



# Shared Services: building trust, forging partnerships, transforming services

November 2005



## About the Authority Forum



The Authority Forum is a quarterly focus group event for senior public sector executives involved in improving service delivery and efficiency at the local level. Selected delegates are drawn from progressive local authorities as well as central government and industry analysts, to discuss and debate a current public sector issue in depth and to develop recommendations for progress.

Taking part in the Authority Forum provides the opportunity to discuss opinions and ideas on key issues with peers. Delegates can position their organisation as a thought leader on priority areas at the local level and similarly can raise the profile of the programmes that they and their colleagues have been working hard to achieve.

The discussion and recommendations of the group are documented in the Authority Forum report, written by Dan Jellinek, editor of e-Government Bulletin. In addition, selected journalists were invited to listen and document any findings for their respective publications.

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# Executive summary

This year looks set to be the point when shared services – collaborative working between public sector bodies and private sector partners to pool resources and boost efficiency - come into their own.

The term covers everything from the sharing of IT and other back-office infrastructure by a group of authorities to the joint commissioning of work from the private sector, or the establishment of a consortium of authorities and their partners that can carry out work for others. It can involve sharing between two councils or 50 councils; and it could simply mean that framework contracts are drawn up in one area that could potentially be used in others. And last but not least, it is not restricted to administrative functions, but can also involve front-office services.

The common thread to these examples is that public bodies are realising that it does not make financial sense for them to go it alone in a whole range of service areas, and that sharing services leads to efficiency gains and a better experience for citizens.

Increasingly, central government is making sure that local authorities are forced to consider sharing services, as they eye up the possible savings and see how shared services have worked well in many areas. Further changes can be expected in Local Government minister David Milliband's forthcoming June white paper on local government reorganisation.

In his recent IT strategy for the whole of government, subtitled 'Transformational Government - Enabled by technology', ([www.cio.gov.uk/documents/pdf/transgov/transgov-strategy.pdf](http://www.cio.gov.uk/documents/pdf/transgov/transgov-strategy.pdf)) the former UK government CIO Ian Watmore dedicated a whole section to shared services. The strategy states: "A new shared services approach is needed to release the efficiencies across the system and support delivery more focused on customer needs. Technology now makes this far easier than ever before."

And as well as offering assistance to shared services such as setting up a common infrastructure and issuing guidance, the document makes it clear that the government will not tolerate inaction. "Bodies awarding funding should presume that public service organisations only deliver good value for money when they standardise and share services with others," it says.

As Watmore has now been promoted to head the Prime Minister's Delivery Unit, which includes strategic oversight of government IT, we can expect the shared services agenda to continue to receive strong backing from the very top of government.

Meanwhile the Local Government Employers Organisation in conjunction with 4ps has published advice on managing the workforce aspects of shared services including the relocation of jobs, redundancies and HR capacity (see [www.lg-employers.gov.uk/efficiency/collaboration.html](http://www.lg-employers.gov.uk/efficiency/collaboration.html)).

The organisation said that people issues formed the biggest potential barriers to successful collaboration on services such as revenues, benefits, ICT and HR.

It said, "Having talked to the small number of local authorities who are already moving towards implementing shared services, the EO has found that ... many elected members and senior managers did not take issues

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such as the relocation of jobs, redundancies and HR capacity into account when evaluating different options, leading to deadlock between the partners or lower than anticipated savings.”

Culture change is always a tough nut to crack in the public sector, but the potential prizes are great. Advocates point to cash and productivity savings through sharing the commissioning or provision of services; services can be made more resilient, particularly for small councils, through the involvement of others; and shared knowledge and pooled resources can lead to improved intelligence and better strategic thinking.

Against this backdrop, the November 2005 Authority Forum brought together a range of senior experts and practitioners to debate the issues and draw out the key points for others to bear in mind as they plan for successful projects of their own. These key points are set out below, followed by a full account of the forum's debate.



