



ONESOURCE JOINT COMMITTEE AGENDA

10.00 am

Friday
26 June 2015

Havering Town Hall,
Main Road, Romford

COUNCILLORS:

LONDON BOROUGH OF HAVERING

Councillor Ron Ower
Councillor Melvin Wallace
Councillor Damian White

LONDON BOROUGH OF NEWHAM

Councillor Lester Hudson
Councillor Forhad Hussain
Councillor Ellie Robinson

**For information about the meeting please contact:
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NOTES ABOUT THE MEETING

1. HEALTH AND SAFETY

The Joint Committee is committed to protecting the health and safety of everyone who attends its meetings.

At the beginning of the meeting, there will be an announcement about what you should do if there is an emergency during its course. **For your own safety and that of others at the meeting, please comply with any instructions given to you about evacuation of the building, or any other safety related matters.**

2. MOBILE COMMUNICATIONS DEVICES

Although mobile phones, pagers and other such devices are an essential part of many people's lives, their use during a meeting can be disruptive and a nuisance. Everyone attending is asked therefore to ensure that any device is switched to silent operation or switched off completely.

3. CONDUCT AT THE MEETING

Although members of the public are welcome to attend meetings of the Joint Committee, they have no right to speak at them. Seating for the public is, however, limited and the Joint Committee cannot guarantee that everyone who wants to be present in the meeting room can be accommodated. When it is known in advance that there is likely to be particular public interest in an item the Joint Committee will endeavour to provide an overspill room in which, by use of television links, members of the public will be able to see and hear most of the proceedings.

The Chairman of the meeting has discretion, however, to invite members of the public to ask questions or to respond to points raised by Members. Those who wish to do that may find it helpful to advise the Clerk before the meeting so that the Chairman is aware that someone wishes to ask a question.

PLEASE REMEMBER THAT THE CHAIRMAN MAY REQUIRE ANYONE WHO ACTS IN A DISRUPTIVE MANNER TO LEAVE THE MEETING AND THAT THE MEETING MAY BE ADJOURNED IF NECESSARY WHILE THAT IS ARRANGED.

If you need to leave the meeting before its end, please remember that others present have the right to listen to the proceedings without disruption. Please leave quietly and do not engage others in conversation until you have left the meeting room.

AGENDA ITEMS

1 ELECTION OF CHAIR AND VICE-CHAIR

Nominations are invited for the election of the Chair and Vice Chair of the Committee for the 2015/16 municipal year.

Note: As per the resolution of the Joint Committee at its meeting on 15 January 2014, the Chair for the 2015/16 municipal year will be from Havering and the Vice Chair from Newham.

2 ANNOUNCEMENTS

On behalf of the Chairman, there will be an announcement about the arrangements in case of fire or other events that might require the meeting room or building's evacuation.

3 APOLOGIES FOR ABSENCE

(if any) - receive

4 DISCLOSURES OF PECUNIARY INTEREST

Members are invited to disclose any pecuniary interests in any of the items on the agenda at this point of the meeting. Members may still disclose a pecuniary interest in an item at any time prior to the consideration of the matter.

5 MINUTES (Pages 1 - 8)

To approve as a correct record the minutes of the meetings of the Joint Committee held on 13 February and 8 June 2015, and to authorise the Chairman to sign them.

6 ONESOURCE 2014-15 OUTTURN POSITION (Pages 9 - 22)

7 TRANSFORMATION REPORT (Pages 23 - 32)

8 ANNUAL PERFORMANCE REPORT (Pages 33 - 46)

9 2015/16 ANNUAL REPORT (Pages 47 - 70)

10 BUSINESS OPPORTUNITIES

Verbal update

11 FUTURE MEETING DATES

Meeting dates proposed for the remainder of the 2015/16 municipal year are:

16 October 2015 (Havering)
19 February 2016 (Newham)
17 June 2016 (Havering)

The meeting dates for the 2016/17 municipal year will be set at the June meeting.

Members are asked to bring their diaries to confirm the proposed meeting dates.

**MINUTES OF A SHARED
SERVICES JOINT
COMMITTEE MEETING
Stratford Town Hall,
Stratford
Friday, 13 February 2015
(9.00 - 10.00 am)**

Present:

Members Present

Councillor Forhad Hussain

Councillor Ron Ower

Councillor Ellie Robinson (Chair)

Councillor Melvin Wallace

Councillor Damian White

Apologies were received for the absence of Councillor Lester Hudson

There were no declarations of pecuniary interest.

Unless otherwise indicated, all decisions were agreed unanimously.

13 MINUTES

The minutes of the meeting of the Joint Committee held on 24 October 2014 were agreed as a correct record and signed by the Chairman

14 MEMBERSHIP OF THE JOINT COMMITTEE

The Committee **NOTED** the membership of the Joint Committee and welcomed Councillor Ron Ower who had replaced Councillor Roger Ramsey.

15 ONESOURCE 2015-16 BUDGET

The report detailed the oneSource budget for 2015-16 (£44.589m) with a breakdown provided of each of the budgets for individual Service areas.

The joint working arrangement was set to realise at least £10.6m of savings in the period up to 2018/19. It was reported that savings of £4.1m for 2014/15 were on target to be delivered and £3.7m of additional savings were reflected in the 2015/16 budget.

The Joint Committee:

1. Noted the 2015-16 oneSource budget;
2. Approves the 2015-16 budget allocation to services;
3. Approved the changes to the oneSource service portfolio.

16 **ONESOURCE FORECAST FINANCIAL POSITION AS AT DECEMBER 2014**

It was noted that at December 2014, the overall oneSource forecast outturn showed a projected underspend of £125k.

It was explained that at Service level there were four significant variances. There had been overspends of £230k and £123k in Asset Management and, Legal and Governance respectively. These had been largely due to delays in completing the transformation reviews, and associated implementation of service improvements and efficiencies. These had however been offset by salary underspends and additional income generation in Finance, and Exchequer and Transactional Services.

Members noted that the 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.

With regards to OneSource Key Performance Indicators (KPIs), the report provided details of two KPIs which had a direct financial implication to oneSource and the London Borough of Havering and the London Borough of Newham as they related to the collection of Council Tax (oKPI 3) and Business Rates (oKPI 4).

oKPI 3 – Percentage of Council Tax collected

For the London Borough of Havering council tax collection, Members were informed that the performance indicator had exceeded target every month this year with an outturn for December 2014 of 85.77% which equated to the collection of £106.6m.

For the London Borough of Newham the collection rate for December 2014 council tax was 75.71% (£64.6m collected), which was up by 0.21% on the re-profiled target for the current year.

Members were advised that the lower payment rate for Newham households went some way to explain the difference between the collection rates of the two councils. Aside from that, Havering had a greater proportion of household paying in 10 instalments than Newham and therefore would effectively finish collection in January. Newham offers 12 monthly instalments to all households entitled to Council Tax Reduction to enable them to spread the repayment of their minimum 20% liability as far

as possible and more generally to other households where it would assist them in repaying in full for the year.

oKPI 4 - Percentage of National Non-Domestic Rates (NNDR) collected

It was noted that for the London Borough of Havering NNDR collection there had been a drop from 85% (£65.3m) in December 2013 compared to this year's 84.17% (£63.4m). This was due to businesses now being able to pay over 12 months as opposed to the previous 10 months. The monthly collectible figure had reduced and targets were yet to be redefined; however collection rates were on course to meet the annual target of 98%.

For the London Borough of Newham NNDR collection indicator had been performing slightly lower compared to same period last year with 87.18% (£115.4m) collected out of a total of £133.8m collectable debit. It was explained however that this could be attributable to there not being a re-profiled target to take into account the changes to legislation allowing ratepayers to pay over 12 months as opposed to the previous 10 months.

Following a query, it was explained that a report would be presented at the next Joint Committee detailing performance of oKPI 5 for customer satisfaction.

The Joint Committee:

1. Noted the current oneSource forecast outturn position;
2. Noted the oneSource key performance indicators (KPIs).

17 STRATEGIC AND DELIVERY PLAN REPORT

The report presented the Joint Committee with the draft oneSource Strategic Plan for 2015-18 and the Delivery Plan for 2015-16.

By way of background, it was explained that oneSource was currently the largest public sector shared service in London and one of the largest in the country. It had been formed by the London Boroughs of Havering and Newham by bringing together 22 services and 1350 staff.

The Strategic Plan outlined oneSource's strategic direction and how this would be delivered. The Plan provided an overview of our strategy for the next three years, considered the key business challenges for oneSource over this period and detailed the priorities and activities which would be taking place during 2015/16 in order to deliver the strategic objectives of oneSource.

The task of fully working together and implementing our target operating model had begun. To move forward six key strategic business objectives had been developed, which would be used to steer efforts over the next three years. These were:

1. Delivering savings
2. Focusing on our customers
3. Embedding the oneSource culture
4. Transforming our services
5. Having the technology we need to deliver
6. Growing our business – new partners and customers

The Interim Managing Director explained that a report would be presented at the next meeting of the Joint Committee concerning a delay in the go live for One Oracle in Newham which had been scheduled for April 2015. The delay would have an impact on a number of transformation reviews the detail of which would be included in that report.

A number of Members remarked that it would be beneficial for them to have an away day with senior staff to explore in more detail the strategic objectives, priorities and activities in the Strategic Plan and Delivery Plan.

The Joint Committee AGREED the strategic direction, six key strategic objectives, priorities and activities in the 2015-18 oneSource Strategic Plan and the 2015-16 Delivery Plan.

18 **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 councils.

The report outlined the processes used for transforming services within oneSource and provides an update on progress to date.

Joint Committee Members were informed that there would be a delay in the Democratic Services transformation review. The review, unlikely to commence before the summer of 2015, would be led by the Interim Director of Legal and Governance Services in consultation with Lead Members / Leader / Mayor once the Legal Services review had been finalised and implemented.

A number of Members commented that they would like greater involvement in the process with more input and ownership of the transformation programme. Officers reminded Members that such functions had been delegated by both Councils to management. Officers would provide Members with a separate briefing on the operation of the transformation review process and were to be included as part of the distribution list for emails which were issued to staff on oneSource matters.

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

19 **APPOINTMENT OF MANAGING DIRECTOR - ONESOURCE**

Members of the Joint Committee were provided with an update with regard to the recruitment and selection process for the Managing Director of oneSource.

It was noted that the Managing Director of oneSource was a 1st tier post and reports to the Chief Executive of the Authority of which the post holder was an employee. Discussions were currently underway regarding which council would employ the new Managing Director.

An external consultancy would be engaged, via a mini competition off an existing framework agreement. It was explained that they had the experience, expertise and networks to search and contact potential recruits to ensure reach with a wide market of suitably qualified candidates. The cost associated with the use of an external company was likely to be in the region of £25,000.

In terms of timescale for appointment, when taking into account the need to contract a company to undertake the campaign on behalf of oneSource and both councils, the time necessary to advertise the post and search for suitable candidates and the selection process itself, it was likely to take in the region of 3-4 months for this phase of the process. Once a candidate was appointed, the individual would likely to be on a notice period of up to 3 months. With this in mind, and once the process commenced, it would be up to 6-7 months before a new Managing Director took up the position.

The Joint Committee NOTED the process for recruitment and selection and the indicative timeline associated with this.

Chairman

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MINUTES OF A MEETING OF THE ONESOURCE JOINT COMMITTEE

Monday 8 June 2015 (2.30pm – 6.00pm)
Town Hall, Romford

Present:

Councillors Ellie Robinson (Chair), Lester Hudson, Damian White, +Osman Dervish and +Meg Davis were present.

+ Substitute Member: Councillor Osman Dervish (for Ron Ower) and Councillor Meg Davis (for Melvin Wallace)

There were no disclosures of pecuniary interest.

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

Deborah Hindson, Managing Director of oneSource; Jan Douglas, Deputy Director for Human Resources and Smita Rai – Executive Consultant, Penna - were also present.

20 EXCLUSION OF THE PUBLIC

On a motion by the Chairman the Sub-Committee **RESOLVED:**

That the public be excluded from the remainder of the meeting on the grounds that it was likely that, in view of the nature of the business to be transacted or the nature of the proceedings, if members of the public were present during those items there would be disclosure to them of exempt information within the meaning of paragraph 1 of Schedule 12A to the Local Government Act 1972.

21 APPOINTMENT TO THE POST OF DIRECTOR OF LEGAL & GOVERNANCE

The Committee interviewed two applicants for appointment to this position (two candidates withdrew from the process on the day of the interviews). It carefully considered their respective merits and satisfied itself as to their competency by reference to their written profiles, oral presentations and the answers to questions concerning the role and by wider questioning.

