



ONESOURCE JOINT COMMITTEE AGENDA

10.00 am	Friday 23 October 2015	Havering Town Hall, Main Road, Romford
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COUNCILLORS: 6 QUORUM: 3

LONDON BOROUGH OF HAVERING

Councillor Ron Ower (Chair)
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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01708 432437**

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 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.

2 APOLOGIES FOR ABSENCE

(if any) - receive

3 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.

4 MINUTES (Pages 1 - 8)

To approve as a correct record the minutes of the meetings of the Joint Committee held on 26 June and 28 August 2015, and to authorise the Chairman to sign them.

5 ONESOURCE FORECAST FINANCIAL POSITION AS AT AUGUST 2015 (Pages 9 - 16)

6 CUSTOMER SATISFACTION WITH ONESOURCE SERVICES (Pages 17 - 44)

7 ADDITIONAL SAVINGS TARGETS - 2016/17 - 2018/19 (Pages 45 - 48)

8 BUSINESS DEVELOPMENT OPPORTUNITIES

Verbal report

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**MINUTES OF A
ONESOURCE JOINT
COMMITTEE MEETING
Havering Town Hall, Main
Road, Romford
Friday, 26 June 2015
(10.00 - 11.05 am)**

Present:

Councillor Lester Hudson
Councillor Forhad Hussain
Councillor Ron Ower (Chair)
Councillor Ellie Robinson (Vice-Chair)
Councillor Melvin Wallace
Councillor Damian White

There were no declarations of pecuniary interest.

Unless otherwise indicated, all decisions were agreed unanimously.

Through the Chairman, arrangements for fire evacuation were explained in the event of an emergency.

1 ELECTION OF CHAIR AND VICE-CHAIR

Following receipts of nominations, Councillor Ron Ower was elected as Chair for the 2015/16 municipal. Councillor Ellie Robinson was elected as Vice-Chair.

2 MINUTES

The minutes of the meetings of the Joint Committee held on 13 February and 8 June were agreed as a correct record and signed by the Chairman.

3 ONESOURCE 2014-15 OUTTURN POSITION

Members of the Joint Committee noted that the overall oneSource outturn position showed an underspend of £1,291k. It also noted that this had been agreed to be carried forward to 2015/16 by the respective Councils.

It was reported that the underspend was a mixture of one-off and on-going variances, with the bulk relating to staffing areas. These were either as a result of the early achievement of transformation savings or vacancies being held pending the transformation reviews. It was anticipated that the

vacancies would be realised to contribute to the challenging future oneSource savings targets.

Following a query it was reported that the delayed Legal Services restructure was due for completion by 1 August. A new Director for Legal & Governance had recently been appointed and would take up the post at the end of summer.

The report also explained that the other key element of the underspend related to the investment budget, created to aid the implementation of oneSource. This would be required to support the on-going service review and development programme.

In respect of the change to the oneSource Service Portfolio, the Pension Administration costs of both authorities had been reclassified as non-shared oneSource activities. This was because the services were charged directly to the respective Council's pension fund and were therefore, not appropriate to be shared through the agreed business case methodology.

Reasons for the decision:

This report was for information only.

Other options considered:

Not applicable.

The Joint Committee:

Noted the 2014-15 oneSource outturn position;
Approved the change to the oneSource service portfolio.

4 TRANSFORMATION REPORT

This report looks detailed progress on the transformation projects being undertaken to deliver the oneSource savings as outlined in the shared service business case approved by both councils.

Savings amounting to £2.4m had been either delivered (e.g. ICT) or identified in 2014/15. On-going savings by 2018/19 of £6m had been identified – over half of the required target. This excluded savings that would come out of the reviews currently in progress or to be finalised. Further savings were being delivered by the oneSource Management Team through budget management, through vacancy management and other budget savings. It was reported however that the identified savings for 2015/16 would be extremely challenging to meet with delays to the delivery of One Oracle in Newham.

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

Reasons for the decision:

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

Other options considered:

Not applicable.

The Joint Committee noted progress on delivering the required savings from oneSource in 2014/15 and in future years.

5 ANNUAL PERFORMANCE REPORT

The report updated the Joint Committee 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.

It was noted that the oneSource Leadership Team, chaired by the oneSource Managing Director, agreed that each service within oneSource would have its own performance indicators to monitor and ensure effective service delivery. The performance indicators were utilised to improve customer satisfaction, perform within budget and improve receipt of net collectable debit. Ultimately ensuring that oneSource would provide an improved customer experience whilst reducing the cost of support services to both Councils.

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
- NNDR collection rates
- Customer satisfaction

Particular attention was drawn to the customer satisfaction KPIs. The overall satisfaction for oneSource services was 73.7%, slightly below the target 75.6%. This was considered 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%. It was noted that a challenging target of 80% had been set for 2015/16. It was stressed that customer care was a key priority for managers within oneSource.

Attention also focussed on the KPI concerning the percentage of commercial estate let. Members were concerned that statistics weren't available for Newham because such information wasn't recorded as a

matter of practice. It was agreed that this be rectified with a separate KPI established.

A similar concern was also raised in respect of the percentage of suppliers paid within 30 days. Again, statistics weren't available for Newham as the necessary IT support had yet to be integrated. Members were keen that this be addressed as a matter of urgency.

Reasons for the decision:

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

Other options considered:

Not applicable.

Members noted the remainder of the report.

6 2015/16 ANNUAL REPORT

The Joint Committee was provided with the draft text of the annual report of oneSource for submission to both Havering and Newham Councils in line with the Joint Committee Agreement.

Members were invited to consider and comment upon the text version prior to its final publication.

Reasons for the decision:

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

Other options considered:

Not applicable.

Members were satisfied with the content of the annual report and suggested that the stakeholder list for external distribution be expanded to include additional interested parties.

7 BUSINESS OPPORTUNITIES

Members noted the verbal update on potential business opportunities connected with the expansion of oneSource. Members remarked that there should be greater dialogue with members of the Joint Committee concerning potential growth opportunities.

8 FUTURE MEETING DATES

It was agreed that the remaining meetings of the Joint Committee for the 2015/16 municipal year would take place on:

- 23 October 2015
- 19 February 2016
- 17 June 2016

Chairman

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Public Document Pack

**MINUTES OF A
ONESOURCE JOINT
COMMITTEE MEETING
Town Hall, Main Road,
Romford
Friday, 28 August 2015
(2.00 - 5.00 pm)**

Present:

Councillors Ron Ower (Chair), Lester Hudson, Forhad Hussain, Melvin Wallace and Damian White were present.

An apology for absence was received for Councillor Ellie Robinson.

There were no disclosures of pecuniary interest.

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

9 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.

10 APPOINTMENT TO THE POST OF MANAGING DIRECTOR OF ONESOURCE

The Committee interviewed the two applicants for appointment to this position. 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.

The Joint Committee accepted that each candidate had presented a strong case but felt that one candidate in particular had more relevant experience in delivering a shared service arrangement and provided a more coherent vision for the future direction of oneSource. 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 Jane West to both Havering and Newham Councils for appointment via reports to the appropriate Committees.

Chairman



HAVERING AND NEWHAM SHARED BACK OFFICE SUPPORT SERVICE

JOINT COMMITTEE	23rd October 2015
Subject heading:	oneSource forecast financial position as at August 2015.
Report author and contact details:	Owen Sparks owen.sparks@onesource.co.uk 01708 432203
Financial summary:	The oneSource financial forecast shows a projected overspend of £898k as at August 2015, period 5.
Is this a Key Decision?	No

SUMMARY

oneSource has a number of key performance indicators (KPIs) in place for 2015/16. These have direct financial and service implications for the Councils:

- oKPI 1 - Customer satisfaction with oneSource services;
- oKPI 2 – Savings achieved (budget monitoring);
- oKPI 3 – Percentage of Council Tax collected;
- oKPI 4 - Percentage of National Non-Domestic Rates (NNDR) collected.

This report deals with oKPI 2 – 4, with oKPI 1 being reported separately elsewhere on the meeting agenda.

The oneSource forecast financial position shows a projected overspend of £898k as at August 2015, period 5. The overspend will be met from the 2014/15 underspend carry forward and is in the context of savings targets of £4.1m for 2014/15 and £3.7m for 2015/16.

Performance is detailed in appendices A and B.

RECOMMENDATIONS

The Joint Committee is asked to note the: -

- oneSource key performance indicators (KPIs);
- current oneSource forecast outturn position.

REPORT DETAIL

OneSource KPIs

oneSource has a number of key performance indicators (KPIs) in place for 2015/16 as a measure of the service provided to customers.

The oneSource KPIs are informed by the service performance indicators in the SLA service schedules and the key corporate performance indicator requirements of the customer councils. There are four corporate oneSource KPIs which are detailed below.

oKPI 2 – Savings achieved (budget monitoring)

OneSource forecasting is undertaken using the Collaborative Planning (CP) system. Appropriate financial information is extracted from the Councils' ledgers, consolidated and presented to give joined up service financial positions, from which service managers then calculate forecasts.

From an outturn perspective only the consolidated oneSource position is relevant. Actual expenditure incurred within the individual Council's will be adjusted periodically to reflect the shares set out in the Joint Committee agreement. This allows flexibility over where costs are incurred on a day to day basis, although this will be monitored at a summary level, whilst meeting the partnership efficiency aims, and legal and accounting requirements.

August 2015 Financial Position

The oneSource forecast financial position shows a projected overspend of £898k. This is largely due to delays in implementing service review recommendations and associated service restructures.

The suspension of the Delphi programme (One Oracle implementation in Newham) has also significantly contributed to the delay, especially in relation to Finance, Exchequer and Transactional Services and Strategic and Operational HR. These services are showing a combined pressure in the region of £700k. This cannot be fully realised until processes can be aligned and rationalised, allowing reductions in staffing requirements. Savings in management costs have been made where possible as have other one-off savings.

Ongoing management action is in place to hold non-essential vacancies and delay other non-essential expenditure. Directors and managers are also continuing to review their budgets to identify further savings opportunities and realise any service review recommendations as soon as possible.

In Democratic Services, Technical Services and Schools Asset Management there is ongoing consideration of the best service delivery model; whether within oneSource and shared or otherwise. This is being explored between the Councils, but the uncertainty is delaying the ability to deliver associated savings in these areas that were assumed in the Business Case and therefore, the relevant budgets.

Meeting the future oneSource savings targets is deemed to be very challenging, but achievable in 2016/17 and beyond. It is expected that a significant proportion of the 2014/15 over achievement of savings carried forward will be required to support the anticipated savings slippage. The achievement of any additional savings targets required by the Councils will need detailed planning and a thorough understanding of the likely service implications.

The variance apportionment within Appendix A is shown at indicative summary level.

oKPI 3 – Percentage of Council Tax collected

This KPI is monitored separately for each council and has direct revenue consequences for each organisations funding.

For the London Borough of Havering, performance during the current year was anticipated to fall slightly due to the introduction of the 15% minimum contribution for those in receipt of council tax support. This was coupled with the first increase in council tax in six years. However the rate of collection throughout the first six months of the year has remained comparable to that achieved over the same period last year and is slightly ahead as at the end of September, at 58.40%.

The collection rate for the London Borough of Newham has surpassed 2014/15's rate every month this year. The authority has achieved an outturn of 52.79% in September, an increase of 0.54% compared to last year.

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

This KPI is monitored separately for each council and has direct revenue consequences for each organisations funding.

For the London Borough of Havering, collection of NNDR is ahead of the same point last year and ahead of its profiled target of 59.09%.

NNDR collection has performed slightly lower at a rate of 60.29% for the London Borough of Newham in comparison to the collection rate of 61.77% for the same period last year. The recent inclusion of Olympic stadium, for which payments are not due until October 2015, has increased the overall collectible debit and therefore to some degree has distorted the collection rate.

For both Authorities, the number of ratepayers electing to pay their rates over 12 months has significantly increased, which affects the collection profile when measured against previous years.

Detailed KPI performance by month is set out at appendix B.

IMPLICATIONS AND RISKS

Financial implications and risks:

The financial position of oneSource has a direct bearing on the financial position of both Havering and Newham Councils; with any savings or overspends being shared as set out in the Joint Committee agreement.

Robust financial management processes are in place across oneSource. The budget monitoring process is summarised in the body of the report along with the financial position as at August 2015, period 5.

The collection rates of Council Tax and NNDR do not have a direct financial effect on oneSource itself. Within each respective Council, where there is a direct financial impact, the implications are monitored and reported accordingly.

