



Business development plan

2014 v1.1

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Approach to business development

oneSource

May 2014

Purpose

This document outlines how oneSource can approach business development over the next three years to generate further income and savings to support Havering and Newham Councils' financial strategies.

It considers the dichotomy of how oneSource can be a commercial organisation whilst retaining our original vision and aims and how we can maximise our current differential advantages.

This document will help oneSource start to understand how we can:

- compete effectively in the shared service market
- take advantage of opportunities for further income and savings
- develop services to meet the needs of our customers and the market
- gain buy in and secure resources to develop our commercial competence
- develop the business to ensure sound commercial decision making
- save costs for other councils/organisations.

This document will help oneSource decide how to trade within the shared service market and plan how to achieve its commercial aspirations.

Strategic focus

There are two distinct areas of trading for oneSource to consider, firstly using a partnership type on-boarding method and those which require a commercial tendering process. These distinct approaches have different markets, competitors and on-boarding processes which offers a range of challenges to oneSource when developing our commercial approach.

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

It is recommended that there are two different strategies to trade firstly with an additional a partner and then commercially. This plan assesses the current market and potential customer for oneSource's current products and trading ability. A further assessment will need to be undertaken to take oneSource from this to a fully commercial trading organisation.

Therefore this plan focuses on identifying the current areas of opportunity and starts to consider what activity needs to take place to move towards our ultimate longer term commercial objectives.

Background

oneSource was developed by Havering and Newham councils. We brought together 21 separate services and 1,350 staff to create a single shared support service. This will save the two authorities £40million by 2018/19.

We recognised that by sharing our back office services we could achieve significant savings through eliminating duplication, reducing senior management costs and introducing more efficient processes. We also saw the opportunity for other councils to join oneSource once established, and reduce their own back office costs.

A detailed business case for a shared support service was produced and oneSource was developed, using in house resources, in just nine months. Already savings are being made from restructuring the senior management team and have been identified by re-engineering our ICT and legal services.

The scope of oneSource and the decision to include transactional, operational and strategic services (unlike many shared service partnerships which are purely transactional) allows us greater flexibility to make savings at different levels.

We looked at other models, such as outsourcing to the private sector, but an in-house shared services approach achieved the highest levels of savings, allowed savings to be delivered more quickly and gave more control over future development.

oneSource was set up under a Joint Committee of Executive Members keeping a level of local democratic control. Staff remain employed by the two councils which avoided a complex TUPE transfer of staff.

oneSource's strategic objective

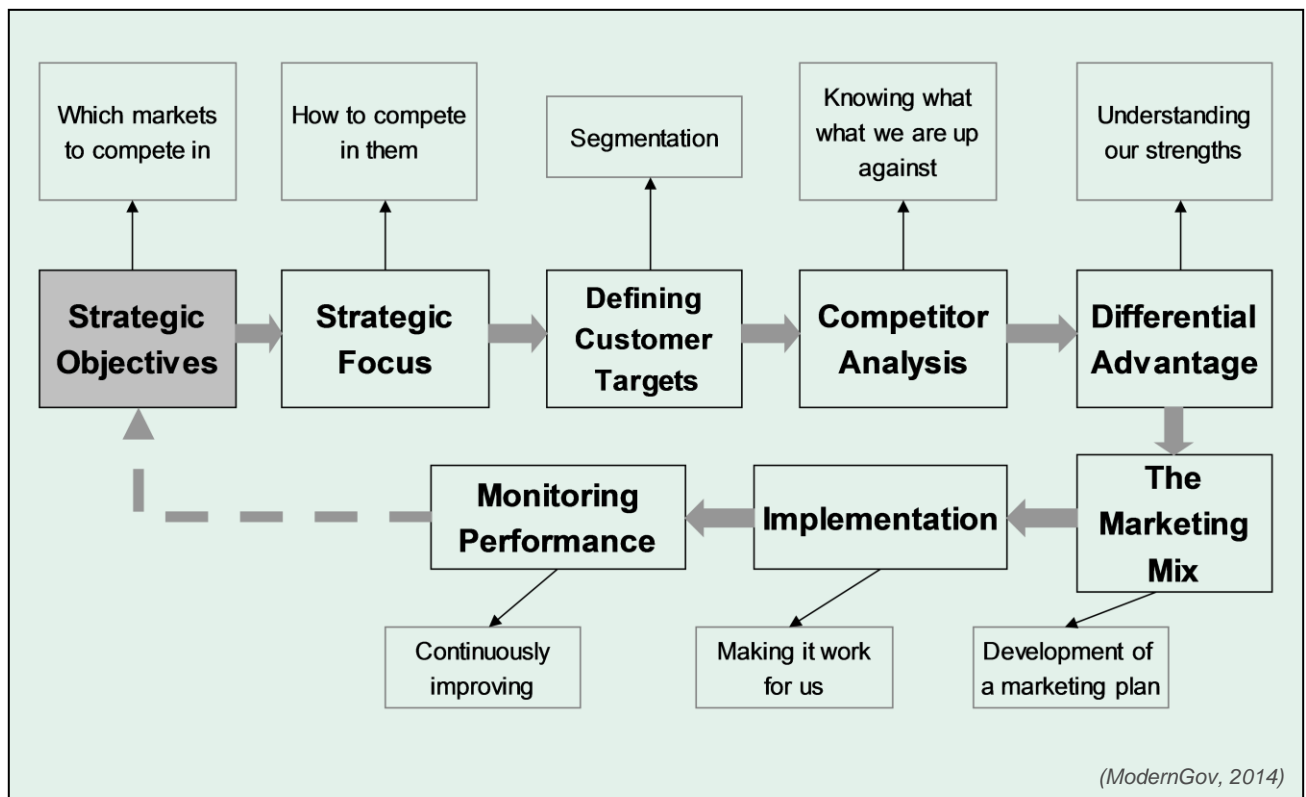
oneSource can now provide a shared service solution to other public sector organisations.