Members then considered their wider attributes. As only two candidates had been presented for interview, the Committee's choice was limited but it was unanimous in its recognition that the calibre of the candidates was high – and acknowledged the work of the Deputy Director and Consultant in managing the selection process.

The Committee accepted that each candidate had presented a strong case and noted that whilst one candidate demonstrated strong strategic skills, the other focused on service delivery and as this was the core feature of the role, the Committee had no hesitation in deciding which of the two excellent applicants it would recommend for appointment.

Accordingly, the Sub-Committee **RESOLVED TO RECOMMEND Daniel Fenwick** to both Havering and Newham Councils for appointment via reports to the appropriate Committees.



HAVERING AND NEWHAM SHARED BACK OFFICE SUPPORT SERVICE

JOINT COMMITTEE	26th June 2015
Subject heading:	OneSource 2014-15 Outturn Position
Report author and contact details:	Owen Sparks owen.sparks@onesource.co.uk 01708 432203
Financial summary:	The overall oneSource 2014-15 outturn position shows an underspend of £1,291k
Is this a Key Decision?	No

SUMMARY

The overall oneSource outturn position shows an underspend of £1,291k. This has been agreed to be carried forward to 2015/16 by the respective Councils.

The underspend is a mixture of one off and ongoing variances, with the bulk relating to staffing areas. These are either as a result of the early achievement of transformation savings or vacancies being held pending the transformation reviews. It is envisaged that these vacancies will be realised to contribute to the challenging future oneSource savings targets. The other key element of the underspend relates to the investment budget, created to aid the implementation of oneSource. This will be required to support the ongoing service review and development programme.

RECOMMENDATIONS

The Joint Committee is asked to: -

- note the 2014-15 oneSource outturn position;
- approve the change to the oneSource service portfolio.

REPORT DETAIL

Background

OneSource is funded by Havering and Newham Councils in order to deliver shared back office support services. The joint working is set to realise at least £10.6m of savings in the period up to 2018/19.

Savings of £4.1m for 2014/15 have been delivered, as demonstrated in the outturn position. £3.7m of additional savings are anticipated to be delivered in 2015/16.

The 2014/15 financial position set out in this report is provisional and subject to the external audit process within each Council. This will conclude by the 30th September 2015. No adjustments are anticipated.

OneSource 2014-15 Outturn Position

The 2014/15 total oneSource controllable outturn position shows an underspend of £1,291k. This is analysed by service and activity in the table below.

OneSource Financial Position – Outturn 2014/15

REVISED CONTROLLABLE BUDGET						
SERVICE	EXPENDITURE	INCOME	NET	YTD ACTUALS	FY OUTTURN VARIANCE	REASON FOR FY PROJECTED OUTTURN VARIANCE
Finance	10,520,862	(1,728,950)	8,791,912	8,009,441	(782,471)	<p>There are favourable variances in finance due to staff vacancies. These are being held and otherwise managed to support the ongoing service reviews. Further salary savings were also achieved through the early delivery of the integrated procurement team.</p> <p>In addition grant funding was received to deliver audit initiatives and fraud income was higher than anticipated.</p>
Audit, Risk, Insurance & Fraud	2,961,380	(774,120)	2,187,260	1,767,056	(420,204)	Underspend on salaries due to vacancies held pending the transformational review. This is combined with grant funding received for audit initiatives and additional fraud income.
Corporate & Operational Finance	6,019,822	(599,570)	5,420,252	5,202,127	(218,125)	Underspend on salaries due to vacancies pending the transformational review of finance.
Procurement	1,539,660	(355,260)	1,184,400	1,040,258	(144,142)	Underspend due to the early delivery of the integrated procurement team.

SERVICE	EXPENDITURE	INCOME	NET	YTD ACTUALS	FY OUTTURN VARIANCE	REASON FOR FY PROJECTED OUTTURN VARIANCE
Business Services	2,593,510	(790,640)	1,802,870	1,361,013	(441,857)	Underspend against investment budget. Some of the investment required was able to be funded from service budgets. Salary savings in business improvement due to delay in recruiting to posts.
Exchequer & Transactional Services	19,455,819	(1,500,777)	17,955,042	17,246,926	(708,116)	Exchequer and Transactional Services underspend is due to vacancy management pending service reviews and over achievement of income – including the establishment of the new bailiff service.
Benefits	935,180	0	935,180	1,026,004	90,824	Additional external Benefits processing support to manage workload peaks and system development consultancy.
Council Tax	10,251,040	(28,300)	10,222,740	10,092,077	(130,663)	Variance mainly due to vacancy management pending the full service review.
Debt Management & Recovery	1,566,260	(1,265,010)	301,250	(25,992)	(327,242)	Variance from the recovery of bailiff fees, due to new legislation and guidance on fee charges.
NNDR	562,060	(13,800)	548,260	562,856	14,596	Minor overspend.

SERVICE	EXPENDITURE	INCOME	NET	YTD ACTUALS	FY OUTTURN VARIANCE	REASON FOR FY PROJECTED OUTTURN VARIANCE
Transactional Services	5,255,809	(193,667)	5,062,142	4,759,292	(302,850)	Variance due to vacancy management pending full service review and an increase in income for Payroll services.
Exchequer & Transactional Management	885,470	0	885,470	832,689	(52,781)	Staffing underspends.
Legal & Governance	5,347,145	(684,250)	4,662,895	4,957,212	294,317	Total overspend due to the deferral of Legal Services restructure, offset by a minor staffing underspend due to vacancies.
Democratic & Electoral Services	1,894,250	(61,740)	1,832,510	1,791,776	(40,734)	Underspend due to vacancies in Member Services and Committee Services.
Legal	3,452,895	(622,510)	2,830,385	3,165,437	335,052	Pressure due to deferral of the Legal Services restructure.
ICT Services	14,102,660	(4,102,140)	10,000,520	10,091,725	91,205	The variance was caused by the absorption of costs in supporting the development of the oneSource aspects of the Delphi project.

SERVICE	EXPENDITURE	INCOME	NET	YTD ACTUALS	FY OUTTURN VARIANCE	REASON FOR FY PROJECTED OUTTURN VARIANCE
Asset Management Services	5,504,299	(3,963,640)	1,540,659	1,979,616	438,957	Underspends/income management have helped to offset the majority of the oneSource efficiency target pending completion of the final service transformation and related restructures. The remaining pressure results from an underachievement of fee income within Property Services.
Facilities Management	1,524,430	(98,600)	1,425,830	1,348,765	(77,065)	Underspend on salaries due to vacancies held pending conclusion of the transformational review of facilities management.
Technical Services	319,950	(1,926,900)	(1,606,950)	(1,467,879)	139,071	Delay in achieving savings target prior to the conclusion and implementation of the transformational review.
Management of School Capital	863,490	(631,150)	232,340	346,293	113,953	Delay in achieving savings target prior to the conclusion and implementation of the transformational review.
Property	808,130	(920,230)	(112,100)	180,335	292,435	An underachievement of fee income within Property Services, due to the nature of work undertaken in year. This was partially offset by salary underspends.
Health & Safety	916,169	(110,020)	806,149	697,772	(108,377)	Largely vacancies, including 3rd tier manager post vacant for half the year.

SERVICE	EXPENDITURE	INCOME	NET	YTD ACTUALS	FY OUTTURN VARIANCE	REASON FOR FY PROJECTED OUTTURN VARIANCE
Asset Management Support	1,072,130	(276,740)	795,390	874,330	78,940	Delay in achieving savings target prior to the conclusion and implementation of the transformational review.
Post Room	1,273,500	(313,700)	959,800	847,191	(112,609)	Additional printing income.
Strategic & Operational HR	3,440,279	(118,439)	3,321,840	3,251,481	(70,359)	Salary underspends.
Page 15 TOTAL	62,238,074	(13,202,536)	49,035,538	47,744,604	(1,290,934)	The overall oneSource forecast variance is due to salary underspending and the receipt of additional income within Finance and Exchequer & Transactional Services, as well as an underspend on the oneSource growth budget. This is partially offset by a delay in achieving the full year savings targets in Legal & Governance and Asset Management and the absorption of Delphi project costs within ICT Services.

The budget figures above include controllable budgets only as controllable spend reflects expenditure and income, which service managers directly influence and control through the delivery of their services and financial management activity.

The non-controllable elements, which have been excluded, largely relate to corporate activity and technical accounting adjustments e.g. recharges, capital charges etc. No significant variances occur at the year end as the expenditure incurred is matched by any necessary budget adjustments. These adjustments are largely notional and do not affect each council's individual financial position.

Subjective Analysis of Expenditure

A breakdown of oneSource spend by subjective – type of expenditure – is set out below: -

Subjective Description	Amount £'000	Percentage	Comments
Total oneSource 2014-15 Expenditure	47,744		
GROSS EXPENDITURE	69,505	100%	
Salaries	44,429	63.92%	
Agency	6,781	9.76%	
Redundancy and Pension Costs	530	0.76%	
Staff Recruitment and Development	237	0.34%	
Premises Management	259	0.37%	Rents, rates, utilities, maintenance etc.
Transport	198	0.28%	Vehicle hire and travel allowances
ICT	7,478	10.76%	Hardware, software, licences, internet, phone costs etc.
Printing and Photocopying	1,418	2.04%	Printing and leasing costs including printing of Council Tax bills/letters, committee reports and payslips
Postage and Courier Services	1,655	2.38%	
Equipment - Purchase/Hire/Maintenance	788	1.13%	
Payments to Other Local Authorities	2,396	3.45%	Year end adjustments between Havering & Newham - broadly nets off with Payment from Other Local Authorities below
Private Contractor Payments	999	1.44%	IT disaster recovery, allpay, IT networking, Virgin Media, LPFA
Consultancy and Legal Fees	577	0.83%	Support to Procurement system, Legacy system hosting, top up benefit processing
Bank Charges	112	0.16%	
Books, Publications, Stationery & Resources	435	0.63%	
Miscellaneous Expenses	678	0.98%	Various including election canvassers & ICT consumables
Grants and Contributions	117	0.17%	Fees and subscriptions
Other Costs	418	0.60%	
GROSS INCOME	(21,761)	100%	
Internal recharges	(3,055)	14.0%	Charges for internal services commissioned directly by service departments e.g. Postage, Mobile Phones, Technical Series, Land and Property etc.
Legal Income	(387)	1.8%	Income recouped by legal from courts and clients they represent for their services
Contributions from Other Local Authorities	(2,505)	11.5%	Year end adjustments between Havering & Newham - broadly nets off against Payment to Other Local Authorities above
Recharges to External Bodies Including Joint Committees	(3,285)	15.1%	IT income from other boroughs and organisations, plus income re various services provided to other organisations
Government Grants	(317)	1.5%	Social Housing fraud grant and electoral registration maximisation grant
Other Income	(2,016)	9.3%	Bailiff fee income plus various other Sales, Fees and Charges income
Recharges	(10,196)	46.9%	Recharge to HRA, recharge of staff time to capital projects etc.

This shows that around three quarters of expenditure relates to staffing. The majority of the non staffing expenditure is not directly related to oneSource itself, but incurred on behalf of the wider councils e.g. IT licences, photocopying etc.

Income is derived from a number of external sources as well as through internal charging, for directly commissioned work, to service departments and capital projects.

The remaining net cost of oneSource services (£48m) are recharged to service departments in the relevant proportions through each Council's support service methodology. This is required to comply with statutory accounting regulations.

Nature of the Outturn Underspend

The oneSource underspend is a mixture of one off and ongoing variances, with the bulk of the underspend relating to staffing areas. These are either as a result of the early achievement of transformation savings or vacancies being held pending the transformation reviews. It is envisaged that these vacancies will be realised to contribute to the challenging future transformation savings targets. The other key element of the underspend relates to the investment budget, created to aid the implementation of oneSource. This will be required to support the ongoing service review and development programme.

Treatment of the Underspend

The underspend has been agreed to be carried forward by the respective Council's to support the ongoing development of oneSource in the context of the significant service and financial challenges anticipated over the coming year. It will also support the implementation of the One Oracle system, specifically in terms of ensuring the solution facilitates joint working between the partner boroughs and other potential customers. The delay in system implementation puts significant pressure on the achievement of savings, by making it more difficult to fully merge teams and realise operational efficiencies. The carry forward will also help to support any necessary transitional arrangements until recommendations from the emerging service reviews can be fully implemented.

