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MAGAZINE

shared service architecture

essential shared service skills and knowledge for public sector managers



BARONESS HANHAM ON THE IMPORTANCE OF SHARED SERVICES

Baroness Hanham awards shared service postgraduate certificates to a new cohort of Shared Service Architects and emphasises the importance of their work.



WHY MEMBER LED GOVERNANCE IS THE KEY TO COUNCIL COLLABORATIONS

Cllrs Fiona Martin and Paul Przyszlak explain why Member involvement is the key to success.



SOLENT COLLEGE INNOVATION PARTNERSHIP ONE YEAR ON

Peter Milford reflects on post business case activity in this cutting edge collaboration.

Case Studies

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Reviews



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on their CV
that you didn't?**

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Get in touch with us as soon as possible if you think that you qualify and boost your CV. It may tip your next career application in your favour.

Dominic Macdonald-Wallace Editor

dominic.wallace@sharedservicearchitects.co.uk

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Baroness Hanham presents Shared Service Postgraduate Certificates

“Shared Services can be complex to develop and deliver, so building public sector shared service skills and knowledge is very important to the success, and rapid delivery, of partnership projects.”

Baroness Hanham,



Baroness Hanham, Parliamentary Under Secretary of State at the Department for Communities and Local Government, presented the graduation certificates to the second cohort of sixteen public sector leaders and managers who have passed the national Postgraduate Certificate in Shared Services.

The sixteen also became recognised Shared Service Architects and can add the post-nominal letters ‘SSA’ to their CV, email signature, business card, etc.

The six month postgraduate programme has been designed and is delivered through a partnership between Canterbury Christ Church University and Shared Service Architecture Ltd.

At the presentation, Baroness Hanham praised the work of the university in setting up the programme and the students for completing the part-time certificate.

She emphasised the important role shared services can play as an option for the public sector in delivering quality services in times of austerity. Saying that, as they can be complex to develop and deliver, building public sector shared service skills and knowledge is very important to the success, and rapid delivery, of partnership projects.

Almost 200 councils, fire and police authorities, FE colleges and universities in England have put over 700 politicians, board members and senior managers through elements of the Shared Services Architect’s programme, which is module one of the certificate.

The Local Government Association and Welsh Local Government Association have piloted the programme as part of their shared service offerings to councils.

An invest-to-save option for employers...

Over 40 leaders and senior managers from across the public sector have moved onto the postgraduate certificate since October 2010 and the fifth cohort begins in October 2012.

Some have funded their studies themselves, but the majority have been funded by their employers on an invest-to-save basis. External consultancy to develop partnership activity is no longer an option for many public sector organisations, because of the perceived expense, or lack of funding with organisations.

Building the in-house capacity and skills in shared services can be a lower-cost option for either individual organisations or partnerships.

“Doing the course was a fantastic opportunity to learn more about the shared services models, what makes them work and why many of them fail.”

Example backgrounds of leaders and senior managers who have joined the postgraduate programme are:

- University of Wales
- South Holland Council
- National University of Ireland
- Equality & Human Rights Commission
- Manchester Metropolitan University
- Black Country Library Services
- Surrey County Council
- Health & Social Care Northern Ireland
- Kent MAN Limited
- Nottingham City Council
- Museums, Libraries and Archives
- Cherwell District Council
- RSC JISC
- Private sector consultancy

Dr Wim van Vuuren, Programme Director for the university, thanked Baroness Hanham for presenting the certificates and went on to say that, *“Many politicians and senior leaders and managers have been thrust into shared service activity without sufficient training, putting both their organisation and their personal credibility at risk. Collaborative working is in fact very difficult, as is reflected in the low success rate of mergers and alliances in the private sector. The postgraduate certificate in shared services is a key to implementing successful projects.”*

What has the impact been for the students?

This has been a good career move for many of the senior managers who have completed the certificate.

Graduate Claire Taylor, Corporate Performance Manager, Cherwell District and South Northamptonshire Councils writes about the benefits of the programme to her work. *“The post graduate certificate in shared services is a practical and comprehensive guide to the challenges of setting up and delivering shared services. The knowledge, skills and tools explored within the programme have been invaluable and have helped me secure a new shared services role across two local authorities.”*

Jessica Harris, Relationship Manager for Libraries in the West Midlands, at Arts Council England felt that the three modules in the programme were very helpful. *“This course has strengthened my skills in supporting partnerships in my area of specialism, cultural services. Some of these partnerships are seeking to share services, whilst others are focused on pilot projects which may lead to further joined-up work. I am now able to draw on theory and practical resources to help them build strong collaborations and to secure efficiencies and impact as a result.”*

For other students it has provided practical advantage.

Bukky McGlynn, Customer Experience and Strategy Manager at Surrey County Council Shared Services confirmed that, *“Doing the course was a fantastic opportunity to learn more about the shared services models, what makes them work and why many of them fail. I now understand the importance of developing a shared vision and collaboration in creating successful, sustainable partnerships. I have used the learning from the course to inform our partnership and commercial offering discussions.”*

Graham Rogers, Deputy Vice Chancellor, University of Wales (Newport), also a graduate on the programme, has been putting the learning into action in the development of closer working across the HE sector in Wales. Graham believes that, *“The course has provided the essential skills and a toolkit to establish a successful shared service, together with insight into how to avoid the pitfalls. It was excellent value for money.”*

The university is now inviting applications for the October 2012, 5th cohort. More information on the postgraduate certificate is available from Dr Wim van Vuuren, Programme Director, Canterbury Christ Church University.

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Manny Gatt is Managing Director Of Shared Service Architecture Ltd, is a recognised Shared Service Architect and lectures on the Postgraduate Certificate in Shared Services

I will give you the bad news first. According to Sir Bob Kerslake, speaking at a May 2012 conference of Directors of Adult Social Services, 70% of the planned cuts in public services are still to come.

Developing your collaborative leadership skills - where to begin?

The one thing that binds all leaders together across the public sector is the challenge of managing rising demand with less money.

Whilst local government has 'by and large' met its efficiency saving targets to date (mostly through efficiency drives linked to 'tough it out' strategies) the reality is that continuing along this path will yield diminishing returns.

Good news, bad news...

I will give you the bad news first. According to Sir Bob Kerslake, speaking at a May 2012 conference of Directors of Adult Social Services, 70% of the planned cuts in public services are still to come. The good news is that collaboration can be one of the key ways of managing further cuts.

So it is important, that with the pressure on funding intensifying, a new cadre of public sector 'collaboration leaders' emerges who can lead on partnerships, alliances, shared services and even the many mergers that will occur.

You will recognise them in pioneering new ways of collaborative working developed to lead service improvement. A good illustration of this in practice is the Tri-Borough Partnership in London¹. Writing in the Guardian the council leaders stated that:

'We are clear that the tri-borough project should not replicate old fashioned approaches to service delivery, effectively rationing services. Instead, we have adopted a commissioning model where the desired outcomes are agreed and then management seeks to find the best solution using a combination of private, public and third sector providers.'

The resignation of Cllr Barrow, leader of Westminster Council in March 2012, has not slowed the progress of the project either.

¹ See [Tri-Borough Proposals Report: Bold ideas for challenging times](#). (2011)

Illustrating that the collaborative leadership has been able to build a sustainable cross-boundary relationship, in a sense leading beyond the authority of their organisation and sharing power, responsibility and accountability to make it work.

What are the academics saying?

The concept of collaborative leadership is not new. Academics have been researching this for many years and their findings are insightful.

According to Chrislip and Larson (1994)² *'...leaders are those who articulate a vision, inspire people to act, and focus on concrete problems and results.'*

[But]...collaboration needs a different kind of leadership; it needs leaders who can safeguard the process, facilitate interaction, and patiently deal with high levels of frustration. Collaboration works when...leaders ...keep the process going.'

Linden (2003) identified four main qualities that distinguish effective collaborative leaders from those who weren't effective:

1. They combine tremendous persistence, energy and resolve with a measured ego.
2. They are passionate about the desired outcome.
3. Collaborative leaders pull others rather than push them.
4. Collaborative leaders think systematically.

Other factors shaping the development of collaborative leaders is the recognition that old style leadership attributes, which work well within an organisational context, seem inadequate when addressing complex 'wicked problems' with high levels of ambiguity.

² Chrislip, D & Larson, C (1994) *How citizens and civic leadership can make a difference*. P42

...according to Lord Michael Bichard, a good starting point for current leaders is to stop talking about public services and start talking about services provided for the public good.

Austin³ (2000) predicted an 'age of alliances' seeing the notion of leadership widening to embrace collaborative skill sets. Brooks (2008) talked about a new type of 'new public leadership'⁴ defined as:

'A form of collective leadership in which public bodies and agencies collaborate in achieving a shared vision based on shared aims and values and distribute this through each organisation in a collegiate way which seeks to promote, influence and deliver improved public value as evidenced through sustained social, environmental and economic well-being within a complex and changing context'.