Legal implications and risks:

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 Financial Position - Period 5 August 2015

Appendix A

SERVICE	REVISED CONTROLLABLE BUDGET			YTD ACTUALS	YTD ENCUMBRANCES	ACTUALS + ENCUMBRANCES	FY PROJECTED OUTTURN	FY PROJECTED OUTTURN VARIANCE	REASON FOR FY PROJECTED OUTTURN VARIANCE
	EXPENDITURE	INCOME	NET						
Finance oneSource	8,957,386	(1,478,160)	7,479,226	3,499,604	48,712	3,548,316	7,604,225	124,999	The P5 variance is due to slippage on the review within Finance, offset to an extent by vacancies. This is largely as a result of the delay in implementing One Oracle within Newham.
Business Services	2,029,590	(426,000)	1,603,590	555,003	0	555,003	1,423,914	(179,676)	£100k relates to an underspend of the invest to save budget. The remainder relates to staffing.
Exchequer & Transactional Services	19,392,423	(1,880,707)	17,511,716	6,829,879	1,708	6,831,586	17,897,258	385,542	Variance for Period 5 is due to the delay in the one oracle implementation and service review.
Legal & Governance	5,102,109	(678,440)	4,423,669	1,878,382	41,626	1,920,009	4,558,359	134,690	Forecasted pressure represents slippage in implementing the new structure offset in part by vacancies. The position is also effected by the ongoing review of the most appropriate service delivery model for Democratic Services.
ICT Services	12,864,310	(4,725,930)	8,138,380	5,089,948	71,186	5,161,134	8,138,380	(0)	ICT is forecasting a balanced budget for 2015/16 including delivery against all agreed savings targets.
Asset Management Services	5,515,606	(3,754,890)	1,760,716	3,050,921	15,912	3,066,834	2,014,229	253,513	Pressures from the delay in implementing the transformation review recommendations and the ongoing exploration of the most appropriate service delivery method for Technical Services and Schools Asset Management within each council.
Strategic & Operational HR	3,190,764	(116,099)	3,074,665	1,340,223	32,229	1,372,452	3,253,816	179,151	Savings target for 2015/16 will not be achieved as restructure delayed until 2016 due to council corporate priorities and the delay in the One Oracle implementation.
TOTAL	57,052,188	(13,060,226)	43,991,962	22,243,960	211,373	22,455,333	44,890,181	898,219	

NOTES

The variance apportionment at service level may need to be repeated at a later date to reflect any subsequent budget adjustments.

The budget figures above include controllable budgets only.

The reported variance excludes the oneSource development grant and the reserve funded by the 14/15 underspend.

Newham 64%

Havering 36%

573,098

325,121

Period 5 forecast of £898k pressure is due to delays in implementing service review recommendations, which are not fully off-set by staffing vacancies. The underspend within Business Services largely reflects an underspend in the invest to save budget and staffing. Any overspend at year end will be met from the oneSource reserve (funded by the 14/15 underspend and development grant).

Appendix B - oneSource KPI figures for 2015/16

	Indicator	Value	Data collection Frequency	Council	2014/15 YTD	2014/15 Annual Performance	2015/16 Annual Target	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	DoT
oKPI3	Percentage of NNDR collected	Bigger is Better	Monthly	LB Havering	57.64%	98.00%	98.00%	9.43%	22.28%	32.84%	41.99%	51.59%	59.51%	↑
				LB Newham	61.88%	99.80%	99.80%	12.84%	23.44%	33.84%	43.77%	51.68%	60.29%	↓
Page 15 oKPI4	Percentage of Council Tax collected	Bigger is Better	Monthly	LB Havering	58.39%	97.17%	96.70%	12.74%	21.96%	30.99%	40.37%	49.16%	58.40%	↑
				LB Newham	52.25%	93.95%	94.00%	12.28%	20.76%	29.02%	37.18%	44.54%	52.79%	↑

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	23rd October 2015
Subject heading:	Customer satisfaction with oneSource services
Report author and contact details:	Tony Huff Tony.Huff@oneSource.co.uk 01708434155
Financial Summary	There are no specific financial implications involved in reviewing the customer satisfaction of oneSource.
Is this a Key Decision?	No

SUMMARY

oneSource has a number of key performance indicators (KPIs) in place for 2015/16. These have direct financial and service implications for the Councils:

- oKPI 1 - Customer satisfaction with oneSource services;
- oKPI 2 – Savings achieved (budget monitoring);
- oKPI 3 – Percentage of Council Tax collected;
- oKPI 4 - Percentage of National Non-Domestic Rates (NNDR) collected.

This report deals with oKPI 1, with oKPI 2-4 being reported elsewhere on the meeting agenda.

The oneSource Business Services team monitors the relationship between oneSource and its customers and overall performance, ensuring oneSource meets the expectations of the programme and needs of our customers.

This KPI is reported every six months and will be reported on after quarter 2 and 4. This indicator is collected by an electronic survey campaign, which is undertaken biannually.

A challenging 80% customer satisfaction target has been set for oneSource to exceed in 2015/16. For September 2015, combined customer satisfaction increased to 75.82%, rising by 5.82% since the previous survey was conducted in January 2015.

Individually, customer satisfaction with the service received is 78% from Havering customers, 69% from Newham customers and 81% from oneSource customers. The best performing services were Internal Audit and Counter Fraud (83%), Procurement (83%) and Human Resources & Organisational Development (85%). This shows that oneSource has made significant improvements to the delivery of its services but still needs to do more to meet its target.

RECOMMENDATIONS

The Joint Committee is asked to note the: -

- oneSource customer satisfaction key performance indicator (KPI);

REPORT DETAIL

In September 2015, the second of the biannual Customer Satisfaction surveys was sent to all senior managers, who are customers within Havering, Newham and oneSource. 131 senior managers took part (49 from LBN, 49 from LBH and 33 from oneSource) answering a potential 32 questions (excluding breakdown questions).

This is a much larger response than the previous survey conducted in January 2015, where only 65 responses were received.

The principle focus of the survey was to understand customers:

- Overall satisfaction with the service they received
- Satisfaction with the amount of resources / level of support received
- Satisfaction with the speed at which the support was provided

The exact satisfaction level was determined using a six point Likert scale¹.

It is important to note that the figures utilised in this report for January 2015 are different to that reported in the March customer satisfaction report. This is as a result of removing the results for Democratic and Committee Services, and Exchequer Services to provide a like-for-like

¹ Likert Scale – six point scale measuring either positive or negative response to a statement. Extremely Satisfied, Very Satisfied, Somewhat Satisfied, Somewhat Dissatisfied, Very Dissatisfied and Extremely Dissatisfied were used in the scale for the customer satisfaction survey.

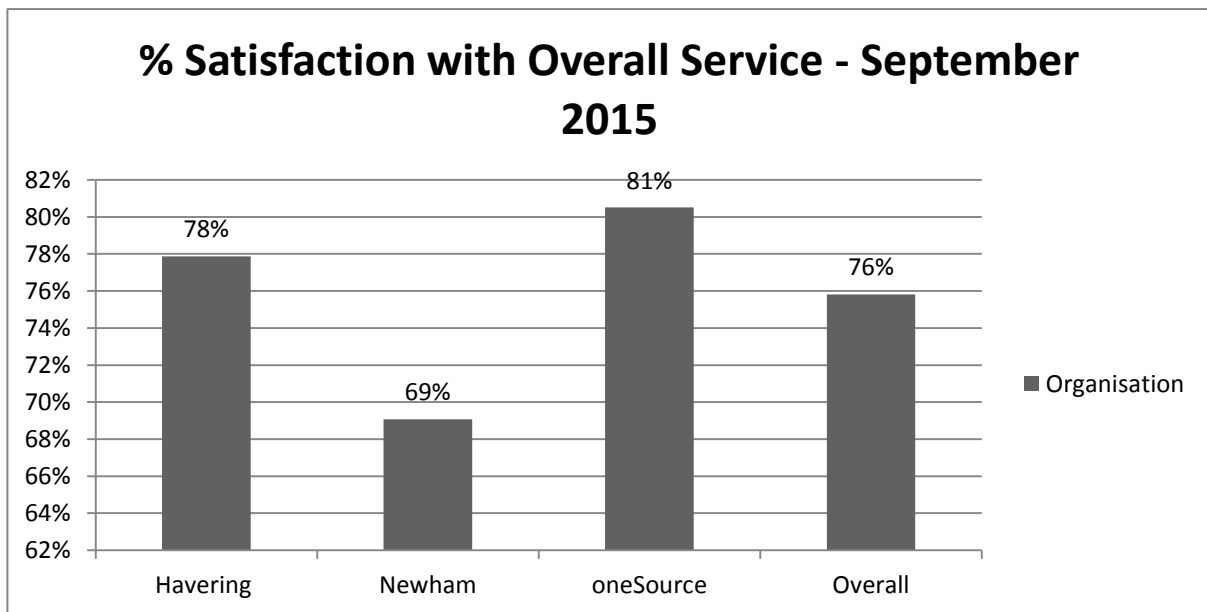
comparison between the two surveys. These services were not included in the September survey, as their customers are not managers within the organisations.

Customer satisfaction results may be skewed as responses are more likely to be from dissatisfied customers. In addition, it is possible that oneSource managers are likely to be more positive of oneSource services, as they are more familiar with the challenges faced and their expectations are adjusted accordingly, and Havering and Newham customer satisfaction may appear lower than they were previously.

Overall Customer Satisfaction

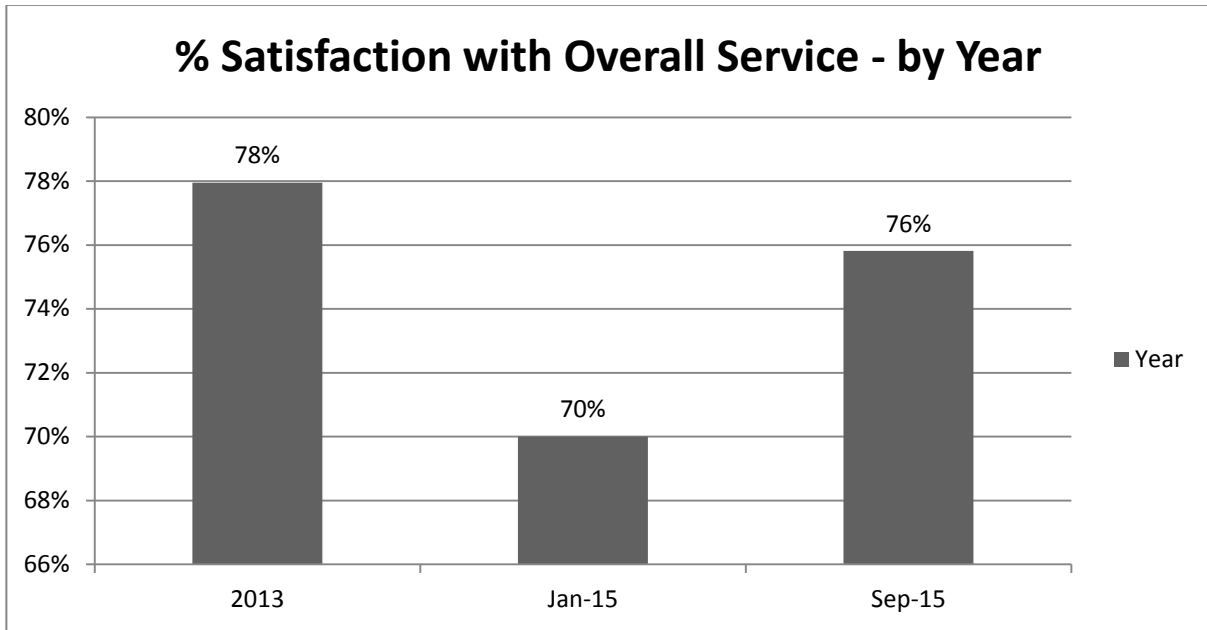
The combined satisfaction for oneSource services (across the three organisations) is 76%, which exceeds that found in the January 2015 survey, where only 70% of customers were satisfied with the service they received. However, this is below the 80% target set by the Joint Committee. The January 2015 figure has been reworked to 70% to provide a like-for-like comparison, as Exchequer and Transactional Services, and Democratic Services have not been surveyed in this report.

Individually, customer satisfaction with the service received is 78% from Havering Council, 69% from Newham and 81% from oneSource.



