

ONESOURCE JOINT COMMITTEE

28th July 2023

Subject heading:

**Future of One Source –
Programme Update**

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Financial summary:

SUMMARY

At the last Joint Committee on 28th April, it was asked to note the decisions taken by London Boroughs of Newham and Havering cabinets of 4th / 12th April respectively to return a number of services to each borough, and retain a small number of services within one source. Joint Committee was also provided with the next steps in the delivery of the programme. This report provides an update on the progress with the delivery of the programme, and the next steps.

RECOMMENDATIONS

The Joint Committee are asked to note the:

- a. progress with the delivery of the programme;
- b. next steps in the delivery of the programme.

REPORT DETAIL

1. Background

- 1.1 One Source was established in 2014 by way of a Joint Committee and Delegation Agreement (the “Agreement”) as a joint arrangement between The London Borough of Newham (“LBN”) and The London Borough of Havering (“LBH”) to provide most of the back office or support

functions that the councils depend on to deliver other services. The Future of One Source was considered by both councils, culminating in proposals and recommendations presented to Newham Cabinet on 4th April, and Havering Cabinet on 12th April with approval to:

<p>1. <u>Withdraw</u> delegation from One Source of the following shared services:</p> <ul style="list-style-type: none"> • Human Resources and Organisational Development (HROD) • Procurement • ICT • Asset Management • Finance: Pensions Accountancy and Treasury, Reconciliations 	<p>2. <u>Retain</u> existing delegations to those functions that remain within One Source, namely:</p> <ul style="list-style-type: none"> • Legal and Governance • Exchequer and Transactional • Corporate Business Systems Team • Print Services
<p>3. <u>Authorise</u> the Corporate Director of Resources (LBN) S151 Officer (LBH), in consultation with the Chief Executives, to make all necessary arrangements to give effect to 1 & 2 above.</p>	<p>4. <u>Waive</u> the right to any compensatory payments</p>

1.2 The arrangements to give effect to the withdrawal and retention of services in 2.1 above included but were not limited to:

- Implementing the HR and other operational processes to give effect to the recommendations.
- Agreeing the dates for the withdrawal of those services listed in 1.1
- Agreeing, amending and finalising any variation or variations to the Agreement and the delegations contained therein as necessary to give effect to 1.1, and thereafter to sign and complete any variation on behalf of LBN and LBH.
- Making arrangements to receive staff into LBN and LBH as a result of the amendments to the Agreement.
- Making arrangements (whether contractual or otherwise) to allow LBN and LBH to share some of the proposed withdrawn services for a transitional period beyond the agreed date of implementation whilst permanent arrangements are put in place within LBN and LBH.
- Making arrangements to provide a support service to the retained One Source services.

2. Progress with the delivery of the programme

2.1 Delivery has been underway since April, mapping and implementing the return of services to boroughs, and the work required for the remaining services within one source. The overall programme plan is being monitored via an officer Programme Board, attended by senior officers from each Council and by the oneSource Directors. Progress is reported to both councils internally as requested and to Joint Committee.

2.2 Underpinning the return of services to each borough and the reshaping of the remaining one source services is effective transition and change management, including communications and engagement with staff, trade unions, and each borough.

3. Return of services to boroughs

3.1 Almost all of the services which the two councils agreed to remove from the oneSource arrangement have now moved into the formal staff consultation and selection processes required to effect the practical change. The exceptions are the small reconciliations team, where some necessary software upgrades are being applied first, and the ICT function, which is on a longer time-frame as set out in paragraph 3.2. All the usual HR processes are being applied, including consultation with Trade Unions, and with staff (45 days) and Appendix 1 sets out the current schedule.

- 3.2** A jointly agreed ICT separation model is now being followed by a detailed road map for the return of IT to each borough. The IT programme includes the internal restructure of IT (as part of IT stabilisation), prior to the return of IT to each borough. The timeline for the return of reconciliations is currently being finalised.
- 3.3** Human Resources & Organisational Development (HR&OD) and Property concluded their staff consultations in June, and are now implementing the return of function and staff to each borough, including staff selection. Property is due to return by early September, and HR&OD by early October.
- 3.4** Capital Development and Corporate Estate, Pensions and Treasury, and Procurement commenced staff consultation in July, and are due to return to the individual boroughs between November and December. The dates given below are the latest dates; practically most of the arrangements are expected to have concluded somewhat earlier.

