £270m); a small change in levels of activity could vary this underspend in future years.

Havering non-shared 2015-16 budget outturn position

The 2015/16 total oneSource Havering non-shared controllable outturn position shows an underspend of £1.2m. This is analysed by service and activity in the table below.

Service	Net Revised Controllable Budget £	Actuals £	FY Outturn Variance £
Exchequer & Transactional Services	288,990	-302,012	-591,002
Legal & Governance	1,611,848	1,569,227	-42,621
Asset Management Services	276,863	-298,725	-575,588
Strategic & Operational HR	420,374	427,438	7,064
TOTAL	2,598,075	1,395,929	-1,202,146

Nature of the outturn underspend

The oneSource Havering non-shared budget underspend is largely due to over-recovery of income; Council tax income overachieved against target as did commercial property income. In addition, there was an underspend against budget on commercial premises and council premises.