## Key points

- The best partners are the ones that have got their own house in order - having a shared services culture within an organisation is the best way to work with others. Relevant functions should be fully unified within an authority before it can share externally. Authorities should also ensure their internal financial structures are sound so that the true cost of a service is known before sharing is attempted.
- A common ICT or administrative infrastructure can be created regionally or sub-regionally, at the size that fits each authority. But they should retain locally-set policies in areas such as benefits to ensure local democratic control.
- Sharing services can help boost service resilience for small councils: a shared team of three people serving three councils is more robust than each council relying on one person.
- Public bodies can use shared services to build on the strategic capacity of local authorities in a region, by developing shared pools of expertise. A pool can be created of professionals, for example giving high-level legal advice, who are then hired out on a fee-earning basis. This can help organisations think and plan strategically.
- Shared services must be considered within a structured, well-considered and well-documented business plan. This should take proper account of funding whole-life costs, not just immediate efficiencies.
- To offset up-front development costs, councils should work with their regional centres of excellence to explore the potential for shared services in each area. The centres can offer funding, space and time to help councils plan for the long term to work with voluntary, public and private sector partners.
- Authorities should engage with the unions and explain that shared services are a reality, and it is in their members' interests that the unions work with councils to ensure a fair deal for all.
- Partnership must mean true partnership with each side taking pains to understand the strengths and motivations of the other, and to work out creative ways that all sides can work together for mutual benefit. This is an ongoing process.
- The public sector must understand that the private sector needs to make a profit, and therefore that output-based bonuses generally work a lot better than punitive contracts.
- Shared service projects need a project board that is properly structured and empowered to do its job. There is no single best model for this, rather it needs to relate to the individual business case.
- Officers must not back councillors into a corner in making decisions on shared services - councillors should be offered a range of carefully costed options from which to choose.
- The Regional Centres of Excellence, as change agents, are positioned to provide support, encouragement, funding and leadership to local authorities in the drive for efficiency and improved services.

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# Discussion report

The current attitude in government towards public bodies sharing the administration, management and delivery of services with public or private sector partners is one of flexibility and expediency.

Gone are the days where the level and type of partnership is mandated, as with the old Compulsory Competitive Tendering regime for local authorities. The modern public sector agenda is more focused on outcomes: delivering efficiency savings and improving services. How these outcomes are achieved is open to local choice, although public bodies must show they have weighed up all the options carefully and there is much to consider.

Do councils club together to form their own agency to carry out work on behalf of a group of councils in one region, perhaps a group of districts plus a county? Do organisations club together to outsource a service to the private sector? Do they establish a network of participating authorities to explore a wide range of shared services options? Or some combination of these approaches?

Chairperson Tola Sargeant, Senior Analyst at Ovum, said: “One fact seems clear - that going it alone is no longer a viable option for most back-office services, and increasingly for front-line service delivery as well. So all local organisations must start to look at what partnerships they can build with other public and private sector partners, to try out different models and see what works best for them.”

A recommended approach is to start small and think bigger later: building trust in a small way with any potential partner is a good first step before committing to a larger or longer-term arrangement. And all sides in a partnership must be flexible, creative and seek to make a partnership work for everybody, not just themselves: a successful partnership requires that both sides are happy.

## The meaning of shared services

The term ‘shared services’ describes many types of collaborative working. There is not one fixed model for sharing services.

Heather Kerswell, Chief Executive, Mole Valley District Council, said the term shared services can mean many things. “It can mean the sharing of back-office infrastructure, or of front-office services. It could be public sector bodies jointly commissioning services from the private sector to perform a particular task, or it could mean a flexible contract drawn up between one set of organisations that can be extended to others. Or it could be a group of authorities that set up a consortium that can then provide a service to others.

“But whatever format is adopted, it is about shared communities with common customers delivering the best service they can. Beyond simple efficiency, this means making services more robust and resilient.”

Karen Cherrett, a Senior Executive at 4ps, said: “Maybe it is easier to say what it isn’t - it isn’t one council providing services on its own. And we’re driven now by a central government agenda that says everything must be shared.”



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Heather Kerswell

Pat Harding, Director of Customer Services, Cambridgeshire County Council, said the County Council provided a full contact centre service to one of the District Councils, on a contractual basis. “The background is that, for some time, there has been a recognition that you can’t do everything yourself - it is how you then collaborate with others and see if it makes sense to group with others and procure a service together.”

Buying in a service from the private sector can be a temporary measure, such as covering staffing gaps: it is not always all or nothing.

