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## **MINUTES OF A MEETING OF THE ONESOURCE JOINT COMMITTEE Committee Room 3B - Town Hall 3 August 2018 (10:00-11:43am)**

### **Present:**

Councillors Terence Paul (Chair), Robert Benham, Rokhsana Fiaz, John Gray, David Leaf and Roger Ramsey

Apologies were received for the absence of Councillor Jason Frost.

All decisions were taken with no votes against.

The Chairman reminded Members of the action to be taken in an emergency.

### **1 ELECTION OF CHAIR AND VICE CHAIR**

Following receipts of nominations and in accordance with the oneSource legal agreement, Councillor Terence Paul was elected as Chair for the 2018/19 municipal. Councillor Roger Ramsey was elected as Vice-Chair.

### **2 DISCLOSURES OF INTEREST**

There were no disclosures of interest

### **3 MINUTES**

The minutes of the meeting of the Committee held on 20 April 2018 were agreed as a correct record and signed by the Chairman.

### **4 ONESOURCE 2017/18 OUTTURN POSITION**

The report explained that the overall oneSource shared outturn position was an underspend of (£1.342m), split between Havering, Newham and Bexley as follows; (£0.630m) to Havering, (£0.649m) to Newham and (£0.063m) to Bexley. The Havering underspend was transferred to its oneSource reserve held on the balance sheet. Newham and Bexley Councils both transferred their underspends to a corporate earmarked reserve held on the balance sheet.

The non-shared areas closed with the following variances: - Havering non-shared (£0.812m), Newham non-shared £7.065m and Bexley non-shared (£0.407m).

Members sought explanation as to the £7m Newham non-shared overspend. Officers explained that £3.6m was not an overspend as such but a budget pressure owing to the non-realisation of commercial income

targets including the letting of Dockside and Stratford/East Ham Town Hall. It was reported that growth of £1.178m has been allocated for 2018-19 which will part offset the pressures going forward and work is ongoing to generate further income. The projected shortfall for 2018-19 for Dockside lettings and commercial income was c£0.6m and c£0.9m respectively, if following reviews of potential income generating activities a shortfall remains this will need to be part of Newham's Medium Term Financial Strategy (MTFS) moving forward.

Furthermore, changes in legislation around business rates valuation following the stair case ruling resulted in an increase of business rate charges against properties. It was expected that the ruling would be reversed during 2017-18 and subsequent invoices would be refunded. However this did not take place and the result increased the outturn position by c£1.2m, the expectation is still for the ruling to be reversed and the refund will now be backdated. If the ruling is reversed Asset Management will receive a one off benefit of c£1.2m.

Officers gave assurances that the reasons behind the "overspend" were being addressed and that an action plan was in place, the details of which would be shared with the Newham Members of the Joint Committee. This would include matters in relation to the variances for the Schools Private Finance Initiative (PFI) and Building Schools for the Future (BSF).

The Joint Committee noted the 2017-18 oneSource outturn position.

## **5        ONESOURCE ANNUAL REPORT 2017/18**

Presented before the committee was the draft oneSource Annual Report for 2017/18. The draft report contains a summary of the achievements during the year; an overview of key performance indicators, including financial performance and customer satisfaction. The report also outlined the future priorities for oneSource beyond 2017/18.

Members were invited to consider and comment upon the draft of the fourth oneSource Annual Report prior to final publication.

Members commented that the draft report be reviewed by the Leaders of Havering, Newham and Bexley Councils as part of the wider discussions about the direction of travel for oneSource. More detailed explanations were needed in respect of the financial summary for the Newham non-shared overspend and greater refinement of how the customer satisfaction survey results are assessed and reported.

## **6        ICT SERVICE BUDGET UPDATE**

The report before Members presented an overview of ICT service budgets and spend for 2017/18. It also provided an overview of the ICT service

journey over past 12 to 18 months and the delivery on the infrastructure roadmap which has created a more stable and sustainable ICT environment.

The report provided information on the significant improvements to the security compliance and implementation of procedures conferring compliance to the new GDPR.

In addition, the report detailed progress on the ICT/Digital strategy for OneSource/Newham and Havering and the technology roadmap for next 3 years. Projects with a red rating were closely monitored with a programme of development to ensure successful implementations according to agreed timescales.

Members remarked that it was critical for the strategy to offer value to its customer, residents, staff and other stakeholders and that there was flexibility for it to change and adapt to changing needs.

The Joint Committee noted the significant ICT improvements and financial information on the budgets provided in the report.

## **7 INTERIM ONESOURCE CEO OVERVIEW AND UPDATE REPORT**

The interim CEO provided the Joint Committee with a presentation on background and the historic development of oneSource and the more recent discussions around moving the organisation to a traded model.

Having undertaken a detailed analysis of oneSource, the options available and information relating to the overall market and key trends, it was the interim CEO's recommendation that oneSource remain as a local authority shared service rather than becoming a separate legal entity. However, in line with previous agreements where it is possible for oneSource to trade/sell services to others this should be pursued in order to meet existing income targets.

The interim CEO outlined a number of developments that were recommended to improve and enhance current arrangements:

- oneSource should become much more integral to the delivery of the transformation programmes of the Councils where appropriate. This is where the majority of savings will be found in future and the strategic services in oneSource are key to the successful achievement of this;
- oneSource should become more embedded in the Councils and not seen as an external organisation creating greater synergies, trust and added value. The internal branding of oneSource needs to be considered in this context as does the need to explain the nature and function of oneSource to members and officers within the Councils

who are often unaware of the background objectives and governance of the shared service;

- Notwithstanding the above there should be a stronger client/commissioning relationship both in respect of oneSource priorities and to drive service quality. This is developing well with a clearer and more transparent process involving the three Executive Directors from Newham, Havering and Bexley and the Interim CEO of oneSource;
- Deepening and widening of the partnership where appropriate should be considered to bring more services into oneSource from the existing Councils and others.

Members were in broad agreement that the future direction for oneSource required a detailed discussion amongst the leaders of the three partner authorities and that commercialisation for oneSource was not an immediate priority. It was recognised that improving the quality of service provision should be prioritised over external business opportunities.

The Joint Committee noted the key updates provided in the report and discussed the Strategic Direction for oneSource 2018/19 as set out in the report and presentation.

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**Chairman**