So what must you do well to become an effective collaborative leader?

Linden⁵ (2003) found that collaborative leaders are able to:

- Create excitement about the collaboration's purpose
- Be effective at getting the right people around the table and keep them there
- Help them see common interests and benefits possible through joint effort
- Generate trust
- Help design a transparent, credible process
- Focus on the win-win to meet three way interests
- Make relationship building a priority for the group
- Ensure senior champions are in place
- Engage everyone in collaborative problem solving
- Celebrate small successes and share credit widely
- Provide confidence, hope, resilience

³ Austin, J (2000) *Principles of partnership*. p44

⁴ Brookes (2008) *The public leadership challenge*. ESRC research report. PI

⁵ Linden, R (2003) *The discipline of collaboration*. Linden describes the three way interests as needs of the partners, the needs of product or service and the needs of the relationship between the partners

Yes a long list, but nevertheless a useful checklist for aspiring collaborative leaders.

Are you a spanner?

Linden's view of collaboration leadership is supported by the research work of Pawlowski and Robey (2004) which evidences that three brokering practices are required to lead and facilitate any successful cross-boundary activity: *connecting, grafting and dealing*⁶.

They see the collaborative leader as a broker who first connects people by communicating and reinterpreting the expectations of partners until they are acceptable to all.

Then they *graft* their personal leadership expectations onto the partners' expectations to avoid potential conflicts and extend the knowledge across boundaries.

Finally, the leader, as broker, facilitates ongoing interaction and ensures continual *dealing* between the partners.

But where do I start now, I hear you ask?

Well according to Lord Michael Bichard⁷, a good starting point for current leaders is to stop talking about *public services* and start talking about *services provided for the public good*⁸.

Shifting your focus from improving your institution to improving the services provided for the public good will open the possibilities of collaborative working with others to deliver that goal.

Once this rubicund has been crossed, you will be on the path to develop your collaborative leadership skills.

⁶ Pawlowski, S.D. And Robey, D (2004) cited in Hsiao, R-L. et al. (2012) *Collaborative Knowing: The adaptive nature of cross-boundary spanning*. p466

⁷ Sir Michael was former Director of the Institute of Government and Chair of the Design Council

⁸ Lord Bichard writing in the Local Government Chronicle 31/05/12

Understanding the journey in Welsh Public Sector collaborations

...the report, “challenged all parts of Welsh Government to support local services through a citizen focus which required better integration of services and, where necessary, more working across geographical boundaries...”

Possibly the initial focus point for shared services in Wales was the publication of *"Making The Connections"* in October 2004, which “heralded a distinctive approach to public services based on collaboration rather than competition”¹.

Building on the 2004 report, Sir Jeremy Beecham's 2006 review of local service delivery sparked the will by Welsh Government to accelerate the need for public services to be more integrated, efficient and responsive to citizens and communities. This was to be achieved by, “...using existing and new legislative powers to strengthen the duties on public bodies to co-operate, removing barriers to collaboration...”².

Cymdeithas Llywodraeth Leol Cymru (the Welsh Local Government Association) later reflected that the report, “challenged all parts of Welsh Government to support local services through a citizen focus which required better integration of services and, where necessary, more working across geographical boundaries to provide the specialist services people need.”³

The integration of relationships was also developed in the Government of Wales Act (2006) which made Welsh Ministers establish *Cyngor Partneriaeth Cymru* - the Partnership Council for Wales⁴. This built a direct relationship between central and local authorities⁵ and an environment for collaborative working.

¹ Llywodraeth Cynulliad Cymru/Welsh Assembly Government (2008) In the Foreword of: *Local Partnership Scheme 2008*.

² Llywodraeth Cynulliad Cymru/Welsh Assembly Government (2006) *Making the Connections - Delivering Beyond Boundaries*. Cardiff: Welsh Assembly Unit

³ WLGA (2008) *Working together: Case Studies in Welsh Local Government*. Cardiff: Cymdeithas Llywodraeth Leol Cymru/Welsh Local Government.

⁴ Llywodraeth Cynulliad Cymru/Welsh Assembly Government (2006) *Government of Wales Act 2006*. Section 72 (1)

⁵ For the purposes of this section of the bill, Local authorities in Wales include county, borough and community councils, National Parks, police, fire & rescue and others ‘specified for the purposes’ by Welsh Ministers.

Politicians ‘walking the walk’...

*One Wales*⁶ (2007) was the collaboration exercise by politicians to develop coalition leadership in the Welsh Assembly. Within the agenda, of almost 200 commitments, was an ambition to build on the Beecham Report⁷ and pool the budgets of Local Service Boards⁸.

Following on from the coalition’s joint working programme, Cymdeithas Llywodraeth Leol Cymru published a review of collaboration and shared service activities across the country in their 2008 paper *Working Together*⁹. A paper remembered for its opening line, “Sex, suggested Philip Larkin with his usual sarcasm, was discovered in 1963.”

The paper evidenced, across sixteen service deliver areas, a wide number of existing collaborations covering¹⁰:

- Shared information
- Joint regional planning
- Shared procurement
- Joint service delivery

The paper had sharp words though, for areas in Wales lacking in collaborative activities, “*The maintenance of barriers to collaboration is an indication of a lack of confidence and competence; organisations which are more interested in serving their own interests than those of their citizens*”¹¹.

Maybe there was something more behind this paper than just illustrating the benefits of collaboration under the right circumstances. In the final paragraph CLLC may have been indicating what was really on their mind.

⁶ Labour Party Wales and Plaid Cymru (2007) *One Wales: A progressive agenda for the government of Wales*. Cardiff: Llywodraeth Cynulliad Cymru/Welsh Assembly Government

⁷ Ibid p6,

⁸ Ibid p7 - public services boards in Wales are similar to Local Strategic Partnerships in England.

⁹ WLGA (2008) *Working together: Case Studies in Welsh Local Government*. Cardiff: Cymdeithas Llywodraeth Leol Cymru/Welsh Local Government Association

¹⁰ Ibid p6

¹¹ Ibid p6

WALES

Proposed alignment of collaborative
organisational areas



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Cartographics - Welsh Government
ML/21/11.12
July 2011

“We are committed to meeting the needs of citizens through collaboration, rather than competition.”

“The alternatives [to collaboration] lie in a more centralized, nationalized or privatised public service...¹²”. Often, the fear of forced centralization, or privatisation, can be the catalyst for shared services.

The following year Llywodraeth Cynulliad Cymru delivered their austerity paper, *Better Outcomes For Tougher Times*¹³.

The requirement for joined up activity is made clear across the paper. *“We are committed to meeting the needs of citizens through collaboration, rather than competition.”*, *“...with leaders and managers being collaborative”*, *“...and collaborative service delivery and improvement.”*¹⁴

SOLACE Wales challenged the status quo strongly in their 2010 paper, *Local Public Services in Wales*, *“...there is a clear recognition that we can’t go on delivering everything 22 times.”*. In their conclusion they suggest, *“...focusing on a number of high impact transformational projects spread geographically across the country, each working to the same broad criteria and using the same underpinning approach.”*¹⁵

Enshrining collaboration in law...

A “duty to collaborate” was introduced to English local authorities in the Local Government Involvement in Public Health Bill of 2007. An equivalent was developed in the Local Government (Wales) Measures 2009. Under Section 9, collaboration powers were given to the improvement authorities:

“This section confers on Welsh improvement authorities’ broad powers to enable them to collaborate with each other and with other bodies, for the purpose of discharging or facilitating the discharge of the duties under section 2(1), 3(2) and 8(7). Section 9¹⁶ allows an authority to collaborate with another authority to facilitate the discharge of the other authority’s duties, whether or not that would facilitate the discharge of its own duties”.

¹² Ibid p34

¹³ Llywodraeth Cynulliad Cymru/Welsh Assembly Government (2009) *Better Outcomes For Tougher Times: The Next Phase Of Public Service Improvement*. Cardiff: Llywodraeth Cynulliad Cymru/Welsh Assembly Government

¹⁴ Ibid p2&3

¹⁵ SOLACE Wales (2010) *Local public services in Wales: developing a whole area approach*. Solace Wales website

¹⁶ Llywodraeth Cynulliad Cymru/Welsh Assembly Government (2009) *Local Gov (Wales) Measure 2009*. Section 9 Para 16. Section 10 confers on fire and rescue authorities a power to delegate its functions.

By the summer of 2011, Carl Sargeant was indicating an impatience with the pace of collaborations. In a written statement by Llywodraeth Cymru, he sets out the intention, *“to put the leadership and governance arrangements on a firmer footing by putting it clearly with the Partnership Council¹⁷”* and *“establishing a strong link between the Partnership Council and delivery of public service reform¹⁸.”* This led to the paper, *Approach to regional collaboration: promoting coherence*, released in July 2011 which included the map of the *“proposed alignment of collaborative organisational areas”*, shown after the next page.