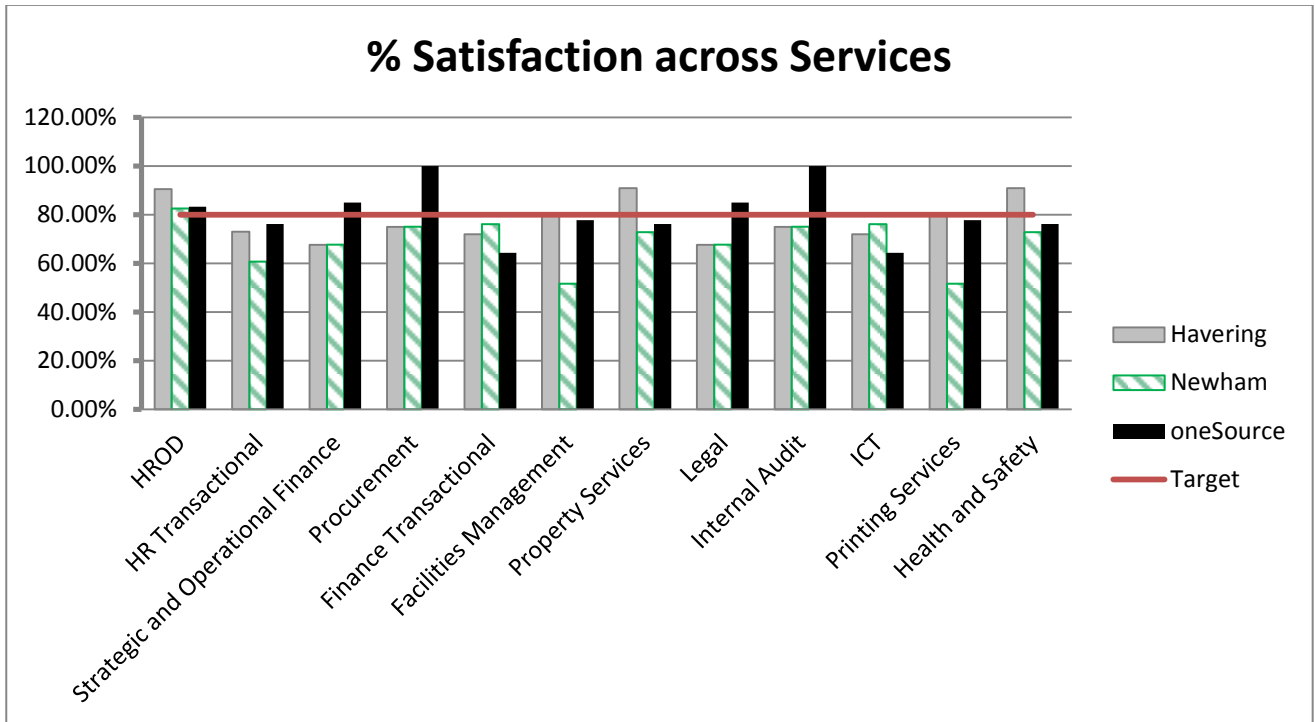
Customer satisfaction across Havering and Newham customers only is 73.5%. This is near to the 76% combined satisfaction across all three organisations, demonstrating that although oneSource customer responses slightly skew the results, satisfaction on the whole has increased from the previous year by 3.5% for Havering and Newham.

This shows that oneSource has delivered significant improvements to its service, but still needs to do more to meet its challenging target.



Since the previous survey, conducted in January 2015, there has been an improvement in satisfaction from our LBH customers; whilst satisfaction has remained relatively stable with our LBN customers. oneSource customers have been included separately for the first time, showing strong customer satisfaction throughout the organisation. The overall increase in customer satisfaction is likely as a result of considerable rises in satisfaction in particular service areas, as outlined in this report.

The best performing services were Internal Audit and Counter Fraud (83%), Procurement (83%) and Human Resources & Organisational Development (85%). For oneSource customers, Strategic and Operational Finance, and Legal Services were also top performing services, achieving 85% overall customer satisfaction. Seven of the twelve services provided by oneSource have a satisfaction level below the target.



Previously, Internal Audit and Counter Fraud was one of the worst performers, especially with customers in Newham. Since the previous survey, it has rebounded successfully to having one of the highest satisfaction levels.

Across the oneSource services surveyed:

- The two lowest satisfaction scores regarding resources and support in total were Legal Services, and Operational and Strategic Finance. In particular, these two services were rated the lowest by Havering customers.
- Legal Services also had the lowest satisfaction results for speed at which supported.
- Customers in LBN are shown to be less satisfied with Printing Services and Facilities Management; whilst customers in oneSource are shown to be less satisfied with ICT and Finance Transactional.

Although a number of customers are aware that the 'gold standard' service level is no longer feasible due to budget constraints, they feel that oneSource could do more to manage user expectations.

Recommendations or improvements suggested by customers that could improve shared services within the councils will be looked at in the Service Transformation reviews.

More detailed survey results for individual service areas can be found in Appendix A

Conclusion

Overall, customer satisfaction is marginally below target but has shown significant improvements since the survey conducted in January 2015. The increase in customer satisfaction indicates that oneSource is making great strides in embedding oneSource support services across the two councils, and improving services to become more seamless.

Several service areas have significantly increased customer satisfaction levels, though they are still below the customer satisfaction target. HR Transactional, Printing Services and Facilities Management have the lowest customer satisfaction levels. Internal Audit and Counter Fraud has made the most significant turnaround in customer satisfaction.

HR Transactional and Finance Transactional are currently in the midst of its Transformation review; which will help bring services together, improve performance, create capacity and identify savings. Strategic and Operational Finance, and Strategic and Operational HR are due to be reviewed later this year.

More communication is required across the two councils to ensure that managers of services are aware that the councils do not fund oneSource to provide a “gold standard” service but a service that is sufficient for services to be delivered efficiently to the community.

IMPLICATIONS AND RISKS

Financial implications and risks:

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

Legal implications and risks:

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.

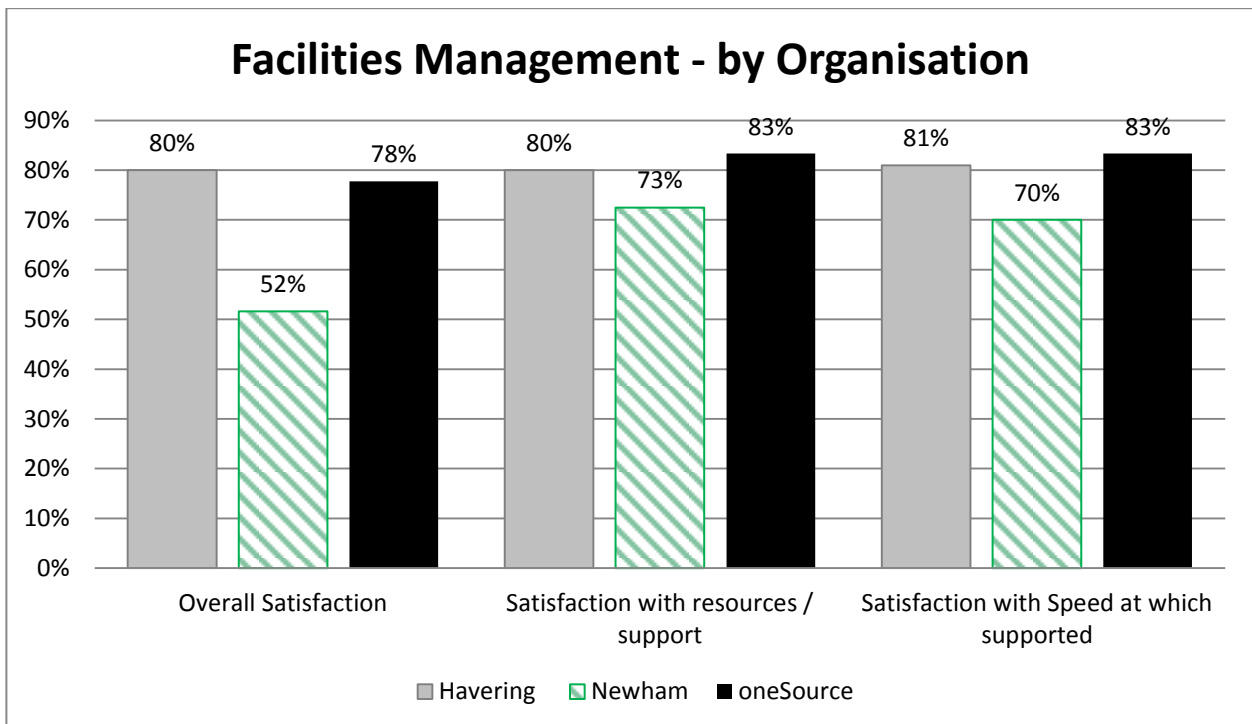
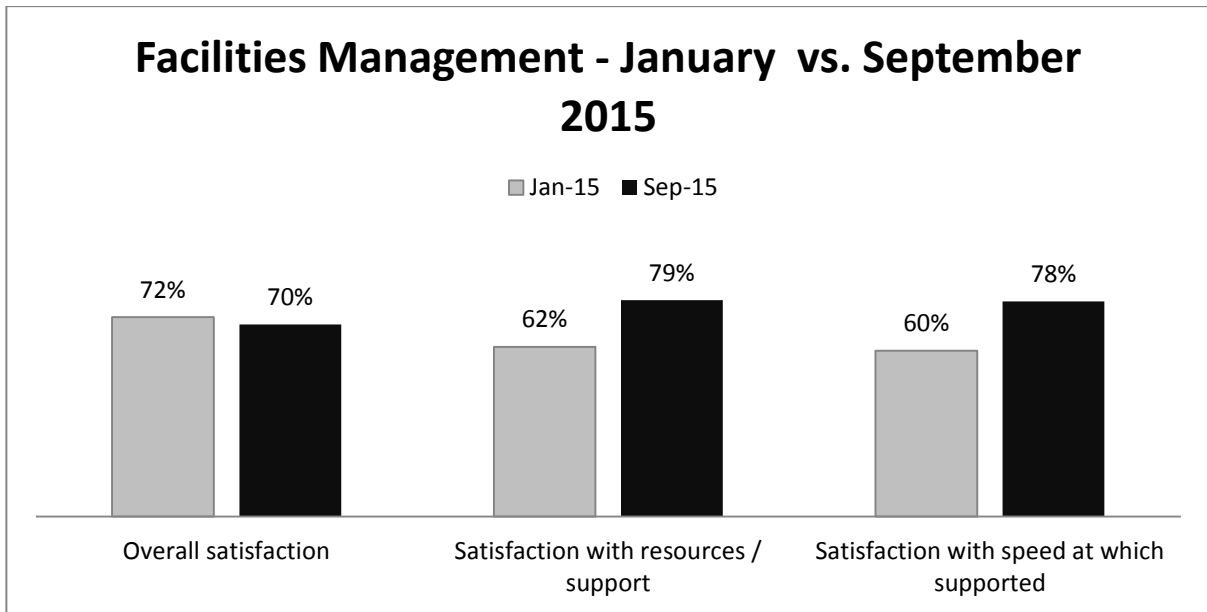
BACKGROUND PAPERS

None

Appendix A

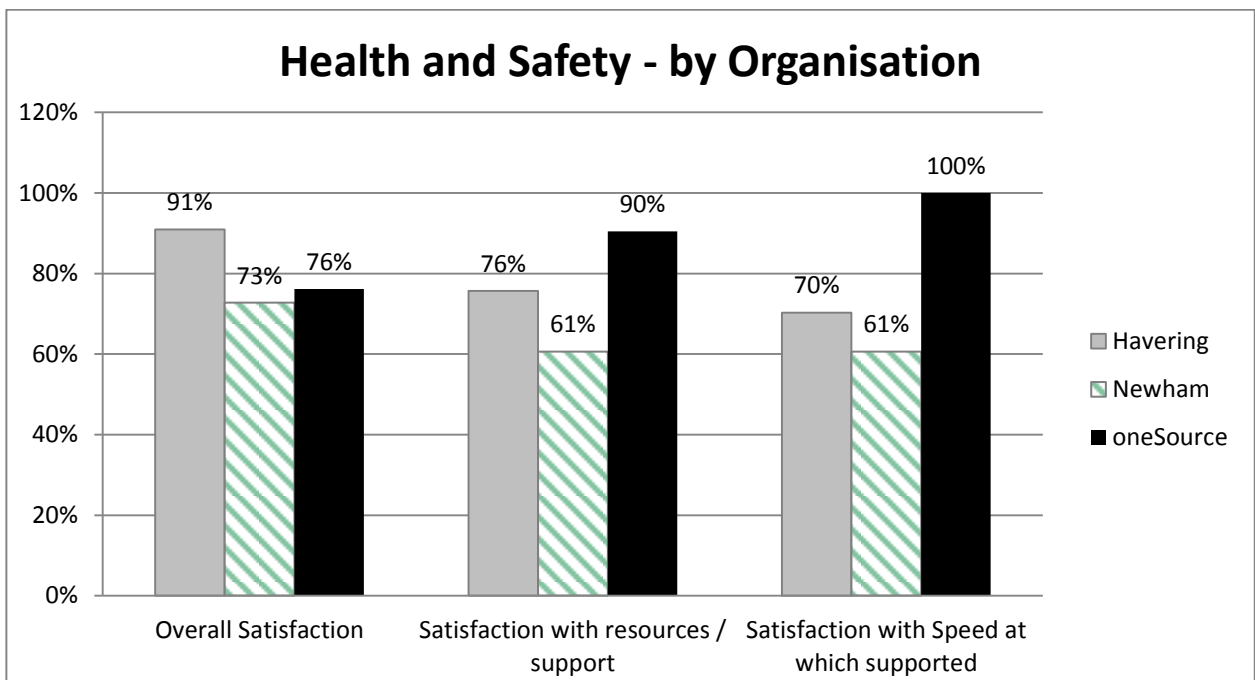
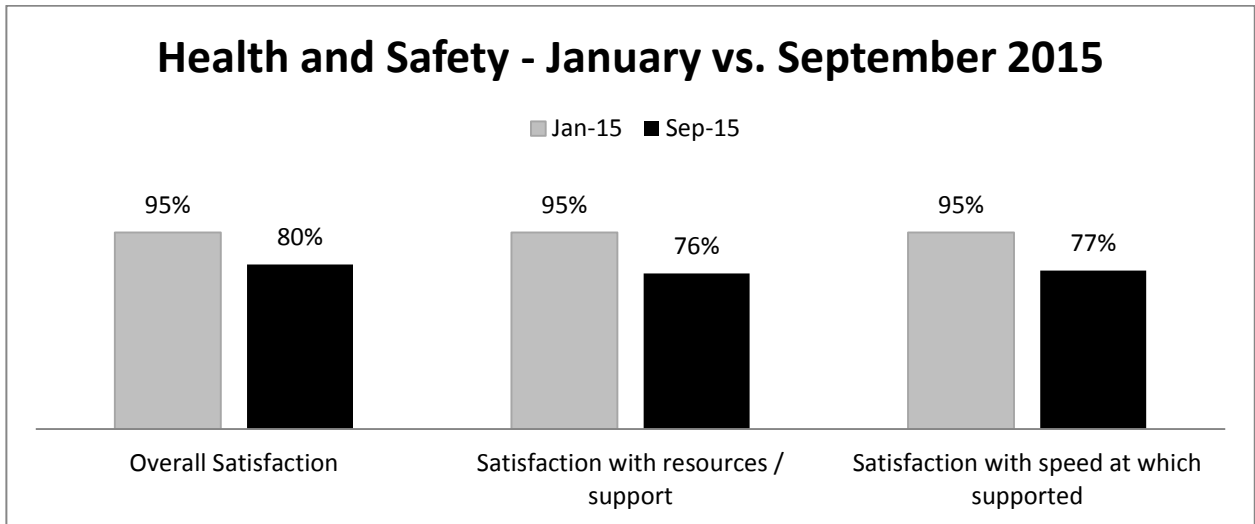
Facilities Management

