Total Place, People and Politics

Sir Michael Bichard's Total Place Projects hit the ground running in August. After the counting is done, who will sustain the project over the longer term?

What can we learn from New York State?

In the US shared services is called "consolidation" and they may well be better at it than we are.

The Jenga Effect

As you begin to de-merge departments into shared services, how do you ensure that your core services don't fall apart ?

Leadership In Partnership

A new inter-county development programme between Hampshire and the Sussex Councils

The ones to watch

An update on new laws that may impact on shared service activity

Sir Michael Bichard

Case Studies   *Tools & Techniques*   *Reviews*

The Shared Service Architect's Toolbox

40 tools, techniques and templates for building strong trust and absolute clarity of shared vision between public sector partners in a shared service.

"A lack of real trust and clear shared vision between partnering organisations will cause shared service projects to stall or fail, no matter how much money is available, or how good the project team and IT systems on offer may be."

Why do shared services take so long, stall or fail?

Shared services and collaborations in the public sector are a key option or addressing the diminishing funding from central government. However, even apparently straight forward voluntary projects between public sector organisations can take 18 months to several years from inception to delivery.

Yet the solution to this problem is well recognised in the academic field of inter-organisational relations, and is now being articulated by the many government agencies supporting this field of work.

This 240 page book, containing 40 tools, techniques and templates, is written for all public sector managers who are being asked to lead on inter-organisational shared services and want to overcome the problems that slow down shared service success.

Based on years of field work and 18 months of academic study

The 40 tools in the Toolbox are based on many years of frontline field work, an 18 month academic study at Canterbury Christ Church Business School, 10 shared service workshops and the evidence from almost 100 documents referred to in the knowledge bank at the front of the book.

The 40 tools, each described clearly in its own four page layout, are designed so that what you read in the morning you could be applying in the afternoon.

The book is supported by an online library of links to over 350 shared service documents.

Download example chapters and tools from:
www.sharedservicearchitects.co.uk

Total Place hit the ground running in August and already early results for the "counting" activity are coming in from Birmingham.

The primary concern of a shared services architect is to build trust and shared vision between the partners in collaborations and we focus on that in our OEP review. Is there a role for a shared service architect in the long term cultural change required by Total Place?

In terms of shared services, the UK is not alone. If you look in our online library you will see that most of the English speaking world's public sector is exploring the concept of shared services in different ways and some are ahead of us in the reality of what is being delivered, as opposed to the rhetoric of what we would like to see.

So we have a report on shared service activity over the last five years in New York State with an article from the New York State, Secretary of State, Lorraine Cortés-Vázquez.

A key method of building trust is to spend time learning together and that is the reasoning behind the Leadership In Partnership Programme between Hampshire and Sussex Councils featured on pages 14 & 15.

Finally we have provided the "Jenga Test" as an example of a tool for you to try out from the new Shared Service Architect's Toolbox, launched this month.

Dominic Macdonald-Wallace
Editor

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contents

sharedservice architects

Local Partnerships is launched

Local Partnerships was formed in August 2009 as a joint venture between the Local Government Association and Partnerships UK.

Richard Buxton, Interim Chief Executives of Local Partnerships, is upbeat about the new LP, "The new organisation will provide trusted, professional support to local public bodies to improve their ability to source and deliver high quality, cost effective public services and infrastructure."

Local Partnerships will be owned equally by the LGA and Partnerships UK and will continue to deliver all the services including:

- Gateway reviews for all major projects
- Asset management reviews
- Skills training, particularly in relation to project and programme management
- Specialist transactor support for individual projects
- Advice and support on shared services

The intention is to develop additional services "...extending across traditional boundaries between local government and other local public bodies including Primary Care Trusts". One of Local Partnerships early activities has been to invite proposals from potential delivery partners to become part of the DECATS Programme - "Delivering efficient corporate and transactional services".

The delivery partners will be engaged to review support functions within local public sector bodies over a 16 to 20 week period, working with local authority officers (and therefore most likely shared service architects).

More details are available at www.localpartnerships.org.uk

13 new Total Place pilots are named
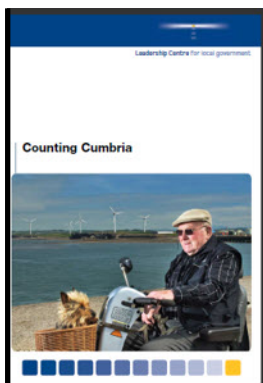
Counting Cumbria was the first Total Place pilot carried out in 2008

Total Place is a programme, designed by the Leadership Centre for Local Government to bring together elements of central government and local agencies within a designated area or place. The programme has set itself three ambitions:

- Creating service transformations that can improve the experience of local residents and deliver better value
- Deliver early efficiency savings to validate the work
- Develop a body of knowledge and learning about how more effective cross-agency working can deliver the above.

To achieve the ambitions, the money flowing through the place (from central and local bodies) will be mapped to make links between services and identify where public money can be spent more effectively.

