

**ONESOURCE JOINT
COMMITTEE
21 April 2017**

Subject heading:

oneSource update for April 2017

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Financial summary:

**This report provides an update of
current activity across oneSource.**

SUMMARY

The report covers:-

- The position in relation to Oracle Cloud
- An update in relation to the Governance project
- The position in relation to IR35
- An update on 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.

REPORT DETAIL

Oracle Cloud

Members will recall that the Mayor of Newham decided not to move to Oracle Cloud in April 2018 and to instead commission an independent review of the options available to Newham. In the light of this decision, Havering decided not to move to Oracle Cloud in 2018 and to wait to see what Newham decided to do following its independent review.

The oneSource Oracle Cloud project was therefore shut down and the abortive costs will be written off in 2016/17.

oneSource continues to work with the 1Oracle Partnership, led by Brent, on developing options for future service provision at the end of the Cap Gemini contract at the end of June 2018.

Governance Structures Review

The governance structures review has been discussed with the Chief Executives from the three councils who have asked for additional work to be completed. A meeting is being arranged with the Mayor of Newham and the Leaders of Havering and Bexley but diary pressures mean this is unlikely to take place before June. This will be followed up by a meeting of the Joint Committee.

IR35

A major review of agency staff has been undertaken to prepare for the change in responsibility in relation to determining the status of agency staff and interims for the purposes of the HMRC's IR35 tax rules from 6 April 2017. In the past, the determination around status has been made by the individual but this responsibility has now been transferred to public bodies (the private sector is not impacted in the same way at present). The HMRC has also issued a toolkit for reaching the determination.

Managers have had to undertake the determination for all agency and interim staff and this led to the vast majority of agency and interim staff being found to be operating within IR35. Many agency and interim staff had previously assumed they were outside IR35. The impact for these staff is that from 6 April 2017 they are liable for higher tax and NI contributions and therefore will receive lower take home pay. The councils' and oneSource's position is that it is not prepared to review daily rates except in exceptional circumstances.

In the event, a small number of agency and interim staff have chosen to move on but most have remained with oneSource on their current rates. A small number have been recruited into permanent positions. However, it remains to be seen what the market response is to the change in tax arrangements for agency and interim staff in the medium to long term. oneSource managers are keeping the situation under close scrutiny as any upwards movement on rates in the market will eventually impact budgets adversely.

Commercial opportunities

Although internal customer satisfaction continues to be the focus, oneSource is still working to keep up its external profile.

oneSource HR has recently been shortlisted for five PPMA awards:-

- Social media recruitment campaign of the year
- Commercialisation in HR
- The role of HR in innovation
- Best frontline recruitment campaign advert
- Improving workplace productivity through better work life balance.

Caroline Nugent, oneSource's Director of HR and OD, takes over later this month as President of the PPMA for 2017/18.

In the Public Finance Innovation Awards, oneSource has been shortlisted in two categories:-

- Innovation in Internal Audit
- Innovation in Treasury & Asset Management.

oneSource was shortlisted for the Local Government Chronicle award for Most Innovative Service Delivery Model in March but unfortunately was unsuccessful on the night.

oneSource will have a presence at the LGA Conference in July and the CIPFA Conference which is also in July.

In addition, we continue to have regular meetings in the diary with various boroughs in East London and beyond where some specific opportunities are being explored. A verbal update can be provided at the meeting.

IMPLICATIONS AND RISKS

Financial implications and risks:

There are no financial implications associated with this report, which is for information only.