Movement from Period 9 Forecast

At period 9 an underspend of (£125k) was forecast. A summary of the movement to the outturn position is set out below: -

Description	Amount £'000	Comments
2014/15 Period 9 Forecast Outturn	(125)	As reported to the Joint Committee 13-2-15
oneSource Budget Adjustments		
Pension Backfunding	(417)	Additional funding for the increase in Newham pension backfunding contributions
Agency Worker Pension Backfunding Contribution	(120)	Additional funding for the agency worker contribution to the Havering corporate pension backfunding liability
Alignment of processes and practices between Councils	(197)	Bailiff service core funding adjustment and review of saving assumptions to ensure consistent treatment
Development Expenditure	(442)	Development expenditure deferred to fund future projects as they arise from the service review programme and specifically the oneSource implications of One Oracle
Electoral Grant Carry Forward	147	Carry forward of unspent Electoral grant
Other Miscellaneous Movements	(137)	Other net movements as referred to in the outturn variance narrative.
2014/15 Final Outturn	(1,291)	

Many of these items have been as a result of corporate decisions within each Council that have had a consequential effect on oneSource and the business case assumptions. For example an increase in the corporate contribution to the respective pension deficits means additional payroll charges. Without equivalent funding this would lead to a significant budget pressure and put the achievement of the oneSource savings at risk.

The other adjustments largely relate to the ongoing alignment of processes and practices between the Councils. This will be supported by the service review currently in progress, although the implications are expected to decrease as the more significant and higher priority areas are addressed.

Many of the above items were known about as issues at period 9, but were not included in the forecast until they had been fully investigated and an appropriate decision made about their treatment.

Change to the oneSource Service Portfolio

The Pension Administration costs of both authorities have now been reclassified as non shared oneSource activities. This is because the services are charged directly to the respective Council's pension fund and are therefore, not appropriate to be shared through the agreed business case methodology. This adjustment is reflected in the information contained within this report.

IMPLICATIONS AND RISKS

Financial implications and risks:

The oneSource underspend will be reflected in each borough's Statement of Accounts in accordance with the provisions set out in the Joint Committee Agreement. The relevant proportion of the underspend will then be carried forward by each borough and made available for use by oneSource in 2015/16.

The costs of the closedown and external audit processes are met from within existing oneSource service, and corporate budgets respectively.

Legal implications and risks:

This report provides outturn details for oneSource in 2014/15. It is consistent with good administration for the Joint Committee to monitor information in relation to the plans and budgets it has adopted.

Section 3 of the Local Government Act 1999 requires the Councils as best value authorities to make arrangements to secure continuous improvement in the way in which their functions are exercised having regard to a combination of economy, efficiency and effectiveness. Monitoring of performance and budgets is an important way in which that obligation can be fulfilled.

The Councils are required by Section 151 of the Local Government Act 1972 to make arrangements for the proper administration of their financial affairs. The Section 151 officers have established financial procedures to ensure the Councils' proper financial administration. These include procedures for budgetary control. It is consistent with these arrangements for members to receive information about budget outturns and the financial progress of oneSource.

There are no immediate legal implications arising from this report.

Human Resources implications and risks:

There are no significant HR implications and risks associated with this report.

Equalities implications and risks:

There are no significant Equalities implications and risks associated with this report.

BACKGROUND PAPERS

- OneSource Joint Committee Agreement
- OneSource Business Case
- Joint Committee 13th February 2015 - OneSource forecast financial position as at December 2014

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HAVERING AND NEWHAM SHARED BACK OFFICE SUPPORT SERVICE

**JOINT COMMITTEE
26 JUNE 2015**

Subject heading:

oneSource Transformation Update

Report author and contact details:

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Financial summary:

The oneSource Business Case identified that savings of £4.1m could be achieved in 2014/15. This report identifies that to date projected savings from transformation reviews and other restructures have identified savings of £2.4m in 2014/15 and £5.2m of the required £10.6m savings by 2018/19. Other transformation reviews are currently in progress or still to be commenced in 2014/15 that will contribute to the target. The overall budget monitoring report shows that oneSource overachieved on delivering overall savings in 2014/15.

Is this a Key Decision?

No

SUMMARY

This report looks at the transformation projects being undertaken to deliver the oneSource savings as outlined in the shared service business case approved by both councils. The report outlines the processes used for transforming services within oneSource and provides an update on progress to date.

Overall benefit realisation is being managed by the Business Services Team.

RECOMMENDATIONS

The Joint Committee is recommended to note progress on delivering the required savings from oneSource in 2014/15 and in future years.

REPORT DETAIL

1. Background

1.1 The business case approved by Newham and Havering Councils in November / December 2014 set out challenging and substantial savings to be delivered by oneSource over a 5 year period. The saving targets are set out in table 1 below.

	Estimated Savings				
	Year 1 2014/15 (£000)	Year 2 2015/16 (£000)	Year 3 2016/17 (£000)	Year 4 2017/18 (£000)	Year 5 2018/19 (£000)
Havering	1,460	2,829	3,314	3,566	3,904
Newham	2,652	4,961	5,629	6,182	6,708
Total	4,112	7,790	8,943	9,748	10,612

Table1. OneSource Business Case savings

1.2 The business case savings were predicated on a complete review of services provided by oneSource within an overall timetable. This timetable was revised and noted by the Joint Committee at its last meeting. The revised timetable is shown in table 2 below.

Year 1 (2014/15)	Year 2 (2015/16)	Year 3 (2016/17)
<ul style="list-style-type: none"> • NNDR • Facilities Management • Health and Safety • Management of School Capital • Property • Technical Services • Audit, Insurance and Risk 	<ul style="list-style-type: none"> • Payroll • Transactional Finance • Transactional HR • Operational / Strategic Finance • Operational / Strategic HR • Debt Management / Recovery team • Pensions (contract at LBN) • Democratic Services • Election Services 	<ul style="list-style-type: none"> • Benefits • Council Tax • Procurement (processes)

Table 2. Transformation Programme timetable

- 1.3 The transformation programme is lead by a team within Business Services. The Business Improvement team consists of 5 permanent posts topped up with 7 further temporary posts (funded for 2 years). There are 4 teams of 3 people in each team. Each team works on a service project in conjunction with the relevant Director / Manager. Transformation projects can take up to six months to fully analyse the functions and to make their recommendations.
- 1.4 As part of the stakeholder engagement process, the Voice of the Customer (engagement and consultation) is part of the transformation approach where concerns, issues and requirements are captured from the customer in order to shape the service based on these concerns and requirements bearing in but also bearing in mind the need for cost savings and what the customer is willing or able to pay.
- 1.5 Customer information is taken from the 6 monthly customer satisfaction surveys as well as 1:1 interviews with the councils Chief Executives, Service Directors, Heads of Service and key staff members as well as the Section 151 officers and members (where appropriate). In addition critical friends have been used to supply critique and challenge.
- 1.6 Given that the focus of the transformation projects is to achieve the savings outlined in the Business Case for oneSource , the voice of the customer is combined with a SWOT analysis, to provide a strategic view of the service strengths, weaknesses, opportunities and threats, so as to design the overall business model in the terms of true demand and affordability. Stakeholders and internal staff members of services are also consulted with on this.
- 1.7 The voice of the customer provides the opportunity to understand the “must do” activities that the customer requires and provides a healthy independent challenge on those activities that exist but do not add real value for them or it is not perceived in that way. Non value adding activities are captured for elimination to create a leaner and cheaper service.

2. Transformation Project / Other Restructure Updates

2.1 ICT

- 2.1.1 The ICT transformation project commenced in the summer of 2013 to test the assumptions in the oneSource business case. By April 2014 final proposals were in place to consult with staff during May / June 2014. The final restructure was implemented over the summer of 2014. Full details were provided at the last meeting of the joint committee. The total savings identified are shown in Table 3 below.

	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000
Restructure Saving	485	880	880	880	880
License Savings	100	100	100	100	100
Income from CCTV	100	100	0	0	0
Newham foundation	145	145	145	0	0
Network Savings	80	80	80	80	80
Data Centre Savings	60	285	285	285	285
Total	970	1,590	1,490	1,345	1,345

Table 3. Savings identified in the ICT transformation Review.

2.2 **Legal Services**

2.2.1 The Legal Services transformation project has been completed and consultation with staff closed. The proposals are now in the implementation stage with the expected date of completion by early Autumn.

2.2.2 The proposed savings are shown in table 4 below.

Legal Services Savings	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000
Minimum	248	612	711	711	711
Maximum	248	612	1,120	1,220	1,220

Table 4. Legal savings identified.

2.2.3 The minimum savings represent guaranteed savings from the service review process. Savings come from a restructure of the function to maximise legal output from lawyers and reduce / eliminate administrative functions. The purchase of a legal case management system is key to this to reduce administration tasks. The cost (£60k) was funded from the Business Services budget. The case management system allows for the standardisation of processes and the removal of any duplication within the service. The new structure will deliver a single legal function able to provide high quality services to the two councils and be scalable for future partners / customers.

2.2.4 Savings can be maximised from reducing external commissioned work at both councils. This proposal will need further consultation with the two councils and will be dependent on capacity building within the legal services function.

2.3 **Asset Management**

2.3.1 The Asset Management reviews were broken down into the following separate reviews (progress shown in parentheses). The reviews have proven problematic due to the inter linking of services and the need to bring all the individual elements together.

- Health & Safety (consultation with staff in commencing in June)
- Schools Capital Programme (in progress)
- Facilities Management (report finalised ready to commence staff consultation)
- Property Services (report finalised ready to commence staff consultation)
- Capital Programmes (in progress)

2.3.2 A Single third tier structure across both councils has been developed and the relevant managers have been consulted with. In addition the level of business support across the directorate has been reviewed.

2.3.3 Facilities management

The proposals for facilities management have been based around the removal of duplication and process improvement and include the following:

- A single management team covering services across both councils
- Creation of a corporate landlord function – a single team across both councils including a shared help desk
- A single maintenance team across both councils
- The creation of a campus services team based locally in the relevant building etc.
- Improved single ICT systems across all functions

2.3.4 Property services

The proposals for property services have been based around the creation of a single property services team with a single head of service. This has allowed for the deletion of duplicate posts. An analysis of demand and capacity has been undertaken that has allowed further efficiencies to be identified resulting in further costs being removed.

2.3.5 Health and safety

The proposals in this area include the following:

- The creation of a single team through the removal of vacant posts (e.g. manager post)
- Process redesign taking the best practice from both previous council processes reducing the overall resources required
- Removing non-value adding activities within processes
- Completing demand at the lowest council's cost. Using Rough Cut Activity Based Costing the review was able to identify that there were comparable Functions being completed by the two corporate teams which were costing noticeably different amounts. Going forward the oneSource service would complete functions in the lower cost way, applying one council model across both council's demand.

2.3.6 The savings proposed identified so from the review are shown in table 5 below. The delay in delivering the proposals has had no overall effect on the budget savings for oneSource in 2014/15.

Asset Management Savings	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000
Management Team	124	288	342	342	342
Facilities Management	0	487	649	649	649
Property Services	0	70	93	93	93
Health & Safety	122	214	214	310	310
Total savings	246	1,059	1,298	1,394	1,394

Table 5. Asset Management savings identified.

2.4 Internal Audit, Risk, Insurance and Counter Fraud

2.4.1 The Audit review was completed in November 2015. Much of the counter fraud service was due to transfer to the DWP in April 2015 which meant that this area had to be dealt with separately as a number of posts in Havering and Newham could have transferred to the DWP. Eventually the majority of the staff did actually transfer to the DWP and there are a number of vacancies now existing in the function. The interim Head of Internal Audit is due to commence the staff consultation process in June and will then be able to deal with all resultant vacancies.

2.4.2 The main proposals from the review are as follows:

- A single shared audit team
- An increase in resources within the team dedicated governance and assurance
- Operational focus on high risk areas
- Standardised of processes – templates, reports, approaches etc.
- One audit and compliance plan tailored to each organisation – this has been proposed as part of the planning for 2016/17
- An audit plan of 1,890 days, a reduction from the current total of 2,719 days. (This can be achieved by concentrating on high risk areas and the development of the risk and assurance functions)

2.4.3 CIPFA were use a critical friend to bring a national perspective to the audit review as well as independent technical expertise and challenge. The key challenge was regarding the number of days required in the audit plan.

2.4.4 The financial savings identified in the review are as in table 6 below.

Audit savings	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000
Savings	93	809	1,122	1,205	1,205

Table 6. Savings identified

It is still expected that this level of savings will be delivered in 2015/16 even with the delay in implementation due to the current number of vacant posts. It is expected that the relevant lead members and audit committee / board will be consulted with over the next few weeks before consultation with staff commences.

