

**ONESOURCE JOINT  
COMMITTEE  
20 January 2017**

**Subject heading:**

**oneSource forecast financial  
position as at November 2016**

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**Financial summary:**

The oneSource Shared financial forecast shows a projected overspend of £111k as at November 2016, period 8. Non-shared budgets for all 3 Councils are forecasting minor variances.

**SUMMARY**

The oneSource shared forecast financial position shows a projected overspend of £111k as at November 2016, period eight. This is in the context of savings of £9.4m having been applied to shared budgets since oneSource's inception in 2014/15 and therefore means that savings of £9.29m will have been achieved by the end of 2016/17. The forecasted split between the three boroughs is £46k to Havering, £71k to Bexley and a credit of £6k to Newham.

As at period eight, the services managed by oneSource, but not shared are forecasting a balanced budget *overall* with minor variances; £1k for Newham, £6k for Havering and a nil variance for Bexley. This is in the context of savings of approximately £700k being removed from Havering non-shared budgets and £3.2m being removed from Newham non-shared budgets since the start of oneSource.

**RECOMMENDATIONS**

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

<b>REPORT DETAIL</b>
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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). The position is summarised in the following table:-

Over/underspend(-)		
	Shared £	Non-shared £
Havering	46,206	6,211
Newham	71,217	1,113
Bexley	(6,576)	0
<b>Total</b>	<b>110,847</b>	<b>7,324</b>

Havering's non-shared budgets managed by oneSource are forecasted to be on budget with a £6k overspend overall currently being forecasted.

Newham's non-shared budgets are also currently forecasting a balanced budget with a £1k variance forecasted at period eight.

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

The oneSource shared financial position has improved from the £373k overspend forecast in August (period five) which was reported to the Joint Committee in October 2016. The current shared overspend is £111k, with £46k relating to Havering, £71k to Bexley and a credit of £6k to Newham. The £262k improvement is largely due to progress with delivering restructures and continued vacancy management; the Transactional Services and Strategic HR restructures went live on 1<sup>st</sup> October 2016 and Finance on 9<sup>th</sup> January 2017.

As mentioned in the October 2016 report to Joint Committee, the future delivery model for a number of services is currently being reviewed and as such these services are not currently being brought together. The services affected are:

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

With regard to technical services and education schools capital, the non-sharing of these services is not contributing towards the shared £111k forecasted pressure as these services

have been relinked to the non-shared areas of each council. However, Havering's council tax and benefits service remains within the oneSource shared model with a view to exploring the possibility of sharing this service with Bexley in the future. Therefore, Havering's forecasted pressure resulting from not sharing at this stage, is contributing towards the £111k forecast. The pressure relating to this area attributed entirely to Havering in the year end cost sharing arrangement. Newham's Council Tax and Benefits service has been moved to non-shared whilst a review of their operating model takes place and this is considered in another report on this agenda.

The majority of the Bexley share of the forecasted overspend relates to enforcement services and the aforementioned delays in delivering restructures. Bexley's oneSource shared savings target relating to enforcement services in 2016/17 was predicated on an assumption around the number of cases passed to the oneSource enforcement team from the council – this assumption hasn't materialised due to complexities surrounding the Bexley partnership with Bromley (parking) and Capita (council tax). It is hoped that subsequent to recent Legal advice, this situation will improve in 2017/18.

Although overall the enforcement service are forecasting a balanced budget and are therefore not contributing towards the £111k forecasted pressure, at a council level, the shortfall in caseloads (which is the basis of the cost share in this area) manifests itself as a pressure to Bexley of £108k, a pressure to Havering of £30k and a surplus to Newham of £138k.

It is anticipated, subject to S151 approval, that Havering & Newham's share of the balance at year end will be transferred to/from their oneSource reserve. The forecasted pressure attributable to Bexley has been communicated to their S151 officer and incorporated into their overall monthly monitoring position.

The oneSource budget workshop in November discussed the opportunities arising in future years for the service to deliver further savings. The three Section 151 officers were present to discuss the three councils' budgetary positions and what oneSource could do to help. oneSource was recognised as already playing an important part in helping our partners meet financial demands and so have not been asked to find any additional savings for the next two years at this time. Additionally, oneSource will draft a Financial Strategy for 2018/19 to 2020/21, which will set out what savings they expect to contribute in the future to help the three boroughs in balancing their budgets. This will be brought to Joint Committee in the autumn .

## **IMPLICATIONS AND RISKS**

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

The financial position of oneSource Shared has a direct bearing on the financial position of Havering, Bexley and Newham Councils; with any savings or overspends being shared

as set out in the Joint Committee agreement. Achievement of expected savings is therefore key to each council meeting their Financial Strategy.

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

Any use of or contribution to carried forward underspends from previous years must be agreed with the relevant partner Councils, in consideration of their respective financial positions and priorities.

Robust financial management processes are in place across oneSource and the financial position as at period eight 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.

<b>BACKGROUND PAPERS</b>
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oneSource Joint Committee Agreement