Service	Consultation period	Return to Borough
Property Services	28 th April – 9 th June	Early September
Human Resources, Organisation Development	24 th April - 19 th June	Early October
Capital Development Corporate Estate	10 th July – 24 th August	Early November
Pensions and Treasury	12 th July – 29 th August	December
Procurement	20 th July - 5 th September	December

- 3.5** All services returning to LBN apart from IT, will moved to the Resources Directorate. IT will be moved to the Chief Digital Officer Directorate. The remaining one source services will report to the Resources Directorate. Appendix 2 sets out a structure chart for this.
- 3.6** All services returning to LBH will be located within 'Place' and 'Resources' Directorates. All LBH non-shared services will be assimilated into the new LBH structure over the coming weeks, and is being managed as part of the LBH Operating Model Programme. The remaining one source services will report to the Resources Directorate. See Appendix 3.

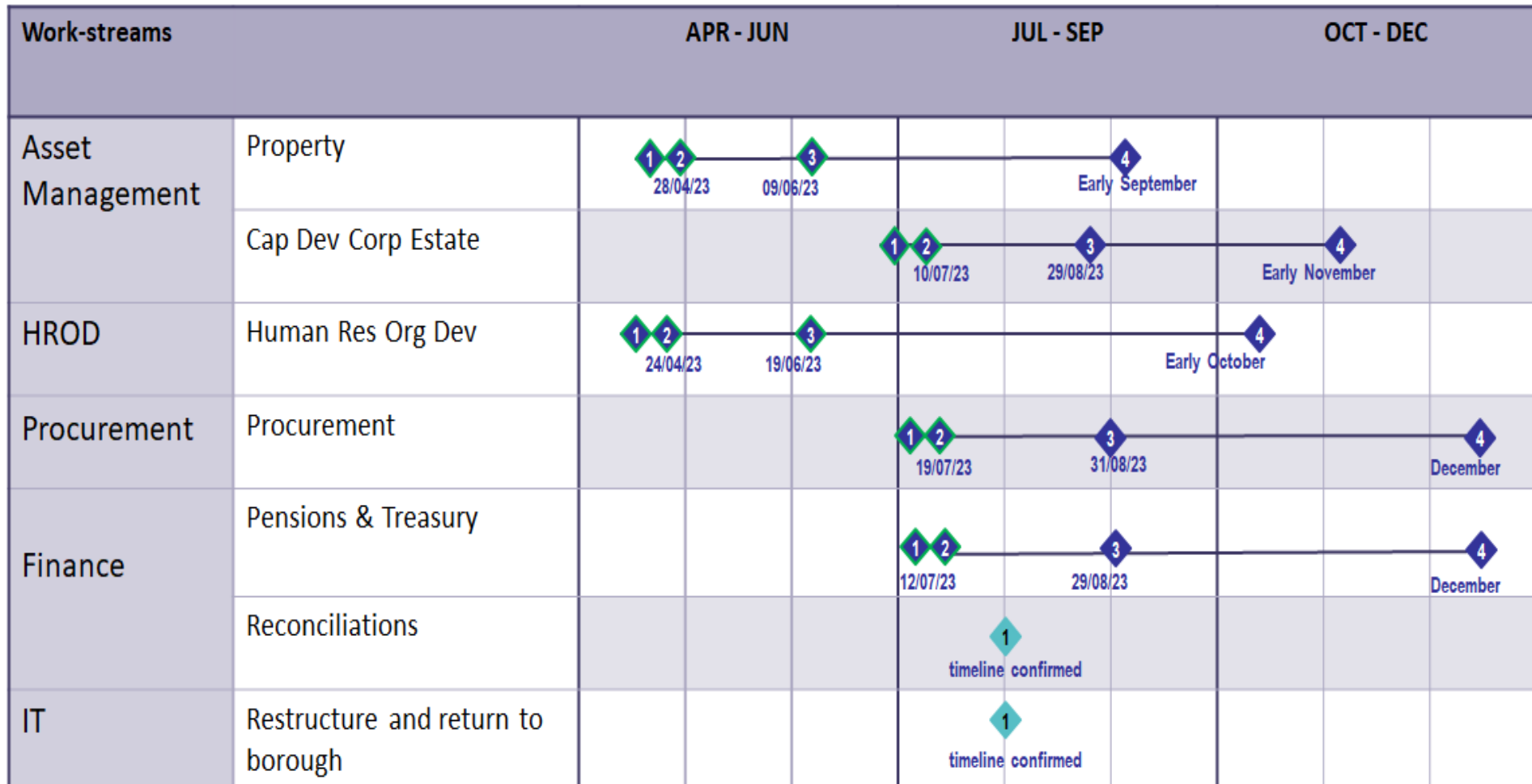
4. Services remaining within one source

- 4.1** The support requirements of the remaining one source services are being finalised, and proposals being developed for the future provision of a central support function appropriate to the remaining size of oneSource. The future governance arrangements are also being developed, and is covered in a separate paper to Joint Committee.
- 4.2** Legal Services continue to operate as normal but is undertaking a service improvement exercise. The service improvement plan is attached and is due to complete by the end of December 2023, with a report measuring the success of the plan following thereafter. The progress of the plan is reported to the OneSource Programme Board on a monthly basis, with the latest snapshot of progress attached for information.

5. Next Steps

- 5.1** To complete the return of shared services to each borough by December 2023, and finalise the governance arrangements for one source.
- 5.2** To implement the transition plan, and communications and engagement plan, to support the return of staff and services to each borough, and for the remaining shared services.
- 5.3** To continue to engage with staff and trade unions, by service, and all-staff briefings.
- 5.4** To report back to Joint Committee on 10th November.