2.5 Exchequer and Transactional Services

2.5.1 Details of this review were provided to the last Joint Committee meeting. Savings identified to date are shown in table 7 below:

Transformation Projects / Restructures to Date	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000
Transactional & Exchequer Senior Management Restructure	0	65	65	65	65
NNDR	0	119	119	119	119
Transactional	240	240	240	240	240
Transactional / Exchequer	240	424	424	424	424

Table 7. Savings identified

2.6 Procurement

2.6.1 In advance of the transformation project of the Procurement function across both councils a restructure has been implemented in advance. The restructure removed vacant posts but also introduced category management into Havering Council and created a single team across both councils. The restructure delivers £249k in 2014/15 and £343k in following years. There are no proposals for any other changes until the transformation review has taken place. This review will commence late 2015/16 or early 2016/17.

2.9 Summary of savings to date

2.9.1 A summary of the savings delivered by the transformation projects are shown in table 8 below. Also included are the proposed restructures proposed by Directors outside of the transformation project process.

Transformation Projects / Restructures to Date	Where in process	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000
Finance		343	1,152	1,465	1,548	1,548
Audit, Insurance, Risk & Counter Fraud	Consultation June	94	809	1,122	1,205	1,205
Procurement	Implemented	249	343	343	343	343
ICT / Business Systems	Implemented	938	1,558	1,558	1,558	1,558
Transactional / Exchequer		240	424	424	424	424
Transactional & Exchequer Senior Management Restructure	Implemented	0	65	65	65	65
NNDR	Implemented	0	119	119	119	119
Transactional	Implemented	240	240	240	240	240
Legal (Minimum savings)		248	612	711	711	711
Legal (Maximum savings)	Consultation Closed	248	612	1,120	1,220	1,220
Asset Management		246	1,059	1,298	1,394	1,394
Facilities Management	Finalising Report	0	487	649	649	649
Property Management	Finalising Report	0	70	93	93	93
Management Team	Consultation Closed	124	288	342	342	342
Health & safety	Consultation June	122	214	214	310	310
oneSource Senior Management Restructure	Implemented	423	423	423	423	423
Total Savings (includes min savings where relevant)		2,438	5,228	5,879	6,058	6,058
Savings delivered through budget management/one-off restructures / commenced reviews		1,674	2,562	3,064	3,690	4,554
Business Case Savings		4,112	7,790	8,943	9,748	10,612

Table 8. Provisional savings identified

2.9.2 It can be seen from table 6 above that savings amounting to £2.4m have been either delivered (e.g. ICT) or identified in 2014/15. Ongoing savings by 2018/19 of £6m have been identified – over half of the required target. This excludes savings that will come out of the reviews currently in progress or to be finalised. Further savings are being delivered by the oneSource Management Team through budget management through vacancy management and other budget savings. The budget report elsewhere on the agenda identifies that oneSource delivered greater than the target of £4.1m in 2014/15.

3.0 Year 2 (2015/16) Reviews

3.1 Work has commenced on a number of transformation reviews timetabled for year 2 (2015/16). These are as follows:

- Payroll
- Transactional Finance
- Transactional HR
- Operational / Strategic Finance
- Operational / Strategic HR

3.2 The delivery of some of the above reviews is dependent on Newham Council Go Live on the 1-Oracle ERP system. The expected date for go live is currently being looked at but will not be until at least later this calendar year. This will risk delivery of the expected savings in line with the business case assumptions but directors are managing vacant posts and budgets to try to minimise any impact. The overall delivery of savings and budgets will be managed by the oneSource management team through its regular budget monitoring process.

3.3 The transformation reviews are well under way and are in the analysing the “as is” position. This will enable current processes to be identified and costed. The teams are concentrating on how processes outside oracle will align with oracle processes across both councils. As with all reviews the aim is to create single teams providing consistent services across both councils.

3.4 Democratic Services / Election Services

Democratic Services will be reviewed by the Interim Director of Legal and Governance Services in consultation with Lead Members / Leader / Mayor once the legal services review has been finalised and implemented. It is unlikely that the review will commence before the summer of 2015.

3.5 Pension Services

The current contract for the administration of pension in Newham is to be extended by one year. This will allow a full review to be undertaken. Due to the specialist nature of this service an external review will be undertaken. The review will look at the in-house service at Havering and the contract in place at Newham. The final proposals will need to report into both council's Pension Committees.

4.0 Benefit realisation

4.1 The benefit realisation process is undertaken by the Business Services team. All proposed savings are monitored by the team and finance to ensure that the savings are delivered in line with the proposals. This will 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 are captured to demonstrate gains for oneSource and the two councils such as the creation of resilience within functions.

REASONS AND OPTIONS

Reasons for the decision:

This report is for information only and does not directly require a decision by the Joint Committee.

Other options considered:

Not applicable.

IMPLICATIONS AND RISKS

Financial implications and risks:

The delivery of the transformation programme directly relates to oneSource delivering the required level of savings as per the oneSource business case agreed by both councils. Table 8 above identifies the savings made so far from transformation and other restructures. Transformation projects currently in process will deliver further savings. The oneSource senior management team is managing the overall delivery of savings and management of the overall oneSource budget. The budget monitoring report reports that oneSource over achieved in delivering savings in 2014/15.

Legal implications and risks:

There are no legal implications identified for this report.

Human Resources implications and risks:

The restructure reports that result from the transformation projects are subject to consultation with staff through each council's managing change policies.

Equalities implications and risks:

There are no equality implications identified for this report.

BACKGROUND PAPERS

OneSource Business Case

HAVERING AND NEWHAM SHARED BACK OFFICE SUPPORT SERVICE

ONESOURCE JOINT COMMITTEE 26 June 2015

Subject Heading:

oneSource Annual Performance Report

Report Author and contact details:

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Financial summary:

There are no specific financial implications involved in reviewing the performance of oneSource.

Is this a Key Decision?

No

SUMMARY

The report provides an opportunity to update on oneSource's current operating position, and review and monitor the progress of oneSource at the one year anniversary of the formal launch of the shared service.

RECOMMENDATIONS

There are no recommendations. Members are invited to consider and comment upon the first year performance update report for oneSource.

REPORT DETAIL

1. Performance Overview

- 1.1 The oneSource Leadership Team, chaired by the oneSource Managing Director, agreed the following service standards for oneSource prior to the establishment of oneSource. In addition, each service within oneSource has its own performance indicators to monitor and ensure effective service delivery.
- 1.2 The performance indicators are utilised to improve customer satisfaction, perform within budget and improve receipt of net collectable debit. Ultimately ensuring that oneSource provides an improved customer experience whilst reducing the cost of support services to both Councils.
- 1.3 oneSource will be reviewing and developing performance indicators in each service area to ensure robust arrangements are in place for monitoring performance and delivering savings. Business Services will be working with services to develop customer focused KPIs, measures and metrics for oneSource and its customers. The KPIs will be developed once the services have gone through transformation and where possible be standard across both councils. oneSource will be:
- Monitoring the performance of oneSource services, ensuring they meet the needs of our customers and the expectations of the oneSource Management team and Joint Committee
 - Managing the relationship with customers in the two councils, with regular liaison and meetings with customers
 - Ensuring that oneSource is delivering the service outlined in the service level agreements and handling any queries and issues about the services provided
 - Leading business improvement within oneSource, including the review and redesign of individual services
 - Co-ordinating the annual service plans across services.
- 1.4 The Joint Committee Agreement identified the key KPIs to be monitored by the committee at each meeting as follows:
- Budget
 - Delivery of financial savings as per the business case
 - Council tax collection rates

oneSource Joint Committee, 26 June 2015

- NNDR collection rates
- Customer satisfaction.

1.5 This report also identifies a selection of other performance indicators that are monitored by the oneSource Management Team. Individual service indicators that are managed by the relevant director are not included in this report.

1.4 A summary table of the key performance indicators are shown in Annex A to this report

2. Customer Satisfaction

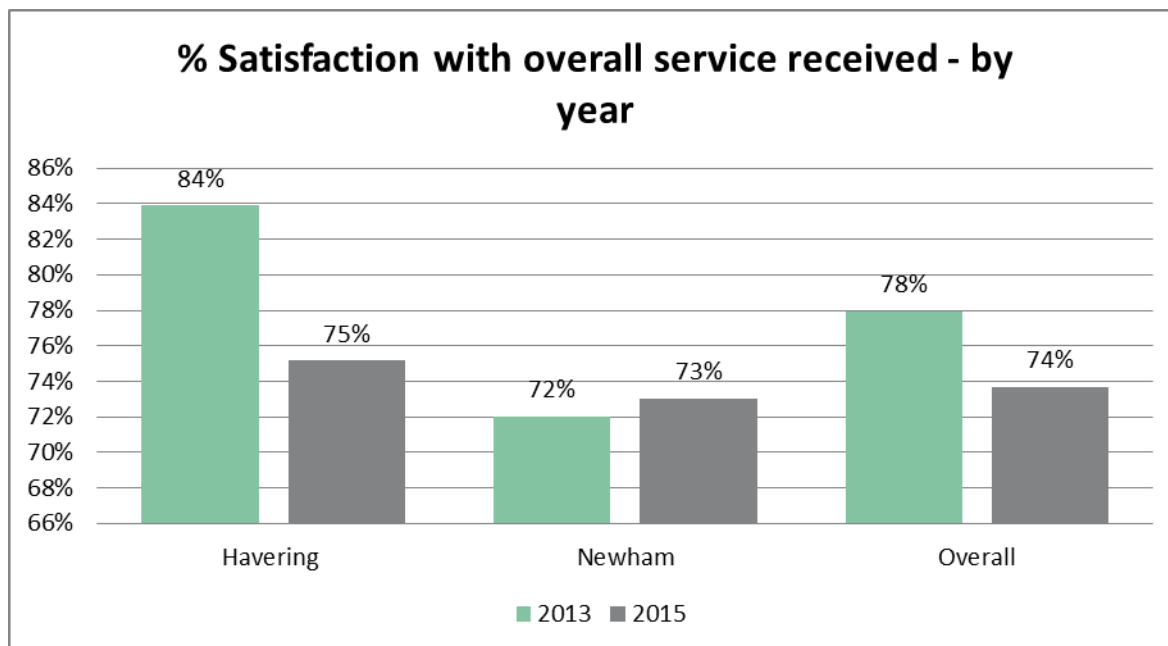
2.1 In January 2015, a customer satisfaction survey was conducted to gauge:

- Overall satisfaction with the service they received
- Satisfaction with the amount of resources / level of support received

2.2 This customer satisfaction survey is part of the biannual survey of internal customers to help inform the service delivery of oneSource.

2.3 The survey was sent to managers, whom are customers within both London Borough of Havering and London Borough of Newham. 55 customers took part, and the survey was aligned to the oneSource key performance indicators.

2.4 The overall satisfaction for oneSource services was 73.7%, which is slightly below the target 75.6%. This is a reasonable level of fluctuation considering the amount of change that has occurred within oneSource. Customer satisfaction with Newham Council is 73%, whilst Havering Council's satisfaction was 75.2%.



Graph 1: Customer Satisfaction

- 2.5 The best performing services within oneSource were Democratic Services (100%), Health and Safety (95%), Exchequer Services (91.67%) and Printing Services (90.48%). Ten of the fifteen services provided within oneSource have a satisfaction level below the target (ICT excluded at 0.04% below target).
- 2.6 HR Transactional, Legal Services and the Audit, Insurance, Risk and Counter Fraud services have the lowest satisfaction levels reported in the survey. Customers in LBN were shown to be less satisfied with the service provided to them by Legal Services, Property Services and the Audit, Insurance, Risk and Counter Fraud. Whilst within LBH, customers were less satisfied with the service provided to them by ICT and HR transactional.
- 2.7 The most common reasons cited for poor satisfaction include amount of resources made available, poor timescales, poor first contact resolution and inconsistent advice.
- 2.8 oneSource continues to develop the customer journey and improve customer satisfaction to offer a good quality, flexible and business focused service which allows customers to have the information needed to do their job effectively. This is being achieved through:
- Revising and standardising processes to provide more efficient and effective service delivery.
 - Customer relation management meetings with Directors to resolve any queries or issues raised, and drive learning and improvement.

oneSource Joint Committee, 26 June 2015

- Transformation of service areas to identify areas of improvement and develop solutions.
- Performance measurement to understand, manage and improve service delivery of oneSource.

2.9 A challenging target of 80% has been set for 2015/16.

3. Savings Achieved

3.1 The level of savings achieved and the basis of how these have been achieved are detailed in the 2014/15 Budget Outturn Report and Transformation Report elsewhere on the Joint Committee agenda.