Facilities Management has shown significant improvement in customer satisfaction with LBH customers since the previous survey, achieving 80% customer satisfaction; with satisfaction at 78% with oneSource customers. However, overall customer satisfaction in LBN has decreased by 30%. Further investigation is needed by the service to determine the significant decrease in customer satisfaction within Newham.



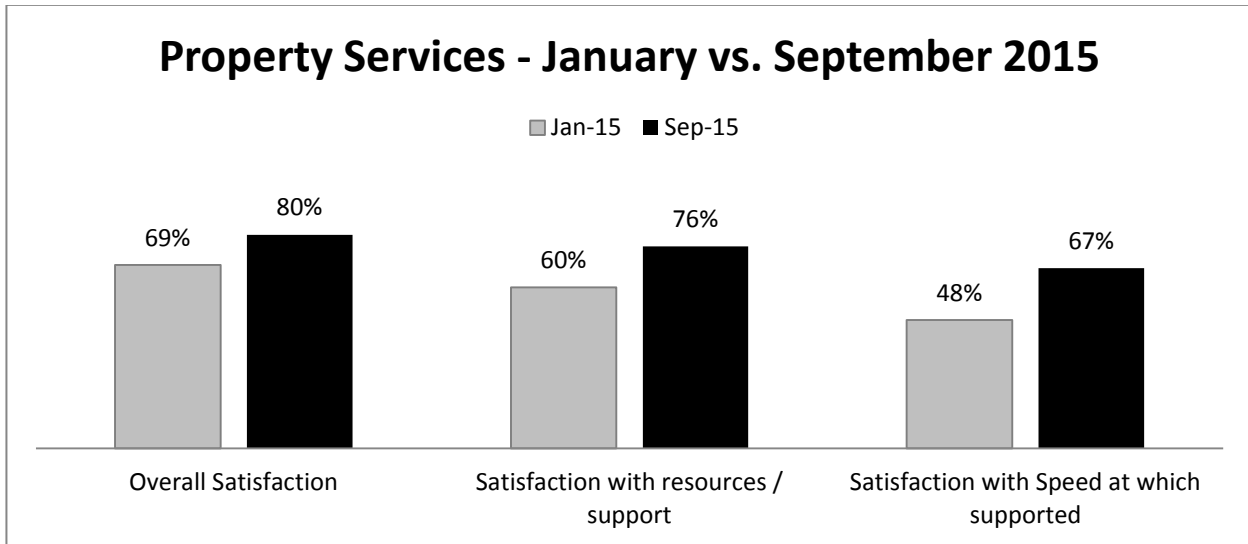
Health and Safety

Health and Safety, has generally seen a decrease in customer satisfaction across the three organisations. However, Health and Safety achieved 100% satisfaction in “speed at which supported”; and 90% with resources in oneSource. In addition, the service achieved 91% overall satisfaction within LBH.

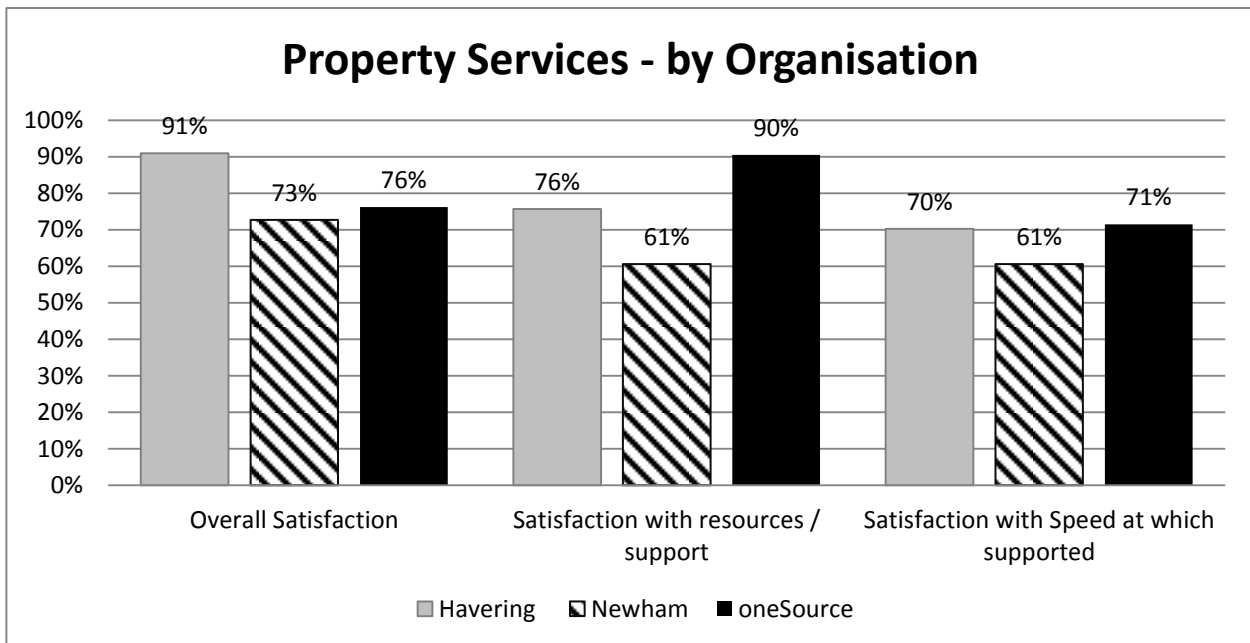


Property

Property services achieved 91% overall customer satisfaction within Havering, increasing by 8%; increased overall satisfaction by 19% in Newham; and 90% of oneSource colleagues were satisfied with the amount of resources / support made available.



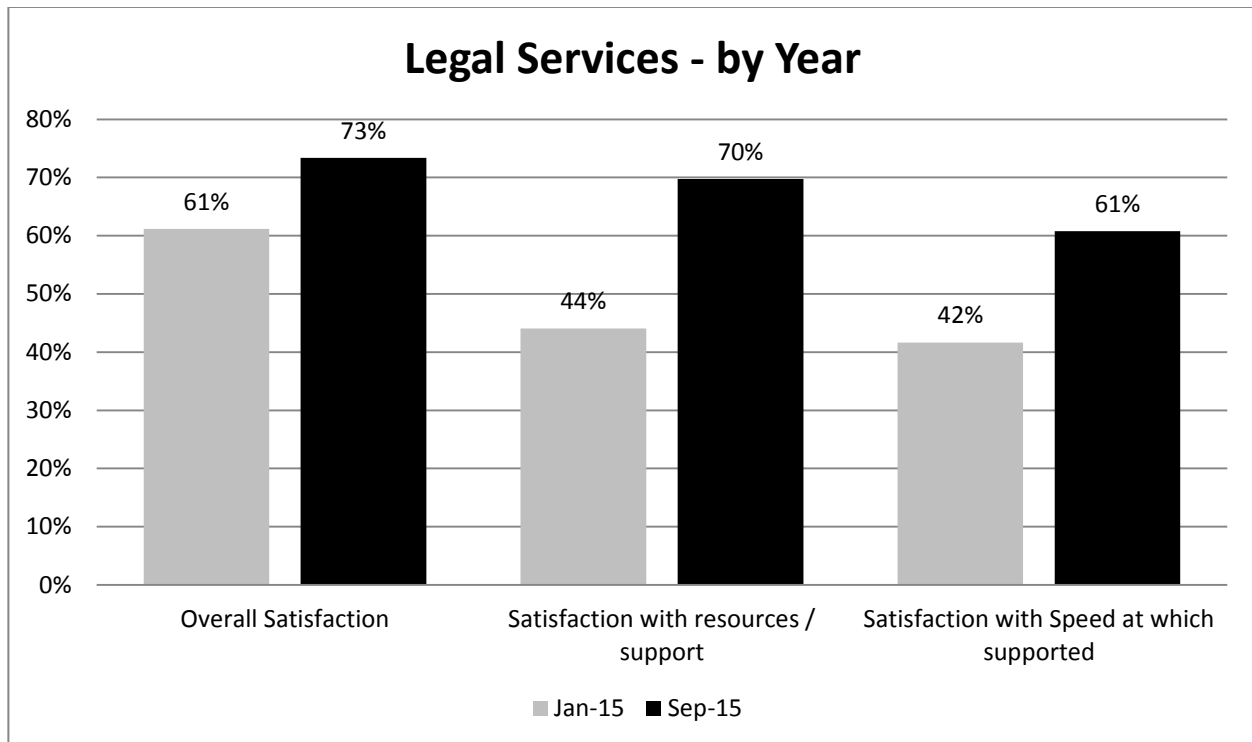
There has been significant progress in satisfaction with the speed at which services are supported by Property Services, with an overall increase of 19% to 67%. However, concerns were expressed about insufficient capacity to meet the needs of other services within reasonable timescales, resulting in project delivery being unnecessarily delayed.



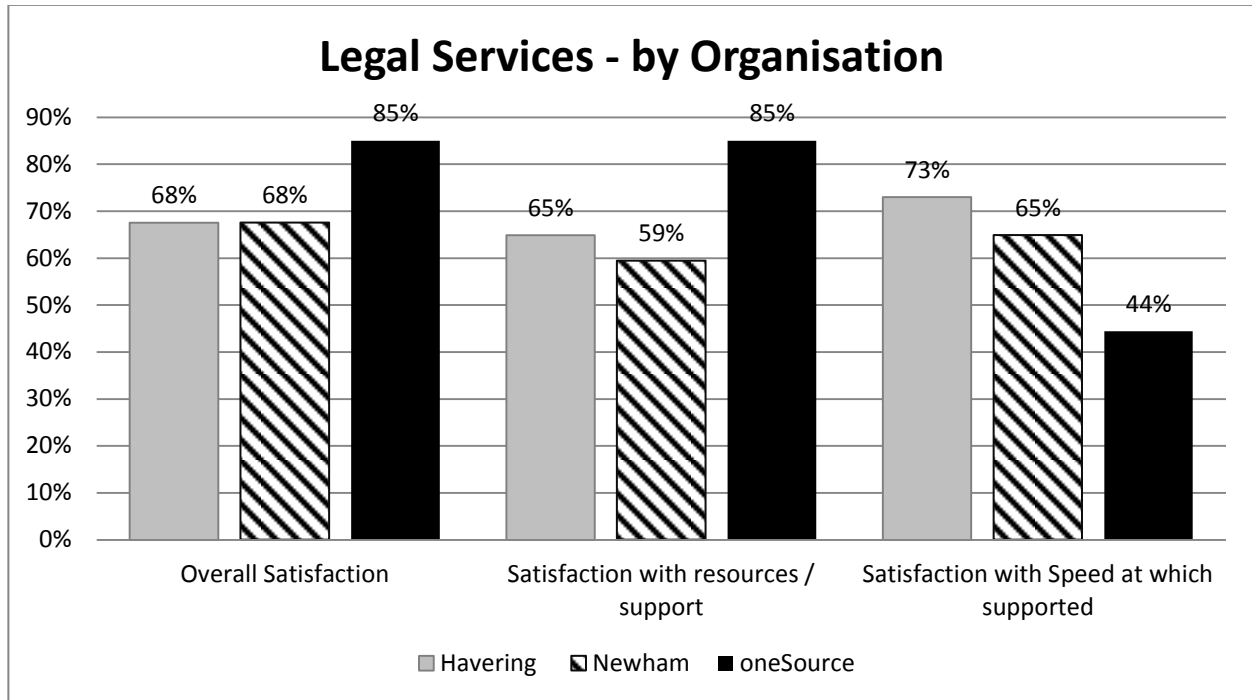
Legal Services

Legal Services have shown significant progress in improving customer satisfaction since the survey conducted in January 2015, with the biggest improvement in satisfaction with resources / support available. However, there is still further work needed to ensure the service reaches the target customer satisfaction levels.