Our vision is to be the one source of innovative, high quality and affordable support to all public services. In order to do this we need to develop commercially to become more profitable by growing the business to create income and further savings.

This document is the starting point of our commercial journey which will help us understand our current position and opportunities whilst working to fully develop the longer term commercial strategy.

oneSource approach to commercial development

We have adopted an approach to our commercial development to link our commercial focus, potential competitive advantage, target customers and marketing plan to oneSource's strategic objectives. This approach is summarised in the following diagram:



In order for us to define our initial commercial approach we need to do a number of things:

- define our products
- analyse the market in which we work and our commercial readiness
- define our potential target markets and customers
- define our differential advantage/unique selling points
- agree our marketing plan
- provide resources to undertake business development activities.

oneSource products

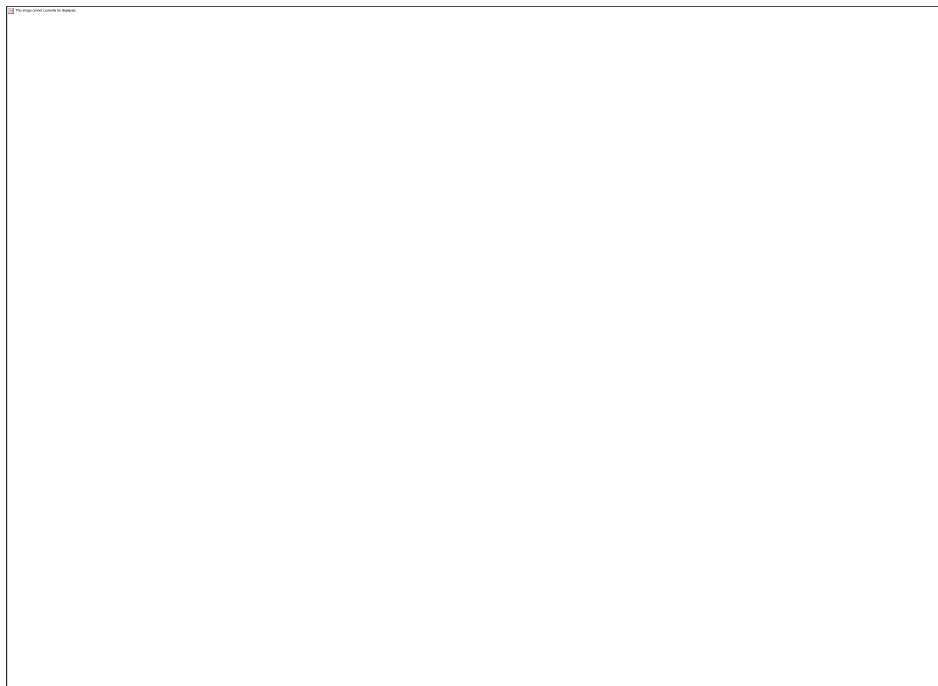
oneSource can provide either a full shared service solution or individual support services to the market, which are:

- Accounts payable and receivable
- Systems reconciliation
- Democratic Services
- Election services
- Financial services – operational, strategic
- Human resources - transactional, operational, strategic
- Organisational development
- Legal
- Payroll
- Pension administration

- Transport services
- ICT
- Council tax
- Benefits
- NNDR
- Debt recovery
- Bailiffs
- Facilities management
- Health and safety
- Property services
- Technical services.

Market analysis

The local government shared service market has been growing strongly, with an additional 210 local government shared service arrangements since 2011. It is now common place for councils to share services, with 337 of the 353 councils in England using 383 shared services. The following table, taken from the Local Government Association shared service map, shows that there has been a particular growth in the number of these arrangements taking place in London.



The recent growth has been largely due to shared services being considered a viable transformation initiative to find savings to aid the fiscal challenges ahead for councils. Due to this we feel there is a window of opportunity to market our services over the next eighteen months to the public sector if we are to meet our objective of being a preferred provider of shared services within the market.

The shared services seen to date have tended to be geographically focused. There may be some opportunities for oneSource to provide a national coverage for some of the services it offers, for example transactional services, but initially our most likely market geographically is considered to be London and Essex due to potential constraints with the staffing location of new customers (depending on the on-boarding method and TUPE requirements).

An analysis of our geographically close local government market shows a number of established local government partnerships across London and Essex (appendix 1). These back office shared service partnerships are mainly for discrete services such as HR and Legal rather than for the full range of services which oneSource offers. This shows that these councils are open to sharing services with others and that there are opportunities for them to make further savings through a larger partnership with

organisations such as oneSource.

In addition to this geographic group, Havering and Newham have a number of existing partnership links which could be explored and further developed. The One Oracle group is currently considering options for a shared service between the founding six partners for their transactional services. This could offer a potential opportunity for oneSource, with Havering and Newham being members of the group, should the One Oracle group consider the option of utilising an existing partnership.

Analysis of the macroeconomic environment:

A PESTLE analysis is in effect an audit of our environmental influences with the purpose of using this information to guide our strategic decision-making. The assumption is that if we are able to audit our current environment and assess potential changes, we will be better placed than its competitors to respond to changes.

To help make decisions and to plan for future events, we need to understand our wider 'macro-economic' environments in which we operate (the macro-environment includes all factors that influence an organisation but are out of its direct control). An organisation on its own cannot affect these factors, nor can these factors directly affect their profitability, but by understanding these environments, it is possible to take the advantage to maximise the opportunities and minimise the threats to oneSource.

Political

There is some political uncertainty with the general elections in 2015 and how this may affect future opportunities to work together. With the current financial settlement it is expected that collaboration across councils will continue and likely to gather further pace. Havering and Newham have evidenced that different political parties can work together and by having an existing shared service in place it is hoped that this will help position oneSource well for any future collaboration policies.