Appendix 1 – Roadmap - Return of Shared Services



KEY

1
Key activity informing restructure

1
Change case approved

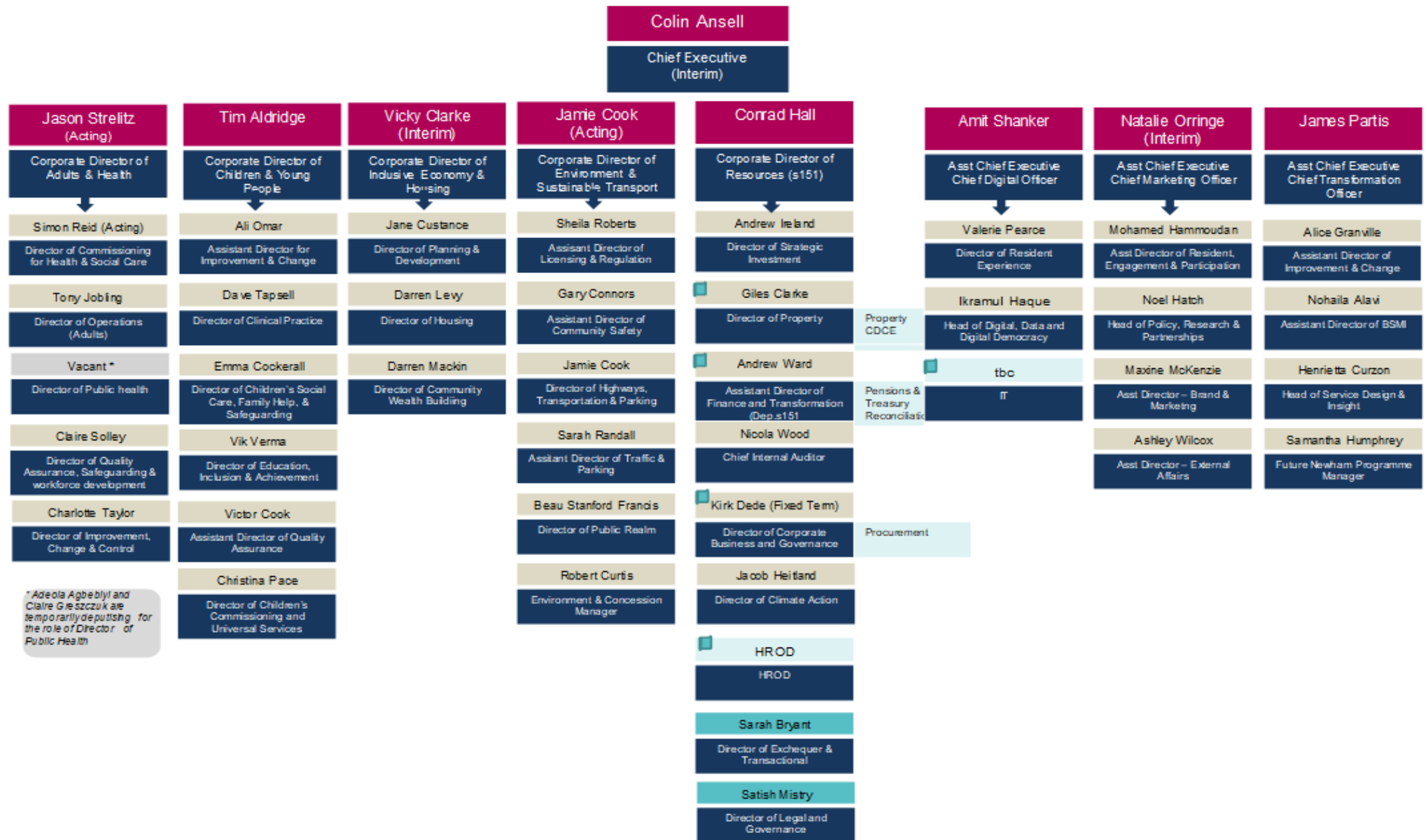
2
Consultation launch

3