In general, there was an average increase of 19% across the three indicators, with satisfaction with resources improving by 26% to 70%. The combined overall customer satisfaction increased from 61% to 73%.



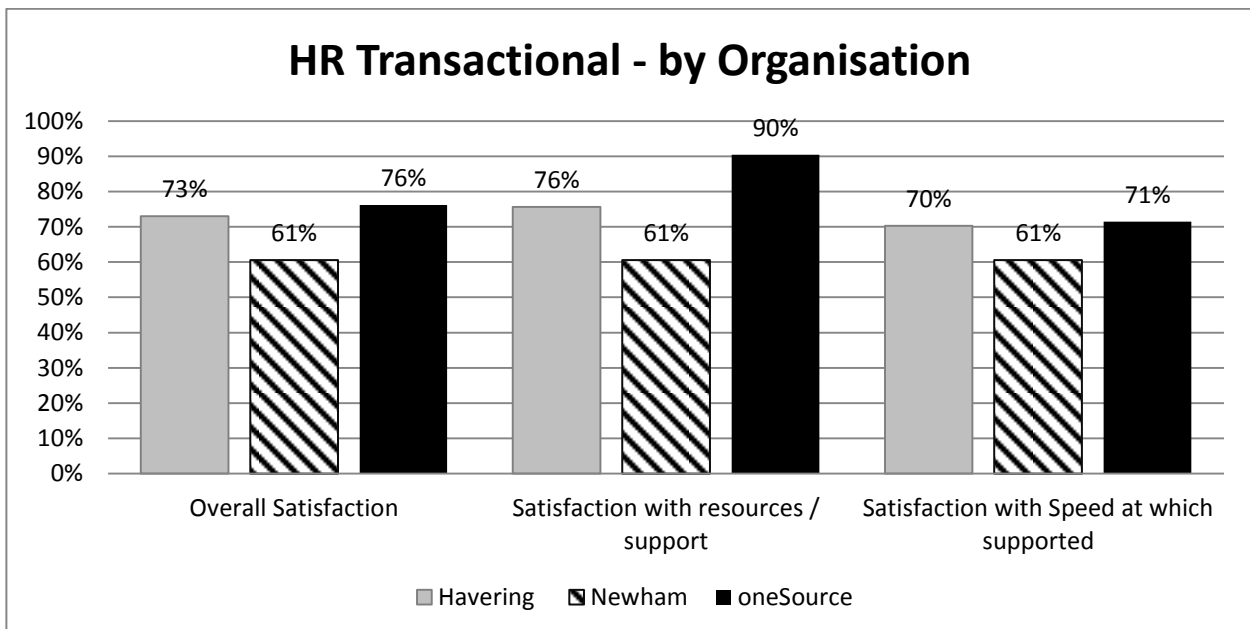
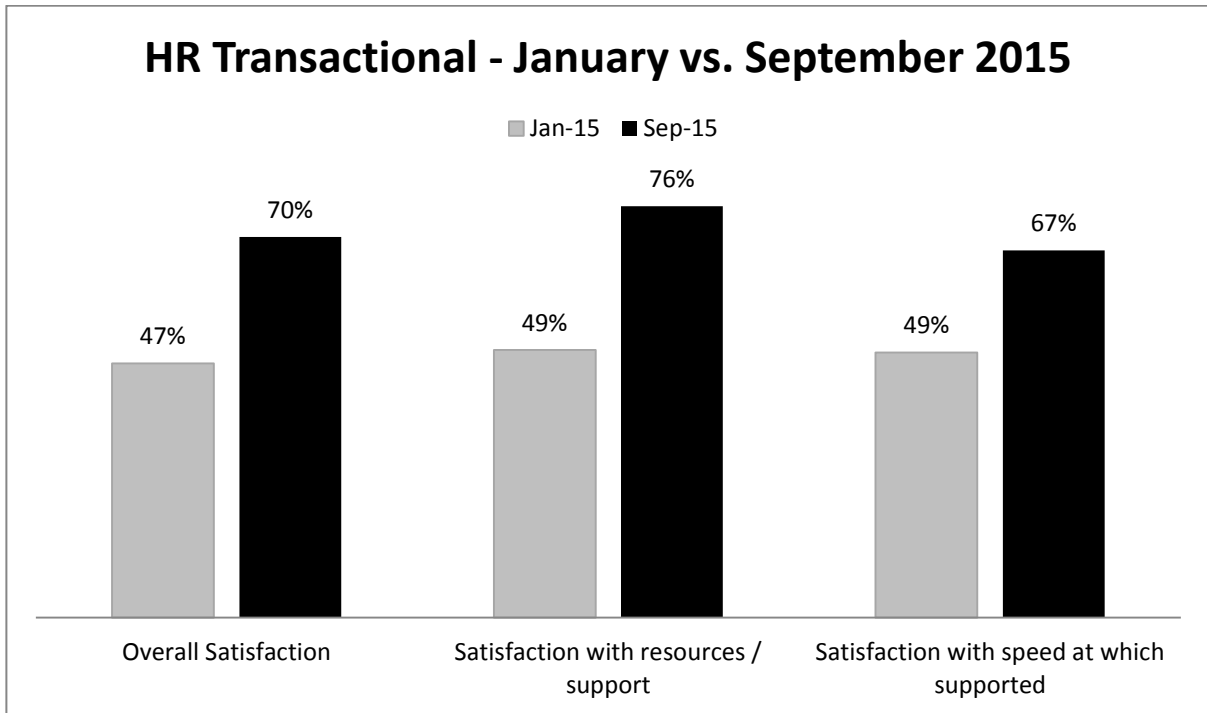
In two of the three key indicators (both Newham and Havering), Legal Services had one of the lowest customer satisfaction levels. The satisfaction with the level of support received and speed at which this support was received is 59% and 65% respectively. Within Newham, the satisfaction level is a greater cause for concern than Havering, with Legal Services ranking the lowest in two indicators. In addition, from oneSource customers, Legal Services scored the lowest in speed at which supported, with only 44% of customers satisfied.



A number of individual comments have been received that are being looked at by legal services although there was no consistency in the comments. The new structure for Legal Services implemented, in September, will deal with some of the individual issues.

HR Transactional

The combined customer satisfaction for HR Transactional is 70%, increasing by 23% since the last survey. Across LBH, LBN and oneSource customers, the overall satisfaction was 73%, 61% and 76% respectively. This is a significant improvement, especially from LBH where satisfaction increased by 40%.



In January 2015, HR Transactional was the worst performing service for Havering customers, which resulted in it having the lowest score overall. This was mainly driven by a poor

recruitment IT system utilised within Havering, which has now been replaced by another system utilised by both councils.

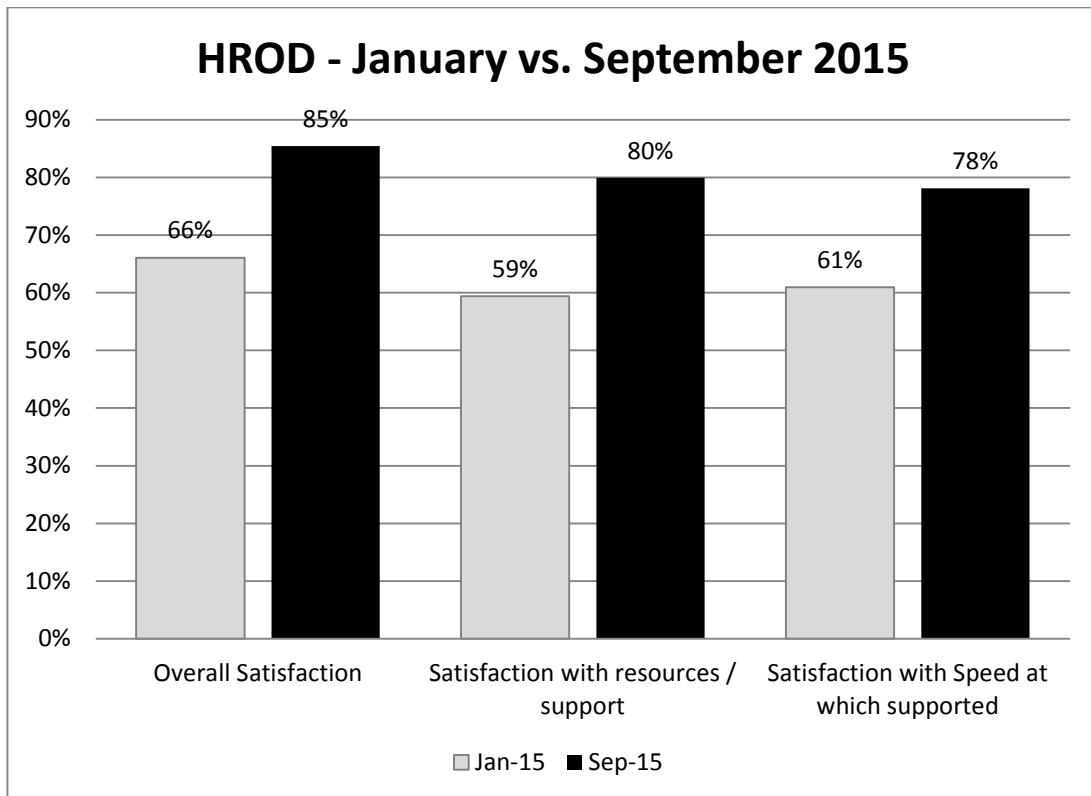
One of the most cited issues raised by customers was the recruitment process. Many customers feel that the recruitment process is cumbersome, with multiple documents needing to be signed off (e.g. eleven different forms were provided). This has led to inconsistent advice and quality of service, which has resulted in significant delays in the recruitment process.

The service has made a number of changes to improve customer satisfaction, with issues cited being addressed by the Transformation service review.

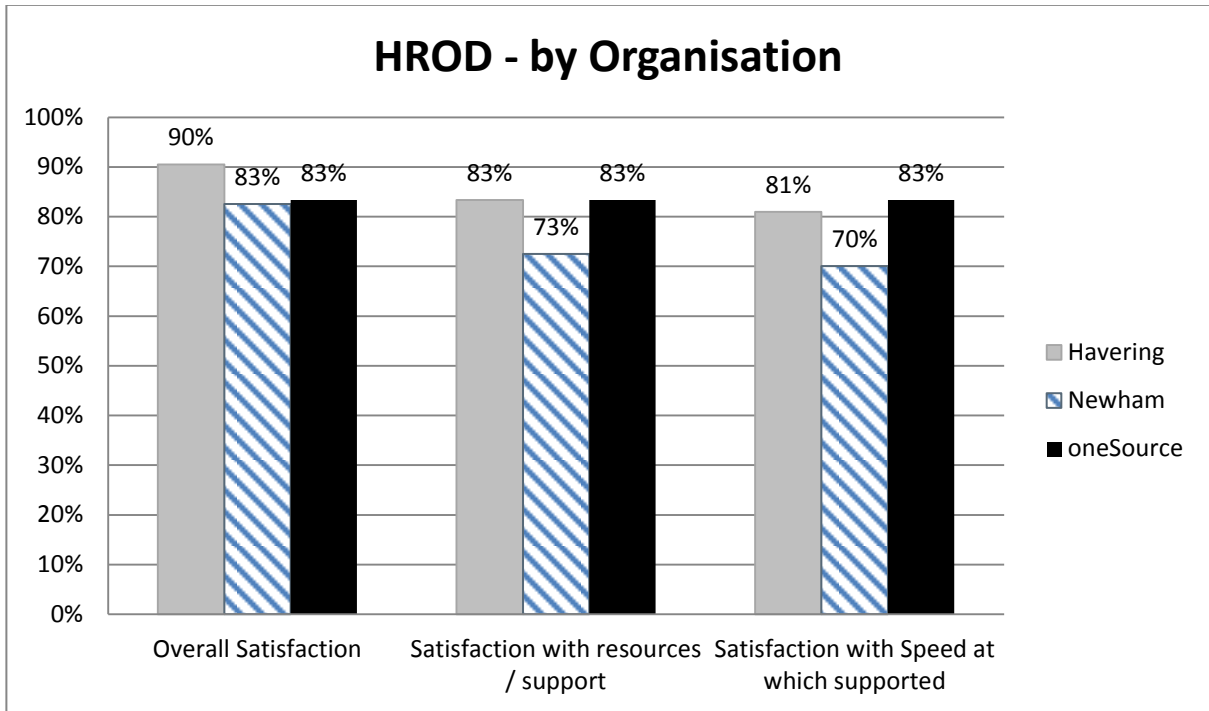
Human Resources and Organisational Development (HROD)

HROD includes: employee relations, HR policies, restructures and Organisational Development.