In addition a review will look at the way existing cultures will help or hinder the process. A statement on the Total Place website explains the wide involvement of public sector organisations:

"Crucially, Total Place is not a programme for local government alone, but for police, health, housing and education agencies as well; in fact, the more organisations engaged in a pilot, the more opportunities there are for places to really make a difference to the people who live there."

Full details of the 13 pilots can be found on page 7.

East Midlands
Improvement and
Efficiency Partnership

EM IEP set up shared service practitioner groups

The East Midlands Improvement and Efficiency Partnership are to set up a shared service practitioners group to develop and sustain the skills of the region's local authority officers involved in collaboration and partnership projects.

The development of the group has evolved from a taught seminar programme piloted in July 2009 with Shared Service Architects. The two workshops covered the "Highway Code" of shared services - the regulations and constraints that narrow or enable the choices in shared services - and "Building Trust And Shared Vision Between Partners".

In the evaluations by the delegates that attended the workshops, 100% asked for a practitioner group to be set up.

The purpose the group will be to share learning, innovation and documentation and provide opportunities for peer-group problem solving on shared service issues.

The initial meetings of the practitioner group will be facilitated in October 2009 by EM IEP and Shared Service Architects.

Contact Lois.Dale@nottscc.gov.uk for more details.

IDeA release final report on two-tier working

The final report on the IDeA/OPM two and three-tier support programme was released by the IDeA in July 2009 with the call for closer collaboration at all levels.

"Now, more than ever, it is critical for the different tiers of local government to collaborate with each other." reads the opening paragraph of the executive summary, going on to say. "Financial pressures, requirements to deliver seamless customer service and a new focus on outcomes mean that local authorities need to find ways to work together productively."

The report praises Local Area Agreements as having played a key role in "putting partnership working onto a mature footing". It also is candid about the barriers that exist to collaborative working in a non-unitary setting, naming three key areas.

The first is, *Size and Complexity* which "...stems not only from the different layers of local government, but from the multiple partnership structures that spring up around this". The second is *Functions and Perspectives* - problematic where "...authorities in two/three-tier areas may have different perspectives on an issue or problem and different approaches to tackling it".

It is *Politics* which the report identifies as the third and most important barrier stating that "...political tensions within and between political parties and groups (even where these are controlled by the same party) can pose challenges for joint working".

The 32 page report is available from the IDeA website.

Aussies shared service under performs by 80%

The Public Service Association (PSA) says the South Australian Government's shared services strategy has proved to be more about reducing spending than improving services. Peter Christopher, of the PSA union, is reported by the Australian Broadcasting Corporation to have said that "The strategy has saved about $7 million, which is only about 20 per cent of what the Government predicted".

Mr Christopher says centralisation of payroll and accounting functions is disadvantaging businesses and residents of regional areas. "Unfortunately the sort of changes that are necessary in South Australia are unlikely to occur unless the Government acknowledges it needs to put in the resources which it appears reluctant to do."

More details are available in the shared service architects library

Its the politics and people that count, not counting the money

Counting the money is potentially the easy part of Total Place.

But who will "hold the ring" and build the trust and shared vision that will develop the new culture required for partnerships to work in the longer term?

If you were on holiday in July then you may have missed the announcement by Communities and Local Government of the 13 pilots for the Total Place counting exercise. The press release strap-line proclaims that a, *"Radical new project begins to cut red tape and improve local services"*, with an opening paragraph that reads, *"An ambitious new 'health check' of public money to ensure every pound spent is delivering value for money and putting customers first is starting today, announced Communities Secretary John Denham.[1]"*

Total Place has two elements. Firstly counting how much money goes into a "place" from all public sector organisations. Followed by the collaborative application of the money to do more, whilst removing duplication of effort.

A key concern is that the current excitement and focus is on "counting the flow of money" into a "place". It is easy to do and no one will get hurt as a result of producing a report setting out the answers.

What will really be difficult is to bring about the cultural change required to answer the question: "Who will give up their "delivery turf and power" and diminishing funding to other organisations?"

Stephen Taylor the Chief Executive of the LCLG, is frank in his introduction to the "Calling Cumbria[2]" report. *"It is a fantasy to think that places are not contested spaces and that effective partnerships are a panacea. Legitimate (and illegitimate) interests collide: hence the need for hard decisions and the necessity and rightness of politics. The challenge to leaders is to grow common ground and collective ambition, to defy complacency and to discover ways to make a messy and complex world a little better without leaving some feeling bitter and disenfranchised.[3]"*

Key academics in the field of collaborative advantage, for example Professor Chris Huxham at Strathclyde University, will tell you that collaboration takes time to build, *"...issues such as purpose, membership, power, leadership and identity of a shared service need to be negotiated, nurtured and managed continuously through the collaborative process[4]".*

And not without complication for agencies forced into joint working without aligned criteria, *"If the partners come together to solve different purposes they may also bring their own criteria to the success of the partnership which can make it difficult to focus on a single outcome[5]".*

Then there is the complications of local politics. The IDEA final report on improved two-tier relationship working confirms the key barrier to improved collaboration is the *"...political tensions within and between political parties and groups and between authorities (even where they are controlled by the same party) can pose challenges for joint working[6]".*

