

Strategic Partnership

Meeting cost challenges through real collaboration

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Why are we doing this in Lancashire?

- To reduce costs by better use of technology and to avoid technology leaving us behind
- To improve customer service and access
- To unlock potential of massive procurement power
- To create a model where partners and Lancashire communities benefit from the economies of scale

What are we doing?

- 10 year Strategic Partnership
- Initial Scope
 - HR and Payroll
 - ICT
 - Customer Services
 - Procurement and Accounts Payable
- ‘Opt-In’ Framework for others

What is collaboration?

Collaboration is NOT

- Outsourcing
- Contracting out
- Traditional Client-Contractor Relationship

Collaboration IS

- **Shared equity**
- **Real partnership**
- **Shared aims and ambitions**
- **Working towards common goals**

Key benefits of real collaborative working

- More capability and capacity to meet challenges
- Sharing risk
- Shared leadership and drive to transform
- Shared services and wider trading opportunities
- Innovation
- Procurement and spending power
- Economic development
- Better overall outcomes and reduced costs

Foundations for the right kind of relationship

1. Governance
2. Financials
3. Performance
4. People
5. Flexibility

1. Governance

- Ownership by the senior leadership team and elected members
- Buy-in from potential partners, at the highest level
- Long term engagement of those to be involved in delivery during the procurement process (not just the sales people)
- Joint venture
- Focus on long term relationships, with a non contractual partnering protocol to include behaviours, commitments and principles for a successful partnership

2. Financials

- Potential partners will expect detailed information on how much you spend and what you spend it on
- Quality due diligence is crucial
- Make clear which services are to be included in the partnership
- Identify guaranteed savings
- Identify consequential savings
- Guarantee investment in maintaining and improving services (public sector and partner)
- Procurement power can be substantial

2. Financials

The Lancashire Deal

- From day one guaranteed savings on services transferred in (now and future)
- Guaranteed savings on procurement
- Revenue share from 3rd party sales
- Investment from BT
 - management and governance structure
 - community development budget
 - Team driving out savings across Lancashire

3. Performance

- Place the customer at the heart of everything
- Use Service Level Agreements (but only measure performance that is relevant)
- Establish contractual targets and non-contractual (stretch) targets
- Deliver value for money
- Involve the partner on the authority leadership team
- Flexible contract length to reward good performance

4. People

- Involve staff from the outset - the success of the partnership will depend on their willingness to engage
- Be clear about the employment model “TUPE v Secondment “. Decision to adopt secondment model was key part of Lancashire’s approach
- Engage with staff who will **not** be directly involved in the partnership
- Ensure all staff understand the partnership and the reasons for doing it

4. People - Secondment

- All staff transfer on existing terms and conditions
- Opportunities for development
- Can give notice after 6 months ... but

5. Flexibility

- Make arrangements that other public organisations can participate in at their own pace and to meet their own needs
- Avoid the need to conduct separate procurement exercises, reducing both timescales and costs
- Avoid one size fits all and don't reduce pace to suit the slowest – organisations who are behind can join when ready
- Don't waste time persuading those who can't be persuaded!

AND FINALLY

- Only procure when you are clear about what you want
- 2 “bottom lines”
 - there is a contractual framework
 - but successful partnerships are about establishing and maintaining successful relationships