Robert Della-Sala, Head of Revenues and Benefits at the London Borough of Hounslow, said it is becoming more widely accepted as an alternative. He said: “For the first time, one can go to four or five different suppliers and get the best price, a situation which should hopefully be reflected in residents’ council tax bills.”

Michael Worrton, Assistant Director of Improvement and Collaboration at the Regional Centre of Excellence (East), said: “The definition is up to us. Shared services are a significant opportunity to drive out efficiencies and enhance services as part of a better business environment.

“We can also build on the strategic capacity of local authorities in the region, and develop shared pools of expertise. For example we are developing a pool of legal expertise, real strategic legal advice, such as advice on rebuilding a town centre. You can create a pool of lawyers and retain them full-time, hiring them out on a fee-earning basis.

“We have to decide what is a strategic capacity. Local government generally has not had the capacity for people to think and plan strategically. Solving that leads to the provision of strong leadership, and effective working.”

Karen Cherrett added: “You can create a common infrastructure regionally or sub-regionally, at the size that fits each authority. Also, even if there is a shared infrastructure, you can still have a locally-set policy in areas like benefits.”

Michael Worrton said: “That is true - in the extreme case, if all services were shared in their totality, you would be left with nothing as an individual council, and you would have 42 councillors asking what they are taking decisions about. We’re not suggesting you lose the vision of what is being done locally - some things can be shared and done more efficiently that way, others can remain local.”

Heather Kerswell said: “We want to form a three-district partnership in East Surrey, to generate efficiencies and also to make services more resilient. At the moment in some areas we have just one person providing a function which leaves us exposed. If we form a three-person group, it will be more resilient.”

Paul Tonks, managing director at Civica, added: “Resilience is a key concept. Indeed, we have developed a specific ‘Resilience Centre’ model in conjunction with a number of local authorities to help participating councils achieve robust services through the pooling of both human and technology resources. Areas where this can help are in the management of workload peaks and troughs, and in facilitating quality processes more likely to deliver a service that is ‘right first time’.”



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## Putting your own house in order

In order to share services effectively, public organisations need to prepare fully. There have to be some basic ground rules in place and coherent financial structures will enable councils to measure efficiency gains.

Richard Steel, Head of ICT at the London Borough of Newham, said: “The best partners are the ones that have got their own house in order - having a shared services culture within an organisation is the best way to work with others.

“Central government sees the priorities as HR and Finance functions. Not only is this hugely ambitious - when many organisations don't have a unified human resources function or one single IT system, but local focus is more on front line services and core revenues & benefits activities.”

Pat Harding added: “You need some ground rules in place: there will be one approach to human resources, to management of property and so on - then you can approach partners.”

Proper preparations are required. Michael Worrton said: “Local authorities must recognise that detailed preparation is imperative. There is a recognition that internal financial structures need to be sorted out, such as internal recharges. Otherwise authorities often find the cost of services they want to shift to other structures are at variance with stated current budget provision, and unless you know the true position, how are you going to identify the efficiencies you can generate by changing it?

“Baseline data is essential, including current performance levels, unit costs, overheads, volumetrics and infrastructure implications.”

Dogmatic decisions are not a good basis for shared services either. Richard Steel said: “In the past we have outsourced our IT services on dogmatism, responding to the hype at the time, and outsourced a failing service. So we ended up bringing it back in-house, and it is as competitive as anything in London now.”

“But there remains a big issue around cost comparability, for which we could all benefit from joint or central work on cost benchmarking.”

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**“Some things we are doing are as simple as drawing up an inventory of every contract ...”**

Richard Steel

Robert Della-Sala said: “We've just re-let to a new provider. Everyone has grown up in terms of provider relationships. Everyone knows what the real costs are to begin with. Otherwise how can someone claim they can do it for less? The savings come in a non-customer facing side, in support functions. If services are shared but existing support functions for those services are maintained, then the significant opportunity for economies can be lost. What to do with residual costs remains an issue which local government in the past has not dealt with effectively.”

Richard Steel said: “Some things we are doing are as simple as drawing up an inventory of every contract so we can see where there might be possibilities for sharing.”