The Simpson Compact

In the meantime the Simpson Report was published¹⁹ which set out the ‘Big Offer²⁰’ drawing together the potential for collaboration on social services, education, mineral planning services, procurement, regulatory services and emergency planning.

This would be achieved through, *“A Compact detailing the development of collaborative and national services delivery...”*, between the Assembly Government and the WLGA which was jointly signed on 5 December 2011.

What will 2012 bring?

2012 is set to bring the Local Government (Collaboration Measures) (Wales) Bill which will, *“facilitate the process of local authorities making joint appointments²¹”*.

Maybe this is the tipping point. Notable collaboration success has occurred when shared CEOs and shared management teams have been put in place, because shared services are then inevitable²².

¹⁷ Llywodraeth Cymru (13/07/2011) p3

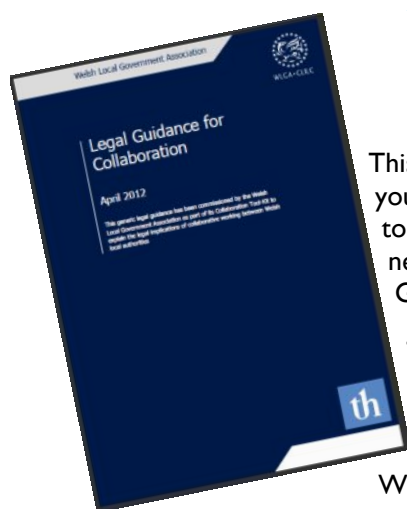
¹⁸ Ibid

¹⁹ Llywodraeth Cynulliad Cymru/Welsh Assembly Government (2011) *Local, Regional National, What Services Are Delivered Where?* Cardiff: “Local, Regional National, What Services Are Delivered Where?”

²⁰ Ibid p57

²¹ Llywodraeth Cynulliad Cymru (2011) *The Welsh Government’s Legislative Programme 2011 - 2016*

²² For example, Vale of White Horse & South Oxford Councils, Adur and Worthing Councils.



We would recommend you download it and strip out what you can into the 10 sections in your Highway Code folder.

WLGA Collaboration Guide - a welcome addition

This could be a good time to get down your *Highway Code of Shared Services* folder to update some of the chapters, with this new guide from the Welsh Local Government Association.

The 117 page document is called *Legal Guidance For Collaboration*¹ and immediately here is an insight into the language being used within Wales.

Where the Scottish or English public sector talks about shared services, in Wales they talk about collaborations.

In case you are not familiar with the WLGA, the report notes that, “*The WLGA’s primary purposes are to promote a better local government, its reputation and to support authorities in the development of policies and priorities which will improve public service and democracy. It represents the 22 local authorities in Wales, with the 4 police authorities, 3 fire and rescue authorities and 3 national park authorities as associate members.*”

Shared Service Architecture was invited by the WLGA to deliver the Shared Services Highway Code and Shared Service Architect’s Toolbox sessions to a group of collaboration managers in Cardiff, in March 2012.

This document is a welcome addition to the Highway Code introduction day. We would recommend you download it and strip out what you can into the sections in your Highway Code folder as the guide has chosen to explore the same areas, apart from Data Protection², the Equalities Act³, the Public Service (Social Value) Act and Document Management.

¹ Trowler Hamlin & WLGA (2012) **Local Guidance For Collaboration**: This generic legal guidance has been commissioned by the Welsh Local Government Association as part of its Collaboration Tool-Kit to explain the legal implications of collaborative working between Welsh local authorities. Manchester: Trowler Hamlin.

² There is a paragraph about Data Protection on page 92

³ There is a brief reference to this on page 101

Strengths and Weaknesses?

This is a very good document which, although it has been produced for use in a Welsh context, and is built on the 2009 Measure⁴, we would recommend to shared service practitioners across the UK.

Sections 7, 8 and 9 are well structured providing insight into the legal powers, procurement position, governance arrangements, finance and HR implications of the partnership options. Section 7⁵ covers informal arrangements between public sector partners; Section 8⁶ covers Shared Appointments/Secondment; Section 9⁷ offers guidance on Contractual Arrangements.

That in itself offers an interesting journey structure. Traditionally the English journey has been (using English shared service language) to move from the loose collaborative structures to formal partnering arrangements, with shared CEOs or management teams as running parallel to these two.

In this paper the WLGA proposes shared CEOs and joint management teams as integral to the journey from the formal to the informal. That is a credible view, as we point out in our Welsh Highway Code of Shared Services section, “*Notable collaboration success has occurred when shared CEOs and shared management teams have been put in place, because shared services are then inevitable*”⁸.

If there is a minor area of weakness, it is only that the document would have been brought fully to life by example case studies and tools and templates similar to the SSA Highway Code.

⁴ Llywodraeth Cynulliad Cymru/Welsh Assembly Government (2009) *Local Gov (Wales) Measure 2009*. The Measure virtually makes collaboration mandatory if it will result in improvement or efficiency gains.

⁵ Page 29

⁶ Page 33

⁷ Page 37

⁸ For example, Vale of White Horse & South Oxford Councils, Adur and Worthing Councils.

The Shared Service Architect's Business Case Toolbox

This one day seminar, and the accompanying 240 page book of over 50 tools, templates and techniques, has been written to build the capacity of you and your colleagues, to effectively draft as much of a shared service business case as possible, in-house.

This seminar and toolbox (part of the foundation unit in the Postgraduate Certificate in Shared Services) equips public sector managers with effective tools, techniques and templates to delegate chunks of the drafting to colleagues and thereby considerably reducing the external consultancy spend.

However the ambition of the seminar and toolbox is to help you shave up to £10,000 of external consultancy payments off the cost of each shared service business case - a potential saving of £100,000 or more for organisations with 10 or more projects.



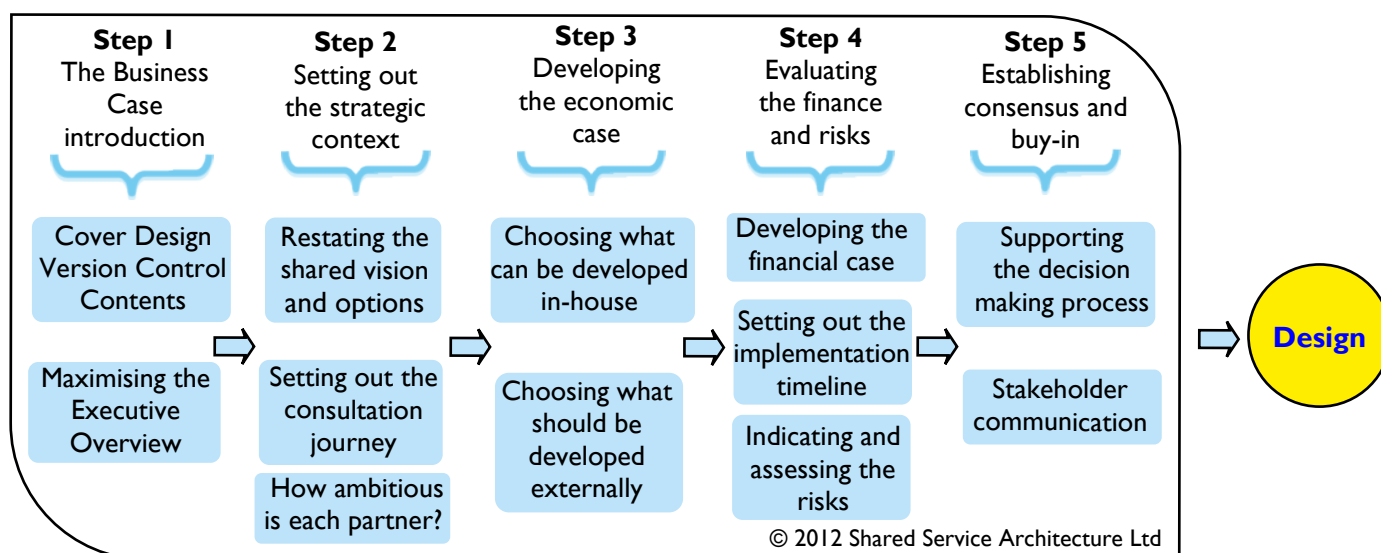
The seminar and tools and techniques will equip you with the skills and knowledge to move confidently along the shared business case route map