However if there appears to be the possibility of additional funding into local government at this time of diminishing income, that may bring collaboration about for negative reasons cited by IDEA in their recent Innovation Report, *"...as one local government colleague bluntly put it, partnerships are little more than the suppression of mutual hatred in pursuit of extra funding[7]".*

The complication for central government are highlighted in the Institute for Government report on the performance of the UK Civil Service. *"...the UK, along with France, seems to be characterised by relatively high levels of*

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[1] CLG, (July 2009) Press Release
[2] Calling Cumbria was a 2008 pilot for the Total Place project
[3] Leadership Centre for Local Government, (2008) *Calling Cumbria,* LCLG Publications

[4] Huham and Vangen. (2005) *Managing to Collaborate,* Routledge Books
[5] *The design and implementation of cross-sector collaborations: Propositions from the literature.* Public Administration Review 66/s1:44-55
[6] IDEA, (August 2009), *Working Together in two and three-tier areas.* IDEA Publications
[7] Parker, S. Editor (2009) *More than good ideas: The power of innovation in local government.* IDEA Publications

The question is, who will sustain the change after these talented people move to the next "place"?

centralisation, with only a quarter of public expenditure controlled at the local level...[8]". For example in Cumbria they identified £7.1bn of Total Place public spend of which only £1.9bn was locally controlled[9].

The IfG report confirms that DWP, MOJ and HMRC employ over 50% of the Whitehall civil service and therefore delegation of substantial amounts of their funding to local government control could have chaotic implications for their core structures and maybe, ministerial egos.

Its about trust and compelling shared vision

The Leadership Centre for Local Government recognise the importance of building trust and a compelling shared vision between the organisations. In the Talking Cumbria pilot they organised high impact workshops and "shared service tourism" to begin the culture change activity. They facilitated this with a talented team of innovative consultants who parachuted in to help the change begin.

The question is, who will sustain the change after these talented people move to the next "place"? Who will "*nurture and manage continuously the collaborative process*" that academics tell us will take years if a culture change is to be persistently reinforced and politics and people moved to a new place?

This month we are releasing our Shared Service Architect's Toolbox, which provides 40 tools, techniques and templates for building trust and shared vision in public sector activity.

It is a contribution to the larger debate around the new skills and knowledge that will be required in the public sector to deliver, not only on Total Place, but the many other areas of collaboration that will emerge to enable organisations to do more with less funding.

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[8] Instute for Government, (August 2009) *The State of the Service*, IfG Publications.
[9] Cumbria County Council

What is the focus of the 13 pilots?

1. **Birmingham:** *health; housing and crime; including services for people with learning difficulties; guns and gangs; tackling drug and alcohol misuse; mental health; outcomes for children leaving care*
2. **Bradford:** *supporting people back into independence such as young people leaving care, young offenders leaving prison, and older people leaving hospital*
3. **Central Bedfordshire and Luton:** *unemployment and access to benefits and support for 'high contact' families on multiple issues such as family breakdown*
4. **Coventry, Solihull and Warwickshire:** *improving the experience of children and carers in relation to education, including whether to redefine or strengthen relationships with central government departments*
5. **Croydon:** *children's health and wellbeing with a particular focus on child development including safety and health*
6. **Dorset, Poole and Bournemouth:** *improving services for older people through better collaboration, drawing on the experiences of their customers*
7. **Durham:** *using housing resources to help regeneration, cutting duplication and improving services*
8. **Kent:** *improving access to services online or by phone and sharing buildings or pooling resources in the most deprived areas*
9. **Leicester and Leicestershire:** *tackling alcohol and drug abuse, bringing together district councils, police authorities, fire authorities, and primary care trusts*
10. **Lewisham:** *minimising reoffending, improving work and skills opportunities for young people, improving collaboration between the primary health care trust and the local authority*
11. **Manchester City Region and Warrington:** *young children and how the area looks after health, safety and wellbeing*
12. **South Tyneside, Gateshead and Sunderland:** *delivering safer, stronger and healthier neighbourhoods*
13. **Worcestershire:** *tackling obesity, reoffending, road safety, and early intervention for families receiving support from multiple agencies*

What can we learn from the New York State Shared Services Programme?

Lorraine A. Cortés-Vázquez, New York State Secretary of State

"Local governments recognize the need to modernise through regional collaboration to solve mutual problems. The shared service program has enabled municipalities to achieve cost savings through inter-municipal initiatives."

It is the oldest agency of the state and the New York State Department of State is charged with many tasks, from licensing certain professionals, regulating cemeteries, overseeing enforcement of building codes to filing of local municipal laws.

Part of the department's mission is to help make New York State as strong and economically competitive as possible through reducing the cost to live and to do business there.

New York State Secretary of State Lorraine A. Cortés-Vázquez explains the background to the New York State shared service program.

"Local governments are facing challenges – both structural and economic – that hamper their ability to make good on New York's potential for a future that is both prosperous and sustainable. The program has also encouraged municipalities to begin the dialogue and build the trust necessary to cooperate with their neighbours."