Paul Tonks concurred. “Authorities provide many services, not all of which have the opportunity to be shared. The selection of such services is one of the first challenges an authority faces before it debates the issue of how to share and with whom.”

## The changing face of government policy

The Government is developing its policies on shared services and is committed to the principles of collaboration to generate efficiencies. However there are questions over how far the Government can help the public sector enter partnerships and the kinds of incentives and sanctions that will be used.

Michael Worrton said his organisation has led a project representing the largest single piece of work to be undertaken by local government under the Gershon efficiency agenda. Some 46 councils across the region are now co-operating on revenues and benefits services.

He said the government was now totally committed to the shared services agenda. "A shared service team has been created in the Cabinet Office to ensure central government captures all activities that could be shared, not just corporate services like human resources. The government's new IT strategy is a good indication of the government's total commitment to shared services, including incentives and sanctions. Under the strategy, if public bodies apply for funding in any area and don't show that they have looked at the potential for partnerships, then their bids are unlikely to succeed.



**“What is needed from central government above all is a consistency of messages that avoid creating a culture of fear ...”**

Karen Cherrett

Worrton continued: "The regional centres of excellence look at all activities for principles of collaboration. In the East region, we have held a number of meetings with chief executives to find out what their agenda is, what is happening on the ground. To suggest that shared services are the answer to everything is unrealistic, but they can generate efficiencies, both cashable and non-cashable, and improve services. The message for local government is to recognise that we are now in a business environment, not one where budgets just roll forward, and that it is an advantage to look at a shared services approach, with a structured, well-considered and well-documented business plan. Then decide."

Karen Cherrett said: "What is needed from central government above all is a consistency of messages that avoid creating a culture of fear, as happens for example when they say "do this together, but don't share data," or "do this together, but watch out for your individual CPA scores." It would be better if central government departments that deal with local government, like the ODPM and Defra, were joined up too."

Michael Worrton replied: "The government is starting to do just that. A recent paper on revenues and benefits found that unless the government puts stability into regulation, people will use it as a barrier and a reason not to move forward. There is a common agenda - but how can central government help the public sector enter partnerships?"

"Local government has responded to the Gershon efficiency agenda and has exceeded expectations. But the Treasury is not going to ease up, and the challenge remains to secure greater efficiencies out to 2007/08. Those targets will be hard to achieve unless the principals of collaboration and shared services are truly embraced.

"But how will the government incentivise authorities that are good at something to engage with others who are not so good? Because they will worry that they will be dragged back. For

example with revenues and benefits - those who are not so good will have plenty to gain from partnering with others who are performing better, but stronger councils will ask - what's in it for us? So we're asking, can we incentivise high performing authorities to join? We need those people who are pathfinders to be mentors and advisers."

Richard Steel said: "An obvious step is to work better with central departments, for example in Benefits services to improve relationships with the DWP and for them to devolve further tasks to those at the local level who are already good at delivering."

## Is there a resource or funding gap?

There are issues and concerns surrounding the funding of shared services and the best models to adopt. The Regional Centres of Excellence can provide financial support but some local authorities believe that shared services should already be an accepted working practice because of the efficiencies offered.

Heather Kerswell said: "Most of our money goes on front-line services, so we can't just look at back-office savings, we must look at the front line as well. We have had funding from the regional centre of excellence as well as consultants for some initial work. The problem for a district is that we need to make the savings but without the corporate capacity to do the joining-up work, we need external help, for example from consultants.

"Personally I think it is a shame that IEG money is coming to an end - we could do with another three years of it. The money to help create e-government services achieved some significant steps forward, but it has not coincided fully with the joining-up agenda."

Pat Harding said there had been potential for joining up in the IEG funding. "However, one partner might feel 'There's the County again, off it goes, what's it doing' and so on - we need to build trust, to work at the relationship, and that is dependent on individuals.

"The cost of democracy represents a significant overhead that cannot be ignored."

Richard Steel said: "There are both local democracy and political issues. IEG statements from councils are trumpeted as a success, because it is not good news to say otherwise. With shared infrastructure like Government Connects or the Gateway, there are no incentives to get on board.