4. Collection of Council Tax

4.1 The introduction of the Welfare Reforms, in April 2013, resulted in the replacement of Council Tax Benefits with the locally administered Council Tax Reduction (CTR) Scheme. The oneSource Council Tax performance indicator comprises of both CTR and non-CTR Council Tax collection.

4.2 For 2014/15, oneSource met the annual collection target for the London Borough of Newham with an improved outturn position compared to the previous year. There was an increase in the collectible sum of £4.95 million, with 93.95% collected in total. With regards to the separate CTR and non-CTR elements, 94.65% of non-CTR council tax was collected, with the CTR collection rate being 89.13%.

4.3 oneSource met the target collection figure (97%) for the London Borough of Havering, with 97.17% collected in 2014/15.

4.4 For 2015/16, the target collection figure for Havering Council is 97%, and 94% for Newham Council.

5. Collection of National Non-Domestic Rates

5.1 Throughout 2014/15, there were fluctuations in collection levels in both Councils as a result of changes in legislation in April 2014 allowing ratepayers to pay over 12 months, as opposed to 10 months.

5.2 In 2014/15, for the London Borough of Newham, the collection of NNDR exceeded the target of 99.6% by 0.19%, with 99.79% collected. For the London Borough of Havering, the collection of Council Tax is below target by 0.77% with 97.23% of collectible debit collected.

5.3 As a result of the legislative changes, there is further work to be done regarding re-profiling figures to provide a more accurate picture of collection rates throughout the year.

5.4 For 2015/16, the target collection figure for Havering Council is 98% and 99.78% for Newham Council.

6. Processing times for Housing Benefits / Council Tax – New Claims

6.1 For 2014/15, the target processing time for new claims in Havering Council is 24 days, with oneSource exceeding targets by 8 days. However, performance is marginally poorer than the previous year, with processing times increasing from 16 days to 18 days.

6.2 Processing times for new claims was 27 days, meeting the annual target for Newham Council. oneSource service delivery is constantly improving with performance comparing favourably with the previous year with a 4.5-day reduction in processing times.

6.3 The introduction of Risk Based Verification (RBV) in May 2014, to both Councils, has helped highlight claims that need greater scrutiny and is capable of delivering at the target level with some stability, which is evidenced by a run of solid performance for 6 consecutive months. oneSource is planning to implement an online claim form by the end of May 2015 which will improve processing further in the new financial year.

6.4 For 2015/16, processing times for Housing Benefits / Council Tax (new claims) is 24 days for Havering Council, and 25 days for London Borough of Newham.

7. Processing times for Housing Benefits / Council Tax – Change of Circumstances

7.1 The annual target (8 days) for Newham Council has been met, with the annual outturn for 2014/15 being an improvement on that for 2013/14. The processing time was 6 days.

7.2 For Havering Council, the target processing time was set at 15 days. There was significant improvement in processing times for change of circumstances, with oneSource reducing times from 14 days in 2013/14 to 11 days for 2014/15.

oneSource Joint Committee, 26 June 2015

- 7.3 The steady, sustained improvement seen in processing times is due to the adoption of a 7-day model, where all notified changes are examined within 7 days of receipt and decided on the day of examination. For those claim where additional evidence is required, such information is requested earlier in the claims process. It has also been helped by increased automated processing of ATLAS changes (changes notified electronically by DWP) which rose from 75% in 2013/14 to 85% in 2014/15. This has reduced the volume of work needed to be carried out by officers.
- 7.4 For 2015/16, processing times for Housing Benefits / Council Tax (change of circumstances) is 15 days for Havering Council, and 7 days for Newham Council.

8. Housing Overpayments – Local Authority Error Rate

- 8.1 The annual target of <0.46% has been met with improved performance compared with the outturn for 2013/14. The error rate for oneSource was 0.16%, which was a significant improvement from the previous year (0.21%). This performance has ensured that oneSource (and both Councils) receive full subsidy.
- 8.2 For 2015/16, the target Local Authority Error Rate for oneSource is <0.46%.

9. Percentage of suppliers paid within 30 days of receipt

- 9.1 The annual target set for each council is 95%. For Havering there were 105,139 invoices paid within 30 days of receipt out of a total of 110,133 invoices received (95%). This is on target (95%) and only slightly worse than the same period last year (96%). As the Council increases the use of online invoicing (iSupplier), the amount of paper invoices should decrease, which will improve the speed of processing. There is no comparable performance figure for Newham as it was proposed to use the Oracle system to collect the data but the system is still to be implemented.

10. Percentage of call answered (LBN Council Tax and Benefits)

- 10.1 The outturn for the year end 14/15 is a 7 percentage point improvement on the performance in 13/14 but has not met its target of 95%. The volume of calls received has fluctuated throughout the year with over 9,000 fewer calls received in the month with the lowest number of calls received (December) compared with the highest number in March 2015. The call volume rose by over 4,000 in March compared with February: reflecting a similar pattern to

the same period last year. The corresponding service in Havering is not in oneSource.

- 10.2 The service reviewed how telephone calls are handled with the review being completed in December. The findings are currently being evaluated before considering any changes to approach to safeguard any negative impact on processing capacity. Customers continue to have high expectations of the time it will take to deal with correspondence with significant numbers calling within a few days of posting a letter to the service. Face-to-face access routes are limited. Options to increase online capability are being considered.

11. Percentage of commercial estate let (Property Services - LBH)

- 11.1 The annual target of 95% for the London Borough of Havering has been met for the year 14/15 and has improved by a margin of 5% in comparison to the previous year. Improved economic activity for commercial lettings has led to an increase in the percentage of properties in occupation. Similar performance statistics are not currently collected in Newham.

12. Capital receipts achieved via asset disposal (Property Services - LBH)

- 12.1 The service exceeded its estimated target of £15M for year 14/15 by £2.3M; however is down by £200K when compared to 13/14.

13. Percentage of invoices collected within 90 days by value (Transactional & Exchequer Services - LBN)

- 13.1 The target of 89% for the percentage of invoices collected within the allotted timescale has not been met this year with the service collecting 87.52%. This is because resources were diverted to the One Oracle Project (in terms of Data Cleansing, Testing, etc), impacting on the team's performance; however it is up by 1% on the year before.

14. Percentage of sundry income invoices collected within 90 Days by volume (Transactional & Exchequer Services - LBN)

- 14.1 The service has exceeded its target by collecting 81.32% of Sundry Income invoices by 1.32% but is down on last year's figure of 83.38%. Again this figure has been affected by the diversion of resources to the implementation of One Oracle.

15. Percentage of market rent invoices collected within 90 days by value (Transactional & Exchequer Services - LBN)

15.1 In comparison to year 13/14, Newham's Revenue Service's has increased the collection of Market Rent invoices in 14/15 to 97.21% from 93.98%. Closer working with the oneSource Enforcement team has been recognised as the main cause of this.

16. Percentage of commercial rent invoices collected within 90 days by value (Transactional & Exchequer Services - LBN)

16.1 Similar to the previous KPI, better coordination between the revenue team and the oneSource enforcement team is cited as the reason for the service exceeding its target of 89% by 4% for the collection of commercial rent invoices.

REASONS AND OPTIONS

Reasons for the decision:

This report is for information only and does not directly require a decision by the Joint Committee.

Other options considered:

Not applicable.

IMPLICATIONS AND RISKS

Financial implications and risks:

There are no financial implications identified within this report. The level of savings achieved and the basis of how these have been achieved are detailed in the 2014/15 Budget Outturn Report and Transformation Report provided.

Legal implications and risks:

There are no Legal implications identified within this report.

oneSource Joint Committee, 26 June 2015

Human Resources implications and risks:

There are no Human Resource implications identified within this report.

Equalities implications and risks:

There are no Equalities implications identified within this report.








BACKGROUND PAPERS

None




Annexe 1 – KPI information

Service	Indicator	Council	2013/14 Annual Performance	2014/15 Annual Target	2014/2015 Annual Performance	Direction of Travel	2015/16 Target
oneSource	Percentage of customers satisfied with oneSource services	N/A	75.60%	75.6%	74%	↓	80%
oneSource	Perform within budget (savings achieved)	N/A	N/A	£4.1m	£4.1m	N/A	£7.79m
oneSource	Percentage of Council Tax collected	LB Havering	97.14%	97%	97.17%	→	96.7%
		LB Newham	93.95%	92.5%	93.95%	→	94%
oneSource	Percentage of National Non-Domestic Rates (NNDR) collected	LB Havering	97.42%	98%	97.23%	↓	98%
		LB Newham	99.78%	99.60%	99.79%	↑	99.78%
oneSource	Percentage of suppliers paid within 30 days of receipt	LB Havering	96%	95%	95%	↓	95%
Council Tax and Benefits	Processing times for Council Tax or Housing Benefits Claims: New Claims	LB Havering	16 days	24 days	18 days	↓	24 days
		LB Newham	32 days	27 days	27.5 days	↑	25 days
Council Tax and Benefits	Processing times for Council Tax / Housing Benefits Claims: Change of Circumstance	LB Havering	14 days	15 days	11 days	↑	15 days
		LB Newham	8 days	9 days	6 days	↑	7 days
Council Tax and Benefits	Benefits Overpayments - Local Authority Error Rate	N/A	0.21%	<0.46%	0.16%	↑	<0.46%

oneSource Joint Committee, 26 June 2015

Council Tax and Benefits	Percentage of calls answered	LB Newham	85%	95%	92.3%		
Property Services	% of commercial estate let	LB Havering	90.20%	95%	94.5%		
Property Services	Capital receipts achieved via asset disposal	LB Havering	£17.5m	£15m	£17.3m		
Revenue Services	Percentage of Invoices Collected within 90 Days by value	LB Newham	86.50	89%	87.52		89%
Revenue Services	Percentage of Sundry Income Invoices Collect within 90 Days By Volume	LB Newham	83.38	80%	81.32		80%
Revenue Services	Percentage of Market Rent Invoices Collected within 90 Days By Value	LB Newham	93.98	89%	97.21		89%
Revenue Services	Percentage of Commercial Rent Invoices Collected within 90 Days by Value	LB Newham	92.80	89%	93.07		89%

oneSource Joint Committee, 26 June 2015

RAG Rating		Direction of Travel (DOT)	
Green	On or within 1% of the annual target		Performance is better than last year
Amber	More than 1% off the annual target and where performance has <i>improved or been maintained</i> compared to last year		Performance is the same as last year
Red	More than 1% off the annual target and where performance has <i>not improved</i> compared to last year		Performance is worse than last year

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HAVERING AND NEWHAM SHARED BACK OFFICE SUPPORT SERVICE

JOINT COMMITTEE

Subject Heading:

oneSource Annual Report

Report Author and contact details:

**Tony Huff
Assistant Director of Business Services
01708434155
Tony.Huff@oneSource.co.uk**

Financial summary:

There are no specific financial implications in this report that are not covered elsewhere on the agenda.

Is this a Key Decision?

No

SUMMARY

Attached to this report is the draft text of the annual report of oneSource for submission to both Havering and Newham Councils in line with the Joint Committee Agreement.

RECOMMENDATIONS

Members are invited to consider and comment upon the text version of the first year oneSource Annual Report prior to final publication.

REPORT DETAIL

1.0 Paragraph 4.5 of the Joint Committee agreement states:

“The Managing Director shall submit to the Joint Committee no later than the last working day of May each year, an annual report on the activities of the Shared Services over the past financial year including an account of financial matters and explaining the main plans and activities for the coming year.”

2.0 Attach to this report is the draft text for the annual report to be submitted to each council. The report contains a summary of the following for the year:

- Achievements during the year
- Key performance indicators identified in the Joint Committee Agreement for 2014/15
- Transformation of services
- Business development activity
- Financial performance for 2014/15
- Strategy and priorities for 2015/16

3.0 Members are invited to comment on the text. Once the text is agreed by the Joint Committee the Annual Report will be published in a sleeker version.

REASONS AND OPTIONS

Reasons for the decision:

oneSource is required by the Joint Committee Agreement to produce an Annual Report.

Other options considered:

Not applicable.

IMPLICATIONS AND RISKS

Financial implications and risks:

Joint Committee, 26 June 2015

There are no financial implications identified within this report.

Legal implications and risks:

There are no Legal implications identified within this report.

Human Resources implications and risks:

There are no Human Resource implications identified within this report.

Equalities implications and risks:

There are no Equalities implications identified within this report.

