

Shared services: the opportunities & challenges!

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Northamptonshire
County Council

Topics for discussion.. provoke thought

- **Why shared services – panacea or pipedream?**
- **What is a shared service!?**
- **The ingredients for success or failure**
- **Our NCC/CCC+ LGSS – now and the future**
- **Why do we need a private sector partner?**



In the beginning... well 2006



Transformational Government

Enabled by Technology

Within the public services we have to use technology to join up and share services rather than duplicate them. It is a simple fact that we are stronger and more effective when we work together than apart. It is also self evident that we will only be able to deliver the full benefits to customers that these new systems offer through using technology to integrate the process of government at the centre.

This strategy has my full support and I am going to do all I can to help make it happen.

A handwritten signature in black ink that reads "Tony Blair".

Rt Hon Tony Blair MP



The white paper went onto say...

A new Shared Services approach is needed to release efficiencies across the system and support delivery more focussed on customer needs.

Technology now makes this far easier than ever before. Shared services provide public service organisations with the opportunity to reduce waste and inefficiency by re-using assets and sharing investments with others.

Tackling this will be a major challenge as government prepares for the 2007 Comprehensive Spending Review. Particular attention should be paid to the following areas:

- Customer Service Centres
 - Human Resources, Finance and other corporate services
 - Common Infrastructure
 - Data Sharing
 - Information Management
- **With such utopia why has the public sector failed dismally to deliver?**



And just in case you thought they had forgotten....

'The vision for Shared Corporate Services is that by 2016 the majority of the transactional elements of Corporate Services in the public sector will be delivered through a handful of professional shared service organisations.'

(Cabinet Office)

- **The LGA are currently undertaking a study to trial regional centres... of which NCC/CCC can be one!**



So if it's utopia why are we not there as a sector?

Both strategic and operational issues:

- Knowing a shared service when we see one
- In reality the CSR07 platform was not burning – unlike now or CSR10
- 'Not invented here' syndrome
- Everyone wants to be the provider not receiver
- It is a strategic long term decision not a whim – political buy-in
- Protectionism/limiting factors e.g. jobs
- Investment cycles need to synchronise
- General risk adverseness & lack of experience in LAs



So what is a shared service?

- **Two or more independent organisations working together legally**
 - **over a prolonged period,**
 - **with a common vision**
 - **and real resource commitment,**
 - **to produce synergistic financial &/or service benefits to all parties,**
 - **through utilising common business processes (and technology).**
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- What it doesn't mean is equal.



So what makes a successful shared service?

- **Shared vision/common goal**
- **Trust**
- **Compromise**
- **Political & Managerial leadership**

and

- **Marriage certificate (not a contract!)**
- **The new house, playstation & kids come later!**



What helps make it deliver (upper quartile performance at lower quartile cost)?

- Explicit best practice business processes & systems
- Vanilla discipline ... The hidden benefit of sharing
- Proper governance
- Joint teams
- Joint leadership
- Common understanding of roles
- Controlled expenditure
- Exploitation & benefits capture

- The intrepid few that live the vision



Local Government Shared Service

Cambridgeshire: Northamptonshire (& a SE Borough) LGSS Vision

“The creation of a shared service centre from which local government can easily source best practice corporate / back office services and solutions.”