"The government's new IT strategy is the same as has been pursued for a number of years. There's a new agenda for taking a shared approach, but central government needs to grasp what it means at the local level. Developing a shared service culture is good, but without familiarity of the local environment and its complexity, there is no understanding of how it will be achieved.

Michael Worrton said: "The regional centres of excellence are funded to explore the potential for shared services in each area. So if councils say they are not funded to explore the possibilities, we are there to provide that extra resource, including funding, space and time, to help them plan for the long term to partner with voluntary, public and private sector partners."



**"The cost of democracy represents a significant overhead that cannot be ignored."**

Pat Harding

“But one of the things local government has failed in is that although it has been good with finding efficiencies, it has not fully recognised the implications of residual costs, whole-life costs.”

Richard Steel said: “In any case it is a get-out for councils to say the development of shared services is not funded: we should be doing it anyway because it makes sense. We have benefited from funding at one time or another, but I don’t think we’ve done anything we wouldn’t have undertaken anyway, because it was the right thing to do. Infrastructure is the key, and with investment over the last five years towards common infrastructure there has been a lot of progress which enables us to move forward.”



**“What we’ve been working on is seeing whether shared services have to be outsourced ... There may be private sector input, but the savings will go into the public purse.”**

Paul Tonks

Steel continued: “On the other hand, there needs to be a level playing field. I’ve lost count of the number of suppliers that might have worked with us where we’ve lost the chance of investment because money follows money, and we in a poor area lose out to, say, Kensington and Chelsea. So we’ve put in our own broadband infrastructure. At the end of the day, local government has a duty of care to its community, so we have to take a selfish approach where it makes sense. Clearly in some areas it makes sense for us to partner, but if it comes to a choice between helping our community and ticking boxes, it’s going to be our community every time, and to some extent this forces us to be innovative, which is good.”

Paul Tonks said: “What we’ve been working on is seeing whether shared services have to be outsourced, or whether there is an alternative ‘resilience’ model, with local government bodies coming together as in Surrey, where they are looking at shared services for education, and have put together a board. There may be private sector input, but the savings will go into the public purse.”

Robert Della-Sala said: “There are success stories, and there needs to be PR about what you get right. In London, there are pockets of sharing, but no-one would want to do it across the whole of London as they want local accountability.”

## Offshoring: Beyond the pale?

Sharing services with offshore partners raises potentially controversial political dilemmas for local authorities. However in practical terms, even moving jobs from one authority to a neighbouring one can be complicated. Unions are becoming agitated about these new developments.

Michael Worrone said: “Talking of cultural change, the joint venture between the NHS and Xansa provides an example through its work on back-office processes. Jobs were refocused, with the NHS looking to keep the strategic element in the UK and take the number-crunching and processing off-shore.

“But we face local political difficulties even from moving one job from one authority to a neighbouring authority, let alone to another country. We are trying to say to elected members, there will be areas where you are migrating jobs out of your area, but it is not all about off-loading them on the private sector: you might be able to move some jobs in. And at the end of the day, you are moving front-line services to where they can be provided most effectively.”

Robert Della-Sala added: “Unison is getting very agitated about the prospect of a two-tier system - they want to see workers getting equal salaries in a wide variety of regions or countries - but there would be no point.”

Michael Worrton said: “The dialogue we have with Unison at a regional level has been very progressive and very useful. We’ve engaged with the unions and said this is the reality, and if we don’t do this, funding for services which your members provide will be reduced.”

Heather Kerswell said: “We have an IT development officer in India. But you need a business case for each partnership you enter into.”

## Staying the right side of the law

Sharing services is creating different working methods and practices and there are mounting concerns about the best procedures to follow. Guidance is required.

Karen Cherrett said: “There is also the issue of how European procurement law affects the creation of shared services. If it transgresses European law, it won’t happen: public-private partnerships are not going to be allowed to circumvent competition law. Arguably some current partnerships already contravene competition law.”

Heather Kerswell said: “It has long been a worry for us - if we set up our own agency between us to provide services, are we allowed to procure directly from that agency for benefits services, as opposed to holding a competition for private firms also, for example? That’s what we’re planning to do, but it may be open to legal challenge.”

Michael Worrton said: “The ODPM is developing technical guidance. There is a recognition that the drive towards shared services needs some clear thinking. Procedures under which we operate need to be more commercially driven and properly structured.”