Economic

Each customer segment will be subject to different economic pressures with local government having front loaded budget reductions and higher education and blue light services being back loaded. This will mean that the sectors will be choosing the harder strategic projects at different times when they need to make the more difficult budget decisions. This will affect how we will target and segment our customers as there will be some sectors which will be keener to have a discussion on collaboration than others.

Our approach to business development will need to be able to adapt to changing EU procurement caselaw. Over the last year the public procurement rules have been challenged in the Piepenbrock case which considered the scope of "in-house" exceptions, this helped clarify the partnership model for oneSource and level of decision making required. Emerging caselaw may change our differential advantage with competitors, particularly from the private sector when it effects if an OJEU process is needed or not, as being able to partner without a tendering process is a clear advantage for us.

Socio-cultural

A major factor for oneSource in on-boarding new customers or partners will be culture, which will be different to each sector and organisation. Central government may have an issue with having services run by a local authority or other councils may have difficulties

being actively supported by another. These issues will need to be considered early in discussions with potential partners/customers and are likely to affect the most probable on-boarding method.

In terms of oneSource's culture we have begun to define and embed this, but our cultural change activity does need to increase in order to meet the challenges of incorporating further cultures into oneSource.

A further challenge for us will be to adapt to the changes in our customer population, this may be due to large demographic changes or changes in customer base where the councils themselves have shrunk. We need to ensure that our service model is adaptable and sizable.

Technological

Technological issues can determine barriers to entry, efficiency levels and influence commercial decisions for new partners and customers. Although we have actively utilised common systems and processes to maximise savings, this does not need to be a deal breaker for new partners. We can work with organisations with different systems and processes but this would affect the level of savings achieved, in fact having different systems for some services, such as benefits may help our differential advantage as we could service a wider proportion of the market.

Costs of providing ICT services to others, which will include infrastructure, linking different systems and differing levels of security across sectors will need to be considered within our on-boarding planning and potential savings levels.

Legal

There are a number of regulatory factors which affect oneSource. The main legal areas that concern business development are EU procurement issues, legal challenge and insurance. All of these factors have been built into how we have partnered to date and will be included in the process of bringing on-board potential new partners and customers.

Environmental

The main environmental concern for oneSource is around the geographical location of the partnering organisations. When looking at the business model and future partners consideration of the locality of services will be assessed to take into account transport requirements; how easy it is to service remote bodies and if we can travel there without impacting the environment, as this will directly affect how the business will operate.

Customer segmentation

It is important for us to understand who our potential customers are and their different characteristics and perceptions of them through segmentation. A segment is a group of customers with similar characteristics, by breaking customers into segments we can identify; how best to access them, give them something they want and prioritise which customers are most important and why.

Defining oneSource's target customers

These customer segments have been analysed and scored to identify our target customers. The scoring considered:

- accessibility

- size of the customer segment
- readiness to trade
- profitability
- fit with oneSource strengths
- relative weakness of competition.

The scoring results are shown in the table below.

	Accessibility	Size of segment	Readiness to trade	Profitability	Fits in with our Strengths	Relative weakness of competition	Total
Central Government	1	5	5	3	3	1	18
London Councils	5	5	5	2	5	2	24
County Councils / Unitary	4	5	5	2	5	2	23
District Councils	4	4	5	2	5	3	23
Education (up to FE)	5	3	2	2	4	3	19
Council owned Companies	4	3	2	3	5	2	19
Voluntary / 3rd Sector	3	5	2	1	3	3	17
CCG (health)	4	4	3	3	4	1	19
Housing Associations	4	3	3	4	4	2	20
Education (HE)	4	4	2	4	4	2	20

(high score = target market)

The results show that our initial target customers is local government, this is due to the sectors readiness to trade and our strengths and experience within this market, these target customers will be used in the marketing plan and in PR campaigns.

Competitor analysis

Readiness to trade

oneSource is new to the shared service market, being created April 2014. We have been focusing our efforts on integrating our Havering and Newham services and are now looking at potential opportunities to trade.

There is a well-established history of local government sharing services with the private sector on an outsourcing partnership model. Such private sector partnerships would be awarded through a full OJEU tendering process. There is a growing market for local government to trade with each other on a greater scale, using the various local government acts rather than contract tendering to share services and operate together. These acts include:

- Section 101(5) and 102 Local Government Act 1972
- Sections 9EA and 9EB of the Local Government Act 2000
- Section 123 Local Government and Public Involvement in Health Act 2007

- the Local Authorities (Committee System) (England) Regulations 2012
- Section 1 of the Localism Act 2011
- Section 111 Local Government Act 1972.

oneSource has an opportunity to market itself as a real alternative to outsourcing by using a partnership on-boarding method, the same as how Havering and Newham have partnered, offering the advantage of reduced setup costs, speed of implementation and reducing the need for TUPE and the impact on pension funds.

The private sector market has been developing shared service offerings for over 20 years, since shared services became a mainstream business strategy, so private sector organisations such as Capita and Serco are well placed and resourced to tender for large scale contracts.

In order to compete in this market, oneSource would need to trade through a company and be able to provide detailed costing, method statements, credit checks, references and have a track record of managing such contracts.

When reviewing our readiness to trade, our ability to compete within a fully competitive tender process has been considered. It is thought that we are currently not in a position to participate in a full OJEU tendering process due; to the resources required for this activity, the ability to provide full costings, the availability of references and case studies and the maturity of services. In order to decide if competing in this market is viable it is recommended that a further piece of work is undertaken to develop this potential offering, considering the value of the market against the expected investment costs and potential cost of failed contract bids which can be significant.