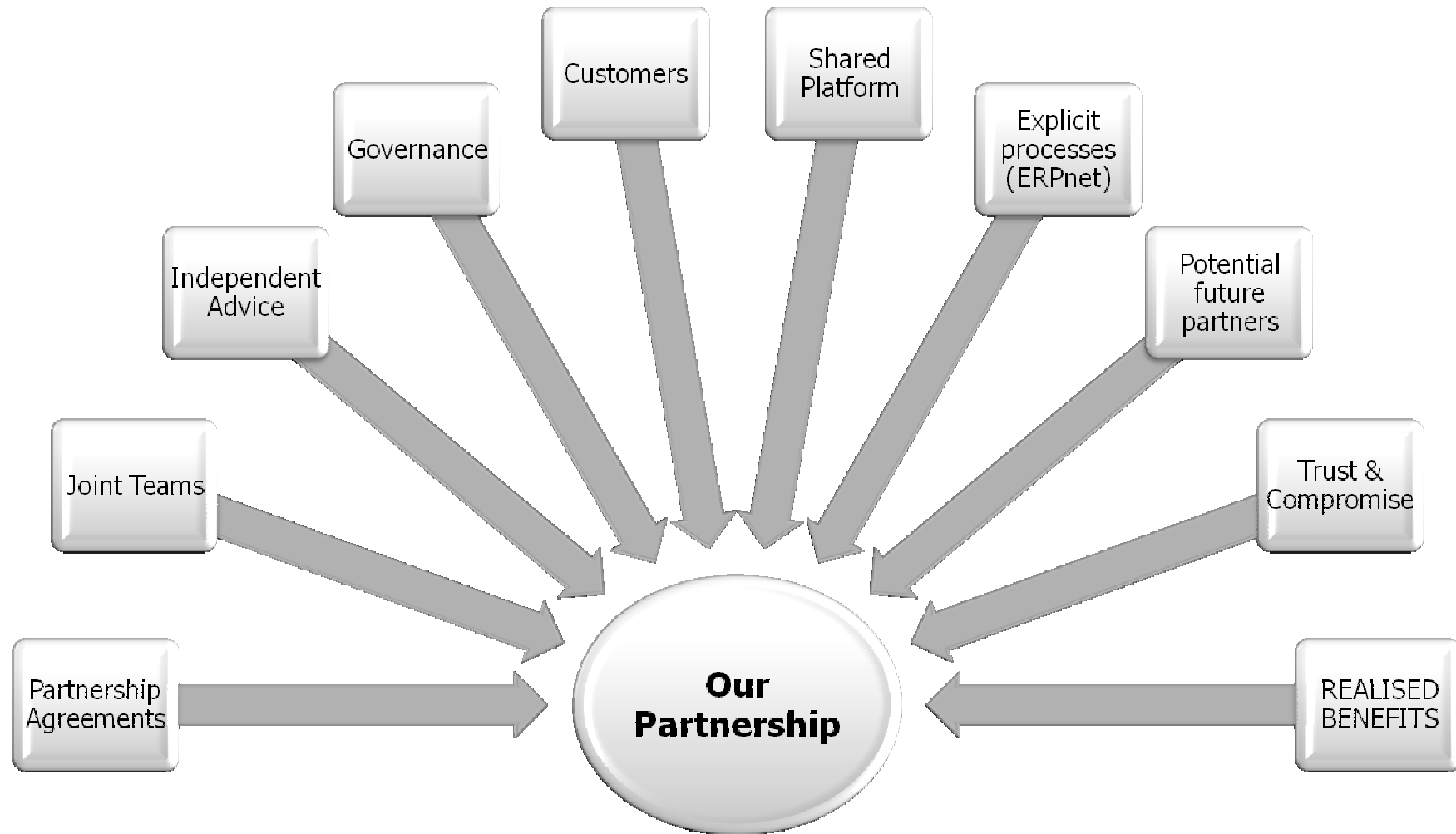


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Our unique shared service exists



The challenges so far

- Going live in two organisations on a common platform
- Understanding Cultural differences
- Trust at all levels: it's always a takeover... not!
- Funding & affordability
- Defining & delivering system administration
- Partners or customers.. which are they
- Common roadmap for ERP development
- Staff turnover (it's great for the CV)
- National union position



The benefits so far (for NCC)

- ERP implementation
- P2P/HR/Finance information
- Reduced cost of ERP implementation
- Cost effective systems administration based on Oracle experience
- Scalable solution
- National recognition & reputation enhanced

- Huge potential



Current Questions about the future?

- **Scope – which services and whether transactional and/or professional**
- **What you offer as an entity, what you buy as a customer**
- **Partners – private/public?**
- **Essential to answer why we are in the selling game**
- **Location – what will we accept**
- **Affordability and business case viability for all partners**



Why a private partner?

- QC - Can't sell without them
- Share investment and risk
- An expandable solution
- Improve the efficiency of administering services – reducing costs and moving to industry best practice
- Linking with the national agenda of regional suppliers



So where to from here?

- Prepare OJEU
- OJEU .. Competitive dialogue
- Secure our SE partner
- Communication to staff and TUs as scope is agreed
- Start April 2010
- Framework contracts 6 months after that
- **We are ahead in this market place we aim to stay that way!**



Any Questions????



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