
**ONESOURCE JOINT
COMMITTEE
3 August 2018**

APPENDIX 1

Subject heading

**Interim oneSource CEO Overview
and Update Report**

Report author and contact details:

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oneSource**

Financial summary:

**There are no direct financial
implications relating to this report**

SUMMARY

The report highlights the following key updates:

- The background and historic development of oneSource
- The main developments in oneSource since the last meeting of the Joint Committee in April
- The outcome of the Customer Satisfaction Survey for oneSource
- The strategic direction and priorities for oneSource 2018/19

A presentation will be given at the meeting to supplement the background to oneSource and the Strategic Direction for oneSource 2018/19.

RECOMMENDATIONS

The Joint Committee are requested to note the key updates provided in the report and discuss the Strategic Direction for oneSource 2018/19 as set out in the report and presentation.

REPORT DETAIL

1. Introduction

This report has been developed for the oneSource Joint Committee in the context of the Joint Committee's first meeting following the elections to the three Councils in May 2018. The local elections in LB Newham, LB Havering and LB Bexley have seen a number of changes at Mayor, Leader, Cabinet Member and Joint Committee Member level which makes it particularly important that the Joint Committee have the opportunity to review both

the historic context and development of oneSource over the past four years and to discuss the strategic direction for 2018/19.

2. Context and Background to oneSource

To ensure that all members of the Joint Committee have an understanding of the history, context and development of oneSource over the last few years a presentation will be provided at the Joint Committee which will cover the following key areas:

- The rationale for the establishment of oneSource as the shared service for strategic, support and transactional services for LB Havering, LB Newham, LB Bexley
- The Services provided within oneSource, the Management Structure, Budgets and Performance framework that oneSource operates in
- The Governance arrangements for oneSource
- The development of oneSource over the past four years and the savings achieved for the Member Councils

3. Customer Satisfaction Survey 2017/18

One of the key performance measures for oneSource is customer satisfaction. Since the last meeting of the Joint Committee the 2017/18 survey has been undertaken and an initial analysis of the results has been undertaken. A more detailed breakdown of the outcome of the survey is attached as appendix one with the key highlights being:

- The overall satisfaction for oneSource services (combining the four organisations) is 81%, decreasing marginally by 1% from that found in the Autumn 2017 survey, where 82% of customers were satisfied with the service they received. This is the second time that oneSource has exceeded the 80% target set by the Joint Committee, since the organisation's inception.
- Individually, customer satisfaction with the service received is 83% from Havering Council, 73% from Newham Council, 75% from Bexley Council and 91% from oneSource. Customer satisfaction has increased for oneSource and Bexley, with satisfaction in oneSource exceeding the target. Satisfaction within Havering dropped slightly by 5% but overall satisfaction still exceeds the target. There was a decrease in satisfaction within Newham, with overall satisfaction dropping by 8%.

Detailed work will be undertaken over the next few weeks to identify action in those services where satisfaction has reduced by a significant amount and what can be done to improve this. Interestingly the initial feedback seems to suggest the main areas of concern are around speed of response and capacity issues rather than overall quality.

4. Key Developments and work programme of Interim CEO

Following my appointment on an Interim basis in March 2018 my brief has been to:

- Lead the organisation through the pre and post-election period
- Maintain and improve service quality where possible
- Develop with the new political administrations post-election a strategy that could be supported by the three Councils
- Start to develop options for the delivery of savings and transformation 2018-22

Outside of the development of the overall strategy for oneSource the main areas of focus and activity for oneSource has included:

- Supporting Newham and Havering Councils in developing their Medium Term Financial Strategies and associated Transformation Plans.
- Responding to the priorities in respect of oneSource Services from the new political administrations
- Ensuring the effective closure of the accounts of the three Councils in the context of a new shorter timescale
- Looking at high level options for how oneSource could both make future savings from within oneSource budgets and how through the enabling role that oneSource plays support the delivery of savings across the Councils
- Working with Bexley Council to improve aspects of the strategic finance service provided by oneSource
- OneSource has also been represented at the Public Sector Show at Excel, the Local Government Association Conference and CIPFA Conference which has been used to promote the achievements of oneSource to date and to promote the opportunity for other Councils and organisations to join the partnership and or buy individual services

In respect of identifying the overall strategy for oneSource going forward I have undertaken a detailed analysis of oneSource, the options available and information relating to the overall market and key trends. In more detail this has included:

- Reviewing the existing strategies and plans, service quality and budgets
- Discussions with political and managerial leaders across the three Councils including Mayor/Leader/portfolio holders
- An assessment of Council policy positions vis a vis Manifestos etc.
- Discussion and dialogue with oneSource Directors, Staff and Managers
- An analysis of strengths and weaknesses of the current structure of onesource
- Assessment of the strengths and weaknesses of potential models in the context of market conditions, financial position, organisational transformation plans and oneSource capacity and capability

Based on all of the above I would recommend to the three Councils the following for the reasons set out below:

- That oneSource remains as a local authority shared service rather than becoming a separate legal entity
- That 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 reason for this recommendation is as follows:

- There are no discernible advantages to a company model and given the issues in respect of pension strain, TUPE and extra costs associated with the creation of a company there are a number of potential financial disadvantages
- oneSource is not in any event ready to move to becoming a commercial entity and as per the review undertaken in 2017 there is no obvious market for oneSource to exploit.
- That given the size and scale of the transformation agendas in both Havering and Newham and the savings associated with this it would be highly risky to divert capacity and expertise of the leadership and management teams in oneSource from this activity which would be an inevitable consequence of moving to a different model
- Experience from elsewhere suggests that while Councils are happy to keep strategic services in a shared service model there is reluctance to keep strategic finance, HR,

legal and ICT etc. in a more “outsourced” arrangement. Financial and service advantages are likely to be lost in this scenario

- The policy position expressed by some of the member councils re preference for in-house service delivery

Although it is proposed that the broad structure of oneSource remains as a local authority shared service under a Joint Committee there are a number of developments that are 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

The position outlined above would enable the directors, managers and staff within oneSource to focus on improving service quality, satisfaction and performance while also focussing on delivering savings within oneSource and the partner Councils. This approach also provides the maximum flexibility for the Councils so if they wish to add, remove or change services within the oneSource shared service in the future this will be possible.

IMPLICATIONS & RISKS

Legal implications and risks: There are no immediate risks with the report

Financial Implications and risks: There are no immediate risks with the report

HR Implications and risks: There are no immediate risks with the report

Background Papers

None