



Notice of Non-key Executive Decision

Subject Heading:	Proposal to transfer Newham's Council Tax and Benefits service back to the council
Cabinet Member:	Councillor Ron Ower
SLT Lead:	Andrew Blake-Herbert
Report Author and contact details:	Andrew Blake-Herbert, Chief Executive andrew.blakeherbert@havering.gov.uk
Policy context:	oneSource legal agreement
Financial summary:	The financial impact of the return of the service to Newham will be nil. Compensation received from Newham will mitigate any potential savings losses.
Relevant OSC:	O&S Board
Is this decision exempt from being called-in?	No

The subject matter of this report deals with the following Council Objectives

Communities making Havering	<input type="checkbox"/>
Places making Havering	<input type="checkbox"/>
Opportunities making Havering	<input checked="" type="checkbox"/>
Connections making Havering	<input type="checkbox"/>

Part A – Report seeking decision

DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION

At Mayoral proceedings in February, the Mayor of Newham requested Havering and Bexley Councils to transfer the Newham element of Council Tax and Benefits service from oneSource back into Newham Council's responsibility. Havering and Bexley Councils have been asked to approve the transfer.

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There is no immediate cost of the proposal but oneSource will potentially not be able to deliver the full savings that had been anticipated in the original oneSource business case in relation to the Council Tax and Benefits service in Havering. Bexley has not previously assumed savings from joint working.

All three councils that make up the oneSource Joint Committee have delegated their council tax and benefits services to oneSource, albeit that all three have different models of provision and that the services have, to date, remained standalone. Bexley's service is outsourced to Capita with oneSource providing contract management.

The original business case proposals identified potentially deliverable savings or additional income generation as follows:-

	Havering Achievable Savings £000	Havering Shortfall in Savings £000	Total £000
17/18 Part year Savings	187	308	495
18/19 On Going Full Year Effects	230	378	608

Process:

Variation is allowed for only in the terms set out in the oneSource Joint Committee and Delegation Agreement which was agreed by all parties in 2014 and reaffirmed in 2016 when Bexley joined.

Once the Mayor has formally made the decision to make the request, the Secretary to the Joint Committee will write to Havering and Bexley councils (within 10 days) notifying them in line with the oneSource Joint Committee and Delegation Agreement (in no more than 10 days). The councils then have 20 business days with which to respond to the request. The provisions allow for the time scales to be extended by agreement. The request was formally received on 1st March and an initial extension was granted till the 26th April. A further extension was granted till the 10th May whilst final discussions were concluded.

If both councils approve the variation, then the Secretary to the Joint Committee will arrange for the preparation of a Deed of Variation for execution by the three councils. The change will take effect from the point of the completion of the Deed.

If either of the councils did not approve the change then the change would not immediately occur and the matter would likely be taken through the dispute resolution procedure set out in the Joint Committee and Delegation Agreement.

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AUTHORITY UNDER WHICH DECISION IS MADE

Part 3, Section 2.5 (q) – to agree minor matters and urgent or routine policy matters.

STATEMENT OF THE REASONS FOR THE DECISION

In accordance with the terms of the oneSource legal agreement, Havering has an obligation to respond to the request by Newham within set timescales. Following negotiations, settlement has been reached whereby the financial impact of the change to Havering is nil.

Furthermore, the services which are the subject of the request have, to date, remained standalone.

OTHER OPTIONS CONSIDERED AND REJECTED

When coming to our conclusions around this recommendation we also considering the following options:

- Firstly to say no and turn down the request to take Revs and Bens outside of oneSource. However, with the offer of compensation giving time for Havering to identify alternative solutions and with the impact that decision could have had on the continuation of a successful partnership, this was decided against.
- Ask Newham to indemnify Havering against the savings in perpetuity, however it is not reasonable for another public body to do this indefinitely and actually on a partial withdrawal the agreement does not require Newham to have to compensate Havering at all. The offer that was made was felt reasonable and practical and gave sufficient time for Havering to identify alternative savings.

PRE-DECISION CONSULTATION

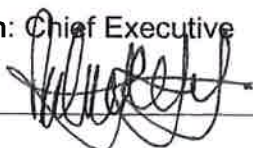
Nil

NAME AND JOB TITLE OF STAFF MEMBER ADVISING THE DECISION-MAKER

Name: Andrew Blake-Herbert

Designation: Chief Executive

Signature:



Date: 10.5.2017

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Part B - Assessment of implications and risks

LEGAL IMPLICATIONS AND RISKS

Section 101(5) of the Local Government Act 1972 allows two or more local authorities to arrange for the discharge of their functions by Joint Committees. Under Section 9EB of the Local Government Act 2000 the Secretary of State made the Local Authorities (Arrangements for the Discharge of Functions) (England) Regulations 2012 [SI 2012/1019] which permits such joint arrangements for executive functions. The OneSource Joint Committee and the delegations arrangements are set up under these powers.

The Joint Committee arrangements are underpinned by a contractual agreement and governance arrangements setting out the delegations of each authority. The London Borough of Newham's council tax and benefits functions are currently delegated to the Joint Committee under these provisions. The London Borough of Newham seeks to vary the contractual agreement by removing that service from the agreement and withdrawing the delegation of that particular function. The contractual agreement between the councils includes the process for varying arrangements. These are set out in Clause 13 of the agreement and are described in the body of this report.

FINANCIAL IMPLICATIONS AND RISKS

There are no costs associated with the transfer of Newham's Council Tax and Benefits service out of oneSource as the services had not yet been formally integrated. However, Havering will not be able to achieve the full savings of £609k as identified in the original oneSource business case.

Initial savings of £187k rising to £230k in a full year can be achieved within the Havering only element of the service. This leaves a full year effect figure of £378k that Havering cannot deliver without the integration as shown in the table below.

	Havering Achievable Savings £000	Havering Shortfall in Savings £000	Total £000
17/18 Part year Savings	187	308	495
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However, through the deed of variation Havering and Newham have reached an agreement over compensation for the Newham Council Tax and Benefits coming out of oneSource, which will enable the financial impact to be zero in the short term and gives time for development of alternative savings plans which the service is already working on.

Bexley is not affected financially by Newham taking its Council Tax and Benefit service out of oneSource as it currently has a contract with Capita for the provision of its service, with oneSource providing the contract management service.

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**HUMAN RESOURCES IMPLICATIONS AND RISKS
(AND ACCOMMODATION IMPLICATIONS WHERE RELEVANT)**

There are no immediate HR implications and risks arising from this report. As the report states the services which are the subject of the request have, to date, remained standalone.

EQUALITIES AND SOCIAL INCLUSION IMPLICATIONS AND RISKS

There are no immediate equalities implications and risks associated with this report.

BACKGROUND PAPERS

None

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Part C – Record of decision

I have made this executive decision in accordance with authority delegated to me by the Leader of the Council and in compliance with the requirements of the Constitution.

Decision

Proposal agreed

Delete as applicable

~~Proposal NOT agreed because -~~

Details of decision maker

Signed 

Name: RONALD OWER.

Cabinet Portfolio held:
CMT Member title:
Head of Service title
Other manager title:

Date: 10-5-17.

Lodging this notice

The signed decision notice must be delivered to the proper officer, Andrew Beesley, Committee Administration & Interim Member Support Manager in the Town Hall.

For use by Committee Administration

This notice was lodged with me on 11 MAY 2017

Signed 