BACKGROUND PAPERS

None



Annual Report

May 2015 v1 DRAFT

Introduction

Our journey so far

oneSource is currently the largest public sector shared service in London and one of the largest in the country. It has been formed by the London Boroughs of Havering and Newham by bringing together 22 services and 1350 staff. oneSource is supported by members through a joint committee structure who receive key reports and make strategic decisions about its operation.

oneSource provide a range of strategic, operational and transactional services. This means we lead for both Havering and Newham on key strategic issues as well as providing direct services to the councils and support to managers.

oneSource was developed and created quickly with the business case being agreed in November 2013 and the new shared service going live in April 2014. Since going live a number of activities have taken place to create, embed and mould oneSource. There is a dedicated management team in place and services are now being transformed to reduce costs through combining our strengths, economies of scale, reengineering our services and utilising new technologies.

We have developed our own vision, values and ways of working, distinctive from the councils we work with. These reflect the sort of service we want to be and provide to our customers.

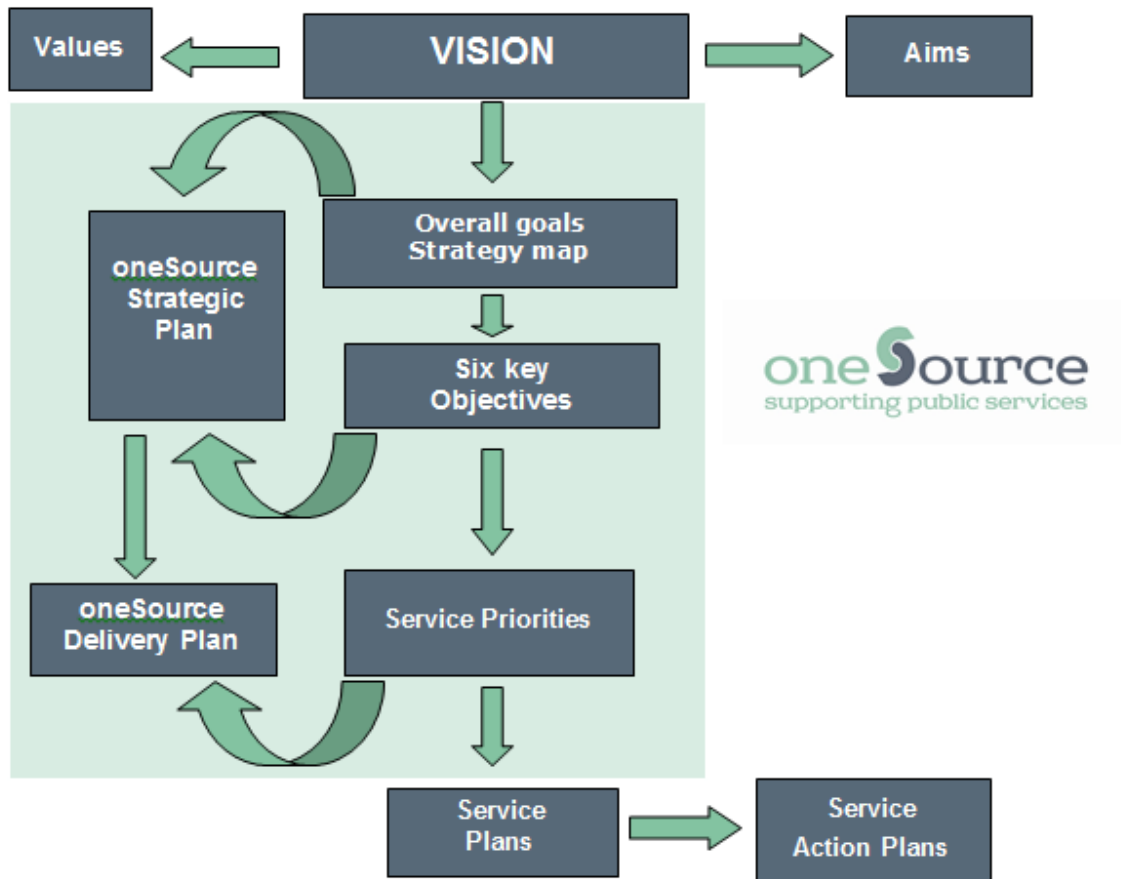
oneSource has developed a clear brand and identity both internally to its staff and customers and externally in the local government and shared service market. We have been active in raising awareness and acquiring legitimate interest in oneSource and its services through promotion in service specific media, undertaking keynote speaker slots to best practice communities as well as attending conferences and exhibitions. We have also hosted a shared learning event with high profile speakers from the shared service industry and central government which was attended by councils traveling from as far as Scotland.

Even after just a year of operation oneSource is already being recognised for the work we do with interest from others in working with us and our services being shortlisted and winning industry awards.

Strategic direction

oneSource's vision is to be the one source of innovative, high quality and affordable support to all public services.

Our values, strategic objectives and service priorities are all focused to help achieve this vision. The diagram below illustrates how the various oneSource plans and goals are linked to strengthen our ability to achieve our vision.



Strategic aims

oneSource has been created to achieve a number of strategic aims these are to:

Improving the customer experience by building an outstanding service, with focussed experts, best practice business services, the latest Enterprise Resource Planning (ERP) system and a strong customer management focus

Reducing the cost of support services by sharing assets (IT, buildings, resources, management) and reducing process cost through economies of scale

Improving services by freeing the departments to focus on their core objectives, taking the best from each other to capitalise on our strengths and reduce our weaknesses

Increasing operational efficiency through improved delivery, better systems and management information

Creating new opportunities by using our own talent to redesign our business, creating an excellent service which others will want to use and learn from

Giving resilience and flexibility by using standard systems where a pool of resources is able to cover unexpected resource shortages.

Vision and values

To enable all staff within oneSource to have a single culture the management team developed a oneSource vision, values and ways of working.

Our vision is:

To be the one source of innovative, high quality and affordable support to all public services.

Core values

Our vision is underpinned by our values which are summed up as **A-C-T**



Accountable – we are open and honest, challenging and supportive



Customers, oneSource and you matter – we work collaboratively, everyone is important and plays a part



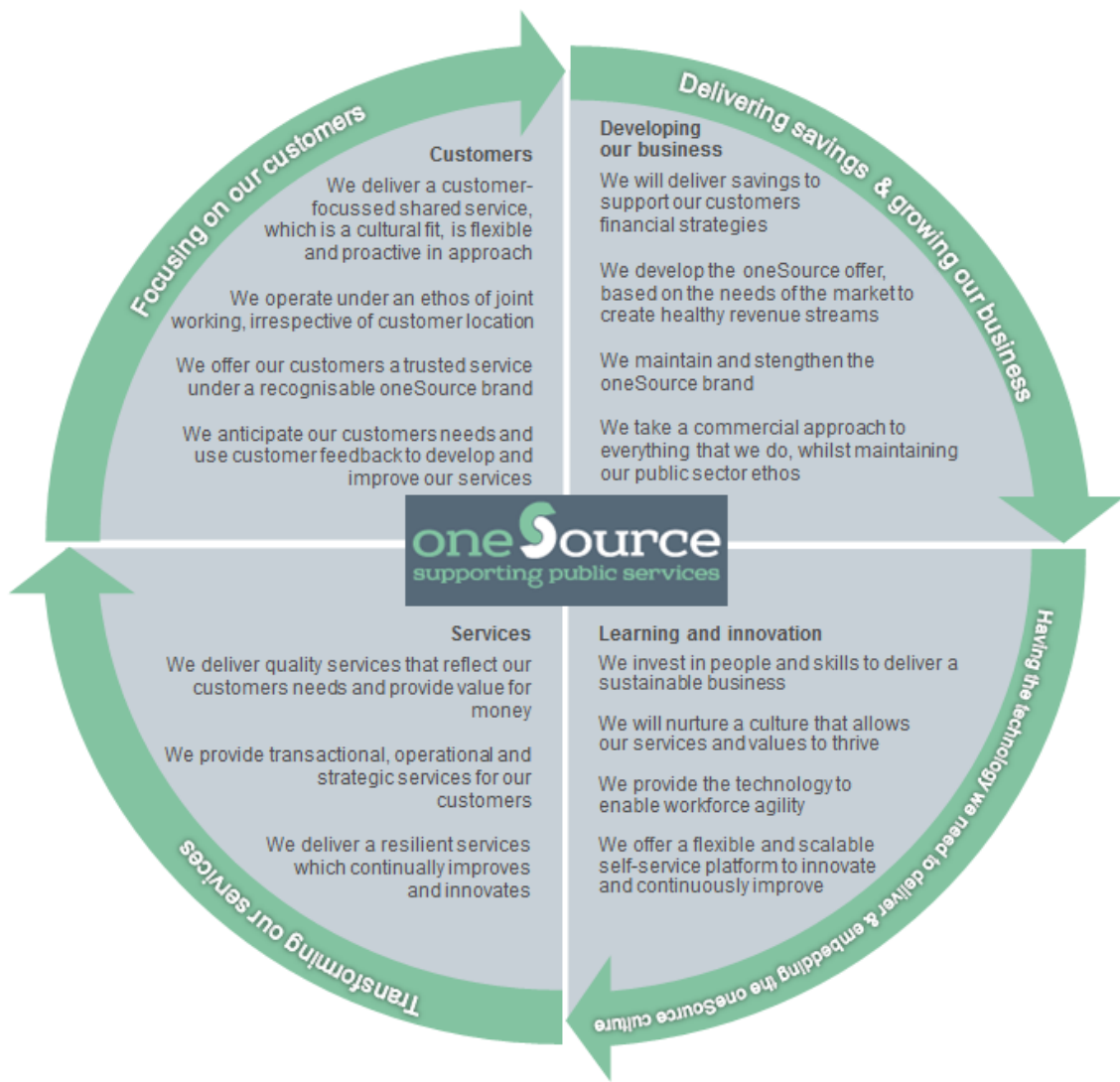
Think differently – we are open to change, we are flexible and innovative.

Strategy map

The aim of the strategy map below is to improve the oneSource partnership value.

The strategy map considers a number of perspectives taking into account our design principles, target operating model and critical success factors to help us focus the strategic direction of oneSource. The strategy map is divided into four perspectives which are:

- developing our business (e.g. savings, revenue growth, cost reduction)
- customer (e.g. customer focus leading to trusted brand, customer management processes)
- services (e.g. understanding customer needs, TOM)
- learning and innovation (e.g. self-service, staff competence and development; corporate culture, adoption of new technology)



The oneSource model

We have developed a model for oneSource that takes the best from our services, looks at best practice elsewhere and reflects what customers told us was important to them. The key principles behind the service model are:

- a standard support service, which is consistent across both Councils
- a split between strategic, operational and transactional functions, allowing us to achieve economies of scale in high volume transactions
- a move to online self-service, wherever possible
- the flexibility to scale support up or down
- a focus on a single point of contact and first time resolution of issues
- a clear understanding of provider and customer responsibilities
- clear performance indicators and management information
- clear and transparent pricing and charging
- a customer-focussed ethos and 'can do' attitude.

Supporting the councils we work with

oneSource has an important role to play in supporting both the London Borough of Havering and the London Borough of Newham in achieving their corporate goals and aspirations. oneSource is particularly supporting both councils in delivering their financial strategies by making considerable savings by delivering our services differently.

Each of the services within oneSource support the councils' corporate goals whether it is through providing a key service, delivering a project on behalf of a council or supporting other sections so they can deliver the councils' and residents' priorities.

We have worked with our customers to understand their requirements for each of the services we offer. We will continue to consult with our customers as we develop oneSource, through individual feedback, customer forums, surveys, performance management and during the service reviews.

Savings to be achieved

Through sharing services, the business case stated that oneSource will save Havering and Newham Councils £10.6m by 2018/19. The savings are split between the two Councils, based on a formula on budgeted contributions from each Council to the shared services and sharing duplication savings on a 50:50 basis.

The level of savings attributable to each council are outlined in the table below.

	Estimated Savings				
	Year 1 2014/15 (£000)	Year 2 2015/16 (£000)	Year 3 2016/17 (£000)	Year 4 2017/18 (£000)	Year 5 2018/19 (£000)
Havering	1,460	2,829	3,314	3,566	3,904
Newham	2,652	4,961	5,629	6,182	6,708
Total	4,112	7,790	8,943	9,748	10,612

oneSource Business Case Savings

Based on the current budgeted costs, this resulted in a split of non-duplication savings of 64% for Newham and 36% for Havering in 2014/15, this will be 63% and 37% respectively from 2016/17 onwards.

Review of the first year

It was over a year ago that oneSource began its important journey to transform shared services across Havering and Newham and to create a single organisation that provides a new type of service for local government and other customers.

What we have achieved so far.....