## Squaring public services with the profit motive

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Private sector partners should be fully engaged with the management of the service/partnership, not simply taking instructions from the public sector partner. It’s about all partners actively challenging what the partnership is delivering once the basic service is operating, and how together they can each deliver to their own stakeholders what is required.

Tola Sargeant said: “The focus in a successful partnership will not be just on provision of infrastructure or technology, but on management, resources and the process of change. Public sector partners need to understand and agree on their private sector partners’ requirements, and on the commercial needs of the private sector partner to make a profit. Providers in turn need to understand the service imperative and environment of the public sector and must engage early to ensure the foundation, from management to infrastructure, is right.”

Every partnership is different depending on the deliverable, but requirements include joint understanding, best practice, effective delivery, risk management and overall focus on citizen benefits. Above all, partnerships should be flexible, progressive, and focused on service delivery.



**“The focus in a successful partnership will not be just on provision of infrastructure or technology, but on management, resources and the process of change.”**

Tola Sargeant

There are potential problems with maintaining a competitive marketplace for public-private partnerships, however. Robert Della-Sala told the forum: “In the field of revenues and benefits, there are only a few main companies left in the market, and if the market keeps shrinking because the public sector starts doing its own thing, they may drop out and we will lose the benefits of engaging with the private sector. We will be left without help.”

Paul Tonks said: “We need to make sure there is a willingness to take a collaborative approach at an early stage, to give the private sector some certainty, if you are expecting them to invest strategically in the public sector. The investment community also wants clarity about what the public sector wants to share, in order to understand the opportunity for them to invest in companies.

Richard Steel said: “The private sector needs to be innovative too, and come to us and show us why it is better to work with the private sector than doing it for ourselves.”

Pat Harding said: “Local authority purchasers inevitably become cynical, because suppliers have over-promised in the past, so they tend to drive a hard bargain. Conversely the private sector needs to make a profit - so need to work collaboratively.”

Robert Della-Sala said: “The key to it is let them do what they are good at. I want them to make a profit, because then they will help me. My contracts include no damages, only bonuses, all output-based. In the past I have been involved in managing punitive contracts, with specifications that are enormous and don't deliver. My new revenues and benefits specification is just 30 pages long.



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Robert Della-Sala

“The new contract is output-based because I want them to deliver outputs to me, as per my specification. Sometimes, if a supplier has two local authorities shouting at it, they may rob Peter to pay Paul and do more for the one that shouts louder. So you need collaboration between clients, a shared approach.”

Richard Steel said: “The problem with some of the big deals, such as those that take place in major cities, is that they are very long contracts, and the benefits tend to be front-loaded and towards the end of the contract period the benefits are massively in favour of the private sector partner. Too much is fixed up front, and not managed live.

“Partnership must mean partnership, and not just one side coming in and acting like they know it all. There must be a willingness to learn. For example the private sector may know more about running a service efficiently; and the public sector may know more about what citizens need and expect.

“Another way to get off to a bad start is to break up your project team as soon as a contract is won. Often it is a small close-knit team that is involved in the planning, but they need to see the project as delivery and not just negotiation or it really gets any venture off to a bad start.”

Paul Tonks said: “Authorities need to beware of suppliers with one set of people in charge of new business, a sales team, and who then move on once a contract is won. In the public sector when you negotiate a contract you need to see the people who will be delivering it.”

## A question of trust: What makes a good partnership?

Finding partners who get on and putting together structured business cases to support shared services means breaking down barriers. Trust can be built though if you start sharing on a small scale and build form there.

Pat Harding said: “We’ve outsourced delivery of social services to the primary care trust, and you’d think sharing data would become easier in that situation, but it is hard to break down barriers.

“Then with the private sector in particular, you need to make sure the risk lies somewhere else. We engaged commercial lawyers, because our supplier did. And the lawyers said hang on, you’re letting the contract but you’re keeping all the risk.”

Michael Worrton said: “You can’t offload all the risk, or at least you can, but it comes at a very high price. The client side in local government didn’t use to be that intelligent. You need to actively participate in the management of a partnership, you can’t just outsource a service and leave it alone.”