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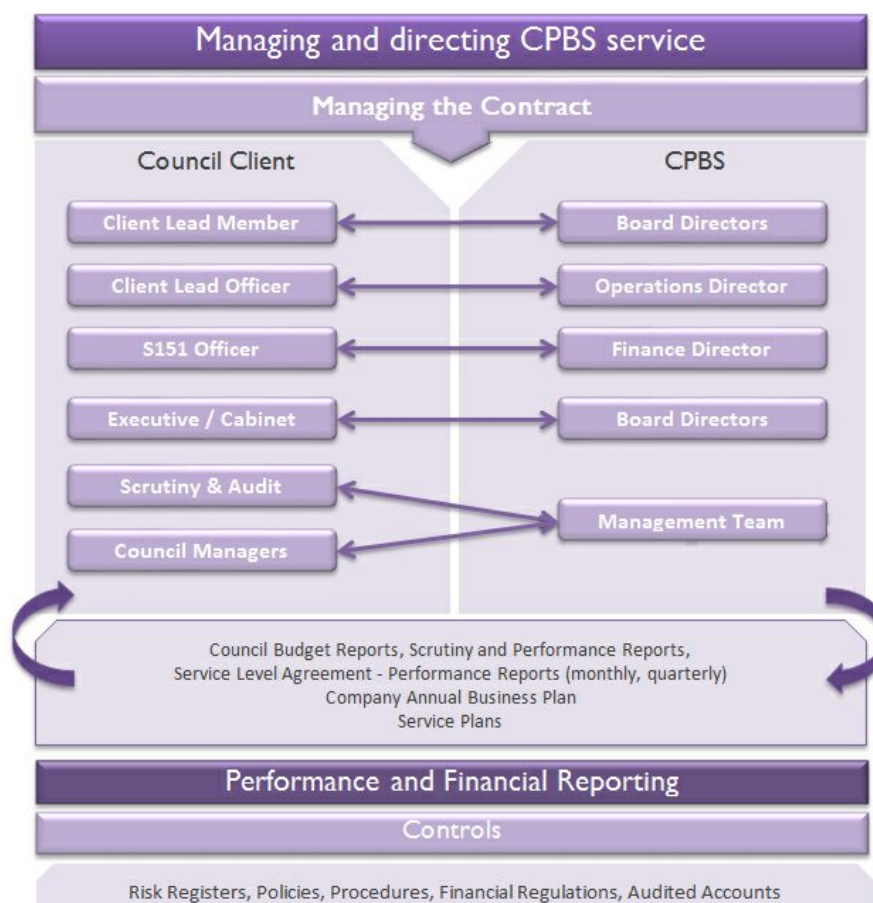
and download the full seminar details

THE FIVE KEY STEPS OF THE SHARED BUSINESS CASE ROUTE MAP



Shared service governance and management by elected Members

Before you get into the next couple of pages it may help to understand how the Councillor led governance system of Compass Point Business Services is structured and the rhythm of its activity.



Where did CPBS's £2.1m in 2011/12 savings come from?

- £1.139k Revenues and Benefits
- £305k Customer Services
- £286k Finance
- £282k Human Resources
- £94k ICT Services

The diagram above sets out the governance structure for the successful shared service arrangement between South Holland District Council and East Lindsey District Council, set up as a TECKAL company called Compass Point Business Services Ltd.

Before you get into the next couple of pages it may help to understand how the Councillor led governance system is structured and the rhythm of its activity.

How frequently do the governance groups meet?

The shared service is operated through a Board of Directors, jointly appointed by shareholders who are East Lindsey and South Holland District Councils.

East Lindsey District Council holds 63% of the shares and South Holland District Council the 37% balance.

The Board is made up of three directors from each council and the company's Managing Director. It meets monthly to decide the company's direction and service delivery to its clients.

Once a year the full councils vote on the company's business plan, and there is a joint shareholders' annual general meeting in the autumn.

The Councils' committees meet on a regular basis throughout the year with CPBS providing updates on performance along with other council services.

Building sustainable, Council owned and Member-led shared services



Cllr Fiona Martin MBE



Cllr Paul Przyszlak

“A [Council] shared service cannot be imposed by officers. The desire and vision has to be developed from within political groups on the authorities.”

Compass Point Business Services Ltd (CPBS) is a local authority TECKAL company owned by East Lindsey District Council (63%) and South Holland District Council (37%).

The company began its tentative journey in 2008 with three partners, moving forward with two by the turn of 2010 and has announced cashable savings of £2.1m in the last 12 months.

The ambition is to save £30m between the partners over 10 years. The invest to save fund has been £4.6m, giving an ROI of 6.5.

Leadership from the top...

CPBS is overseen by a Board of Directors who are Members. SSA spoke with Cllr Fiona Martin, MBE, Chair of the CPS Board, and Cllr Paul Przyszlak, Vice-Chair of the Board to gain their view of the project and its governance.

SSA: What do you feel makes governance succeed or fail in a shared service?

Cllr Martin: Member buy-in has been the cornerstone to our success. Building understanding and awareness of the key issues and the potential benefits has been vital; it's what drives the project forward and keeps it on track.

More importantly, the level of involvement needs to be sustained as the shared service centre grows and develops. Establishing a shared service is one thing, maintaining and supporting its clients and the company's shareholders requires equal commitment.

SSA: What about the role of senior management in governance of your shared service activity?

Cllr Przyszlak: Senior managers have an important role to play in delivery of the new service, but looking at CPBS as a case study one clear theme is the successful leadership from the top by Members and Officers. A shared service cannot be imposed by officers. The desire and vision has to be developed from within political groups on the authorities.

To achieve that engagement and leadership the Executive Boards of the authorities were initially asked to consider three key questions:

- What does my authority want to achieve from sharing?
- How much could my authority save if we shared services?
- How important is it to my authority to maintain control of the shared service?

In approaching the governance of a shared service model it is important for local authority Members to know what they are seeking to achieve, and what their vision is for the long term.

SSA: So where did the initial driver for the project come from?

At East Lindsey and South Holland the impetus for a shared service company was driven by the Council Leaders and this was shared by the executive of both authorities too.

A small project team of Members and Officers established a high level business case by working with consultants to see:

- What services if shared would produce the largest savings?
- What models of sharing would work for both authorities?
- What success would look like for the shared service?

SSA: How did you engage the members in the decision making after that?

Cllr Martin: As the shared service proposals developed, dedicated workshops with Members were held and information sessions arranged to ensure that the proposals reflected the councillors' objectives and values.

A number of challenging questions were asked by Members and we worked through many issues before we drafted and finalised the detailed business case.

“...as with all democratic processes when there is an election Members can change and there’s a need to bring new Members up to speed with past decisions and reasoning – and also challenge past assumptions.”

At key points Members were asked to vote on whether their authorities wanted to press on with the shared service approach – leading to a decision in July 2010 to establish Compass Point Business Services Ltd.

SSA: How long did it take to get full member agreement?

From initial talks, about 18 months. The long lead in time helped to establish the approach in the mind of the Councillors. But as with all democratic processes when there is an election Members can change and there’s a need to bring new Members up to speed with past decisions and reasoning – and also challenge past assumptions.

SSA: So why did the Councils choose a TECKAL company as the governance model?

Cllr Przyszlak: The TECKAL part is just a legal structure. The benefit of using a company is that it is answerable to its shareholders - the two local authorities. This ensures Members exercise control over the shared service’s strategic direction.

One of the reasons for creating a company structure was to drive a fresh commercial ethos through all three organisations; this is helping to drive new ways of working.

Now the Company is moving into its second year of operating – with both authorities sharing in £2.1m of savings in the first 12 months.

The governance relationship is maturing and evolving too. That sense of ownership of a business gives the roles and responsibilities on governance greater clarity and this is helping the three organisations (the business and two shareholding councils) to move forward with assurance and knowledge that this partnership will work.

The focus is very much on maintaining that strong sense of ownership across all Members. There is very regular communication with Members to develop their knowledge and awareness of the company’s performance. This is a relationship which is growing and maturing as the company develops.

SSA: What role is there for opposition Members in the governance activity?

Cllr Martin: Both authorities have selected one Member who is not from the ruling group and placed them onto the Board of the company; and there is a role for all Members via scrutiny and governance groups.

SSA: Is there anything you would do differently if you were starting again?

Cllr Przyszlak: That’s an interesting question – probably is the honest answer, but as to what exactly would be different it’s hard to say – given that with any model there are always modifications that are needed. Maybe more informal communications and regular updates to Members, as well the formal updates.

Can other partners be added?

The Councillors feel that adding partners is key to developing the success of CPBS. *“It is clear that there is a need to develop the scale of savings that sharing creates and CPBS is in the process of talking to a number of councils, in dispersed geographies, who could become true partners in the business and benefit from the ‘kick start’ provided by the investment made to date in our services.”*

Co-ownership in a CPBS business, maintaining direction and control of the services, and ensuring local social value¹ is delivered are some of the things that the more traditional outsourcing route finds difficult.