- oneSource is one of the biggest shared services in London
- we brought 22 different services into the shared service arrangement
- our partners are not neighbours and have different political make ups
- oneSource was set up and implemented fast
- we were awarded £750k grant from the Challenge Transformation Award recognising how our programme was different and innovative
- we have established a new single management team and Managing Director
- oneSource has credibility in the public sector market through brand awareness
- oneSource has featured in national publications such as LGC, MJ, Public Finance, and ModGov
- we hosted a shared learning event for 100+ people to show others how they can collaborate
- we have been shortlisted and won awards including winning Lawyers in Local Government award and two People Management Awards, as well as being shortlisted for six PPMA Excellence awards
- we are transforming services using innovation – we have already reviewed a number of the services which are now working differently as a shared service
- we implemented a joint recruitment system Talentlink to improve the recruitment process for our partners
- our new Enforcement Agency is now providing debt enforcement services for a number of departments across both Councils
- oneSource delivered its first years saving exceeding the savings target of £4.1m for 2014/15.

oneSource has now been providing services to Havering and Newham Councils for over a year. It has been a year of change for oneSource as during this time our services are being redesigned into a shared service to implement the oneSource module, establish our new services and provide savings.

As well as continuing to run our 22 services, over the last year we have been concentrating our efforts on establishing the oneSource brand, transforming our services and looking at how we can develop our business with new customers.

oneSource continues to develop its brand and identify both internally to its staff and customers, and externally in the local government and shared service market. oneSource has been active in raising awareness and acquiring legitimate interest in oneSource and its services, through promotion in service specific media, undertaking keynote speaker slots to best practice communities, as well as attending conferences and exhibitions.

We have received recognition and accolades within the public sector industry, including being shortlisted and winning a number of awards:

- a) shortlisted for Outstanding Savings Delivery Award by the Society of Procurement Officers (SOPO)
- b) two People Management Awards (Private Sector Partner and Youth Talent) by PPMA Excellence (shortlisted for six awards)
- c) Litigation and Licensing Award by Lawyers in Local Government
- d) Local Government Chronicle Investment Award for Fund of the Year
- e) Employer of the Year (Gold Award) for Youth Employment by Apprenticeships for England

Since 2014, oneSource has brought in a number of new businesses and customers, helping to generate revenue. Currently, oneSource is providing ICT Support Services to Brentwood Borough Council and hosting a Social Care system for Isles of Scilly. In addition, it is exploring other potential opportunities with other customers to provide services.

We have continued to win contracts to provide payroll services to schools both within havering and within other council areas.

Transforming our services

The savings identified in the oneSource business case are based on reviewing each of the services we provide within the first three years of oneSource (though there have been some changes in the review dates since the sign-off of the Business Case).

This is being done through transformation projects which fully analyses each services function, using business improvement techniques (including LEAN, value stream mapping) and provides a range of recommendations for improvements, efficiencies and savings.

As part of this and our stakeholder engagement process, the voice of the customer (engagement and consultation) is part of the transformation approach where concerns, issues and requirements are captured from the customer in order to shape the service whilst bearing in mind the need for cost savings and what the customer is willing or able to pay.

Customer information is taken from the biannual customer satisfaction survey as well as 1:1 interviews with the councils' Chief Executives, Service Directors, Heads of Service and key staff members as well as the Section 151 officers and members (where appropriate). In addition critical friends have been used to supply critique and challenge.

Given that the focus of the transformation projects is to achieve savings, the voice of the customer is combined with a SWOT analysis, to provide a strategic view of the service strengths, weaknesses, opportunities and threats, so as to design the overall business model in the terms of true demand and affordability. Stakeholders and internal staff members of services are also consulted with on this.

The voice of the customer provides the opportunity to understand the “must do” activities that the customer requires and provides a healthy independent challenge on those activities that exist but do not add real value for them or it is not perceived in that way. Non value adding activities are captured for elimination to create a leaner and cheaper service.

The services which have been transformed in the last year and the savings they will achieve are:

Management team	To establish the new service a senior management team was put in place in February 2014 following a restructure reducing to the structure from 8 posts to 13 senior posts resulting in annual savings of £430k.
ICT	The ICT transformation project commenced in summer 2013, with the final proposals and restructure implemented during May/June 2014. The service has been redesigned and restructured to offer a more efficient service, by adopting the model and process of the more efficient Council. By also implementing a shared helpdesk, reducing duplication of roles, having a shared enterprise agreement and renegotiation of local and wide area network contracts savings being achieved in ICT are expected to be £6.74m over the five years, with a saving of £1.5m per annum by 2016/17.
Internal Audit and Risk	A range of achievable savings have been identified for Internal Audit and Risk, with the biggest saving achieved through creating a single shared structure that delivers financial and efficiency savings. The range of savings identified will deliver between £919k and £1.33m. This will be through standardised layers of staffing and spans of control; operational focus on high risk areas; standardised processes (i.e. templates, reports, approaches); and tailored audit and compliance plans.
Legal Services	Savings of £710k per annum can be delivered by 2016/17 through a restructure of the function to maximise legal output from lawyers and reduce / eliminate administrative functions. A new legal case management was purchased to help deliver the reduced administration costs. The case management system allows for the standardisation of processes and the removal of any duplication within the service. The new structure will deliver a single legal function able to provide high quality services to the two councils and be scalable for future partners / customers. Additional savings of £509k could be delivered through reducing external commissioned work at both councils. This proposal will need further consultation with the two councils and will be dependent on capacity building within the legal services function.
Asset Management	A single third tier structure across both councils has been developed and the relevant managers have been consulted with. In addition the level of business support across the directorate has been reviewed. Savings of £342k by 2016/17 have been identified.
Facilities management	The proposals for facilities management have been based around the removal of duplication and process improvement and include the following: <ul style="list-style-type: none"> • creation of a corporate landlord function – a single team across

	<p>both councils including a shared help desk</p> <ul style="list-style-type: none"> • a single maintenance team across both councils • the creation of a campus services team based locally in the relevant building etc. • improved single ICT systems across all functions. <p>Savings of £649k have been identified by 2016/17.</p>
Property services	<p>The proposals for property services have been based around the creation of a single property services team with a single manager. This has allowed for the deletion of duplicate posts. In addition improved processes have been identified within the function that have allowed further efficiencies to be identified resulting in further costs being removed. Savings of £93k have been identified by 2016/17.</p>
Health and safety	<p>The proposals in this area include the following:</p> <ul style="list-style-type: none"> • The creation of a single team • Process redesign taking the best practice from both previous council processes reducing the overall resources required • Removing non-value adding activities within processes • Completing demand at the lowest council's cost. <p>Savings of £310k have been identified by 2017/18.</p>
Exchequer and Transactional Services	<p>A light transformation review of NNDR (business rates) was undertaken and this has led to a revised combined structure being developed saving £119k per year from 2015/16. A review of senior management and vacant posts within Transactional and Exchequer Services led to a deletion of posts in advance of the 2015/16 planned transformation project in this area saving £240k in 2015/16 increasing to £305k by 2015/16.</p>
Procurement	<p>In advance of the transformation project of the Procurement function in 2016/17 across both councils a restructure has been implemented in advance. The restructure removed vacant posts but also introduced category management into Havering and created a single team across both councils. The restructure delivers £249k in 2014/15 and £343k in following years.</p>

Summary of savings to date

A summary of the savings delivered by the transformation projects are shown in the table below. Also included are the proposed restructures proposed by Directors outside of the transformation project process.

Transformation Projects / Restructures to Date	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000
Finance	343	1,152	1,465	1,548	1,548
ICT / Business Systems	938	1,558	1,558	1,558	1,558
Transactional / Exchequer	240	424	424	424	424
Legal (Minimum savings)	248	612	711	711	711
Asset Management	246	1,059	1,298	1,394	1,394
oneSource Senior Management Restructure	423	423	423	423	423
Total Savings (includes min savings where relevant)	2,438	5,228	5,879	6,058	6,058
Savings delivered through budget management/one-off restructures / commenced reviews	1,674	2,562	3,064	3,690	4,554
Business Case Savings	4,112	7,790	8,943	9,748	10,612

Savings amounting to £2.4m have been either delivered (e.g. ICT) or identified in 2014/15. On-going savings by 2018/19 of £6m have been identified – over half of the required target. This excludes savings that will come out of the reviews currently in progress or to be finalised.

Further savings are being delivered by the oneSource Management Team through budget management through vacancy management and other budget savings meaning that oneSource delivered greater savings than the target of £4.1m in 2014/15.

Performance

oneSource have a number of key performance indicators (KPIs) in place as a measure of the service provided to our customers.

The performance indicators are utilised to improve customer satisfaction, perform within budget and improve receipt of net collectable debit. Ultimately ensuring that oneSource provides an improved customer experience whilst reducing the cost of support services to both Councils.

oneSource's corporate KPIs are:

Customer satisfaction	Customer satisfaction with oneSource services
Savings achieved	Perform within budget

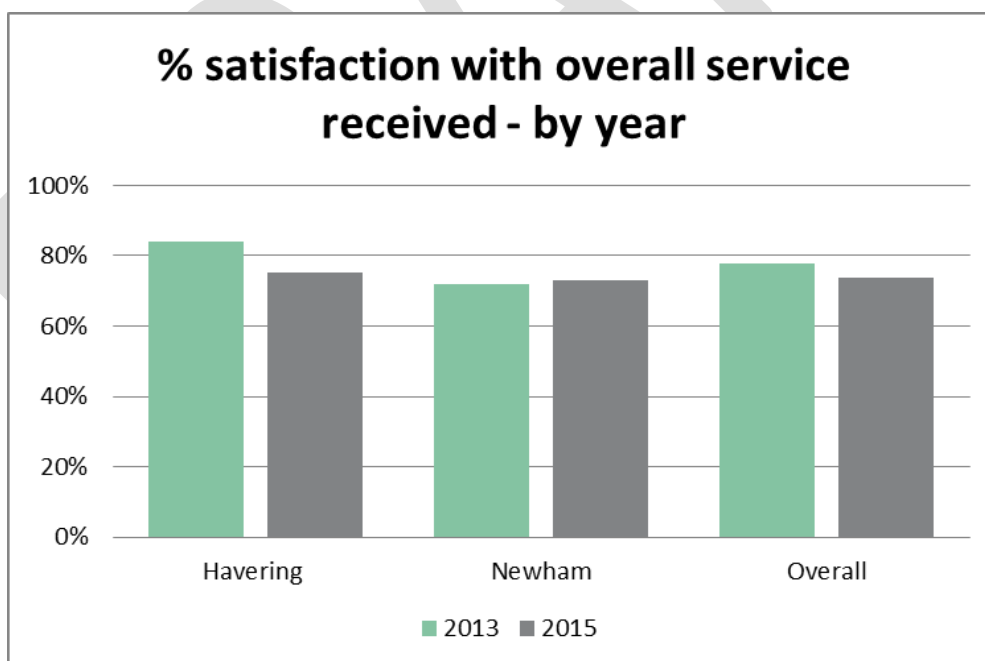
Council tax collection	Receipt of council tax as a percentage of net collectable debit (by 31 March)
Non-domestic rates collection	Receipt of non-domestic rates as a percentage of net collectable debit (by 31 March)

Key performance indicators 2014/15 performance

Customer satisfaction with oneSource services

This key performance indicator is captured through a biannual customer satisfaction of internal customers. The overall satisfaction for oneSource services during 2014/15 was 73.7%, which is slightly below the 75.6% target. Customer satisfaction within Newham is 73%, whilst our Havering customer satisfaction was 75.2%.

This is a reduction in the overall level of satisfaction when compared to the results of the 2013 satisfaction survey which was conducted prior to oneSource being implemented. It was expected that the level of satisfaction will drop slightly during such a large change programme, particularly as the implementation oneSource and the redesign of services is scheduled over a 3 year period. There's still lots to do, oneSource is working hard to maintain and improve customer satisfaction and a challenging target of 80% customer satisfaction has been set for 2015/16.



Graph: Customer Satisfaction

Perform within budget

oneSource have successfully met and exceeded our £4.1m financial savings target for 2014/15 with an overall saving of £5.4m during the year.

Receipt of council tax as a percentage of net collectable debit (by 31 March)

For 2014/15, oneSource met the annual council tax collection target for both Havering and Newham Councils and improved performance for both from the previous year.

Newham saw an increase in the collectible sum of £4.95 million, with 93.95% of Council Tax collected in total against a target of 92.51%.

oneSource collected 97.17% of Council Tax for Havering a slight increase on the previous year and above the 97% target for 2014/15.

For 2015/16, the target collection figure for Havering has been set at 97%, and 94% for Newham.

Receipt of non-domestic rates as a percentage of net collectable debit (by 31 March)

Throughout 2014/15, there were fluctuations in collection levels in both Councils as a result of changes in legislation in April 2014 allowing ratepayers to pay over 12 months, as opposed to 10 months.