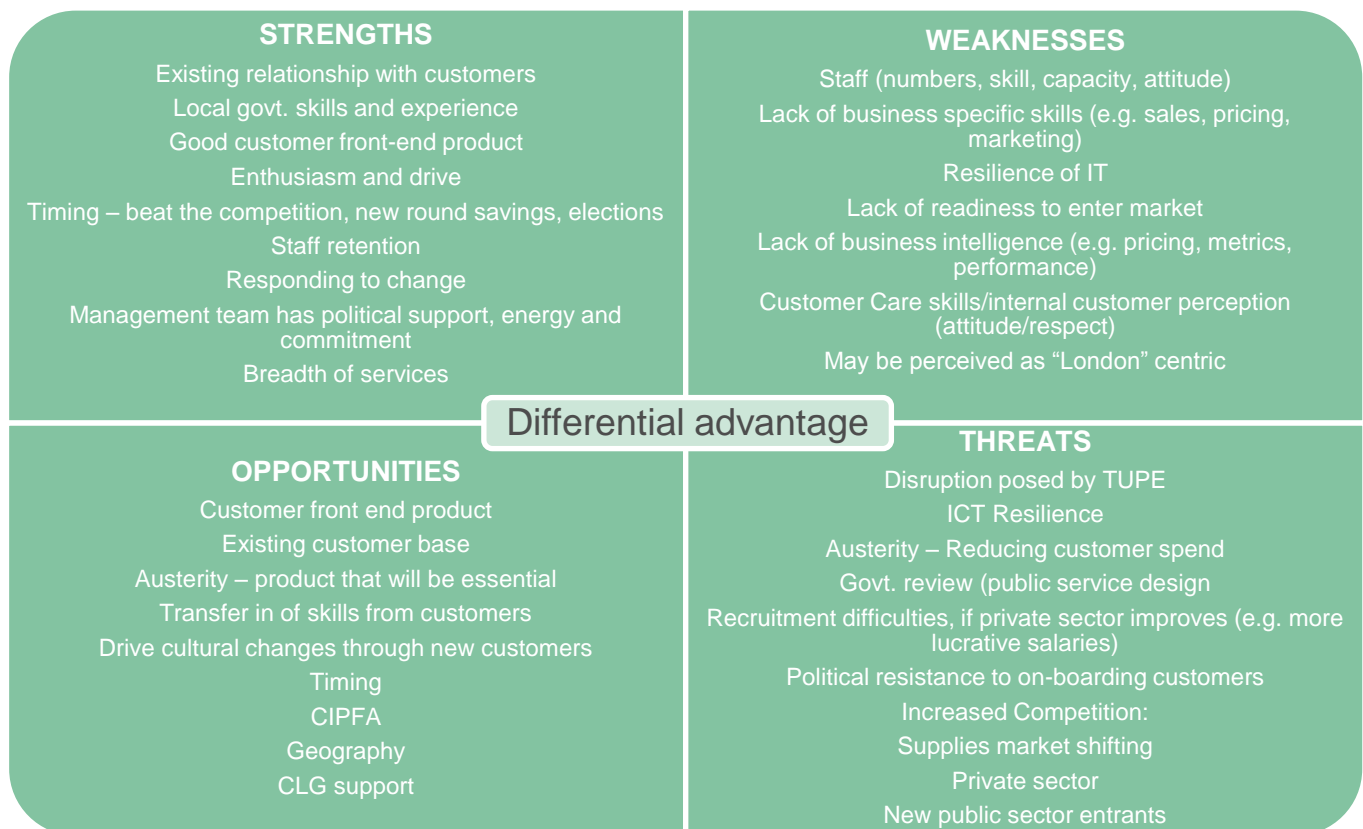
The ability to trade has been concentrated to the short and medium term in this document with the overall ambition to be for oneSource to fully compete within the wider commercial market in the longer term, subject to the above study and it's viability.

Differential advantage

In order to fully understand our differential advantage in the market a SWOT analysis has been undertaken to consider our strengths, weaknesses, opportunities and threats.

The strengths and opportunities will form part of our product offering, unique selling point and promotional pitch. These include:

- the potential level of savings that can be achieved through being a oneSource partner or customer
- oneSource being a real alternative to outsourcing
- how we understand the public sector
- offering a flexible approach to on-boarding.



It is proposed that we develop the identified weaknesses and threats into an action plan, to reduce the impact of those which can be influenced. It is recommended that each service analyses its own strengths, weaknesses, commercial viability and market opportunities to establish those which are ready to market their services and where action needs to be taken to make services ready.

Unique selling points

An alternative to outsourcing

oneSource offers public services a true alternative to outsourcing to the private sector as a way of reducing the costs of their back office services, as well as a number of significant advantages which include:

- immediate savings through reducing duplication and cutting management costs
- on-going efficiency gains through re-engineering services and adopting common processes
- a shared service that can be set up quickly, compared with the time and cost of a lengthy procurement process
- a way to potential avoiding the complexity and costs of a lengthy TUPE transfer of staff, depending on on-boarding method
- the opportunity to take a close look at existing services and introduce more efficient ways of working
- access to a greater pool of resources, skills and professional expertise, giving organisations more flexibility and resilience

- gives customers more control over the future direction and development of their support services, depending on on-boarding method
- benefits from new systems and technologies introduced across oneSource
- a flexible approach to on boarding to help set up shared service.

Our public sector experience

oneSource has been developed by local government specialists who have a wide range of experience and expertise across many different public services.

This means that we understand the financial pressures, political issues and people challenges that organisations face, and have used this understanding to build oneSource. Our model was developed in consultation both with shared services experts, our own internal customers, trade unions and staff.

We bring a strong public service ethos to our work. We recognise that high levels of customer satisfaction are key to the future success of oneSource and have put customer focus at the heart of our organisational values.

A flexible approach to on-boarding

We know that if an organisation is considering becoming part of a shared service, one size may not necessarily fit all.

