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**MINUTES OF A
ONESOURCE JOINT
COMMITTEE MEETING
Havering Town Hall
Friday, 21 April 2017
(10.00 - 11.15 am)**

Present:

Councillors Lester Hudson (Chair) +Joy Laguda, Donald Massey, Ron Ower, Melvin Wallace, Damian White and Tonii Wilson were present.

+substitute member: Councillor Joy Laguda (for Forhad Hussain)

An apology for absence was received from Councillor Forhad Hussain.

There were no declarations of interest.

An announcement was made explaining the evacuation procedures in the event of an emergency.

23 MINUTES

The minutes of the meeting of the Joint Committee held on 20 January 2017 were agreed as a correct record and signed by the Chairman.

24 FINANCE UPDATE (MARCH PERIOD 11 OUTTURN)

There was currently projected to be an overspend of £334,000 for shared services and this would be apportioned between the boroughs as per the agreement.

Key pressures included an overspend on legal services (this had now been resolved) and the high number of referrals coming through to the enforcement service. The latter issue had been due to a rise in referrals from Bexley for both parking and revenues & benefits enforcement cases.

Non-shared services were projecting an overall underspend of £800,000. This consisted of a £1.1m underspend for Havering, £259,000 overspend for Newham and nil variance for Bexley.

A shortfall of £1.4 million on the Newham commercial rents portfolio had been offset by an overachievement of £1.6 million on Newham council tax, business rates and revenue & benefits. It was noted that roof work at East Ham Town Hall meant that events could not be held there at present, leading to a shortfall in revenue.

The Joint Committee noted the current oneSource forecast outturn position based on the financial monitoring at the end of February 2017.

25 ONESOURCE INTERNAL AUDIT PLAN 2017/18

The Joint Committee was advised that 15% of the approximately 400 days of the audit plan were specifically for oneSource services. The plan was also linked to other audits in each Council such as the Havering data warehouse and council tax & business rates in Newham.

A new interim oneSource head of assurance, with experience of working in another shared service, had started whilst permanent recruitment took place. It was anticipated that the permanent post would be advertised within the next week. It was hoped the new permanent head of assurance would be in post by the second half of the current financial year.

Audits across oneSource were being aligned together and senior staff were now moving between boroughs. This would be extended to more junior staff over the next year.

The Joint Committee noted the report and agreed the oneSource audit plan.

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

The oneSource Managing Director explained that a Havering decision would be made on this issue by 26 April 2017. Once a decision to proceed had been made, it was anticipated that the transfer could take place within a few weeks.

The transfer of Council Tax enforcement for Newham was a matter for the relevant Newham team. A Member felt that certainty was needed under the process and that oneSource could only work if there was trust and cooperation going forward and a commitment to develop services.

The Joint Committee noted Newham's decision to request to Havering and Bexley Councils to remove Newham's Council Tax and Benefits service from the Joint Committee and Delegation Agreement. The Joint Committee also noted that an extension of time had been agreed for Havering to consider the request.

27 ONESOURCE MANAGING DIRECTOR'S UPDATE

There would not be any movement to Oracle Cloud until Newham had completed its review. Around £250,000 had been spent although the project could be picked up again in the future.

The Cap Gemini contract would need to be decided on shortly. A project board had been set up to look at the options as there had been a recent

proposal that other Cap Gemini partners could work with Brent. The capability of Brent to undertake this work was currently being investigated and the best option was uncertain at present. The contract with Cap Gemini was due to end in July 2018. It had been planned originally to move to Oracle Cloud although the Newham review had led to a pause in the project and a year's extension had therefore been agreed with Cap Gemini. If the contract was to be extended for a further year, this would have to be advised to Cap Gemini by June 2017. This would be a decision for the Mayor of Newham.

It was emphasised that no decision on recommended options had been taken at this stage. The issue of EU procurement would also need to be addressed if the Cap Gemini contract was to be extended.

The decision to go for an independent review had been prompted by discontent from Newham users with the Cap Gemini system. Taking a paper on this issue to the Newham Mayoral Proceedings could be hampered by the calling of the General Election.

Work was under way on the governance structure review and meetings had taken place with the three Chief Executives. Further meetings could have to be rearranged due to the General Election.

Whilst a few interim staff had left due to the introduction of IR35, most had remained with oneSource. In only a very few instances had pay rates been increased. Discussions had taken place with London Councils over what rates should be offered and some interim staff had been moved to permanent contracts.

It was not certain at this stage what the overall cost to oneSource would be. This would depend on how the market responded over the next 4-6 months and if rates rose overall. IR35 did not currently apply to the private sector and it was unclear when this change would be made.

As regards commercial opportunities, oneSource had been shortlisted for several awards including for Public Finance Innovation and the Local Government Chronicle awards. There would also be oneSource attendance at the CIPFA and Local Government Association awards.

A proposal had been put to a neighbouring Council re oneSource running their passenger transport services.

The Joint Committee noted the update by the Managing Director.

28 **ONESOURCE 2017/18 BUDGET**

Officers advised that budgets were now set for all three Councils and the shared budget had been reduced this year by £1.4 million. Some costs had

risen such as the management of agency staff and the additional investment in legal services for Havering and Newham. Work was under way to investigate the methodology for charging legal services to other areas.

Officers would circulate the splits of the budget across the Councils for each service. Finance for example was allocated 43% to Newham, 42% to Havering and 15% to Bexley.

For the non-shared services, Havering had made savings by e.g. replacing the peppercorn rent for Stubbers Country Park with a commercial rent. It was agreed that the Managing Director would report back on the position with Stubbers Country Park at a future meeting.

Newham had seen savings from the new HR service as well as expected savings from the commercial property service. Work was continuing to try and fill the remaining floors at Dockside. The Newham depot review remained a risk but the saving from Newham commercial property income could be more than the predicted £333k.

A report on cost pressures and opportunities would be brought to the next meeting.

The Joint Committee noted the base budget for oneSource services for 2017/2018.

29 MEETING DATES - 2017/18

Meeting dates for the remainder of the 2017/18 municipal year were agreed as follows:

13 October 2017
19 January 2018
20 April 2018

30 EXCLUSION OF THE PUBLIC

The Joint Committee agreed that the public should now be excluded from the meeting on the grounds that it was likely that, in view of the nature of the business to be conducted, or the nature of the proceedings, if members of the public were present during these items, there would be disclosure to them of exempt information within the meaning of paragraph 3 of Schedule 12 A of the Local Government Act 1972.

Chairman

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