In all three organisations, customers rated HROD highly with a combined customer satisfaction level of 85%. It has improved its overall customer satisfaction figure by 19% since January 2015.

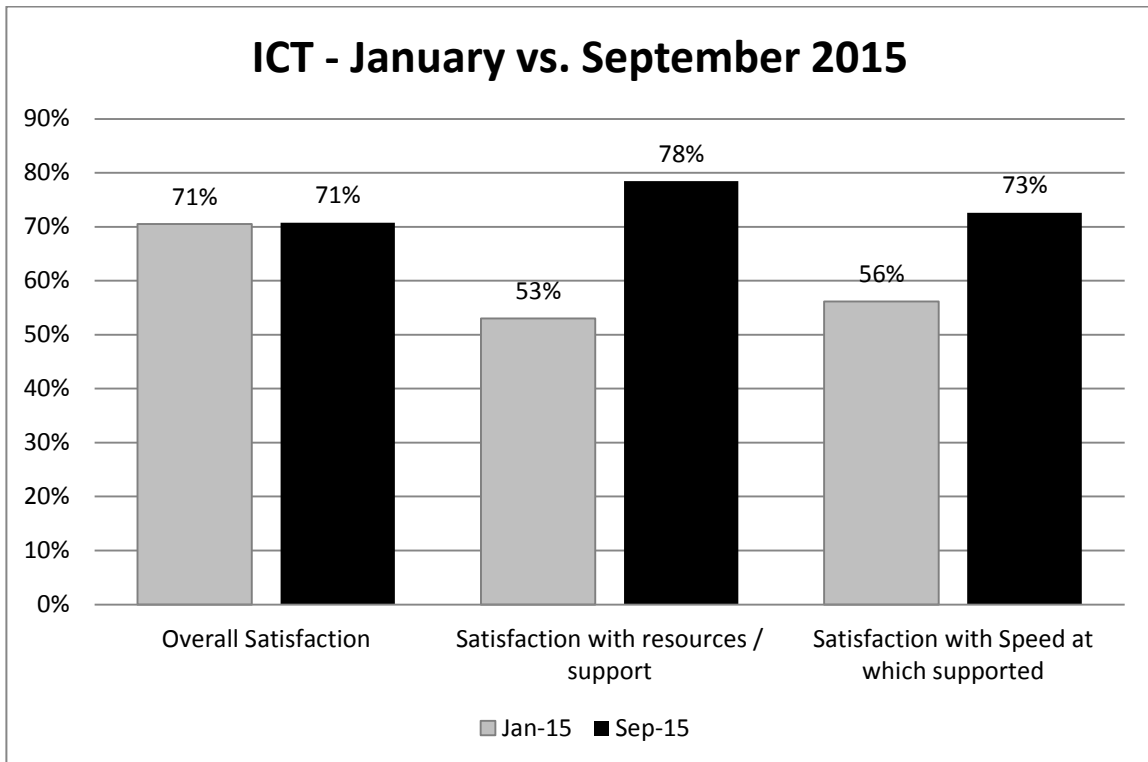


LBH customers rated HROD the highest with 90% customer satisfied with the service; whilst 83% of customers in both LBN and oneSource were satisfied with HROD.

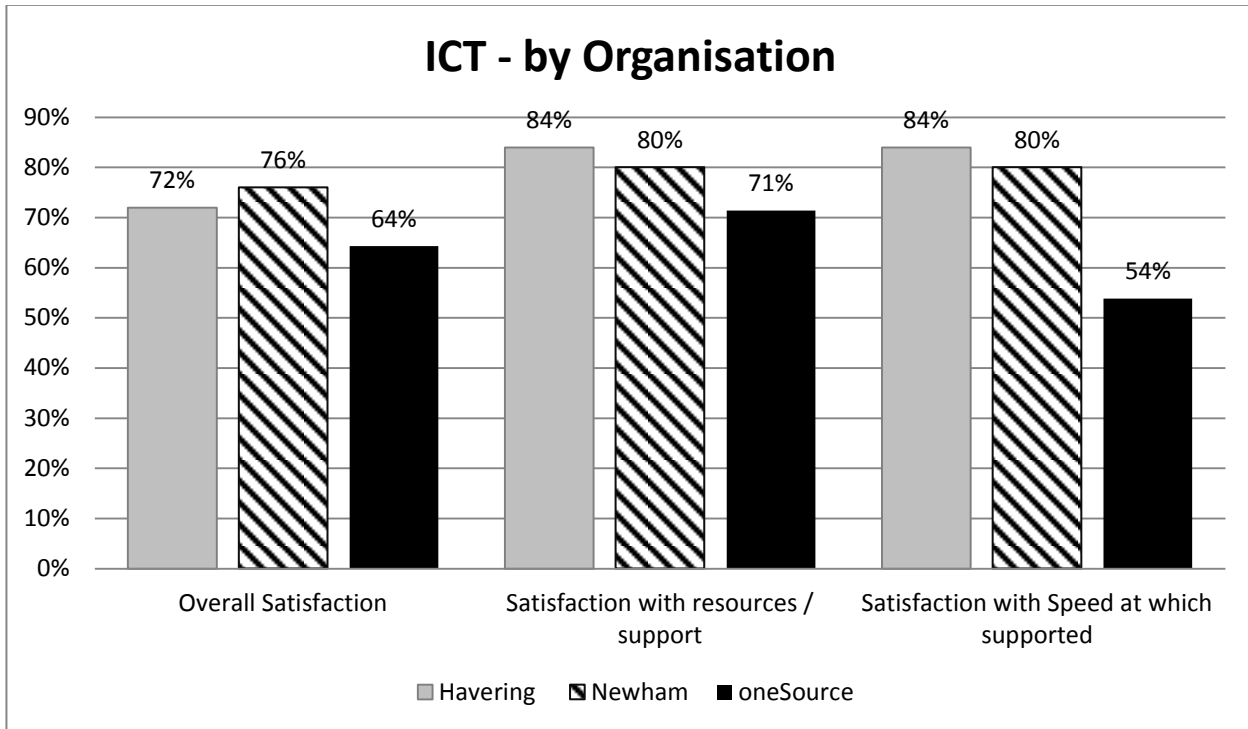


ICT

ICT has shown considerable improvements in two of the three indicators, increasing by roughly 20% in satisfaction with amount of resources / support made available, and satisfaction with speed of the service. Overall satisfaction with ICT has remained the same since the previous survey, despite the 2015/16 budgetary savings which are being delivered.



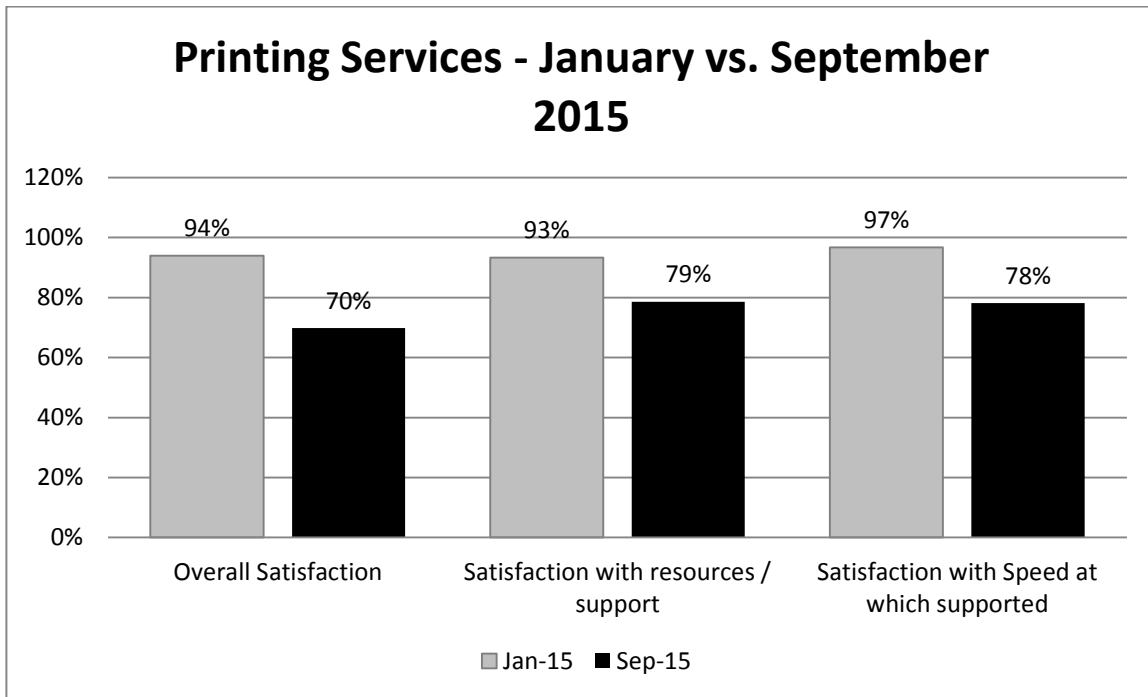
For both Havering and Newham, ICT met its target for satisfaction with amount of resources / support made available, and satisfaction with speed of the service achieving 84% and 80% respectively. Overall satisfaction has increased significantly within LBH, increasing from 57% to 72%, whilst satisfaction within LBN, decreased slightly from 84% to 76%.



Upon review of the comments made by customers, there were a number of issues identified within ICT with opportunities for improvement. The results from the survey reflect the improvement in performance within the services over the last six months. They tally with individual call feedback which shows all indicators have increased, including record satisfaction levels for September. The feedback provides guidance for the service on what areas need to be focused upon in order to achieve continuous improvement, particularly in terms of the services received by oneSource colleagues.

Printing Services

Printing Services rated poorly in the customer satisfaction survey, with it ranking one of the three lowest services across organisations. The overall customer satisfaction was 70%, decreasing significantly from 93% since the previous survey. Although Printing Services was rated one of the highest by Havering, with customers rating it 80%, customers within Newham were less satisfied (52%).