That's why we will offer new organisations joining us a highly flexible approach to achieving the maximum benefits and savings from working with oneSource.

This means flexibility in the range of services shared - we will work with potential customers to develop a full shared support service but are equally happy to discuss how we can support organisations in providing finance, HR, payroll, or any other individual support services.

We will tailor the best approach to on-boarding an organisations services that make it as easy as possible to deliver a shared services solution.

On-boarding options

There are a range of onboarding methods available for partners and customers to join oneSource depending on the type and size of product they choose. This flexibility is a big potential differential advantage for oneSource. We will use five main on-boarding methods for new business. Each new customer opportunity will be dealt with individually, offering an onboarding method with suits that organisation thus optimises the savings available to them and manages the risk for us. The on-boarding options are detailed below.

Full partner of the Joint Committee

This option would mean there would be a new equal partner joining the oneSource Joint Committee. The new partner council would delegate authority to undertake services to the joint committee as Havering and Newham have. The main benefits for this method for the joining partner are lower implementation costs and that as staff remain employed by the partner council there is no TUPE of staff and it minimises the impact on the council's pension fund. This method offers oneSource a potential share in savings and further efficiency savings through economies of scale, although would see a reduced control of existing partners on the joint committee and may require a restructure of the senior management and service structure of oneSource.

As this was the chosen method for Havering and Newham it is likely that this method would be attractive to others who are looking to share some or all of their support services particularly to those who want to retain a high level of control. They will receive the expertise of services already sharing and could be seen as a favorable alternative to outsourcing.

Junior partner of the Joint Committee

This option would see a new partner joining the Joint Committee as a reduced member so that the founder members have a majority seat, again the new partner council would delegate authority to undertake services to the joint committee as Havering and Newham have. As with a full partner, the main benefits for this method for the joining partner are the lower implementation costs and that as staff remain employed by the partner council there is no TUPE of staff and it minimizes the impact on the council's pension fund. This method offers oneSource a potential share in savings and further efficiency savings through economies of scale, although may require a restructure of the senior management and service structure of oneSource.

This could be an option for new partners who would like to share just some of their support services; they will receive the expertise of services already sharing and could be seen as a favorable alternative to outsourcing.

Part share owner of a joint committee company

This option would require a joint committee company to be setup, where new customers would own a proportion of shares. The founding members would also own a proportion of shares, the number of which would be decided depending on the level of control required. Such an approach would protect the current joint committee and would not require an OJEU process for the new partner and may be useful for smaller customers or those who do not want the joint committee option. This option would require staff to be TUPEed to the company. A company has been set up for this use with 50/50 ownership between the two founding councils.

Customer through a lead authority

This option offers being a basic customer of the Joint Committee, where the customer organisation will delegate its required functions to either/or both Havering and Newham. This option would need to be tested to see if it meets the requirements following new caselaw on the EU procurement rules on public procurement, to ensure that it does not require an OJEU process. This option offers the benefits of a reduced cost of no OJEU process and retaining control for the founding partners over the joint committee, but would require a staff TUPEing to the lead authority and therefore would have some pension fund issues.

Customer through an OJEU process

This option again would find the new customer being basic customer of the joint committee but would require a full OJUE contract tendering process. This option would require oneSource to setup a company and although it would protect the joint committee membership, it would require TUPEing of staff and managing the associated pension issues.

The profitability of all of the above options would need to be reviewed when considering each potential approach to on-boarding, it's offering and would need to be tested on the market to check how competitive it would be.

The on-boarding methods, when it would be used and their advantages and disadvantages for all of these options are detailed further in appendix 2.

We are keeping the on-boarding options open in order to be flexible for new partners or customers and to tailor each opportunity. Within the target customer market it is likely that a full partner option would be attractive when wanting to share on a large scale. It is recommended that the approach to how savings would be calculated and shared for this type of option is discussed early in assessing our business development, as savings levels need to be a key driver to our new business decisions.

Implementation

Current offering

oneSource have a number of products to offer the market, these have been broken into four main areas of opportunity, which are:

- A total shared service offering - all back office services – through discussions with potential partners
- Individual services or a group of services
- Transactional service center – undertake transactional activity
- Consultation and project and programme management.

These products available will be tailored into a bespoke offering to each potential customer which will consider:

- the number and size of services being offered
- the potential savings level and income opportunity
- the onboarding method options
- TUPE and staffing requirements
- oneSource capacity and readiness
- ICT requirements and constraints (considering the similarities and differences in ICT systems)
- cultural and political fit
- any geographical constraints (including the impact on the management capacity if managing staff in multiple non neighboring areas)
- any risk to current oneSource partners.

oneSource business objectives are to:

- market services through discussing a bespoke partner or groups of services offerings to regional districts, unitary authorities and London boroughs in the short term (1-2 years)
- market groups of services to others using a costed service catalogue in the medium term, the offering will be based on a unit cost comparison and timescales for this to be linked to the service reviews. This would be subject to a further piece of work to review the resource required and viability and may be more relevant to transactional type services. (18 months)
- to compete and be successful in a full competitive tender process, to do this oneSource will need to have full unit costs, a range of case studies and references

available in the longer term and raise its profile within the wider commercial shared service market in the longer term. Significant investment in resources would be required for this and there is also a risk of losses of this investment through abandoned or unsuccessful tenders. (>3 years).

The marketing mix

Marketing is the management process responsible for identifying, anticipating and satisfying customer requirements profitably. It is all about getting the right product or service to the customer at the right price, in the right place, at the right time. Both business history and current practice remind us that without proper marketing, companies cannot get close to customers and satisfy their needs, and if they don't, a competitor surely will (*Chartered Institute of Marketing*).

The marketing of the oneSource brand and products will be targeted to the market; this will be undertaken through a range of activities detailed in this section. The marketing approach has been based around product, price, promotion and place, which have been extended to include people.