Paul Tonks added: “This is about shared risk management. I don’t believe you can shift all of the risk. Even if services are shared, the local authority has to be seen to retain ownership and control. Citizens expect the authority to be the body to which they turn if service performance slips, even if the work is being done elsewhere.”

Pat Harding said: “Local authorities use different levels of risk management. But underneath it all, the biggest risk is the cultural change needed to make all this work.”

Karen Cherrett said: “We spend so much time working on the detail of the contract, without spending any time asking whether we like each other. There should be mutual trust, looking constantly at how both sides can gain more benefit. For example how can the private sector partner make a good profit, or how could the public sector gain by a company getting its staff involved in community projects. If all you get at the end of 10 years is what you have signed up for, you have failed. That is not partnership, it is not bringing the best of both worlds into a virtual third organisation.”

Pat Harding said: “You need enough flexibility for that in the contract, otherwise it is simply Competitive Tendering.”

Nicola Sawyer, District Partnership Officer at Cannock Chase District Council, said she was seconded to her current employer from Staffordshire County Council to shape and influence the potential for county-district partnership.

She said: “I have a social services background, and I have found that you have got to look at working with partners such as the police on the softer aspects, the cultural issues. It is not a virtual partnership, it is a real partnership on services at a local level. It is a cultural challenge.”

Karen Cherrett said: “You need to work on looking at the differences between individuals at a senior level in partner organisations, such as the chief executives. Often the front line workers, the bobbies on the beat, get on fine.”



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Nicola Sawyer



**“One of the worst things you can do to elected members is to back them into a corner: you need to give them properly costed and reasoned choices, with business models.”**

Michael Worrton

Michael Worrton said: “The project board needs to be properly structured and properly empowered early on to give people the power to do the job. There is not a best model - you need a structure that is best to deliver. You need to develop an outline business case, and work through to a preferred model. One of the worst things you can do to elected members is to back them into a corner: you need to give them properly costed and reasoned choices, with business models.”

Heather Kerswell said: “There are various ways we could have chosen our council partners. We looked at a range of factors such as proximity and size, but in the end it was attitude, how willing an authority was to work with us and with the county, and how willing to look at outsourcing and the huge variety of possible delivery mechanisms, that was the key. We did not want to work with a large council that was saying ‘Why should we work with that small council?’

“I foresee a great variety of delivery mechanisms, not one supplier. I’m sure it will start with big contracts, like street-cleaning to change patterns and suppliers and make savings, and then add other services and methods, but it is all small fry compared with larger councils like London boroughs.”

Paul Tonks said: “An incremental approach to building shared services can provide the necessary platform of confidence. For example, I was involved in a small project, creating a partnership between the listed buildings services at Dacorum Borough Council and St Albans District Council in Hertfordshire. We established a shared office, started building trust in small ways. Once you start to get some of these smaller shared services, for example you could start by sharing a refuse depot, then confidence and trust grows, so then you move on to sharing a refuse fleet, then in the longer term you share an entire refuse collection contract.”

# Conclusion:

## Giving something to gain something

The potential efficiency gains and improvements in service delivery offered by collaborative working cannot be denied. The public sector has much to gain from shared services but there needs to be proper preparation, sound business cases and trust established between partners. Central Government support is essential in order to facilitate shared services and while there are plenty of potential obstacles - new processes to learn and union concerns to tackle to name but two - imaginative public sector bodies with strategic vision and committed management could revitalise their services by pooling resources effectively.

The private sector has a key role to play in the development of shared services, and must demonstrate active engagement in true partnering, while the public sector must learn to drop some of its prejudices to make the most of the skills, abilities and insights partners can share with them.

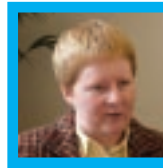
Fundamentally, shared services simply constitute a management tool, driven not by cost-cutting but as a fundamental part of the search for improved performance. There is no one ideal model, rather the best approach will depend on how best to deliver the individual business objectives targeted and on determining which model has the flexibility to secure commitment from all parties to a common goal while providing scope to develop and innovate.