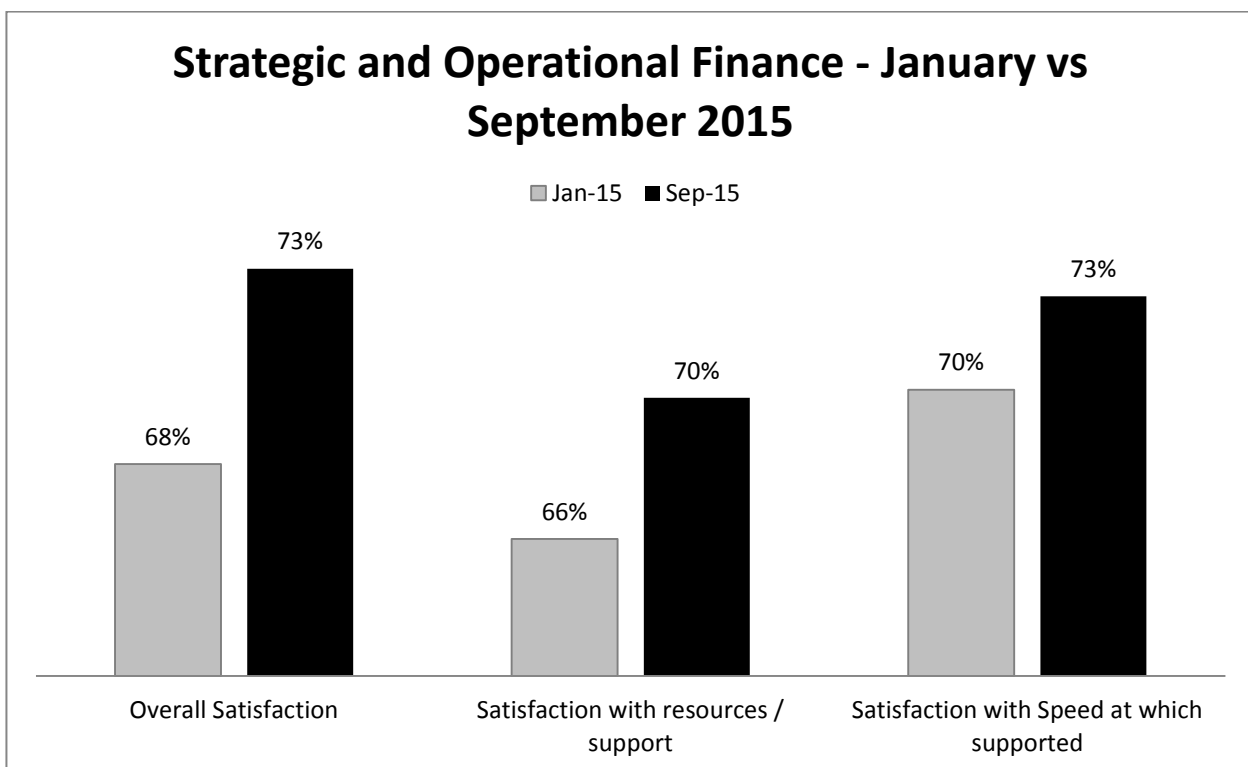


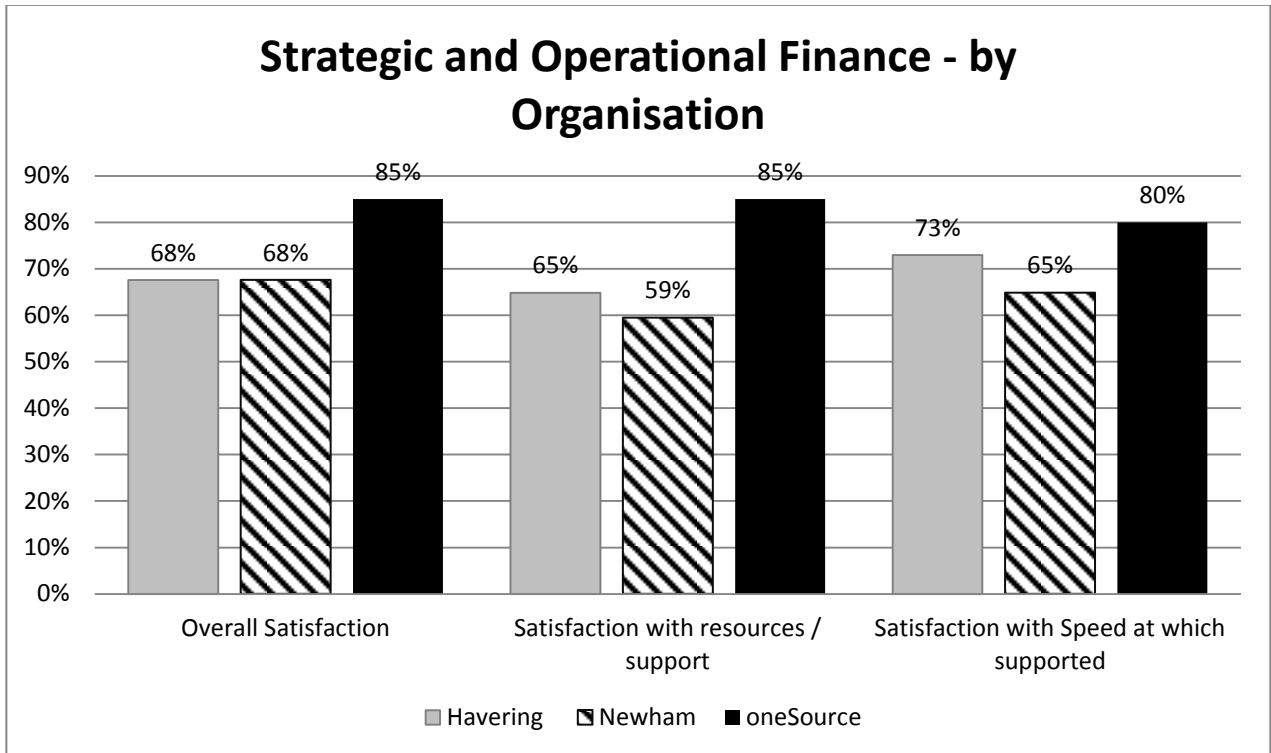
Reasons for the decrease in customer satisfaction were not cited; therefore further investigation is being conducted by Printing Services to establish cause. Printing Services will trial a transactional customer survey to determine satisfaction and issues after each service request.

Strategic and Operational Finance

Overall, oneSource Strategic and Operational Finance has seen a moderate increase across all three indicators for customer satisfaction. Although Procurement is delivered as part of Strategic and Operational Finance, it has been surveyed separately. Thus the results for Strategic and Operational Finance are not a like-for-like comparison to the previous year.

With oneSource customers, Strategic and Operational Finance met its target across all three indicators, achieving 85% in overall satisfaction. However, from Havering and Newham users, Strategic and Operational Finance had one of the lowest customer satisfaction levels. For both councils, satisfaction with overall service was 68%; with the average satisfaction across the three indicators being 68% from Havering Council and 64% from Newham Council.

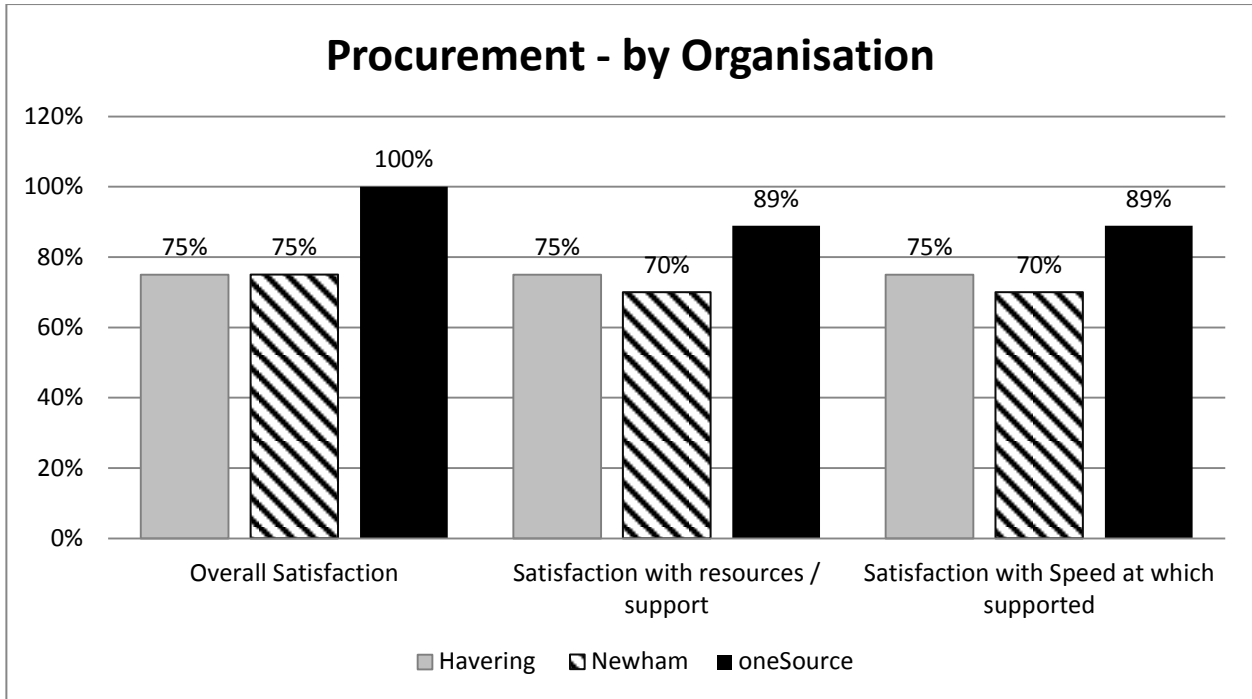




As part of the survey, a number of issues were identified that will be looked at in the Transformation Service reviews.

Procurement

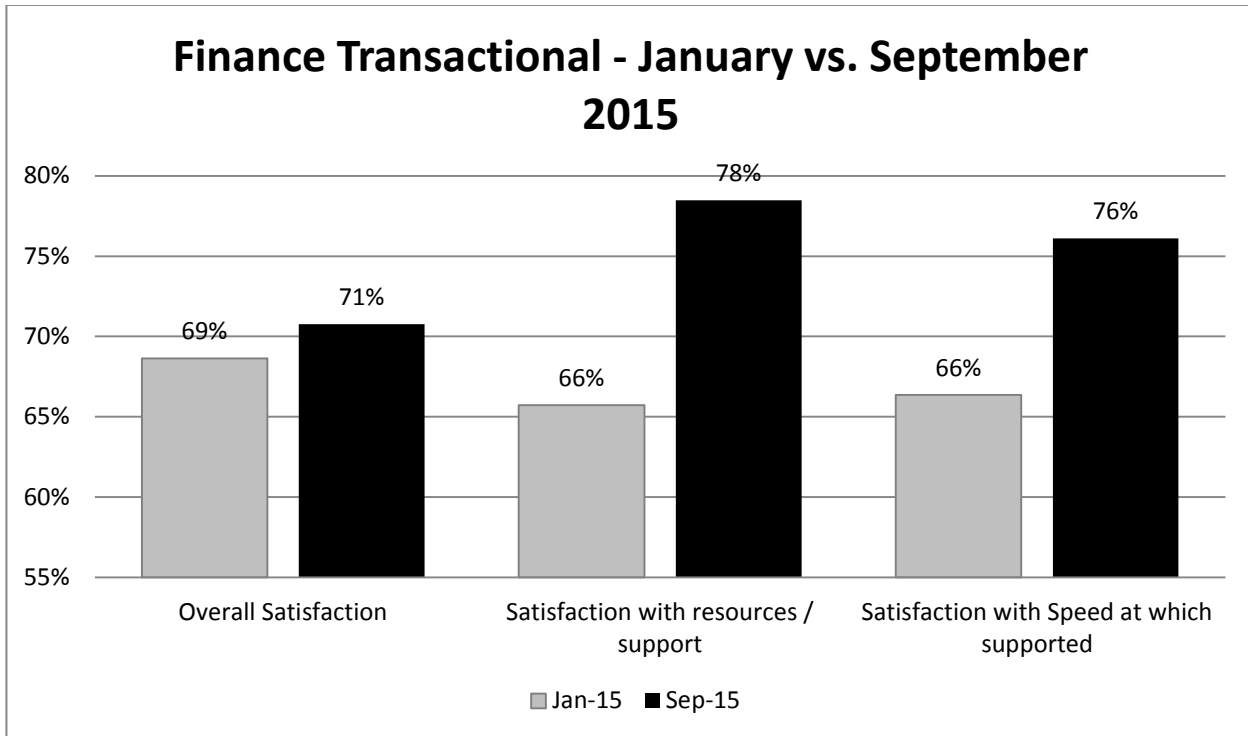
In the previous survey, procurement was included within the results for Strategic and Operational Finance. Therefore, a comparison with previous years is not available.



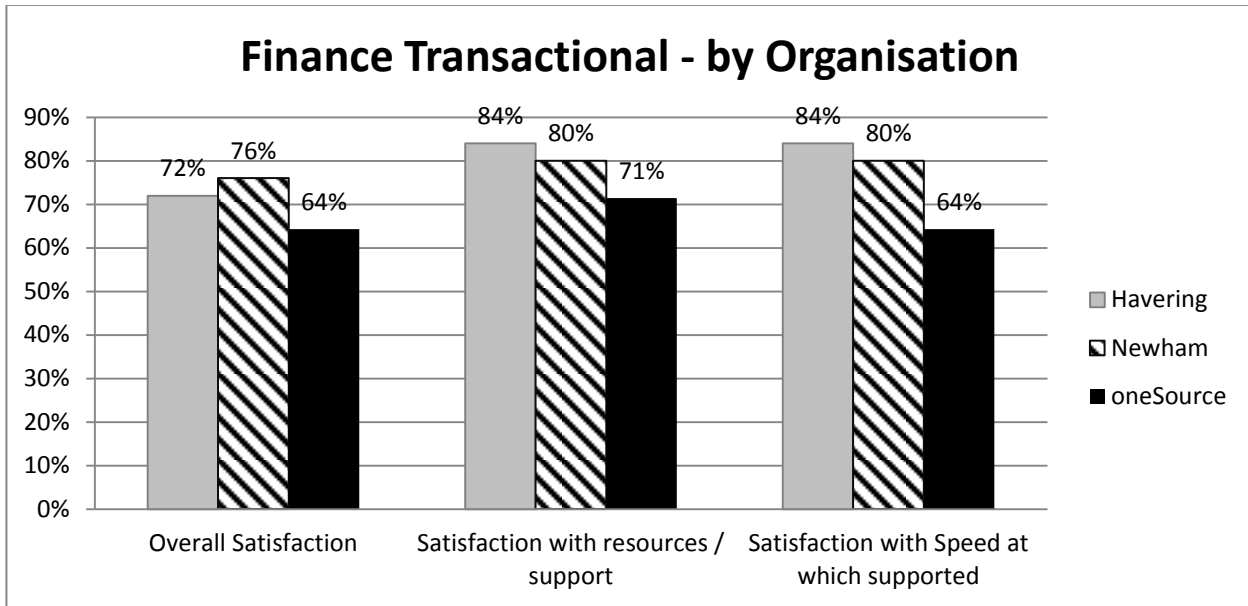
Within oneSource, Procurement achieved 100% in overall satisfaction; with satisfaction with resources / support and speed at which reported, both achieving 89%.

Finance Transactional

Overall, Finance Transactional has seen an increase across all three indicators, averaging roughly 8%. The most significant increase is satisfaction with resources / support, where satisfaction increased by 12%.



