

**MINUTES OF THE
ONESOURCE
JOINT COMMITTEE
MEETING
1000 Dockside, Newham
Friday, 24 October 2014
(10.00 - 11.00 am)**

Present:

Councillors Ellie Robinson (Chair), Lester Hudson, Forhad Hussain, Roger Ramsey (Vice Chair), Melvin Wallace and Damian White

Unless otherwise indicated, all decisions were agreed unanimously with no member voting against.

There were no disclosures of pecuniary interest.

6 ELECTION OF CHAIR AND VICE CHAIR

Following receipts of nominations, Councillor Ellie Robinson was elected as Chair for the remainder of the 2014/15 municipal. Councillor Roger Ramsey was elected as Vice-Chair.

7 MINUTES

The minutes of the meeting of the Joint Committee held on 15 January 2014 were agreed as a correct record and signed by the Chairman.

8 INTRODUCTION OF THE NEWLY APPOINTED INTERIM MANAGING DIRECTOR FOR ONESOURCE

The Joint Committee congratulated Deborah Hindson on her recent appointment as Interim Managing Director of oneSource. Ms Hindson commented that she would continue with the successful transformation work undertaken thus far and looked forward to the challenges ahead.

9 BUSINESS DEVELOPMENT PLAN REPORT

The Assistant Director of Business Services introduced the report and explained that oneSource was ambitious in continuing to find savings in addition to the £40 million already identified in the Business Case. In order to

do this oneSource would have to explore ways of attracting additional business and identify the best way for others to join oneSource.

It was noted that the vision of OneSource was to be the one source of innovative, high quality and affordable support to all public services. In order to do this, the organisation need to develop commercially to become more profitable by growing the business to create income and further savings.

Shared services was considered a viable transformation initiative to find savings to aid the fiscal challenges ahead for councils. The Assistant Director added that in his view there was a window of opportunity to market the organisation's services over the next eighteen months to the public sector if the objective of being a preferred provider of shared services within the market was to be achieved.

It was explained that in order to understand the opportunities available, the market and potential for further savings a Business Development Plan had been produced, which was appended to the report. The Development Plan would enable oneSource start to understand how it could realise the following:

- Compete effectively in the shared service market
- Take advantages of opportunities for further income and savings
- Develop services to meet the needs of our customers and the market
- Gain buy-in and secure resources to develop our commercial competence
- Develop the business to ensure sound commercial decision-making
- Save costs for other councils/organisations

In addition, it was remarked that the document would help oneSource decide how to trade within the shared service market and plan how to achieve its commercial aspirations.

The report outlined two distinct areas of trading for oneSource to consider. Firstly, using a partnership type on-boarding method and those which required a commercial tendering process. These distinct approaches have different markets, competitors and on-boarding processes which would offer a range of challenges to oneSource when the commercial approach is developed.

It was commented that despite being successful in competing for small distinct services, in order to compete for full ranges of service with large outsourcing companies OneSource would need to invest in a first class offering and tendering ability, which would need to be robust and include full unit costs, a range of case studies and references. Significant investment in resources would be required for this and there was also a risk of losses of this investment through abandoned or unsuccessful tenders. This would be subject to a further piece of work to review the resource required and viability and may be more relevant to transactional type services.

The report suggested two different strategies to trade; firstly with an additional partner, and then commercially. The business development plan assessed the current market and potential customer for OneSource's current products and trading ability. A further assessment would need to be undertaken to take oneSource from this to a fully commercial trading organisation.

The business plan therefore focused on identifying the current areas of opportunity and considers what activity would need to take place to move towards the organisation's ultimate longer term commercial objectives. The report concluded that the initial area of opportunity for oneSource was to look for other local government partners to share some or all of their back office services with. Indeed, staff had been actively promoting oneSource at local and national events and conferences.

Comments received from Committee Members agreed with the report's recommended approach which was to focus on exploring areas of opportunity with local government partners to share back office functions. There was a concern that the organisation, still in its infancy, had neither the reputation nor the tendering acumen to compete in the commercial market. Members were keen however for this option to be explored at a later date.

Another key area of focus for Members concerned the incentives offered to potential partners to come on-board at an early stage in the organisation's development which would in-turn assist in promoting its profile and increase knowledge and expertise.

It was **RESOLVED**:

1. That the business development outlined in the Business Development Plan be agreed. Any potential opportunities would be fully considered and reported back to the Joint Committee.
2. That a further piece of work is undertaken to review the resources required to operate commercially in the longer term.

Reasons for the decision:

The report identified ways for oneSource to grow and provide further savings for the London Borough of Havering and Newham as well as others. In order to do this the Joint Committee will need to agree that further potential partners to the Joint Committee and customers should be explored.

Other options considered:

This paper explores a number of different on boarding options to further generate income, in addition to this it could be decided to not explore developing these business opportunities which would reduce the capacity for oneSource to provide savings over and above those already identified.

10 **ONESOURCE TRANSFORMATION UPDATE**

The report before Members looked at the transformation projects being undertaken to deliver the oneSource savings as outlined in the shared service business case approved by both Havering and Newham Councils.

The report outlined the processes used for transforming services within oneSource and provides an update on progress to date. It was explained that the benefit realisation process was undertaken by the Business Services team. All proposed savings were monitored by the team and finance to ensure that the savings were delivered in line with the proposals. This would enable actual savings delivery to be monitored against the business plan target and not potentially masked by other one off or unplanned savings within service budgets. In addition non financial benefits were captured to demonstrate gains for oneSource and the two councils such as the creation of resilience within functions.

The Committee noted that, to date, savings amounting to £2.1m had been either delivered or identified. This excluded savings that would come out of the reviews which were currently in progress. Furthermore, savings were being delivered by the oneSource Management Team through budget management via vacancy management and other budget savings.

In a separate report before the Joint Committee, it was identified that oneSource was on target to spend within budget and on course to deliver total savings of £4.1m for 2014/15.

It was commented that a critical element of the transformation programme concerned the development and roll out of One Oracle which had been expected for a start date of April 2015. It was agreed that a report on the matter would be presented at the next meeting of the Joint Committee.

The Joint Committee **NOTED** progress on delivering the required savings from oneSource in 2014/15.

Reasons for the decision:

The report was for information only and did not directly require a decision by the Joint Committee.

Other options considered:

Not applicable.

11 **ONESOURCE FORECAST FINANCIAL POSITION AS AT AUGUST 2014**

The report before the Committee detailed the oneSource forecast financial position as at August 2014. It was reported that the overall forecast outturn showed a balanced position; whilst at service level there were 2 significant variances.

An overspend of £236k in Asset Management had been due to delays in completing the transformation reviews, and associated implementation of service improvements and efficiencies. It was explained that this had been offset by salary underspends in Finance. It was also noted that these variances were not expected to be ongoing and would be removed following the outcome of current and forthcoming service reviews and in meeting future savings targets.

The Joint Committee **NOTED** the current oneSource forecast outturn position.

Reasons for the decision:

The report was for information only and did not directly require a decision by the Joint Committee.

Other options considered:

Not applicable.

12 **FUTURE MEETING DATES**

It was agreed that the remaining meetings of the Joint Committee for the 2014/15 municipal year would take place on:

- 13 February 2015
- 26 June 2015

Chairman