As part of the department's shared service program there is a shared service grant program. During the first four years of the grant program (2005-08), awards totaled $41.1m and encompass 249 shared service activities. According to projections by grant applicants, these awarded shared service partnerships estimate a savings in excess of $351m over the next ten years.

Based upon initial evaluation of the first three years of the program, in 2008 and 2009, it was modified and renamed the "Local Government Efficiency Grant" Program. It was expanded to four categories:

- *High Priority Planning Grants for: a city or county charter revision that includes functional consolidations; municipal mergers, consolidations or dissolutions; countywide shared services; transfer of local functions to the county: and multi-county or regional services*

- *General Efficiency Planning Grants to help identify and study opportunities to improve local government efficiency and cost savings, including health plan consolidations*

- *Efficiency Implementation Grants to assist applicants implementing plans to improve local government efficiency and cost savings*

- *21st Century Demonstration Projects*

Department of State staff have now started the process of evaluating the effects of the programs utilizing municipal budgets and information collected by the Office of the New York State Comptroller.

Actual savings will be assessed using municipal budgets before and after the implementation of shared services.

Shared Service "living laboratories"

In addition to the creation of wide academic and educational support, an innovation for the shared service program is the 21st Century Demonstration Project grants. These grants are "designed to promote large-scale transformative change in municipalities that can be used as living laboratories for municipal innovation".

Under a 21st Century Demonstration Project grant for example, a county could be empowered to take over specific service categories within their boundaries or within a limited geographic area within the county.

County government would develop a plan for a consolidated service to be implemented. Once agreed upon, state incentives could be provided for a fixed term to off-set county costs of providing this service, after which it is assumed the savings and improvements in service would be incentive enough to continue the service.

Detailed information including project activity and projected savings can be reviewed in the "Local Government Shared Services" Progress Report 2005-07, located on the Department of State website

Secretary of State Cortés-Vázquez sums up the success of the project.

"Improving the efficiency and effectiveness of New York's cities, towns, villages and special districts requires the hard work and collaboration of our State and local governments.

As we move forward with our program, we are seeking ways to reward those municipalities that have achieved cost savings and to provide incentives for additional cost saving projects.

Providing a source of information and support for local municipalities will not only help our communities to develop a blueprint for the future, but will assist them in facing the unique challenges to sustaining the high-quality services their communities expect and deserve."

New York State Facts & Figures*

- Population: 19,490,297

- Counties: 57

- Cities: 62

- Towns: 932

- Villages: 556

- Local Government entities: 10,521

Thousand Islands Region
Adirondacks
Niagara & Lake Erie Region
Capital Region
Albany - State Capital
Hudson Valley Region
Chautauqua & Alleghany Region
Long Island
New York City

Source: NYS Office of the Attorney General,

Programme Timetable

*In **2005**, Section 54(10) of the New York State Finance Law established the Shared Municipal Services Incentive program (SMSI).*

The New York State Legislature established a budget of $2.55m for competitive grant awards and $200k for Department of State administration costs.

*In **2006**, New York State enhanced its focus on intermunicipal cooperation and shared services when it introduced a new partnership with the Albany Law School and other New York State colleges and universities.*

Together, the New York State Department of State and Albany Law School "provided regional technical assistance through academic institutions relating to consolidations, mergers, dissolutions, co-operative agreements and shared services."

That year the grant program was expanded to $13.7m for competitive grants with funds targeted for specific types of projects: general shared services ($4.5m), highway shared services ($3.85m), countywide shared services ($1.0m) and an initiative to reduce the cost of providing health insurance to public employees in local government ($4.35m).

*In **2007**, the state legislature once again authorized the program and provided $13.7m for the purpose of providing grants to local governments taking on shared service projects.*

A greater outreach effort was developed by the Department of State with assistance from the Albany Law School. Regional one-day workshops were set-up across the state with the network of academic partners. These academic partners also developed a number of case studies which documented successful and failed attempts at shared services and consolidations in New York State.

*In **2008**, the state legislature modified the program and provided $11.5m for the purpose of providing grants to local governments.*

*For **2009**, the legislature has provided $11.5m.*

Taught Shared Services

essential skills and knowledge for setting up shared services in the public sector

"The current reality is that senior managers and politicians are being thrust into the role of leading on a shared service without formal skills or knowledge development.
By not preparing senior managers or political representatives for shared service activity, organisations are gambling with the success or failure of their involvement."

Three seminars available now:

1

INNOVATION IN SHARED SERVICES

An introduction to innovation skills for leaders in public sector shared services with Victor Newman, Visiting Professor in Innovation, University of Greenwich

2

THE SHARED SERVICE ARCHITECT'S TOOLBOX

40 tools, techniques and templates for building strong trust and absolute clarity of shared vision between public sector partners in shared services

3

THE HIGHWAY CODE OF SHARED SERVICES

What are the regulations and constraints that narrow or enable the choices in shared services?

100%
of delegates who have attended SSA workshops confirmed that they were excellent or good on their evaluation forms

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Download full details from
www.sharedservicearchitects.co.uk

APPLYING THE "JENGA TEST" TO DE-MERGING AN INDIVIDUAL SERVICE

This is Tool 35 in the Shared Service Architect's Toolbox of 40 tools, techniques and templates.

