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MINUTES OF A MEETING OF THE ONESOURCE JOINT COMMITTEE

3 December 2021 (2.00 - 4.07 pm)

Present:

COUNCILLORS

Havering Robert Benham, Roger Ramsey and Damian White

Newham Mayor Rokhsana Fiaz, Zulfiqar Ali and Terry Paul

All decisions were taken with no votes against.

Also present:

Dave McNamara, Director of Finance
Patrick Montgomery, Director of Technology and Innovation (via Zoom)
Liz Carswell, Assistant Director, Performance, Policy and Programmes
Rose Younger, Director of Procurement
Anthony Clements, Principal Democratic Services Officer

One member of the Press was also present.

18 **APOLOGIES**

There were no apologies for absence.

19 **DISCLOSURE OF INTERESTS**

There were no disclosures of interest.

20 **MINUTES**

The minutes of the meeting held on 6 August 2021 were agreed as a correct record. There were no matters arising.

21 **ONESOURCE STRATEGY 2021-22 PROGRESS REPORT FOR Q2**

Concerns were raised that the direct debit issues were examples of oneSource not meeting its strategic objectives and that the report did not give a sense of progress against strategic priorities. Officers responded that projects listed could have priorities changed in order to for example address the direct debit issue.

The strategy had been launched in February 2020 but the impact of the lockdown had delayed many activities. By April 2021, some activities had been found to no longer be relevant. More than 50% of activities were however the same as identified at the start of the strategy and officers would confirm the exact figure for this. Timescales for project completion could be included in the report for the next meeting. It was also suggested that each activity should be linked in the report to one of the five oneSource priorities.

It was clarified that the work to launch a contracts register had been undertaken but the register was not fully complete as yet. Members were keen to move the contracts register to completion and asked what the Councils could do to assist this. There was a lot of low level contract spend and it was wished to establish what the value of this was and the level of contracts above the threshold. The threshold had been set at £10k in Newham and £25k in Havering.

IT and hybrid office work had progressed better in Newham than in Havering. It was agreed that a report on the hybrid office strategy should be brought to a future meeting of the Joint Committee.

22 ONESOURCE PERFORMANCE REPORT Q2

A report showed progress against the standards that had been agreed. An update could be circulated on the reasons for the vacancy rate in Havering. Members were invited to send in questions on the report, the answers to which could be circulated outside the meeting.

The higher number of performance ratings for Newham mainly covered non-shared services. It was suggested that the report should show similar performance indicators for Havering and Newham in order to assess performance.

Officers would confirm if the figures for use of agency staff applied just to oneSource services.

23 OVERVIEW OF THE ONESOURCE APPROACH TO TRADING REPORT

The oneSource approach to trading aimed to reduce overspends and achieve savings. This had led to a more nuanced approach to trading with a focus on services that were making a profit. It was aimed to have high quality, low cost services that would allow the most profit on trading. The report stated that, for some services, oneSource was more attractive than the private sector.

The commercial protocol had been brought to the Joint Committee in 2019 but it would be necessary to work out what was now feasible for oneSource. Whilst a lot of work could be done on existing resources, a business case would be needed to expand services. Members felt that oneSource services

should be benchmarked against the private sector and seek to provide services to the new City Hall in Newham. Officers confirmed that linkages from previous roles had been used to successfully obtain contracts for oneSource.

It was agreed to bring to the next meeting a list of three products or services that oneSource could trade on. It was also suggested that Mayor Fiaz could discuss with Councillor White and the Havering Cabinet the Newham Sparks project to make Newham a data destination.

24 **DIRECT DEBIT INCIDENT REPORT**

It was clarified that the incident reported on had only affected Havering. Several hundred residents had had payments of 100 times the correct amount taken from their bank accounts. This had been due to a system upgrade of payment software and the error not being spotted in manual control checks. A number of actions had been taken in response as shown in the report. IT processes had been revised as had those of the accounts receivables teams. Standards setting had been undertaken with the staff involved.

It agreed that a detailed report on Fusion should be taken at the next meeting of the Joint Committee. It was hoped this would give assurances that the Fusion system was working satisfactorily. Officers clarified that the specific direct debit issue was not related to Fusion. Members felt that the problems were due to issues of diligence and of culture within teams and that assurances should be sought from senior management. It was accepted that better training and induction was needed and that perhaps responsibility for the associated work should no longer sit with the IT service desk.

The Joint Committee noted the report.

25 **JOINT COMMITTEE FINANCE REPORT**

Officers advised that there was an overspend of around £7m. This had been due to the pandemic and also due to carrying pressures that had been masked by some increases in income in e.g. enforcement services. Procurement savings in Newham had not yet materialised. Officers were not confident that savings would be delivered in the coming year.

The most expenditure was on staff. Whilst a number of reorganisations had been implemented, these savings would not be delivered in the current year. Both boroughs would have a single commissioner of legal services and it was hoped to make more use of in-house legal services. Members agreed, feeling that an in-house team could contract better. An analysis of legal advice costs could be included in the report but it was not possible to

determine the quality of the legal advice received. Quality issues such as this would need to be taken up with the Director.

Members recognised that legal practice had become very specialised and that some external expertise would be needed. Indeed, the work of the right specialist might be cost effective.

It was wished to bring IT expenditure into the corporate centre. It was confirmed that the forthcoming increases in National Insurance and the minimum wage had been built into the corporate financial strategy and would have a neutral impact on budgets. Budget pressures were being identified currently and these would be fed through into the oneSource budget. The ICT reorganisation had been a complex exercise but was now in its final phase. A change of IT leadership had also delayed the reorganisation.

Officers accepted that not as much progress had been made on achieving savings as they would have liked. The situation was however similar in most London boroughs. Officers were not confident that savings could be delivered at this stage. More visibility was required from managers as to the actions they had taken to produce savings. It was suggested that a future report could show the difference in spending between new and existing contracts.

The Joint Committee noted the finance report.

26 **PROCUREMENT UPDATE INCLUDING BRIEFING/PROJECT PLAN FOR DELIVERY OF PROCUREMENT SAVINGS**

The Joint Committee was advised that steps had been taken to address weaknesses in the procurement structure and to reduce the number of agency workers used.

The I-Procure system allowed the identification of contracts that Havering and Newham could procure together. Contract spend was improving as was the management of procurement. Social value guidance had been developed for both Councils as had a training gateway tool. A list of social value items would be taken to both Cabinets, allowing for a greater degree of visibility and transparency.

Officers felt that the biggest single improvement had been the establishment of a gateway review group. This met on a weekly basis with the Section 151 officers to ensure that procurement was delivering the right outcomes. The group had identified £2.3m savings for Newham and £1m for Havering although these would not all be achieved in the current financial year. The group wished to continue delivering savings on new contracts whilst external experts were looking at savings on new contracts. Savings information on new and existing contracts could be brought to the next meeting.

Members felt contract values should be benchmarked against other Councils in order to maximise efficiency. Members also felt that the Contract Procedure Rules had been relied on too heavily in the past and that the extent to which the contracts register was not sufficiently complete was undermining this work. It was agreed that a report on the governance of the contracts register should be brought to a meeting between oneSource SLT and Havering's Cabinet.

The negotiation of existing contracts was bound by laws and regulations although savings could be achieved at extension points in the contract. It was accepted that there had not been any management of contract specification prior to the Gateway Review. The contracts register was a priority and this had been published on the Council websites. It was hoped that services would take more responsibility for the register themselves.

Mayor Fiaz asked for assurances that the social value outcomes required from procurement would be retained. It was agreed that this should be discussed further at the next meeting of the Joint Committee.

Chairman

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