# Attendees



**Heather Kerswell,**  
Chief Executive, Mole Valley  
District Council



**Karen Cherrett,**  
Senior Executive at 4Ps



**Robert Della-Sala,**  
Head of Revenues and  
Benefits, London Borough of  
Hounslow



**Paul Tonks,**  
Managing Director, Civica



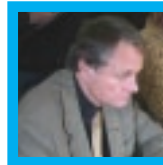
**Nicola Sawyer,**  
District Partnership Officer,  
Cannock Chase District  
Council



**Tola Sargeant**  
Senior Analyst at Ovum



**Richard Steel,**  
Head of ICT, London Borough  
of Newham



**Mark Say**  
Editor of Government  
Computing



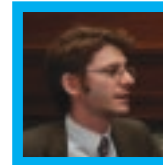
**Michael Worrin,**  
Assistant Director of  
Improvement and Collaboration  
at the Regional Centre of  
Excellence (East)



**Justin Hunt**  
Egov writer for  
The Guardian



**Pat Harding**  
Director of Customer Services,  
Cambridgeshire County  
Council



**Dan Jellinek**  
Editor of e-Government  
Bulletin

# Read exclusive public sector IT views on the 'Authority' blog

Civica has launched a new blog ([www.authorityblog.com](http://www.authorityblog.com)) dedicated to incisive comment on leading public sector IT issues.



The blog is written by leading national eGovernment commentator Michael Cross.

The blog provides short, fresh informed insights into IT-related issues in the public sector and continues the conversation about current topics which are discussed at the Authority Forum. You can easily add your own views too and exchange them with other opinion-makers.

If you want the insider track on the latest IT-related issues in the public sector then log onto [www.authorityblog.com](http://www.authorityblog.com)

## About Civica

The Civica group is one of the UK's most experienced providers of public sector consulting, software and managed services. Supplying many organisations in the UK, Australia and the USA, including 83% of the UK's local authorities, the company has a 20- year history of providing software and services to local government, criminal justice, healthcare and education organisations.

From creating and delivering performance plans to implementing effective IT systems that streamline complex tasks and work processes, Civica blends outcome-based advice, planning and service delivery with a range of systems and services to ease the process of change and to help achieve modern and efficient services.

Efficiency is a priority area for Civica, in activities ranging from a consortium project to establish a performance management framework for ten Scottish councils to helping Australian Local Government Innovation Award winner the City of Whittlesea to achieve transaction savings as high as 79% through e-services.

### Consulting

Civica combines practitioner and systems consulting. Led by experienced local government practitioners, its "Authority Solutions" range from corporate support to infrastructure deployment, and focus on:

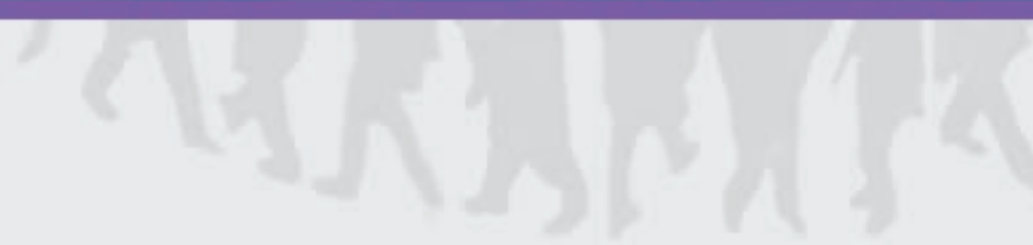
- Performance management
- Funding and procurement support
- Resource support and optimisation
- Process automation and financial efficiency
- IT strategy and efficiency, including e-government and mobile working

### Software

Civica provides a comprehensive suite of local government software. Business areas include finance and income management, revenues and benefits, public protection, parking and traffic management, community safety and legal services, together with practical e-services such as e-billing and e-procurement. The company has developed an integrated enterprise model, providing a platform for the future with an enhanced ability to integrate front office and mobile systems with core systems and back end databases.

### Managed Services

Civica offers a proven suite of managed services that can be provided as standalone components or under a full and seamless service. The company takes responsibility for systems and infrastructure on behalf of customers, managing software systems along with equipment such as handheld units for optimum performance and convenience. In addition, and combined where appropriate with Civica's consulting services, the company manages and operates supporting processes ranging from bulk printing and correspondence to business service management.



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