It can be used to test the impact of de-merging an in-house service on the core services that will remain within the organisation.

Click here to read about the Toolbox and the 40 tools, techniques and templates

The footnotes refer to the, almost 100, articles, books, case studies and public sector documents that are the foundation of the 40 tools, techniques and templates in the Toolbox.

Tool 35 in the Toolbox facilitates a feasibility check on the consequences of de-merging individual in-house services as the result of creating a shared vision.

The check is necessary because attempting to de-merge parts of an organisation in isolation can occasionally lead to dis-economy of scale, lack of balance, inconsistency and disagreements across the rest of its departments[1].

What are the consequences of de-merging a single service?

One option of the visioning process could well be to extract a service from the sovereign control of an organisation and set it up as a new shared entity, co-owned by the partners. An example of this is the South Thames Gateway Building Control Partnership.

STGBC is a co-owned shared service by Medway, Swale and Gravesham Councils. It is hosted in its own offices, with its own ICT support, staff terms and conditions and culture[2].

Prior to the new entity, each of the three building control departments was hosted in the offices of its council. Through "internal charging" each of them "purchased" internal core functions from their council. For example IT support from ICT services, or floor-space from property management, HR for payroll and recruitment services, and notional corporate services fees.

When each building control department was de-merged from its host council the "internal income" to ICT services, property management, HR departments and corporate

services in each council would have dried up. Now, hold that thought for a moment.

The creeping impact of shared services

One of the issues for voluntary shared services is that it is rarely a "big bang" where they all happen at once. It tends to start small[3] and grow as individual departments find a reason to share with neighbouring organisations[4].

So, as shared services extract themselves from their host organisations, bit-by-bit the "internal income" to the core services (ICT, property management, HR, etc.) can begin to shrink.

The first few shared service de-mergers could be trumpeted as cutting costs. But, as a number of shared services form, the impact can be that the services which remain un-shared in the host council, may have to start paying higher "internal charges" to make up the deficit of income from the services exported from the organisation.

You may remember that Jenga[5] is the game where wooden bricks are built into the shape of a tower and the skill is to remove the bricks carefully, one by one without the tower falling down. The inevitability is that if you remove enough bricks then the tower destabilizes and collapses.

Tool 35 is about a reality check across the partners that your shared service is not going to be the one that destabilizes their core services to the point of becoming unviable.

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[1] Deloitte (2009) p10.

[2] One of the key issues solved by shared building control was the shortage of key professional staff and the local wage-wars that it caused.

[3] IDEA (2008) p12. *"Chief Executives have found that it is better to look at sharing a smaller service area first in order to gain … councils' confidence and prove that it can be done."* .

[4] Brand, A.(2006) p72. *"Case study interviews suggest that shared services grow organically from existing local relationships because of the levels of trust necessary between partners.".*

[5] Jenga was invented by British student Leslie Scott, who had spent her childhood in Africa playing with a set of locally made building blocks. She brought the game to England in the 1970s.

The outcome would be that if all five services were to be exported to external shared entities, a dis-economy of scale may occur to the remaining "in-house" support services.

The "Jenga Test" should be applied before a business case is created, especially if you are to pay independent consultants to prepare it.[1]

Playing "Jenga" with core services

Here is a real example. In early 2008, we were working on the initiation of a shared housing management project between a group of councils.

Shared services had become a key mantra for their cabinets and senior managers, a joint committee was in place after two years of discussion and now five services were under consideration. The services included joint building control, joint housing stock management, joint HR and payroll and a joint back office customer contact centre.

It was one of the senior managers, some weeks into the development of the business case for another shared service, who hesitantly pointed out in a meeting that if housing extracted their contribution to the council in-house ICT department and so did his shared service, it would represent over 30% of the ICT services budget.

The reality was that payments for core in-house services were not equally shared across the council's departments. The "richer" income generating services subsidized the non-income services and democratic functions.

The outcome would be that if all five services were to be exported to external shared entities, a dis-economy of scale may occur to the remaining "in-house" support services.

[1] WM IEP (2008) p5 on the need for feasibly studies like the Jenga Test, "*Many Local Authorities commented that their organisations progressed straight from a strategic decision to explore a shared service option, to the business case development stage, often commissioning consultants to carry out this work. An initial feasibility study would focus on identifying the key 'deal breakers' either organisationally or politically for a shared service initiative.*".

How can you use this tool?

Tool 35 facilitates a feasibility check on the consequences of de-merging individual in-house services as the result of creating a shared vision.

Step 1: In the left hand column write the names of all the in-house provision that is drawn on by the service being considered for sharing.

Step 2: In the middle column put the "internal payments" to each support service - we have suggested an average over two years but you should choose your own calculation.

Step 3: In the final column, ask the provider of the internal service to confirm, as a percentage, the importance of the fees to its overall income.

The reason for this is that although a service may receive internal income of £50k, that may be a tiny proportion of its overall budget from all sources. Therefore extraction of the potential shared service could have a minor impact on the department.