Development of an interim marketing plan

A full marketing plan needs to be developed for oneSource. In the meantime an interim marketing plan should be implemented to maximise awareness of oneSource in its target local government markets and take advantage of any early business opportunities.

This interim marketing plan recommends ways that oneSource can do this over the next twelve months using:

- a core narrative and key messages
- media targeting
- award entries
- use of social media
- events and speaking opportunities
- best practice communities.

A more detailed plan of external profile raising activities has also been produced - some of these are highlighted below, and a calendar of activities and events is being developed. Marketing activities will be co-ordinated through the Business Services team.

To support these activities oneSource will:

- produce high-quality marketing material for use at events and to send in response to enquiries
- further develop the oneSource website; including taking specialist advice on Search Engine Optimisation to ensure that oneSource appears high on any appropriate searches.

Core narrative and key messages

oneSource needs to have a core narrative and key messages which are used consistently in any marketing activities and conversations with potential customers. The following key messages are suggested:

- Havering and Newham councils have worked in partnership to create oneSource, a new shared back office support service
- we would welcome other public services joining oneSource to reduce the costs of

their own back office functions.

- we believe that oneSource offers a real alternative to outsourcing your support services because:
 - The shared service can be set up and start to achieve savings very quickly
 - you retain control over future development of the service
 - you can avoid the complexity and cost of a complex TUPE transfer (depending on the on-boarding method used).
- oneSource can help you make savings through:
 - reductions in senior management costs
 - productivity gains through eliminating duplication
 - efficiency gains through re-engineering services and adopting common processes.
- we offer a flexible approach to on-boarding, allowing other public services to join oneSource in the way that works best for them
- oneSource can work with you in three ways:
 - full sharing of support services
 - providing individual services such as payroll, HR or finance
 - providing consultancy and advice.

Talking to others in our target customer market

The decision to collaborate on a large scale with others is likely to be a difficult one and only considered when there is a real financial motivation to do so and when other transformation initiatives have been tried or discounted. The type of collaboration preferred is likely to be different for each customer segment or organisation, with some favouring a true partnership and others an outsourcing model with elements of working together. The decision to fully collaborate and partner with others within local government is likely to be a political one and therefore building trusted relationships at a Leader, Mayoral and CEO level will be critical.

Therefore in order to identify potential new partners we are actively looking to meet with like minded councils who are considering collaboration to see how we can work together. This will be explored through existing working relationships and by identifying those who are considering a shared service journey through networking events and exhibitions.

Media targeting

oneSource should carry out a proactive programme of targeting positive news release and features at the national, trade and specialist media. This would include local government media and the specialist media for each oneSource function.

Media targeting activities would include:

- regular news releases on key oneSource milestones and achievements (e.g. new customers, senior level appointments, external validation)
- identifying opportunities to pitch feature and interview ideas to editors
- regular scanning of forward features lists for possible opportunities
- offering to contribute to comment or opinion pages.

Award entries

Entering appropriate professional awards gives the opportunity for oneSource to tell its story and raise its profile. The oneSource narrative should be used as the basis for all the

award entries, which will ensure consistency and reduce the workload in writing individual entries. Examples of possible awards to enter in 2014-15 are:

- APSE Public Service Awards (*already entered*)
- MJ Awards
- LGC Awards.

Use of social media

Well managed use of social media channels will provide opportunities to increase awareness of oneSource amongst its target markets and potential customers. In particular oneSource should make use of Twitter and LinkedIn.

Use of Twitter would include:

- regular, managed tweets of oneSource news and information
- following potential customers, decision-makers and business leaders
- engaging in Twitter conversations about relevant shared service and public sector issues.

oneSource already has a Twitter account set up, which is @onesourceuk. This will be managed within by the Business Services team.

Use of LinkedIn would include:

- ensuring that all oneSource Directors and senior managers have up-to-date profiles, referencing oneSource
- actively connecting with potential customers, decision-makers and business leaders and joining relevant LinkedIn groups
- setting up a oneSource LinkedIn company page
- investigating use of the new LinkedIn blogging feature.

Marketing activities using social media channels should direct people to the oneSource website as their primary source of further information.

Events and speaking opportunities

oneSource should identify any appropriate professional events and conferences where there may be:

- benefit in taking exhibition space
- opportunities for the oneSource Managing Director and Senior Management team to speak about oneSource
- networking opportunities.

Contacting the organisers at an early stage and offering to provide a speaker, or contribute to a workshop, before they draw up the event programme can often pay dividends.

Possible conference and speaking opportunities for 2014/15 are set out below. As with awards entries, there may be additional opportunities which individual oneSource colleagues are aware of.

- LGA annual Conference and exhibition 2014 or 2015
- individual LGA conferences or events
- Local government conferences, organised by private companies e.g; Capita,LGC
- Government Knowledge (Future of Public Service Design and Delivery)

- Public Sector People Management (PPMA) – Annual Seminar (have a session on Transforming Public Services)
- CIPFA Annual Conference
- Lawyers in Local Government Conference
- Public Sector ICT Conference
- Government ICT Conference.

There may also be opportunities for the Mayor/Leader to make reference to oneSource in any appropriate speeches that they are giving at events. They should be encouraged to do so and provided with background notes.

The oneSource Senior Management Team should also actively promote oneSource at their own professional events and networking meetings and offer to give presentations at their annual conferences, for example:

- Society of London Treasurers
- London Connects Board
- London Councils Heads of HR Network.

Best practice communities

Local government, and its individual professions, have a variety of best practice communities and websites, which welcome and actively encourage contributions on appropriate topics. oneSource should actively identify and contribute to these.

Examples include:

- Local Government Association Knowledge Hub
- SOLACE Policy Briefings
- Guardian Local Leaders Network/Public Leaders Network
- CIPD Community and blogs.