Our governance and TECKAL structure² makes the goals and benefits of sharing services not just attainable, but attainable in a much shorter time scale than alternative routes.”

For further information on CPBS, and the governance structure, contact them at <http://www.cpbs.com>.

¹ See page 22 for the Highway Code Update on the Public Service (Social Value) Act 2012

² The governance of a TECKAL structure relating to local authorities was confirmed in Supreme Court Case 2011 UKSC 7 on Appeal from [2009] EWCA Civ 490 para 91-93, p36

Only six miles down the road, but a TUPE transfer too far

The five employees operated from the Westbourne Park Bus Depot, which, according to the EAT judgement, "...suited their particular family circumstances and where they lived".

As this article goes to press, at the beginning of July 2012, as yet there is no publication date for the review of TUPE by the Department for Business Innovation and Skills and the Beecroft report has not been received well.

So, life goes on and a Jan 2012 TUPE tribunal has generated a ruling that shared service practitioners may like to think about.

When is a relocation not an allowable relocation, under TUPE?

Abellio London Ltd (formerly Travel London Ltd) VS Musse and others¹ is an Employment Appeal Judgement made in January of 2012.

The issue was that five bus drivers had been employed by CentreWest London Buses Ltd as drivers on the 414 bus route in London.

The five operated from the Westbourne Park depot, which, according to the EAT judgement, "...suited their particular family circumstances and where they lived"².

In November 2009, the 414 route was transferred from operation by CentreWest to being operated by Abellio London Ltd.

The drivers claimed that six miles was a substantial change in their working conditions. The EAT judgement states that, "...in four of the cases there was an extension of the time it would take for the employee concerned to travel to his starting place of work of between 45 minutes and an hour and a quarter or thereabouts; in respect of the other, there would be an extension of a car journey by at least 35 minutes. That added, respectively, some two hours or more to the working day in four cases, and over an hour in the other."³

The tribunal felt that this set Regulation (4) paragraphs 9 and 11 of TUPE into play:

(9) Subject to regulation 9, where a relevant transfer involves or would involve a substantial change in working conditions to the material detriment of a person whose contract of employment is or would be transferred under paragraph (1), such an employee may treat the contract of employment as having been terminated, and the employee shall be treated for any purpose as having been dismissed by the employer.

(11) Paragraphs (1), (7), (8) and (9) are without prejudice to any right of an employee arising apart from these Regulations to terminate his contract of employment without notice in acceptance of a repudiatory breach of contract by his employer.

Each of the drivers had resigned, rather than be TUPEd on the basis that, "...where a relevant transfer involves or would involve a substantial change in working conditions to the material detriment of a person whose contract of employment is or would be transferred under paragraph (1), such an employee may treat the contract of employment as having been terminated..."⁴ and the tribunal found in the favour of four claimants and a claim for unfair dismissal was allowed.



All of this news comes to you with the caveat that it is not the role of a shared service practitioner to advise on TUPE matters.

However, where you perceive that a business case suggests a TUPE transfer that may impact on what employees felt "...suited their particular family circumstances and where they lived", you may want to suggest that appropriate legal advice is taken by the partners.

You may want to store this in your Highway Code Folder

¹ UKEAT/0283/11/CEA & UKEAT/0631/11/CEA;

² Page 4, para 2

³ Page 6, para

⁴ Regulation (4) (9) TUPE 2006



Solent Colleges Partnership

How is SCIP, one year on?



Peter Milford
(BA, LLM, DipEdTech,
MBCS, CPhys MInstP)
project manages the
SCIP programme.

SCIP, the Solent Colleges' Innovation Partnership, is a collaborative group of six, open access, inclusive Sixth Form Colleges across South Hampshire.

In 2011, the Partnership was awarded a grant from the Efficiency Fund programme to develop shared services. Initially this was with a focus on back office efficiencies but later moved towards core front office services in order to "maintain and enhance the student experience".

I was invited by the partnership to write the original project bid and then to manage the development of the Business Case and the implementation of the project.

Building the trust and shared vision

The Outline Business Case was approved by the steering group of college Principals in March 2011, along with a MoU emphasising trust and cooperation.

A key element of developing the business case was to build trust and a shared vision amongst partners and stakeholders. So, a senior management and leadership conference event was held to introduce the concepts and to invite views in relation to collaboration between colleges.

One of the activities at the conference made use of the Sovereignty Matrix tool from the Shared Service Architect's Toolbox. This gave an opportunity for participants to articulate what they were prepared to share and why.

There were 40 delegates at this first conference. Participants were split into 6 randomly selected working groups – each equipped with post-it notes and marker pens.

Groups identified services in operation and wrote these on the post-it notes. They then placed the notes on large scale copies of the matrix tool. Services to be shared were placed on the right and those that they did not want to share were placed on the left.

The groups then reported back in a large scale plenary session – and the copies of the matrix tool (with post-it notes) were put on display around the room.

The real surprise at this initial meeting was that the majority of post-it notes, from all the groups, were placed on the right hand side of the matrix. Clearly there was a strong appetite for collaborative activity.

The second stage of the initial meeting saw participants grouping interest areas – Finance, HR, Curriculum, Student Services, MIS etc and working together within these groups to identify potential programmes for development.

From business case to action

The initial Shared Service Business Case was approved in March 2011 including a migration away from 'back office' and towards 'front office' functions.

The business case was broken down into a phased development:

Phase 1 (0-12 months) – Working together for quick wins?: Looking for back office efficiencies, commonalities, lead departments and a central coordination, communication and implementation structure.

Phase 2 (12-36 months) - Coming Together: Opportunities to look at governance models to see how colleges could collaborate – could these be joint ventures or through single centralised provision? Should there be shared cloud based systems, shared management and staff? Could there even be shared students?

Phase 3 (24-48 months) – Federating – hard or soft? Based on the tangible success of phases 1 & 2, this step would consider the concept of a group of colleges provided with common services and management by a single entity.



This is a photo of one group's matrix activities showing the preference for shared activities being placed, almost completely, on the right.

It is clear that collaborative responses are taken much more seriously. One response generated a direct reply from the Minister and another has seen MPs coming to the group to seek further views and background information. It is clear that the sum of 6, is greater than 6 individual responses

So, just over 12 months later, which phase are we in?

The project is certainly now in Phase 2, in fact the targets set for Phase 1 were probably achieved in the first 6 months (maybe even earlier than that).

However, the initial plan for Phase 2 has now changed. The new Education Act has created a stronger focus on enhancing and extending the student experience. As a result, there have been substantial changes in the way in which colleges are funded, inspected and interact with other providers in the wider community. These changes are impacting on the shared service business plan and its future direction.

Achievements

There have been recognisable achievements. For example, a common approach to procurement of Management Information Systems that will offers savings in the order of £250K. In addition there is an agreement with a professional services company that offers discounts on partner fees and value added services at lower, or no cost.

There have been common approaches to developing carbon management plans to meet local authority targets and a series of benchmarking exercises involving the sharing of deep level financial and operational data to determine best practice and to implement that across the partnership.

As a partnership the group has come together to submit combined responses to major national governmental consultation processes – on the funding of post-16 education and on the future of Ofsted inspection.

It is clear that collaborative responses are taken much more seriously. One response generated a direct reply from the Minister and another has seen MPs coming to the group to seek further views and background information. It is clear that the sum of 6 is greater than 6 individual responses

My personal favourite outcome is that the six Science Departments are considering a single 'virtual' department across the partnership.

What are the lessons learned?

First and foremost, shared services benefit from People, Time, Trust and Communications.

These projects haven't run quickly. They're developmental because working with shared services is really about working *with the people*, not *doing it to them*. It's the management of change and the management of people, and that has to be done very carefully.

It is not a fast process. Results will not appear in weeks or even months. These are fundamental and long reaching changes to processes, procedures and delivery. This project will be long term – minimum 2 years and likely to be 4 to 5 years.

What are the next steps for the project in 2012?

Two more conference events, for Principals and Governors in May 2012, and for Senior Managers and Leaders in June 2012, have identified the work for the next year.

This will take forward the initial development of trust, to far more cooperative working in all areas – with a focus on the experience of the end user, the student.

Is there still a potential for a single service company?

Probably not. That may be a step too far at this stage. Being part of a developing group has provided protection in the face of some hostile action, but a single identity may not serve the communities for which the colleges provide an effective service.

The real benefits are not to be found in the back office, or even the bottom line.

The real benefits are to be found in the success and achievement of the students – colleges working together to provide a shared learning experience that enhances, extends and raises aspirations across all student groups.

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Get your maths right or watch your shared service fail!



Alasdair Robertson is Head of Operational Research at Shared Service Architecture, and runs his own analytics company specialising in shared service business case and design.