Step 4: Discuss the outcome with your finance director or equivalent, in terms of any other services being considered for de-merger/sharing and draw up an impact report.

So, if there are a number of isolated shared service explorations being conducted in your organisation there will be a point in your shared service architect work where you may like to apply the "Jenga Test" to them.

We recommend that the Jenga Test should be conducted when there is a shared vision document and before you move to the business case stage.

The footnotes refer to the, almost 100, articles, books, case studies and public sector documents that are the foundation of the 40 tools, techniques and templates in the Toolbox.

Tool: 35

Support services provided and charged for by other departments	Average of annual fees paid to those departments for the last two years	Importance of fees to the host departments (As a percentage)
Accommodation	£723k	24%
Advertising	£20k	35%
Cash income collection	N/A	N/A
CCTV	£2.5k	2%
Communication	£9k	14%
Contact centre	N/A	N/A
Corporate charge		
Democratic services support		
Energy and fuel		
Finance - banking		
Finance - billing		
Finance - budget report and audit		
Grounds maintenance		
HR and recruitment		
ICT support		
Information management		
Insurance		
Legal support		
Out of hours support		
Payroll		
Procurement		
Property services		
Shared staff		
Training support		
Vehicle support		

[Click here to find out more about the Shared Service Architect's Toolbox](#)

Sussex, Hampshire and Isle of Wight: Leaders In Partnership

Ula Ostaniewicz, Programme Manager for the Sussex Improvement Partnership

"It is important that the development projects are both effective in facilitating the learning, as well as adding value to local authority activity across the partners."

In July 2009, local authorities across Sussex, Hampshire and the Isle of Wight launched a joint programme to build the skills and capacity of future local authority leaders.

The programme will provide a shared forum to learn, foster collaborative thinking and facilitate the creation of supportive networks across the two regions.

How is the programme structured?

The programme, facilitated by SOLACE Enterprises, commenced in Spring 2009 and will last for 18 months, ending in 2010. The skills to be covered in the programme are:

- Collaborative leadership
- Leading innovation
- Partnership leadership

...with the planned outcomes being:

- evidence that the partnership agenda across Sussex, Hampshire and the Isle of Wight has developed and will be more closely aligned

- the participants are able to demonstrate a tangible increase in their capacity, skills and performance

- an increased confidence in participants to drive through agendas for change

There will be six cohorts of local authority officers taking part in the programme.

Cohorts 1 & 2 commenced in June 2009, cohorts 3 & 4 begins in October 2009 and the final two in December 2009.

During March 2009 selected officers in all councils across Sussex and Hampshire were invited to participate in the programme. A total of 120 places were made available on the programme and all were filled by July.

"Real-time, real-life" project work

The programme leaders are keen to ensure the learning can be embedded in everyday reality. Therefore an integral part of the programme is the opportunity to work in cross-organisational groups, on projects that are developmental for the participant and valuable for the authorities commissioning them.

Chief Executives across the authorities were asked to put forward projects that could be served by the Leaders in Partnership activity. The CXs have also been asked to act as project sponsors and to encourage managers to give full support to the participants in the programme.

Ula Ostaniewicz, Progamme Manager for the Sussex Improvement Partnership who are co-sponsoring the project, explains how the final "real-time projects" will be selected, *"It is important that the development projects are both effective in facilitating the learning, as well as adding value to local authority activity across the partners. A short-list of projects has been distilled from suggestions by the participating learners, Chief Executives and the South East RIEP."*

Caroline Bottrell, who leads the programme for Sussex along with Nicky Orchard from the Hampshire and IOW authorities, feels that the project group structure is very important, *"We wanted high potential officers from authorities across the two regions to*

120 cohort members and stakeholders attended the July 2009 Leaders in Partnership launch at the Roffey Park Institute, Sussex.

"Our focus will be particularly on the way in which they work, how they define goals, collaborate, think creatively, understand systems and processes etc."

collaborate on improvement priorities that mattered to both regions. Each project will involve a group of 4 or 5 participants and will run for about a 6 month period throughout the duration of the programme. Each project group will have the support of a senior project sponsor from one of the participating authorities and a project observer/ facilitator from Solace.

Our focus will be particularly on the way in which they work, how they define goals, collaborate, think creatively, understand systems and processes, etc.

We envisage that the Project Sponsor role will help guide the group about the content and direction of the work, the context, implications of any politics and help monitor progress towards outcomes, etc."

The programme of learning closes when the cohort participants plus other regional stakeholders and contributors will hear project presentations from the teams. They will then reflect on the outcomes and plan how the learning can be taken forward.

For more details of the project visit the programme website at www.shiow.co.uk.

Key contacts are Caroline Bottrell - programme lead for Sussex on caroline.bottrell@brighton-hove.gov.uk .

Or Nicky Orchard – programme lead for Hampshire and Isle of Wight on nicky.orchard@rushmoor.gov.uk .

Example "real-time, real-life" projects

Six collaborative projects have been nominated for the work of cohorts 1 & 2 in the programme.

