
ONESOURCE JOINT COMMITTEE

21 October 2016

Subject heading:

oneSource Transformation Update

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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

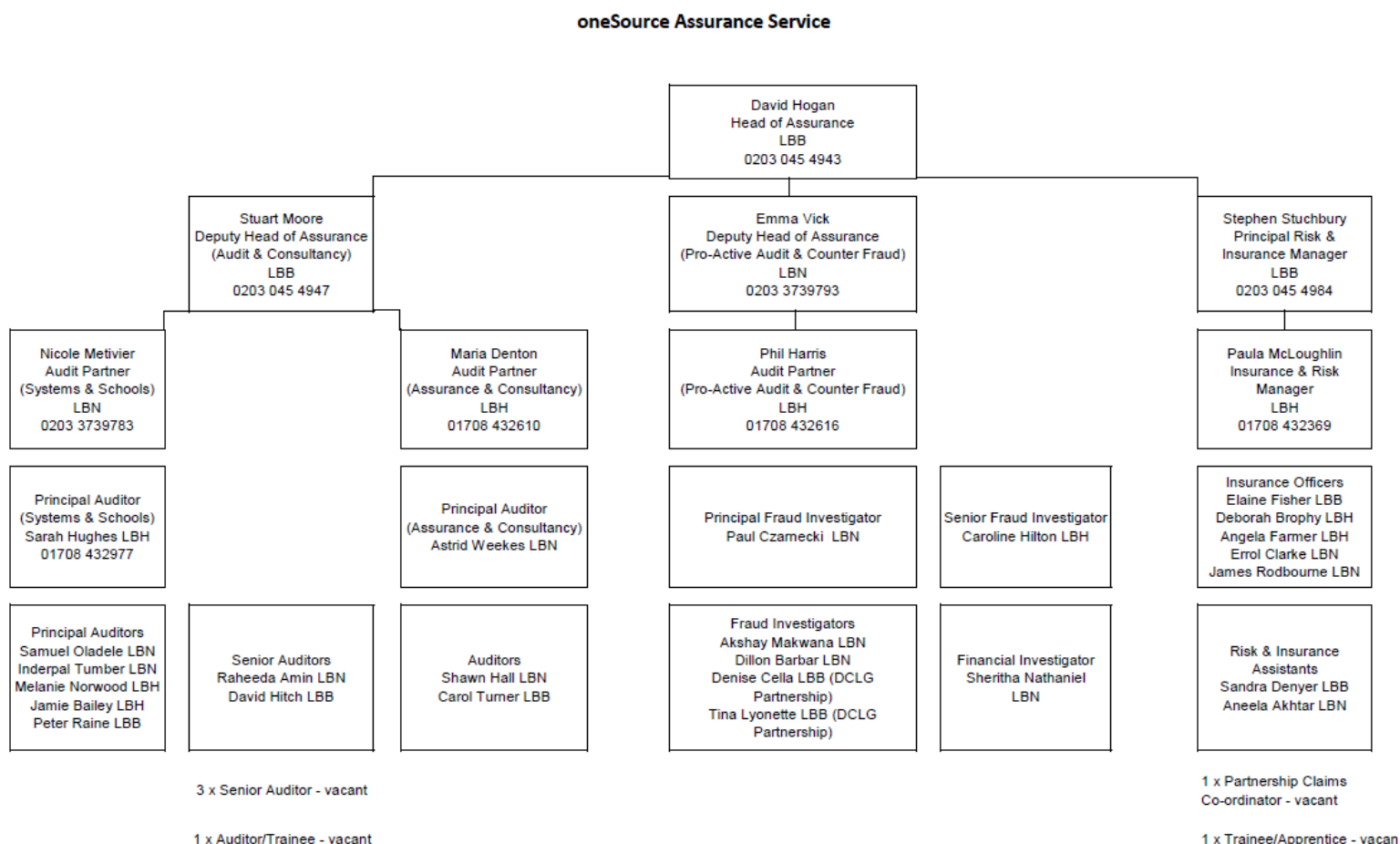
- 1.1 The transformation of Strategic and Operational HR, Democratic Services and Assurance have been completed; enhancing resilience, improving delivery of services and achieving long-term financial benefits for Newham, Bexley and Havering Councils. The transformation projects for Transactional Finance 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.