Alasdair is a recognised Shared Service Architect and has completed the Postgraduate Certificate in Shared Services.

$$\frac{x^3 - y^2}{\sqrt{z}} = 2 \sqrt{\frac{(x^a - y^b)(3z + 2x - y^3)}{a^3 + b^2}}$$

$$\sqrt{\frac{a^x + \frac{1}{2}b^x}{y^z}} \cdot \frac{z^3}{a^3} = \frac{(a^2 + b^2 + x^2 + y^2)(x^3 - b^3)}{\sqrt{3x - 2y^3 - z^3}}$$

I'd like to share some real life examples of shared service business case bloomers.

These are the business case equivalents of 'You've been framed!'. Hilarious tragedies that are funny only because it could so easily have been me...

Some readers may find this article disturbing and regrettably, some careers were harmed in the production of these business cases.

Compounding the error

The first concerns a mistake we've seen a number of times, most recently in the business case for a multi-million euro shared service centre to handle the global finance processes of an international service company, produced by a respected consulting firm that really should have known better.

The logic of the business case was (and I'm paraphrasing slightly) that by putting work into a shared service centre:

1. we can automate some tasks (= 10% saving),
2. we can re-design some processes, (= 10% saving),
3. we can get customers to self serve (= 10% saving)
4. we can take out some re-work (= 10% saving).

And...ta-dah, we can save 40%!

The error is very obvious when you think about it.

The four lots of 10% saving were all to come from the same group of staff. If this was a correct analysis it would imply that find 10 ways to save money, and you could provide the service with no staff at all!

The problem is that this calculation simply aggregates the 10%s. In reality this should be treated as a compounded saving.

The maths is the same as the difference between simple and compound interest and goes like this:

- Start with 100 staff, save 10% to leave 90 staff.
- The next thing you do saves a further 10%, but this should be 10% of remaining 90 staff.
- 10% of 90 is 9 staff, so you are left with 81 in total.
- The next saving shaves a further 10% off these remaining 81 staff (81 x 10% gives 8.1 fewer staff, or 72.9).
- Repeat for the next saving and the result is 65.6 staff.

This contrasts with what the consultancy had stated which was: 10% x 4 savings x 100 staff = 40 staff saved, or 60 remaining.

This would have left the facility 9% under resourced! Suffice to say that would be crippling to performance levels.

If your target is £1m in savings, then anticipate spending £200k to get there in payouts to staff, closure of existing contracts, adviser fees, new ICT, etc.

Will it come out in the wash?

The next major common error is so prevalent, I'd put money on it being embedded in your organisation's efficiency plan right now.

This takes all the unknown factors about projects, throws them up in the air and says, "I've no idea what will happen so let's just pick the number we first thought of and stick it in the budget."

Imagine your shared service business case includes an implementation timeline of 5 major activities that will each deliver a benefit. Each of those could be delivered either (a) early - try not to laugh too much at that one, (b) on schedule, or (c) late.

Actual benefits could either be more than expected, or less than expected. Costs could be similarly variable from expectations.

That's an awful lot of unknowns but when it comes to setting budgets you have to pick a single number. Fortunately, to mathematicians this is a very solvable problem in applied probability.

For those who prefer to let software do the computational heavy lifting, this can be solved easily using something called Monte Carlo analysis.

How much is there to worry about? One situation we looked at assumed savings of £2.1m. But after running the numbers through the software, it turns out that the chance of getting that was about 1 in 500.

Using a prudent level of risk, we could show that it was safe to assume £1.5m. Anything more than that was worthy of a Gallic shrug

Never, never, land...

The last error is the most common of all and it's simply forgetting that investments have to happen before returns are realised.

The transition costs may well be only £100k and the savings several times that but if you ain't got the £100k, the promised efficiency will remain forever more just a distant mirage on the horizon.

Start-up businesses usually fail, even if highly profitable, because they get the cash flow wrong and simply run out of money.

In the early stages, costs go out of the door before the sales invoices get paid by customers. Failing to do a savings cash flow plan usually results in botched implementations when the money isn't there to set it up properly or shoddy compromises that get the new service off to the worst possible start.

Proper sums and appropriate planning, could avoid much of this by releasing some savings early and reinvesting these to access the rest.

There is talk in the private sector of a 20% rule: You need to spend up to 20% of your target saving to get near it. Eg if your target is £1m in savings, then anticipate spending £200k to get there in payouts to staff, closure of existing contracts, adviser fees, new ICT, etc.

Getting it right first time

Experience is defined as the knowledge we gain just after we needed it. Which is why we learn best from mistakes.

I hope these examples will equip your business case with the wisdom gained from other people's so that more business cases are right first time.

Alasdair's email is:

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*“If we don’t innovate in the public sector
we are in serious trouble.*

*We are not going to get out of this
recession with a few efficiency savings
or, as someone put it,
a hair cut here and there
for public services.*

*We are going to have to look
at fundamentally different
ways of delivering services”*

*Lord Michael Bichard
Director of the Institute for Government
and Chair of the Design Council*



The Shared Service Architect's Innovation Toolbox

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Building The Public Service (Social Value) Act 2012 into collaborations

“If £1 is spent on the delivery of services, can the same £1 be used to also produce a wider benefit to the community?”

The new Public Service (Social Value) Act 2012 received royal assent in March 2012.

It places a duty on all public authorities to use procurement opportunities to gain social, economic and environmental benefits for their area.

As a result, Shared Service Architects and Practitioners will need to account for this in the visioning and business case stages.

What is Social Value?

The concept of social value in UK public sector procurement is not new. Section 39 of the Public Contracts Regulations 2006 is clear that contracts can include social and environmental considerations¹.

In their March 2012 briefing to members, the Voluntary Organisations' Disability Group define social value in this way²:

“When money is spent on a public service there can and should be additional gains for the community and society. These could be local employment, local sourcing of materials and goods, apprenticeship and training programmes for disadvantaged groups, employment standards and practices for employees – for example the payment of the “living wage”, co-production that empowers service users, the use of sustainable products and much more. These will be different for different services in different places. The public sector and the tax payer get a social return on the expenditure and not simply an economic one even though the social impact should be quantifiable and certainly has to be measurable.”

¹ [Public Contracts Regulations 2006](#). Section 39: (1) A contracting authority may stipulate conditions relating to the performance of a public contract, provided that those conditions are compatible with Community law and are indicated in—(a) the contract notice and the contract documents; or (b) the contract documents.

(2) The conditions referred to in paragraph (1) may, in particular, include social and environmental considerations.

² [VODG](#) (2012) Public Services (Social) Value Act 2012. London.

Social Enterprise UK (SEUK) are pithier³: *“If £1 is spent on the delivery of services, can the same £1 be used to also produce a wider benefit to the community?”*

SEUK suggests a fictional example of a Housing ALMO⁴ that creates additional value through its activity: *A housing Arms Length Management Organisation (ALMO) contracts a private sector company to undertake repair work on their properties. As part of the contract the private company states that they will provide greater social value by promoting careers in construction and trades to local schools, and they commit to employing young people and the long term unemployed.*

So what is the impact of the new Act?

The Act was introduced as a private members bill by Chris White (Conservative) and gained cross party support.

The purpose of the Act is ...to require public authorities to have regard to economic, social and environmental well-being in connection with public services contracts; and for connected purposes⁵.

Bevan Brittan Solicitors⁶ confirm that it *“...brings in a statutory requirement for public authorities to have regard to economic, social and environmental well-being in connection with public services contracts and for connected purposes. Section 1(3) states that the authority must consider how what is proposed to be procured might improve the economic, social and environmental well-being of the relevant area and how in the process of the procurement it might act with a view to securing that improvement.*

Section 1(6) says that when considering these matters the authority must consider only matters that are relevant to what is proposed to be procured and in doing so the extent to which it is

³ [Social Enterprise UK](#) (2012) Public Services (Social Value) Act 2012 Briefing Guide. London

⁴ *ibid* page 3

⁵ www.legislations.gov.uk

⁶ [Elizabeth Cooper, Bevan Brittan](#) (April 2012)

It applies to all public services contracts and those public services contracts with only an element of goods or works. It doesn't apply to public work contracts or public supply (goods) contracts.

proportionate in all the circumstances to take those matters into account.”

Who, and what, does the Act apply to?

The Act applies to all English public sector bodies including local authorities, government departments, HE, FE, NHS Trusts, PCTs, fire and rescue and housing associations. In that context it will be an enabler for Local Enterprise Partnerships.

It also applies to Wales, but with a number of exclusions relating to Welsh central government⁷. The Act does not apply to Scotland or Northern Ireland.

It applies to all public services contracts and those public services contracts with only an element of goods or works. It doesn't apply to public work contracts or public supply (goods) contracts⁸.

Does it conflict with EU Procurement rules?

Under existing best value rules, local authorities have a duty to consider social, economic and environmental value in their procurement activity, so this is not new territory⁹.

