

**ONESOURCE JOINT
COMMITTEE**

30 April 2021

Subject heading:

one source Budget 2021/2022

Report author and contact details:

**Dave McNamara –
(Interim) Director of Finance, one source,
Dave.McNamara@onesource.co.uk**

Financial summary:

The oneSource base budget for 2021/2022 is £49.871m made up of £23.905m for oneSource Shared and £25.966m for oneSource non Shared.

SUMMARY

The report sets out the base budget for one source services provided to our partner boroughs: LB Havering; and LB Newham. The report covers both shared and non-shared for the financial year 2021/2022 allowing for the repatriation of professional financial services and including the apportionment between the partner Councils.

The budget takes into consideration the Medium Term Financial Strategies for both partner authorities assuming the delayed delivery of savings targets for 2020/21 and updated savings targets for both 2021/22 and 2022/23 based on a common assumption of delivering a 10% reduction of the net 2020/21 budget over a two-year period.

The Savings that are to be delivered from one source services in 2021/22 totals £3.875m across the two boroughs. This is broken down as follows:

	Havering £000	Newham £000	Total £000
Non-Shared	-1,626		-1,626
Shared	-1,546	-703	-2,249
	-3,172	-703	-3,875

Clarification of how these savings are to be delivered is set out later in the report.

The controllable 2021/22 base budget for oneSource shared services is £23.906m and £25.966m for non-shared services after taking into consideration agreed growth and savings for 2021/2022. Please note that inflation allocations have been determined by each authority however they are not yet loaded into the financial system at the time of the report, so figures included in this report exclude inflation.

The following table sets out the 2021-22 controllable budget of £23.905m across Shared Services at service level.

2021-22 Shared Service Budget	Havering	Newham	Grand Total
Asset Management Services	1,276,680	1,302,340	2,579,020
Business Services	196,260	191,400	387,660
Exchequer & Transactional Services	2,497,128	1,869,300	4,366,428
Finance	753,881	1,043,230	1,797,111
ICT Services	3,760,933	4,006,000	7,766,933
Legal & Governance	745,230	1,991,100	2,736,330
Strategic & Operational HR	1,137,490	2,072,150	3,209,640
Procurement	319,650	743,000	1,062,650
Grand Total	10,687,252	13,218,520	23,905,772

Appendix 1 has a table setting out the 2021-22 controllable budget for Shared Services at the activity level within the service level.

The following table sets out the 2021-22 controllable budget of £25.966m across Non-Shared Services at service level.

2021-22 Non- Shared Service Budget	Havering	Newham	Grand Total
ICT Services	555,870	778,000	1,333,870
Legal & Democratic	1,323,950	731,200	2,055,150
Human Resources	378,390	1,161,100	1,539,490
Asset Management	241,256	14,948,976	15,190,232
Finance	2,452,022	627,240	3,079,262
Technical and Transport Services	2,548,653		2,548,653
Transactional Services	(542,930)	760,200	217,270
Business Services	2,100	0	2,100
Grand Total	6,959,311	19,006,716	25,966,027

The distribution of savings to be delivered for 2021-22 are as follows:

2021-22 Budget	Havering £000	Newham £000	Total £000
Non-Shared	-1,626		-1,626
Shared	-1,546	-703	-2,249
	-3,172	-703	-3,875

The initiatives to deliver these savings are set out below:

LB Havering	DESCRIPTION	£000
Full-Year Impact of Savings Carried Forward From 2020/21	One Source Shared 20/21 Savings	756
	One Source Non Shared 20/21 Savings	225
Asset Management	Review of management and service structures to reflect changing service needs	150
Consolidation of Electronic Document Management Systems	Proposed as part of a wider review of document management	40
Exchequer Restructure	Automation and the implementation of robotics will enable services to be more efficient. As the use of Fusion is enhanced, development plans will be discussed and agreed 21/22 once the professional users are able to identify processes that can be automated. Full year savings will only become realistic for 22/23.	100
Fusion Efficiencies	automation of processes leading to reductions in manual processes	70
ICT Restructure	A complete re-structure of the IT service over the next two financial years to ensure the service is fit-for-purpose for the needs of the council. This includes the implementation of a new model of operation and a different, scalable funding model for council change projects that require IT.	400
Increase in Asset Management Income	Increasing sales to external customers for those services that already trade successfully (e.g. Health & Safety, Transport)	100
Increase net contribution	When conditions are appropriate, further expansion of enforcement services may be possible	100
Increase trading income and review of fees - Legal	management of overall spend to deliver savings through the most cost effective provider; demand management and reducing failures that cause legal costs.	370
Move all outbound postage to 2 nd class	Proposed as part of a wider review of document management Agreement with multiple services across the council to stop 1st class postage and move to 2nd class postage. Other than where statutory/legal requirements to continue to be 1st class	100
Re Modelling of Finance	Reviewing the proportion of finance staff at different levels	55
Re-platforming Planning Systems	Contract efficiencies in the cost of the provision of hosted systems	15
Mainstream Apprentice Scheme	End corporate funding of apprentices as now mainstreamed into departments. Continuation of the scheme dependent on service funding	58
Release Mercury House	Reduction in office space as a result of revised working arrangements. Subject of a separate report to December Cabinet on Asset Rationalisation and Smart Working	633
TOTAL ONE SOURCE SAVINGS		(3.172)

LB Newham	Description	£'000
ICT efficiencies	Move all outbound postage to 2nd class, ICT restructure, re-platform planning systems, consolidate electronic document management systems	50
Asset Management	Team restructure	75
Legal & Democratic	Increase trading income	100
Legal & Democratic	Recovery of legal costs and fee review	125
Exchequer & Transactional Services	Increase net contribution from providing enforcement to third parties and introduce robotic process automation.	150
ICT Efficiencies	Team restructure	203
TOTAL ONE SOURCE SAVINGS		703

RECOMMENDATIONS

The Joint Committee is asked to note the based budget for oneSource services for 2021/2022.

REPORT DETAIL

Legal implications and risks:

There are no immediate legal implications arising from this report.

Human Resources implications and risks:

There are no immediate HR implications arising from this report.

Equalities implications and risks:

There are no equalities implications arising from this report.

BACKGROUND PAPERS

None

Appendix 1: Shared Service Budgets @ Activity Level

Sum of Original Budget Row Labels	Column Labels		Grand Total
	Havering	Newham	
oS Asset Management Services	1,276,680	1,302,340	2,579,020
oS Asset Management Support	380,160	(13,560)	366,600
oS Facilities Management	268,330	518,600	786,930
oS Health & Safety	260,340	395,400	655,740
oS Property	367,850	401,900	769,750
oS Business Services	196,260	191,400	387,660
oS Business Services	196,260	191,400	387,660
oS Exchequer & Transactional Services	2,497,128	1,869,300	4,366,428
oS Council Tax and Benefits	1,089,433		1,089,433
oS Debt Management & Recovery	(383,870)	(565,100)	(948,970)
oS Exchequer & Transactional Management	(141,080)	169,100	28,020
oS NNDR	227,320	358,200	585,520
OS Transactional AP and AR	820,160		820,160
oS Transactional Services	885,165	1,907,100	2,792,265
oS Finance	753,881	1,043,230	1,797,111
oS Corporate & Operational Finance	753,881	1,043,230	1,797,111
oS ICT Services	3,760,933	4,006,000	7,766,933
oS Application and Development	1,987,351	1,591,944	3,579,295
oS Commercial Services	(331,408)	(226,907)	(558,315)
oS ICT Management	703,951	(869,106)	(165,155)
oS Programmes and Projects	496,086	259,163	755,249
oS Support Centre	190,362		190,362
oS Unified Communications	714,591	3,250,906	3,965,497
oS Legal & Governance	745,230	1,991,100	2,736,330
oS Legal	745,230	1,991,100	2,736,330
oS Strategic & Operational HR	1,137,490	2,072,150	3,209,640
oS Strategic & Operational HR	1,137,490	2,072,150	3,209,640
Procurement	319,650	743,000	1,062,650
oS Procurement	319,650	743,000	1,062,650
Grand Total	10,687,252	13,218,520	23,905,772