Measurement and monitoring

The success of oneSource's commercial development will be monitored by the oneSource Management team. All new commercial opportunities should be reported to this group detailing the commercial opportunity, this should include details of:

- impact on the oneSource operating model
- a financial analysis of the Income/savings
- HR implications for oneSource (for example TUPE)
- details of how the new opportunity will be resourced (spare capacity or additional staff) including details of volume of expected work and impact on the management structure of oneSource
- risks of the opportunity to oneSource including impact of level of understanding of the work/customer and the ability of the service to take on additional customer opportunities (critical mass).

The oneSource Management team will make a commercial decision if to pursue each opportunity, referring to the Joint Committee where necessary, taking into account other opportunities, the oneSource overall commercial development and fit with the oneSource operating model.

Income/savings from other customers will be reported within the oneSource key

performance indicators so they can be reflected in the overall savings oneSource offers to Havering and Newham Councils.

Appendix 1 – Current shared service arrangements in London and Essex

London

Partners	Service	Financial benefits realised	Efficiency Figure
Brent, Ealing, Harrow, H&F	Property and Asset Management	£10.3m over 5 years	£10.3m
B&D, Brent, Croydon, Havering, Lambeth, Lewisham, Newham	Oracle's ERP software	£0	Not stated
Camden, Wandsworth	Pensions	£50,000	£50,000
Camden, Islington	Internal Audit	£150,000	Not stated
Camden, Islington, Hackney	One CedAr (Potential single financial service, individual services not listed)	£0	Not stated
Croydon, Lambeth, Southwark, Newham	Barristers Framework Contract	£25,000	£100,000 per year over a four year period
Havering, Newham	Shared ICT Service	£3M	Not stated
Havering, Newham	oneSource		£40M
Braintree District Council, Brentwood Borough Council, Basildon District Council, Castle Point Borough Council, Chelmsford Borough Council, Colchester Borough Council, Harlow District Council, Maldon District Council, Rochford Borough Council, Uttlesford District Council, Southend-on-Sea Borough Council, Thurrock Council, Tendring District Council, Epping Forest District Council, Essex County Council, London Borough of Havering, Essex Cares, Lee Valley Park Authority	HR (Vine HR)	£1,000,000	Not stated
Lambeth, Southwark	Legal	£166,500	£100,000 per year over a 4 year period
Kingston, Richmond	HR	£290,000	Not stated
Merton, Richmond	Legal	£250,000	
Merton, Kingston, Richmond	HR databases and Payroll	£260,000 p.a.	£10m for all 3 for the duration of the contract
Merton, Sutton	HR	£250,000	Not stated
Kingston, Richmond	Internal Audit and Investigation	£85,000	£85,000 p.a.
Merton, Kingston, Richmond, Sutton	Legal (in development)	£0	£600,000 potentially over four years between the four boroughs

Merton, Sutton	ICT Services	£303,000	Not stated
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Essex

Partners	Service	Financial benefits realised	Efficiency Figure
Braintree District Council, Brentwood Borough Council, Basildon District Council, Castle Point Borough Council, Chelmsford Borough Council, Colchester Borough Council, Harlow District Council, Maldon District Council, Rochford Borough Council, Uttlesford District Council, Southend-on-Sea Borough Council, Thurrock Council , Tendring District Council, Epping Forest District Council, Essex County Council, London Borough of Havering, Essex Cares, Lee Valley Park Authority	Vine HR	£1,886,216 (since 2004)	Not stated
Braintree District Council, Colchester Borough Council, Epping Forest District Council, Harlow District Council, Tendring District Council, Uttlesford District Council	North Essex Parking Partnership	£20,000 saved per year	Not stated
Essex County Council, Southend Borough Council, Thurrock District Council, Basildon District Council, Braintree District Council, Brentwood Borough Council, Castle Point District Council, Chelmsford Borough Council, Colchester Borough Council, Epping Forest District Council, Harlow Council, Maldon District Council, Rochford District Council, Tendring District Council, Uttlesford District Council, Plus fire and rescue and police authorities.	Improvement East Asset Management Project	£0	Not stated
Essex County Council, Southend Borough Council, Thurrock District Council, Basildon Borough Council, Braintree District Council, Brentwood Borough Council, Castle Point District Council, Chelmsford Borough Council, Colchester Borough Council, Harlow Council, Maldon District Council, Rochford District Council, Tendring District Council, Uttlesford District Council, Essex Police and Essex Fire and Rescue	Essex Online Services (Technology)	£0	Not stated
Braintree District Council, Brentwood Borough Council, Basildon District Council, Castle Point Borough Council, Chelmsford Borough Council, Colchester Borough Council, Harlow District Council, Maldon District Council, Rochford Borough Council, Uttlesford District Council, Southend-on-Sea Borough Council, Thurrock Council , Essex County Council	Essex Public Law Partnership	£235,081 savings and £157,421 income	Not stated
Broxbourne Borough Council and Harlow District Council	Head of Internal Audit	£17,000	£24,000 from 2014
Braintree District Council, Uttlesford District Council	Climate Change	£0	Not stated
Cambridgeshire County Council, Suffolk County Council, Norfolk County Council, Central Bedfordshire Council, Bedford Council, Southend-on-Sea Borough Council, Thurrock Council , Luton Borough Council , Milton Keynes Council , Peterborough City Council	E2BN (Regional Broadband Consortia). Procurement exercises, sets up framework arrangements for the purchase of school related IT infrastructure and services. In addition it also	£1m across region	Not stated

	provides Content Services, Network Services and Training Services		
Braintree District Council, Castle Point Borough Council, Colchester Borough Council, Rochford District Council	Joint Procurement of ICT Contract	£1,050,000	£7,000,000 over 5 years
Chelmsford City Council and Maldon District Council	Community Safety and Emergency Planning	£22,500	Not stated
Chelmsford City Council and Maldon District Council	Emergency Planning and Business Continuity	£13,250	Not stated
Colchester Borough Council, Braintree District Council	Shared HR/Payroll System	£10,000	Not stated