1. **Shared talent management across authorities:** *Examining the feasibility of sharing people across authorities, and running joint talent management programmes. This could include evaluating examples of excellence beyond the local government sector, e.g. from the Civil Service and private sector.*

2. **Integrated approaches to services:** *Analysing how to develop an integrated approach to highways and transport infrastructure in relation to housing and economic recovery and growth across traditional boundaries.*

3. **Identify new service delivery vehicles:** *Appraising how "fit for the future" the current business delivery models and local government employment practices will be.*

4. **Identify the evolving political and managerial contributions to local leadership:** *What are the challenges in the current interface between political and managerial leadership, and which future options can be explored for civic, local, and managerial (both senior and middle) leadership?*

5. **Shared services across the region:** *Evaluating opportunities for joint working in delivering shared services across local authorities in the region.*

6. **Promoting self-service access to citizen-centric services:** *How can the customer experience be improved, through more cost-effective provision - drawing on private sector experience?*

Three new regulations that you should become familiar with

There are three potential legal issues bubbling up that could impact on shared service activity and you should keep an eye on them over the coming year.

What is going on with shared services and the "Power of Wellbeing"?

The Local Government Chronicle launched its *"Untie The Ropes Campaign"* at the beginning of July as a response to the court ruling against Brent Council and the London Mutual Insurance Group.

Just to remind you, a Court of Appeal ruling in June stated that Brent Council could not rely on the well being powers in the Local Government Act 2000 as the power of first resort for joining a mutual insurance firm established by a number of London Boroughs.

Immediately after the ruling, the New Local Government Network Director, Chris Leslie, wrote that, *"This judgement is a body blow for innovative local authorities seeking to save money for the taxpayer, signalling that creative efforts by councils to pool efforts and share services mutually may no longer be allowed. At a time when councils should be encouraged to join forces and bulk purchase goods and services, this judgement may scare off council solicitors from going near mutual initiatives, effectively placing the narrowest interpretation on what was supposed to be a general 'power of wellbeing.[1]".*

Comment from a number of sources is that the the government could save the day by putting a "general power of competence" clause, to facilitate shared services, into the Local Democracy, Economic Development and Construction Bill which is on its second reading at the moment.

The claim by the Local Goverment Association is that if the Total Place project is to work quickly, then it would be helpful if government
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[1] NLGL website

identified a clear power to enable shared service activity in the public sector.

Could the new "Duty To Involve" have an impact on your shared service activity?

On the 1st of April 2009 a new Duty to Involve[2] came into force for local authorities and other best value organisations across England.

It is early days to understand what the impact could be on shared services, however it needs to be understood by a shared service architect to avoid being overlooked in the stakeholder activities.

Who to involve

The duty applies to all best value authorities in England except the Police who are already covered in other provisions[3]. The authorities are now required to involve *'representatives of local persons[4]'* in decision making.

The purpose of the duty is to: 'embed a culture of engagement and empowerment through the provision of information to, consultation with, and involvement of, *representatives of local persons* across all authority functions'

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[2] This is under the Local Government Involvement In Public Health Act (2007) and the Communities in Control White Paper (2008).
[3] Police Act 1996 & Serious Organised Crime and Police Act 1995. The NHS have a duty to consult under Section 242 of the 2006 NHS Act, the duty specifically applies where there are changes proposed in the manner in which services are delivered or in the range of services made available.
[4] Representatives cannot be councillors.

"Go on! Test me on Schedule 26 of the Equality Bill!"

Under the duty,
stakeholders
could request
that they be
involved in
assessment of
the process
through their
nominated
*'representative of
local persons'.*

Who to consult

The duty is meant to cover 'routine functions, as well as significant one-off decisions so there appear to be few areas where the duty does not apply.

Therefore consultation will have to take place with local persons who may be impacted by contemplated changes (e.g. shared services) emerging in an organisation's thinking.

What are the implications for shared services?

Under the duty, stakeholders could request that they be involved in assessment of the process through their nominated *'representative of local persons'.*

In the Shared Service Architect's Toolbox we suggest that there should be engagement with residents and service users so that a user-centric approach to the service can be delivered. This kind of activity may pro-actively fulfil the duty requirement.

What may be innovative is bringing together 'local persons' from each partners' locality for the involvement and consultation. That could potentially bring into play a new dynamic, that could either make or break a shared service.

What about Procurement and the Equality Bill?

In June 2008, the Minister for Women and Equality, Harriet Harman, made a statement to the House of Commons setting out the main themes of the Equality Bill which the government intends to introduce during the next session of parliament. The bill has now completed its committee stage and is being prepared for the report stage.

On procurement, the consultation paper proposes a set of specific duties which will help public bodies to use public procurement to contribute to delivery of their equality objectives under the Equality Duty. These consist of requirements on contracting authorities to:

- include how they will ensure that equality factors are considered as part of their public procurement activities to help contribute to the delivery of those objectives, when setting out their equality objectives and the steps they intend to take to achieve them

- consider the use of equality-related award criteria where they relate to the subject matter of the contract and are proportionate

- consider incorporating equality-related contract conditions where they relate to the performance of the contract and are proportionate.