If the new Act enables contracts to be loaded with social value clauses, could they be misused to select preferred contractors? For example adding a contract requirement for the creation of local jobs for local people.

Bevan Brittan doesn't think so. In a briefing note, Elizabeth Cooper writes¹⁰: “So whilst the

⁷ **Section 11 of the Act:** The following are not required to comply with subsections (1), (3), (6) and (7)— (a) the Welsh Ministers; (b) the First Minister for Wales; (c) the Counsel General to the Welsh Assembly Government; (d) the National Assembly for Wales Commission; (e) a relevant authority whose functions are wholly or mainly Welsh devolved functions.

⁸ SEUK p5

⁹ [CLG \(2011\)](#) Best Value Statutory Guidance. Page 5, para 2: *Under the Duty of Best Value, therefore, authorities should consider overall value, including economic, environmental and social value, when reviewing service provision. As a concept, social value is about seeking to maximise the additional benefit that can be created by procuring or commissioning goods and services, above and beyond the benefit of merely the goods and services themselves.*

new 2012 Act is encouraging social and environmental well-being to be taken into account, this still needs to be done within the context of existing constraints emanating from the EU rules that they remain relevant to the contract and proportionate so as not to risk distorting the outcome of the competition by an undue emphasis given to them. The new Act should not be misconstrued as permitting authorities a broader scope than before in setting unrelated specifications or criteria to achieve social and environmental policy outcomes.”

What is the impact on the work of a Shared Service Architect or Practitioner?

If the partners are creating a new structure to deliver a public service, then it is likely to be covered by the terms of this Act¹¹.

Each public authority affected by the bill will need to be clear what their social, economic and environmental values are, so that they can direct their public service procurement to achieve outcomes for those values.

The impact on your work as a Shared Service Architect or Practitioner, will be:

- In the *shared visioning* activity to ensure that the social value ambitions of the partners are compatible, before they start out on the collaboration activity, as it could be a deal breaker.
- In the *shared service business case* you will need to include details of the Social Value ambitions of the new service and agree across the partners how the Social Value ROI¹² will be calculated, so that they can manage and monitor the outcomes.

On the next page there is an example of a checklist template you could co-create with partners to ensure that the collaboration activity is meeting the requirements of the Act.

¹⁰ [Elizabeth Cooper, Bevan Brittan](#) (April 2012)

¹¹ Section (3) & (4) refer to the “the relevant area” which is defined as: “the area consisting of the area or areas of the **one or more relevant authorities** on whose behalf a public services contract is, or contracts based on a framework agreement are, intended to be made.” The Act wording is available through the [SSA online library](#).

¹² For more detail on Social Value ROI, see: <http://www.thesroinetwork.org>

Example of a checklist template to comply with the
Public Service (Social Value) Act 2012

	Partner One	Partner Two	Partner Three
Where do the partners' Social Value Policies overlap?			
Are there areas where the partners' policies are not aligned?			
What aspects of Social Value Policies does each partner want included in the delivery of the new service?			
Social Values			
Economic Values			
Environmental Values			
How will the Social Value outcomes be measured by/for each partner?			
How will the Social Value outcomes be monitored for each partner?			



“At this time of change and opportunity, many institutions are reconsidering their fundamental role, market position, structure and partnerships. For some, this may raise questions about the pros and cons of collaborations, alliances and mergers.”

Alan Langlands
CEO HEFCE

HEFCE enhances the vocabulary of shared services

A new word has emerged from the Higher Education Funding Council For England (HEFCE) in their March 2012 paper on HE shared activity¹. It is “CAMs” - an acronym for “Collaborations, Alliances and Mergers”.

It may prove a useful addition to the lexicon of partnerships, consortium, joint venture, cluster, network, coalition, shared services, federations, unitary², total place, association, etc, that are sprinkled across the public sector domain with little agreement on meaning between the sectors.

More importantly, CAMs also sees Mergers³ as an approved option for the HE sector. This is an option that is denied in other sectors - yet can be an inevitable outcome of a shared service journey.

Who owns the shared service vocabulary?

The academic field of “Inter-organisational Relations” has a commonly used collaboration-centred language divided into three sections⁴:

- 16 names for inter-organisational entities (many of which are listed above)
- 14 descriptors for inter-organisational entities, eg multi-agency, joined-up, multi-organisational...
- 9 names for inter-organisational acts, eg bridging, franchising, working together, networking, cooperation, partnering...

¹ HEFCE (2012) *Collaborations, alliances and mergers in Higher Education: Consultation on lessons learned and guidance for institutions*. HEFCE 2012/06

² Unitary is used in the FE sector as a term to denote sovereign, or in-house, shared services. Bland, C. (2010) *Shared Services Further-Education Centric*. LSC.

³ In Edition 6 of Shared Service Architecture Magazine (p25) Graham Rogers, Deputy Vice-Chancellor (Learning Support), University of Wales, Newport, reflected on the merger approach of Welsh Government to HE in Wales.

⁴ Cropper, S. Et al (2008) *Introducing Inter-Organisational Relations*. Oxford University Press (p5)

The problem of differing vocabulary between partners is handled in the Shared Service Architect's Toolbox⁵. Organisations who are considering working together, need to define the key words they use to describe their joint activities and entities at outset, so that they are using agreed, un-confusing language.

So what is HEFCE saying?

Alan Langlands, CEO of HEFCE writes in the introduction: “At this time of change and opportunity, many institutions are reconsidering their fundamental role, market position, structure and partnerships. For some, this may raise questions about the pros and cons of collaborations, alliances and mergers (CAM)”.

The document sets out a number of lessons learned in the HE sector and builds on the 2010 Oakleigh Consulting literature review of CAMs activity in higher education across a range of countries⁶.

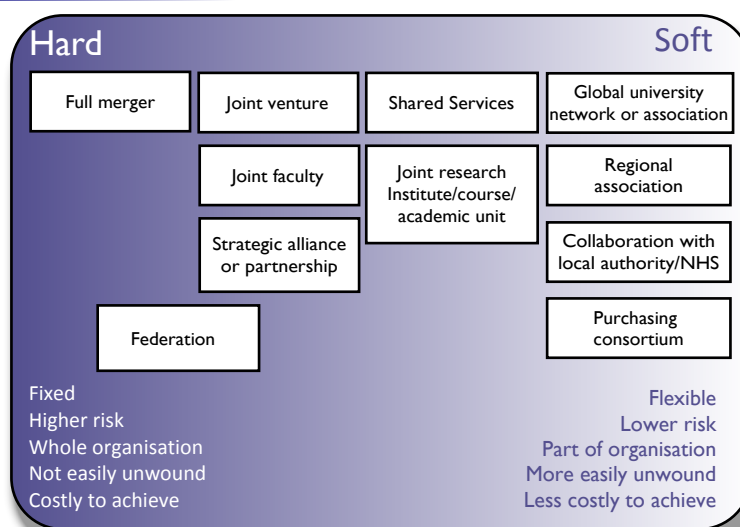
It begins by offering definitions of each CAMs' word.

- **Collaboration:** two or more partners working together in a particular area of business, which may involve combining existing operations, pooling areas of expertise or creating something entirely new.
- **Alliance:** a more systemic form of collaboration between two or more partners, covering a wider range (but not all) of their operations, where the partners retain their separate identities.
- **Merger:** two or more partners combining to create a single institution, which may retain the name and legal status of one of them or be an entirely new legal entity.

⁵ This is Tool 18 in the 2009-11 edition of the Toolbox and Tool 2.06 in the revised 2012 edition

⁶ HEFCE (2010) *Literature review for the higher education collaborations, alliances and mergers project: Report to HEFCE by Oakleigh Consulting Ltd*. Bristol. HEFCE publications

The CAM Spectrum
(HEFCE 2012)



Fifty per cent of alliances and joint ventures in the private sector are also judged to fail.

Figure 1 above, from the report⁷, suggests that there can be many different types of relationship across the 'CAMs spectrum': from associations and purchasing consortia at the 'softer' end (lower risk, easily unwound), through various forms of institutional collaboration and joint ventures, to full merger at the 'harder' end (higher risk, not easily unwound).

50-75% failure rate still applies to CAMs

The report does focus in on the fact that CAMs activity is often problematic⁸:

"There is considerably more research in the private (commercial) sector, where it has been estimated that between 50 and 75 per cent of mergers fail outright or do not achieve the expected benefits in terms of increased shareholder value or efficiency gains (though this may be partly explained by the transfer of value to the seller).

Fifty per cent of alliances and joint ventures in the private sector are also judged to fail. The main reasons given for this poor success rate include:

- directors failing to provide leadership
- lack of a clear vision or strategic objectives
- inadequate planning
- insufficient due diligence work
- poorly managed post-deal integration in the face of organisational complexity
- poor communication"

So what are the major lessons learned?