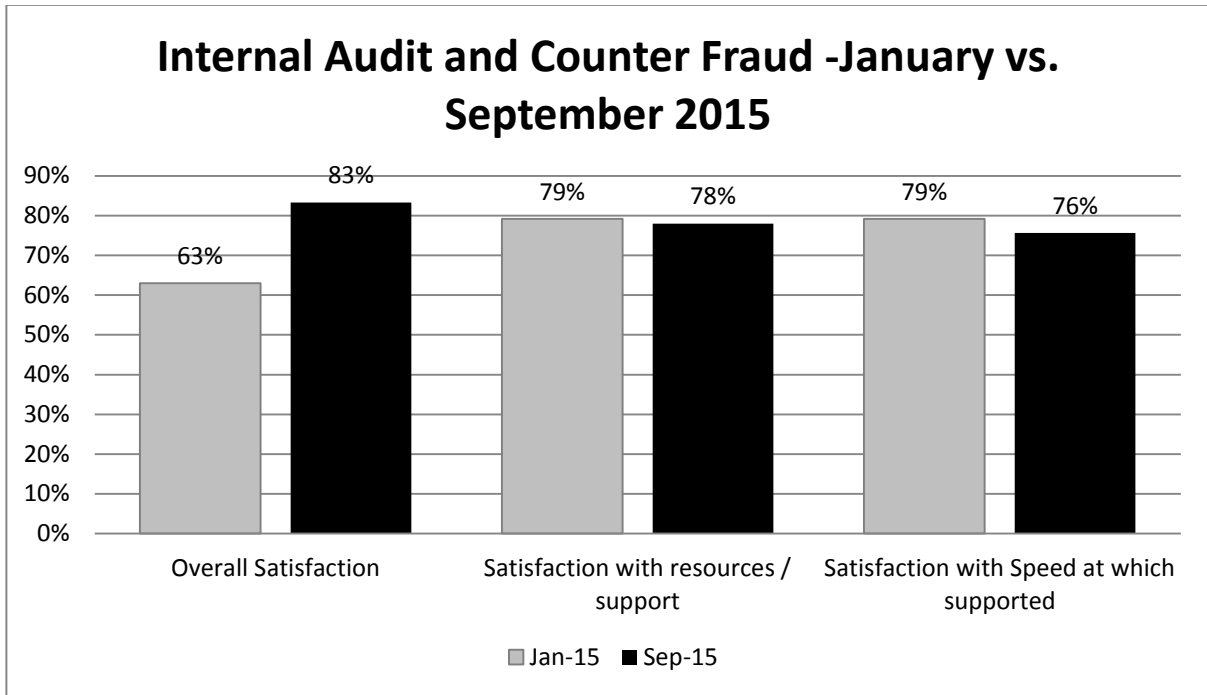
Finance Transactional met its target for two of three indicators for LBN and LBH customers, achieving 80% or higher in satisfaction with resources / support available, and satisfaction with speed. This was a significant increase from Havering (an average 20% rise) considering in January 2015, the service achieved only 60% across all three indicators. However, in oneSource, Finance Transactional had the lowest customer satisfaction results. Overall satisfaction with Finance Transactional was 64%, with satisfaction with resources / support and satisfaction with speed were 71% and 64% respectively.



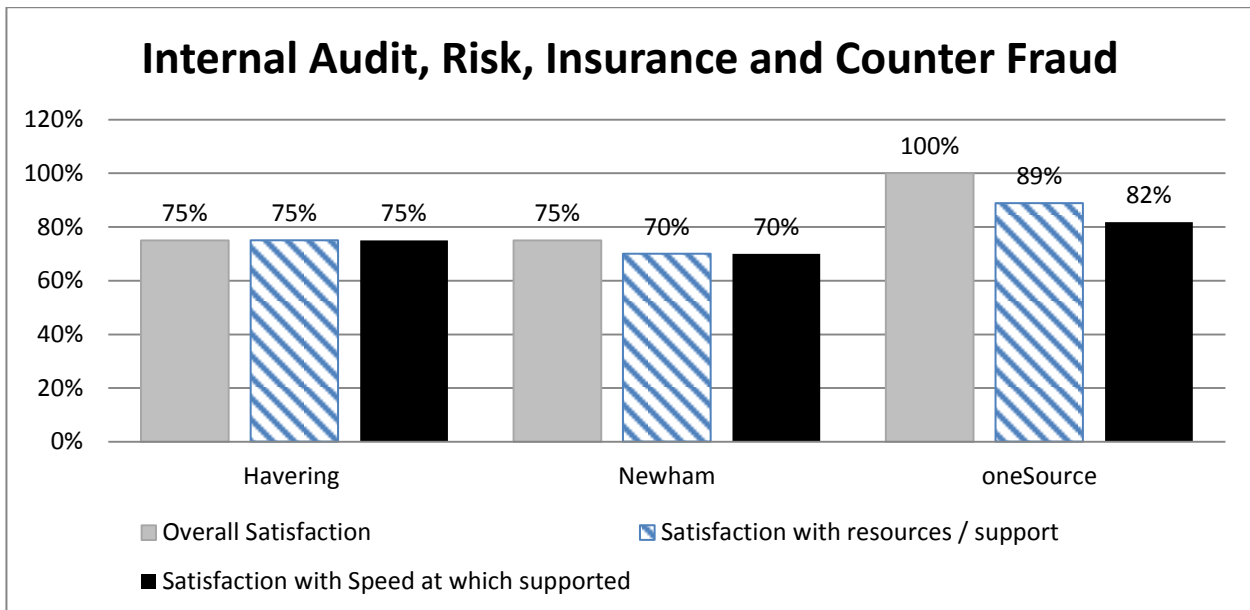
There were a number of issues identified within Finance Transactional that will be looked at in the Transformation Service Reviews.

Internal Audit, Risk, Insurance and Counter Fraud

The overall customer satisfaction for Internal Audit, Risk, Insurance and Counter Fraud has shown significant improvements, with comments indicating increasing satisfaction with the services.



The combined overall customer satisfaction with Internal Audit was 83% across the three organisations, exceeding the 80% target; in comparison to January 2015, where it was ranked the third lowest service area for customer satisfaction.



Appendix B

oneSource Customer Questionnaire September 2015

131 customers took part in the survey [49 from LBN, 49 from LBH and 33 from oneSource) answering a potential 32 questions (excluding breakdown questions)].

**All Organisations Combined
(total)**

Answer Options	HROD	HR Transactional	Strategic and Operational Finance	Procurement	Finance Transactional	Facilities Management	Property Services	Legal	Internal Audit	ICT	Printing Services	Health and Safety	Total Across All Services
% Satisfied with the overall service you receive?	85.44%	69.92%	73.38%	83.33%	70.76%	69.80%	79.94%	73.38%	83.33%	70.76%	69.80%	79.94%	75.82%
% Satisfied with the amount of resources/level of support available to you?	79.72%	75.59%	69.77%	77.96%	78.48%	78.61%	75.59%	69.77%	77.96%	78.48%	78.61%	75.59%	76.34%
% Satisfied the speed at which you received this service?	78.10%	67.43%	72.61%	77.96%	76.10%	78.10%	67.43%	60.76%	75.61%	72.62%	78.10%	76.96%	73.48%

Summary by customer

HAVERING COUNCIL

Answer Options	HROD	HR Transactional	Strategic and Operational Finance	Procurement	Finance Transactional	Facilities Management	Property Services	Legal	Internal Audit	ICT	Printing Services	Health and Safety	Total Across All Services
% Satisfied with the overall service you receive?	90.48%	72.97%	67.57%	75.00%	72.00%	80.00%	90.91%	67.57%	75.00%	72.00%	80.00%	90.91%	77.87%
% Satisfied with the amount of resources/level of support available to you?	83.33%	75.68%	64.86%	75.00%	84.00%	80.00%	75.68%	64.86%	75.00%	84.00%	80.00%	75.68%	76.51%
% Satisfied the speed at which you received this service?	80.95%	70.27%	72.97%	75.00%	84.00%	80.95%	70.27%	72.97%	75.00%	84.00%	80.95%	70.27%	76.47%

NEWHAM

Answer Options	HROD	HR Transactional	Strategic and Operational Finance	Procurement	Finance Transactional	Facilities Management	Property Services	Legal	Internal Audit	ICT	Printing Services	Health and Safety	Total Across All Services
% Satisfied with the overall service you receive?	82.50%	60.61%	67.57%	75.00%	76.00%	51.61%	72.73%	67.57%	75.00%	76.00%	51.61%	72.73%	69.08%
% Satisfied with the amount of resources/level of support available to you?	72.50%	60.61%	59.46%	70.00%	80.00%	72.50%	60.61%	59.46%	70.00%	80.00%	72.50%	60.61%	68.19%
% Satisfied the speed at which you received this service?	70.00%	60.61%	64.86%	70.00%	80.00%	70.00%	60.61%	64.86%	70.00%	80.00%	70.00%	60.61%	68.46%

ONESOURCE

Answer Options	HROD	HR Transactional	Strategic and Operational Finance	Procurement	Finance Transactional	Facilities Management	Property Services	Legal	Internal Audit	ICT	Printing Services	Health and Safety	Total Across All Services
% Satisfied with the overall service you receive?	83.33%	76.19%	85.00%	100.00%	64.29%	77.78%	76.19%	85.00%	100.00%	64.29%	77.78%	76.19%	80.50%
% Satisfied with the amount of resources/level of support available to you?	83.33%	90.48%	85.00%	88.89%	71.43%	83.33%	90.48%	85.00%	88.89%	71.43%	83.33%	90.48%	84.34%
% Satisfied the speed at which you received this service?	83.33%	71.43%	80.00%	88.89%	64.29%	83.33%	71.43%	44.44%	81.82%	53.85%	83.33%	100.00%	75.51%

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HAVERING AND NEWHAM SHARED BACK OFFICE SUPPORT SERVICE

JOINT COMMITTEE	23 October 2015
Subject heading:	Additional savings targets – 2016/17 to 2018/19
Report author and contact details:	Gillian Clelland gillian.clelland@onesource.co.uk 0203 373 1447 / 01708 434656
Financial summary:	The oneSource business case identified that savings of £10.6m per annum could be delivered by 2018/19. This reports sets targets for additional savings totalling £3.5m per annum by 2018/19 as part of both partner authorities’ budget strategies.
Is this a Key Decision?	No

SUMMARY

The oneSource business case identified that savings of £10.6m per annum could be delivered by 2018/19. This reports sets targets for additional savings totalling £3.5m per annum by 2018/19 as part of both partner authorities’ budget strategies.

RECOMMENDATIONS

This report is for information only at this time. A further report will be brought to the committee in February outlining potential options for delivering the further savings required by both councils.

REPORT DETAIL

OneSource is funded by Havering and Newham Councils in order to deliver shared back office support services. The business case approved by both councils in November / December 2014 set out challenging and substantial savings to be delivered by oneSource over a five year period. These savings targets are set out in table 1 below.

	Year 1 2014/15 £000	Year 2 2015/16 £000	Year 3 2016/17 £000	Year 4 21017/18 £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

Table 1: oneSource Business Case Savings

Since the business case for oneSource was originally developed, the financial challenges facing both authorities have continued to increase. As the level of funding available to the councils is reduced and they contract, it is appropriate that the back office contributes further to the savings required, in order to continue to protect front facing services. It is now believed that a higher level of savings will be delivered as the oneSource services and processes are harmonised across the two councils, and to reflect the general reduction in the overall scale of operations across the authorities. Consequently, both Section 151 Officers have included within their budget strategies additional savings requirements from oneSource.

It is proposed, therefore, that oneSource be asked to deliver the additional savings targets set out in table 2 below for the period 2016/17 to 2018/19. The split of the total targets between the two authorities is based on the on the overall cost sharing percentages for oneSource. Once the means of delivery of the additional savings has been determined, this apportionment may vary depending on the relevant mix of services.

	Year 3 2016/17 £000	Year 4 21017/18 £000	Year 5 2018/19 £000
Havering	400	800	1,300
Newham	700	1,400	2,200
Total	1,100	2,200	3,500

Table 2: Additional Savings Targets

As part of the budget setting report due at the Joint Committee in February recommendations for delivery of these additional savings will be submitted.

IMPLICATIONS AND RISKS

Financial implications and risks:

The financial position of oneSource has a direct bearing on the financial position of both Havering and Newham Councils with any savings or overspends being shared as set out in the Joint Committee agreement. The delivery of the budgeted savings is essential to the partner authorities' budget strategies. There is a risk that these additional savings targets cannot be achieved which would result in budget gaps in the authorities' medium term financial strategies which may need to be met from reductions in other service budgets.

Legal implications and risks:

There are no immediate legal implications arising from this report.

Human Resources implications and risks:

With the scale of the additional savings required by both councils it is likely that the majority of the savings will need to come from staffing budgets. There is therefore a potential for redundancies within oneSource. This issue will be considered as part of the future report to this committee outlined above.

Equalities implications and risks:

There is potential for equality implications and a full equalities assessment will be undertaken as part of any future proposals to restructure any services.

BACKGROUND PAPERS

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