The reason for bringing this to your attention is that there are a number of stages in a shared service journey where external contractors (for example consultants) and other public bodies will hold "supplier" status to the partnership.

It is possible that each partner may have differing interpretations or paperwork for their procurement impact assessment under the Equality Bill.

Our recommendation is that a shared service architect should familiarise themselves with Schedule 26 of the Bill.

Secondly, early in developing the partnership relations you may like to examine the procurement impact assessment of each partner for any major variances that could cause problems when joint-tenders need to be issued.

New directions for Trade Unions and shared services

In general, unions are not against shared services, but they are intrinsically against "outsourcing" of services to the private sector.

At recent 2009 conferences new approaches to ensuring members interests are protected have emerged.

The NAS/UWT, the largest teachers' union in Wales and the UK, moved a motion calling for an end to the shared services project in South East Wales at the Wales Trades Union Congress, in May 2009.

Their main concerns are over the cost, viability and benefits of the Connecting South East Wales project which involves amalgamating 'back office' functions at up to 10 local authorities.

Chris Keates, General Secretary of the NASUWT, called on the Wales TUC to support a call for local authorities in South East Wales to abandon the shared services project as all the indications are that it will be cost prohibitive and could result in around 200 public sector employees facing redeployment or redundancy."

The Black Sisters of Southall

In a new tactic some union activists are suggesting the use of the equalities legislation to fight shared service activities and out-sourcing of services.

At the June 2009 UNISON conference speakers suggested that the Gender Equality Duty and other equal rights legislation could be used to combat the increase in potential job losses linked to public sector collaborations.

The unions feel that outsourcing and shared-service deals are areas of particular concern to female staff. The Equality Bill could lead to greater enforcement of existing legislation, with the validity of shared service arrangements likely to be increasingly questioned.

Speakers at the conference made references to the success of the Southall Black Sisters group, which last year successfully used the Race Equality Duty to challenge Ealing LBC's proposals to change its domestic violence support.

The Black Sisters' website records that, *"On 18 July at the High Court, in a dramatic turn of events, Ealing Council withdrew their case after one and a half days of a hearing which saw their defence rapidly unravelling. From the outset, it became apparent to the presiding judge, Lord Justice Moses and to all those present in the courtroom including the packed public gallery, that Ealing Council was skating on really thin ice in attempting to justify its decision to cut funding to SBS and to commission instead one generic borough wide service on domestic violence on the grounds of 'equality' and 'cohesion'.".*

However it is reported that the case was won because of the weakness of the equality impact assessment prepared by the council rather than because of the shared service concept itself.

You can read more about the case at the Black Sisters of Southall website.

Having a crack at in-house bids

At the same conference, speakers reportedly referred to shared services projects between local authorities and private sector companies as "little better than outright privatisation dressed up in a new guise.".

Ann Price of UNISON's south west region is reported as saying that "Shared services has a friendly sound to it. But it's privatisation all the same. Not privatisation by the back door, but by the front door." and that, despite the pressures on councils to reduce costs "their response, to cut costs by shared services initiatives, must be condemned".

The NEC was charged with urging public sector employers to produce in-house bids, should the procurement process be implemented; and, as a "least worst option", to promote public-public partnerships, as opposed to public-private partnerships, ensuring that there are no compulsory redundancies in any proposed reorganisation or restructuring.

When was the last time you went to the library?

The Shared Service Architects online library is updated weekly and edited by our team.

Better than the randomness of Google, it can fast track you to key shared services documents, examples, materials, tools and techniques from the UK public sector and across the world.

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Aug 20th 2009 - Travelling through Longbeach California and saw in the paper that local government is suffering from the credit crunch and looking at ways of cutting its budget. Out here they talk about "consolidation", where we would talk about shared services and often it is in relation to sharing their emergency services.
A bit worryingly, the local paper (PressTelegram) is running a reader consultation on what cuts the councils should make, using a somewhat one-sided, yes/no tick-box questionnaire. For example, "Do you want to freeze employees' contractual pay rises and save $18m?" - I bet you can guess which box most residents will be ticking as their answer!

To SSA Magazine
From
Longbeach California

To SSA Magazine
From
Limerick

Aug 26th 2009 - Here in Limerick the university's School of Architecture has been looking at how the mid-west region of Ireland could work if it were a single joined up entity. The head of the School of Architecture says, "This is something that each authority is unable to do and the Midwest Regional Authority can't do successfully because of the competing views of its member counties. So we're harnessing the intelligence of the university to forge a strategic partnership in the region."

Sept 3rd 2009 - I was buying some postcards at the beach kiosk and saw this bumper sticker and thought it could be good for some change management discussions: **"The stone age didn't end because they ran out of stones - it was because they found a better way of doing things!".**
The shop had all kinds of little signs for the wall, e.g. "Light travels faster than sound, this is why some people appear bright until you hear them speak!". But the one I liked best was, **"We'll be friends until we are old and senile. - Then we'll be NEW friends!".** Tee, Hee....

To SSA Magazine
From the
Isle of Wight