In 2014/15, for Newham the collection of NNDR exceeded the target of 99.6% by 0.19%, with 99.79% collected. For Havering the collection of non-domestic rates was below target by 0.77% with 97.23% of collectible debit collected.

For 2015/16, the target collection figures have been set at 98% for Havering and 99.78% for Newham.

Continuing to improve oneSource performance

oneSource will be reviewing performance indicators in each service area to ensure robust arrangements are in place for monitoring performance and delivering savings. Business Services will be working with services to develop customer focused KPIs, measures and metrics for oneSource and its customers. oneSource will be:

- monitoring the performance of oneSource services, ensuring they meet the needs of our customers and the expectations of the oneSource Management team and Joint Committee
- managing the relationship with customers in the two councils, with regular liaison and meetings with our customers
- ensuring that oneSource is delivering the service outlined in the service level agreements and handling any queries and issues about the services provided
- leading business improvement within oneSource, including the review and redesign of individual services
- co-ordinating the annual service plans across services.

oneSource statement of accounts summary

oneSource have successfully met and exceeded our £4.1m financial savings target for 2014/15 with an underspend against budget of £1.3m. this meant that in total £5.4m savings were achieved.

The oneSource Joint Committee had a revised controllable net budget of £49,036k for 2014/15 as shown in the table below. Actual spend for the year amounted to £47,745k giving an underspend of £1,291k. The budget included savings of £4.1m to be found during the year (as per the business case) so the actual reduction in expenditure against the budget was £5.4m.

Service	Revised Controllable Budget			Outturn £000	Variance £000
	Expenditure £000	Income £000	Net £000		
Finance	10,521	1,729	8,792	8,009	(782)
Business Services	2,594	791	1,803	1,361	(442)
Exchequer & Transactional	19,456	1,501	17,955	17,247	(708)
Legal & Governance	5,347	684	4,663	4,957	294
ICT Services	14,103	4,102	10,001	10,092	91
Asset Management	6,778	4,277	2,501	2,827	326
Human Resources	3,440	118	3,322	3,251	(70)
Total	62,238	13,202	49,036	47,745	1,291

Nature of the outturn underspend

The oneSource budget underspend is from a mixture of one off and on-going variances, with the bulk of the underspend relating to staffing areas. These have been as a result of either the early achievement of transformation savings or where vacancies are being held pending the transformation projects.

It is expected that these vacancies will contribute to oneSource's challenging future transformation savings targets. The other key element of the underspend relates to the investment budget, created to aid the implementation of oneSource, this budget is required to support the on-going transformation and development programme.

Treatment of the underspend

It has been agreed by the respective Council's that this underspend will be carried forward to support the on-going development of oneSource with the significant service and financial challenges anticipated over the coming year. It will also support the implementation of the One Oracle system, specifically ensuring the solution facilitates joint working between the partner boroughs and other potential customers. The delay in system implementation puts significant pressure on the achievement of savings by making it more difficult to fully merge teams and realise operational efficiencies. The carry forward will also help to support any necessary transitional arrangements until recommendations from the emerging service reviews can be fully implemented.

The future Key business challenges over the next three years

To continue our plans six key strategic business objectives have been developed, which are being used to steer our efforts over the next three years.

oneSource has developed a delivery plan for 2015/16 which shows the priorities and activities which will be taking place over the year in order to deliver our six strategic objectives and to help deliver each of our customer councils corporate priorities. The 2015/16 Delivery Plan is attached in appendix 1.

Delivering savings

One of the main aims of oneSource is to make savings, whilst balancing this with maintaining and improving services.

oneSource has an important role to play in helping the Councils we work with achieve their financial strategies by delivering savings, this supports the efficiency of each council and helps to protect frontline services.

The financial benefits of the programme will be realised over five years from April 2014 to March 2019, facilitated by a set of transformation projects over the first three years. As well as the transformation projects, other benefits will be put in place by oneSource for example where management restructuring of services is necessary or where there are quick win benefits, which can be achieved.

The savings are monitored as part of the oneSource financial monitoring process. Each Director is responsible for delivering savings in their area and is responsible for reporting if any savings are not going to be achieved, over achieved or not achieved in target time which will all affect the overall success of oneSource.

Focusing on our customers

A strategic aim of oneSource is to improve the customer experience the key things that our customers told us were important to them in a shared support service were to have:

- standardised processes where possible
- a more business-focused service, that understands the councils' business
- more services provided on-line
- streamlined decision-making processes
- better management information
- a faster response to enquiries
- a clear understanding of the level of support available and how it would be provided.

Our vision for how we wanted our customers to feel about our service was captured in our shared vision for the shared service. This is what we will be aiming to deliver over life of this strategy, to offer a good quality, flexible and business focused service which allows our customers to have the information they need to do their job effectively.

What is important to our customers, our vision and our strategic aims have all been incorporated into the different aspects of developing oneSource as well as in our customer relationship management processes without adding a labour intensive and costly client function.

Embedding the oneSource culture

We have started our cultural change process through awareness. We have developed a set of values which we have promoted widely to staff. We openly communicated with everyone in oneSource throughout its setup both face to face and through staff updates about why we needed to change.

There is more to do, as real cultural change means living and breathing our values every day until they become the 'oneSource way' of doing things, this work will form an important part of oneSource's core activities.

Transforming our services

Work has commenced on a number of transformation projects timetabled for year two (2015/16). These are:

- Payroll
- Transactional Finance
- Transactional HR
- Operational / Strategic Finance
- Operational / Strategic HR.

The delivery of some of the above reviews is dependent on Newham Council Go Live on the One Oracle ERP system. The expected date for go live is currently being looked at but will not be until at least later this calendar year. This will risk delivery of the expected savings in line with the business case assumptions but Directors are managing vacant posts and budgets to try to minimise any impact. The overall delivery of savings and budgets will be managed by the oneSource Management team through its regular budget monitoring process.

The 2015/16 transformation projects are well under way and are in the analysing the "as is" position. This will enable current processes to be identified and costed. The teams are concentrating on how processes outside oracle will align with oracle processes across both councils. As with all reviews the aim is to create single teams providing consistent services across both councils.

The timetable for the projects schedules for years 2 and 3 is detailed in the below table:

Year 2 (2015/16)	Year 3 (2016/17)
<ul style="list-style-type: none">• Payroll• Transactional Finance• Transactional HR• Operational / Strategic Finance• Operational / Strategic HR• Debt Management / Recovery team• Pensions (contract at LBN)• Democratic Services• Election Services	<ul style="list-style-type: none">• Benefits• Council Tax• Procurement (processes)

Having the technology we need to deliver

Newham and Havering have shared ICT support services for a number of years before oneSource was created in April 2014. This meant that much of the underpinning technology had already been aligned and designed to cope with supporting the needs of oneSource staff. This has undoubtedly reduced the cost of enabling oneSource to launch. However, as services are merged and processes transformed with staff potentially moving and restructuring, the technology will need to continue to evolve to support our evolving business needs.

The main areas in which ICT systems and services are expected to be further developed are:

- mobile and flexible working
- Oracle ERP
- application systems
- data centres, hosting and disaster recovery
- help desk and self service
- business intelligence and data warehousing
- intranet and corporate collaboration tools
- CRM, web and portal
- relevant services
- security.

Growing our business – new partners and customers

In October 2014 the Joint Committee approved our Business Development Plan. The plan outlines how oneSource can approach business development over a three year period to generate further income and savings to support Havering and Newham Councils' financial strategies.

oneSource have identified three unique selling points it has to promote itself and offer the market, being:

- an alternative to outsourcing
- our public sector experience
- having a flexible approach to on-boarding.

oneSource is currently set-up to and experienced in operating in a partnership capacity, the premise of the programme for Havering and Newham was that it was an alternative to outsourcing, which similarly could be an attractive approach to others.

It was agreed that there are two different strategies for oneSource to trade; firstly with an additional partner and then commercially in the longer term.

oneSource has already been promoting itself in order for the brand and service to be identifiable to others and has been successful in securing new external customers who are keen to have services provided by oneSource.

oneSource's customers include:

Current list of external customers to be added

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2015/16 Delivery plan



Our vision is: "To be the one source of innovative, high quality and affordable support for public services"

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	Customers	Services		Developing our business		Learning and innovation
Strategic objectives	Focusing on our customers	Transforming our services	Embedding the oneSource culture	Delivering savings	Growing our business - new partners and customers	Having the technology we need to deliver
Service level priorities / outcomes (All)	<p>Delivering services within targets and to customers satisfaction</p> <p>Engaging existing customers more effectively to forecast changing demands and expectations</p> <p>Enhanced customer awareness and services more responsive to customer needs</p> <p>Support the customer councils' financial strategies</p> <p>Deliver key projects</p>	<p>Embedding new structures, joint working, new processes, common approaches and where appropriate team locations</p> <p>Being creative and innovative in re-designing services, thinking and acting differently</p>	<p>Embed the oneSource values and the 'oneSource way'</p> <p>Staff identify themselves with the oneSource brand</p> <p>Share skilled and knowledgeable staff</p> <p>Enabling self-service and effective provision of management information</p>	<p>Re-design and restructure services</p> <p>Implementing the outcome of Year one service reviews and delivery of related savings</p> <p>Procure together to get better economies of scale</p> <p>Improved medium term financial planning and support for delivery of savings programmes</p>	<p>Adapting a business ethos and commercial attitude to business growth seeking new opportunities</p> <p>Expanding our customer base and increasing net income from the provision of services to external clients</p> <p>Share services more broadly where appropriate</p>	<p>Providing technology to enable workforce agility and flexible working capability</p> <p>Share systems wherever possible</p> <p>Cost effective and fit for purpose IT solutions in place</p> <p>Deployment of technology to support collaboration and business processes</p>
Key activities	<p>Provide service quality assurance in-line with Customer Relationship Management Framework (All)</p> <p>Embed performance reporting to customers in-line with the performance Management Framework (All)</p> <p>Improve/maintain customer satisfaction and relationship (All)</p> <p>Provide transformation service to customer councils including rapid improvement events and problem solving workshops (BS)</p> <p>Develop exchequer services to maximise debt and income collection (Ex & Trans)</p>	<p>Jointly procure contracts and services (All)</p> <p>On-going review of people management policies and procedures (HR)</p> <p>Continuously improve services already transformed (BS)</p> <p>Establish PMO function and governance arrangements (BS)</p> <p>Deliver the year two timetabled transformation projects to review services (BS)</p> <p>Review and implement oneSource accommodation strategy (AM)</p>	<p>Provision of quality services as business as usual (All)</p> <p>Implement the communications plan including cultural change activities (BS & HR)</p> <p>Design and implement oneSource Organisational Development Strategy (HR)</p> <p>Develop and embed KPI and performance culture across oneSource (BS)</p> <p>Review of scheme of delegations for oneSource to aid maximum operating model efficiencies (Legal)</p> <p>Review key Policies and Strategies (All)</p>	<p>Deliver year two savings through implementation of transformation project recommendations, restructuring and budget management (All)</p>	<p>Seek opportunities to develop further service offers and possible income (All)</p> <p>Continue to engage potential partners through implementing the Business Development and Marketing Plan (BS)</p>	<p>Implement common systems in use across boroughs supporting joint working (All)</p> <p>Deploy new technologies to support oneSource operating model and flexible working e.g. One Oracle, oneSource Desktop (ICT)</p> <p>Continue to develop self-service info through dashboards, intranet, training and other self-service processes (Ex & Trans)</p>
Key activities to support the corporate priorities of the Councils we work with	<p>Support both Councils in achieving their Financial Strategies (All)</p> <p>Support both councils in the development of a fit for purpose organisation, including organisational development and culture (HR)</p> <p>Support change and provide strategic advice for corporate transformation projects (HR)</p> <p>On-going review of people management policies and procedures (HR)</p>		<p>Lead corporate transformation project to carry out T&C Review (HR)</p> <p>Strengthen governance by reviewing councils' Scheme of Delegations/Constitutions (Legal)</p> <p>Continue to support and, where appropriate, lead the implementation of corporate IT systems, including One Oracle (All)</p> <p>Deploy new technology and systems to support business processes (ICT)</p>		<p>Help to deliver/support key corporate projects (All)</p> <p>Continue to develop and implement the councils' Accommodation \ Asset Management Strategy (AM)</p> <p>Deliver key capital projects (AM)</p>	

Services key: BS – Business Services, HR – Human Resources and Organisational Development, Ex & Trans – Exchequer and transactional Services, Legal – Legal Services, AM – Asset Management, ICT – ICT Services

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