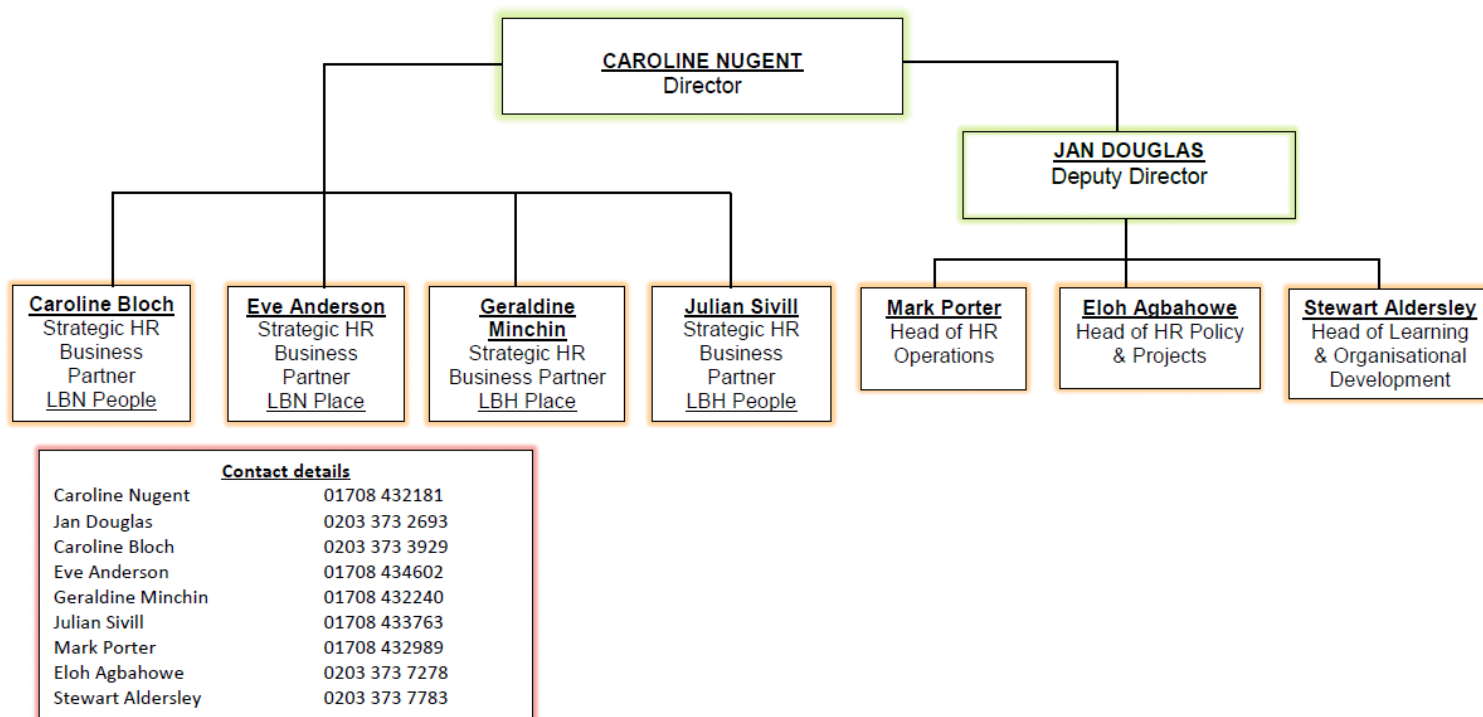
3.2 Following completion of the restructure, we now have a fit-for-purpose and more resilient HR Service which can undertake:

- 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