Appendix 2 – On-boarding methods

Boarding Method	Full Partner of Joint Committee	Junior Partner of Joint Committee	Part Share Owner of JC Company	Customer Through Lead Authority <i>(NB: may not be possible through EU procurement rules)</i>	Customer Through OJEU Process
Description of option	Equal partner on Joint Committee	Reduced members on JC so that founder members have majority	Company owned by Joint Committee. Founder members own proportion of shares. (Proportion TBD). New customers to own further proportion (TBD) – (note issues for legal services)	Basic customer of Joint Committee. No shared membership of JC or a company.	Basic customer of Joint Committee. No shared membership of JC or a company.
Governance issues	Voting mechanism to protect founder members? Need to amend JC Agreement	Voting mechanism to protect founder members? Need to amend JC Agreement	Interaction between JC members and share holders Share holder majority issues	Customer voice. Possible customer sub-committee? Customer Client Unit	Customer voice. Possible customer sub-committee? Customer Client Unit
Basis of on boarding	Partner delegates to JC Staff remain with partner	Partner delegates to JC Staff remain with partner	Staff TUPE to company. Could TUPE to JC councils and SLA costs to company Management Agreement between company and partner	Delegates to either or both JC councils Staff TUPE to either or both councils	OJEU tender process Staff TUPE to either or both councils of JC or company
When would option be used?	Partner wishes to join all / majority of services provided by JC Minimum cash value of services shared Agreement of 2 founder members required Councils only	Dependent on services to be shared with JC and / or cash value Number of members on JC could depend on services shared / cash value Councils only	Partner not interested in JC membership Founder member(s) not wanting to give membership to JC Small customers not wanting OJEU process Customer cannot be a member of the Joint Committee i.e. not a local authority	Partner not interested in JC membership Founder member(s) not wanting to give membership to JC Small customers not wanting OJEU process	If customer wants to use an OJEU process to market test services Company option could still be used to bid
Advantages of boarding method for customer	No expensive OJEU process Minimises any pension fund issues No TUPE of staff Possible share of future customer savings	No expensive OJEU process No TUPE of staff Minimises any pension fund issues	No expensive OJEU process if company shareholder Possible share of company surplus	No expensive OJEU	Market testing

Disadvantages of boarding method for customer	No market testing (although could do so for this basis of boarding)	No market testing (although could do so for this basis of boarding)	No market testing (although could do so for this basis of boarding) TUPE of staff Possibly pension fund issues	No market testing TUPE of staff Possibly pension fund issues	TUPE of staff Pension fund issues
Advantages of boarding method for founder members	Reduced costs as no OJEU process Minimal pension fund impact	Reduced costs as no OJEU process Minimal pension fund impact	Reduced costs as no OJEU process No pension fund impact (possible?) Control over JC retained	Reduced costs as no OJEU process Control over JC retained	JC Membership protected
Disadvantages of boarding method for founder members	Control within JC reduced Possible major senior management restructure	Control over JC possibly reduced	Additional overheads of running company	TUPE of staff Pension fund issues	TUPE of staff Pension fund issues Cost of tendering through OJEU process if unsuccessful

Appendix 3 – Action plan

Activity Details of the activity that needs to be completed	Output What is the intended output (result/deliverable) from the action?	Who (Responsible owner) Who is responsible for the activity?	Who (Implementation team) Who is delivering the activity?	Start When will the activity be started	When (Implementation deadline) When must the activity be complete?
Cost service catalogue.	Costed service catalogue complete offering the ability to provide unit costs for competitive tendering.				
oneSource offering sheet including general benefits and high level costs/savings.	oneSource offerings sheet to use for promotional events and new business enquiries, to show the overall benefits of using oneSource.				
Each service area to analyse its own commercial viability and market opportunities to establish those which are ready to market their services and identify the action needs to be taken to make services ready.	Ability for each service to successfully market services and be able to compete in a competitive tendering environment.				
Develop marketing brochure.	Marketing brochure available to promote oneSource	Tim Smith	Tim Smith	June 2014	End June 2014
Develop full oneSource website.	Full oneSource website in place which will include a complete re-design of the current interim site and search engine optimisation.				
Agree marketing key narrative and core messages.	Crib sheet of key narrative and core messages available for the marketing and promotion of oneSource.	OMT	Tim Smith	June 2014	End June 2014
oneSource stand at CIPFA Conference	To raise the profile and promote oneSource to the wider market.	Sandy Hamberger	Business Development team	June 2014	July 2014
Agree oneSource marketing activity	To raise the profile and promote oneSource to the wider market.	OMT	Tim Smith	June 2014	ongoing
Senior oneSource stakeholders to have conversations with key senior council contacts, to promote the service.	To raise the profile and promote oneSource to the wider market. Marketing brochure, key narrative and core messages to be provided. Meetings to be agreed by MDs and logged to monitor marketing activity.	MDs	Business Development team	July 2014	ongoing

<p>oneSource Senior Management Team to actively promote oneSource at their own professional events and networking meetings and offer to give presentations at their annual conferences.</p>	<p>To raise the profile and promote oneSource to the wider market. Marketing brochure, briefing notes, key narrative and core messages to be provided. Such activity to be logged to monitor marketing activity.</p>	<p>OMT</p>	<p>OMT</p>	<p>July 2014</p>	<p>ongoing</p>
<p>Evaluate potential to trade commercial, including required resources and viability.</p>	<p>To understand how oneSource can trade commercially and compete in the outsourcing market.</p>	<p>OMT</p>	<p>OMT</p>	<p>TBD</p>	<p>TBD</p>