Consultation close

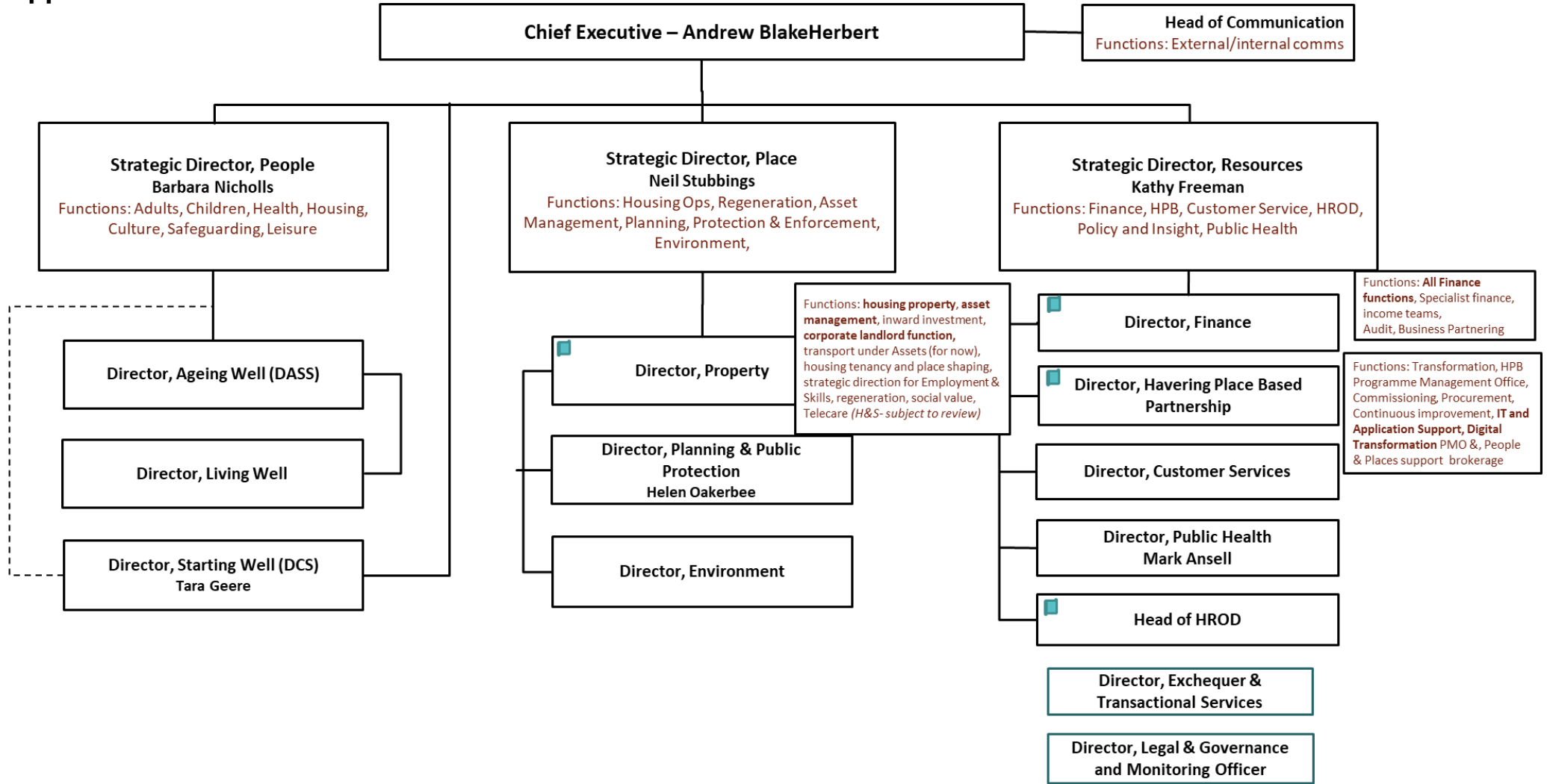
4
Return to Borough

Completed

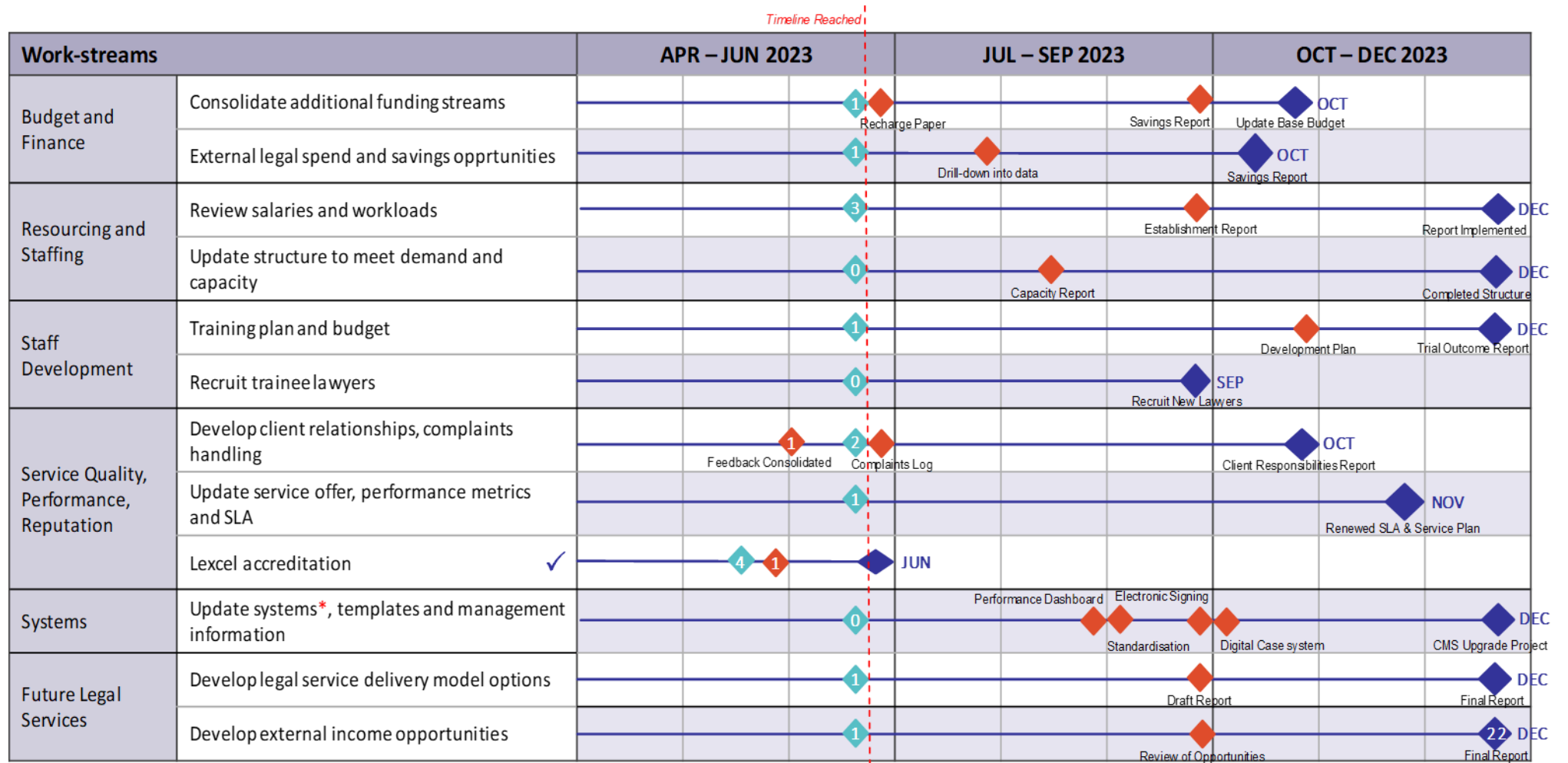
Appendix 2 – LBN Structure



Appendix 2 – LBH Structure



Appendix 4 Legal Service Improvement Plan



KEY

- Workstream Target Date
- Tasks Completed
- Milestones Achieved
- Workstream Completed

* CMS Upgrade Project – implementation phase to start in 2024