The report provides nine useful case studies of CAMs activity in the HE sector, including examples from Denmark and Amsterdam⁹.

⁷ Page 11

⁸ Para 54, page 13

Starting on page 36, "Major themes and lessons learned" is a well structured section that makes valuable reading, no matter what part of the public, private or third sector you may be working in.

Page 44 also provides a check list of 18 considerations for all CAMs activity, with specific advice on those defined as collaborations, and those which are mergers.

It is also good to see throughout the document, the requirement in all CAMs activity for there to be strong trust and a shared vision between the partners from outset.

What's missing from the report?

This is very good report from HEFCE and well worth reading. Surprisingly though there is little on the opportunity for innovation that CAMs activity can facilitate. Collaborating to maintain the status quo is a wasted opportunity. In all joint-working the formula must be "2+2=5" to maximise the benefit.

There is also no mention of **co-opetition**, "a situation where competitors simultaneously cooperate and compete with each other¹⁰". In the coming years, universities and the FE sector are likely to be competing fiercely with each other for students and funding, whilst at the same time discussing the advantages of sharing some services.

So, maybe co-opetition should be added to the vocabulary of shared services too.

⁹ Page 18

¹⁰ Bengtsson, M. & Kock, S. (2000) "Coopetition" in Business Networks--to Cooperate and Compete Simultaneously', *Industrial Marketing Management*, 29 (5), pp. 411-427

Visit the [SSA Library](#) and search using CAMs to download the document from HEFCE.

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- Download free tools, templates, booklets and guides and a PDF copy of this magazine
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24 hours a day, 7 days a week**

Tool: 1.02

HOW TO CREATE A SHARED SERVICE 'PID'

The Shared Service Architect's Toolbox has been revised for 2012.

This has involved revised introduction and updated references.

Tool 07 has been replaced with this tool in the new book and it is provided here so you can print it out and add it into your 2009-11 edition, free of charge.

Tool 1.02, takes Tool 1.01 to a next level by using the outcomes of the user-centric discussion to create an initial *Project Initiation Document (PID)*¹.

Its intention is to put 'flesh' on the 'bones' of the ambitions and tentative visions of Tool 1.01.

What is a PID?

A 'PID' is a very high level, some would say 'back of an envelope', business case outline. A very first draft that can then be developed, over time, into the full business case.

It can serve as the first rationale that is presented to a board for permission to explore the shared service further, maybe as a means to gain resource or funding to set out on the journey.

CIPFA feel that all good business cases are best developed in this evolutionary way through a number of cycles: "A business case is not a one-off exercise but should be developed and updated iteratively throughout the lifecycle of any initiative, to support the exploration, evaluation and implementation of different options²."

Their cycles are³:

- **A Business Rationale** - high-level needing to be no more than a summary statement (ie a PID)
- **An Outline/Strategic Business Case** - providing enough detail to support an informed decision with a number of options to take forward for further consideration
- **A Full Business Case** - recording the outcomes of the options appraisal, with detailed financial models to support the preferred option

If you are a PRINCE2 practitioner then you will be familiar with the concept of a *Project*

¹ PRINCE2 developed the concept and name *Project Initiation Document*

² CIPFA (2010) p45

³ CIPFA (2010) p46

Initiation Document, part of section IP6 - *Initiating a Project*.

The PRINCE2 manual confirms that, "The purpose of *Initiating a Project* is to draw up a 'contract' in the form of a *Project Initiation Document* between the *Project Board* and the *Project Manager*, so that there is a common understanding...⁴"

In terms of a shared service, the PID could be the initial document that draws up a common understanding of the potential for the collaboration. Some of the items could include:

- The object of the collaboration
- A rough guess at the anticipated benefits of the collaboration
- The collaborative ambition
- The outputs of the workpackage
- Dependencies
- Risks
- Names of the participating organisations
- Recommended work packages

The shared service PID can then be taken to a steering group, or joint committee, to be signed off.

It was a cold day in Coventry...

We have to give credit for developing this very useful tool, to an Adult Social Care managers' group we taught the Shared Service Architect's programme to, in Coventry, in the winter of 2011.

Drawn from three councils, it was felt that if the group of 25 managers learned how to apply the SSA tools and techniques together, they could then subsequently accelerate shared service activity between them.

However, the group were suddenly asked to put together an outline shared service proposal for a steering group meeting, 24 hours after our teaching sessions.

Moving from Tool 1.01 to 1.02...

⁴ PRINCE2 (2005) p48

To move them into Tool 1.02 we replaced their six Tool 1.01 flip chart visions, with six A1 versions of the shared service PID documents on the opposite page.

Moving from Tool 1.01 to 1.02...

To help the group, we took them through Tool 1.01 asking them to work in groups on what they felt users might want from a number of services common to all their organisations.

In small groups, they developed sketches of clients they were concerned about. For example vulnerable adults, mental health, carers - painting a picture of each, their age, sex, social background and problems. They then worked up a vision of how those clients' needs could be met, by creating life stories using Tool 1.01.

They were then asked to vote for their 'six favourite life stories' - they did this by attaching post-it notes 'votes' to the Tool 1.01 flip charts.

To move them into Tool 1.02 we replaced their six favourite Tool 1.01 flip chart visions, with six A1 versions of the shared service PID documents on the opposite page.

Then we asked the small groups to convert the six visions into six PIDs using the template.

When that was complete, each person was asked to vote for their favourite three PIDs by putting a tick in the voting box on the template.

The outcome was:

1. The voting chose three PIDs that could be put forward for approval to the steering group and meet that deadline.
2. The users of the service were at the heart of what was being developed, not the service processes.
3. But more importantly, there was plenty of discussion, listening and laughter as they worked together on the project..

Trust was being built and shared visioning work was being developed.

How to use this tool:

Once discussions around Tool 1.01 are completed, ask the group to identify (or vote for) a number of user centric activities that they would like to explore as PIDs.

Allow them to choose a maximum number, from which they will finally vote for the top two, or three.

Step 1: Print out copies of the template, on the opposite page, in A1 size and blu-tac them on walls or flip-charts, so that they can be written on.

Step 2: Using their user centric visions from Tool 1.01, ask small groups to work up PIDs (on the A1 sheets) that could be used as a very high level business case.

Step 3: Ask the individual members of the group to visit each PID document, read it through and then add helpful post-it note comments on the sections of the PID.

Step 4: Then, explain that each person must choose what they feel are their preferred three, of the six PIDs.

Ask them to apply their three votes by ticking (in the voting box on the PID) their preferred projects, out of the six.

If there is a tie, then work through with the group how to resolve it, for example a show of hands or another voting round on a reduced number of PIDs.

Step 5: The PIDs, chosen by the voting, can then be worked up into fuller documents after the session.

They can become, along with the user-centric visions, a starting document for approval from a board or steering group, to begin the journey in a vaguely agreed direction.

Tool: I.02

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PID No. 4	Title:	Vulnerable Adult Advice Without Borders		Votes ✓ ✓ ✓
Objectives	<ul style="list-style-type: none"> To enable advice to vulnerable adults and their carers, to be provided without reference to partners' boundaries 			
Anticipated benefits	<ul style="list-style-type: none"> Vulnerable adults will be able to contact, or visit and gain advice from their nearest support centre, even if that support centre is within another partner's boundary Assessment systems will become aligned and duplication costs removed Advice staff will receive aligned training and awareness sessions to improve service quality 			
Priorities (High/Medium/Low)	Improved user experience High	Savings Medium	Resilience High	
Collaborative Ambition (tick appropriate box)	Sharing resources ✓	Service improvement ✓	Service Re-design	
What will be the outcomes?				
What are the dependencies?				
What are the risks?				
Who wants to partner?				
What work needs to be done?				

A blank PDF version of this template can be downloaded ready for A1 printing
from www.sharedservicearchitects.co.uk

When is a shared service not a shared service? When its done by central government...



Dominic Macdonald-Wallace is Director of Learning and Development at Shared Service Architecture Ltd. He is a recognised Shared Service Architect and lectures on the Postgraduate Certificate in Shared Services.

214,000 of our local government colleagues lost their jobs between April 2010 and April 2012¹ because of lack of funding in the sector.

So, it really hurts when the National Audit Office reports that central government has wasted over £1.4bn over the last 10 years on developing shared services that have yielded savings of just £153m².

Compared to central government, local government is much better at shared services. It's still early days, but on the LGA's map of shared service activity there are 215 authorities collaborating on 127 shared service projects and over 80 have delivered cash savings of £100m. The majority of savings have been generated without substantial complexity and substantial investments similar to central government.

The largest cash gain, last year, was made by Northamptonshire and Cambridgeshire Councils in their Local Government Shared Services (LGSS)³ project. They handle over £80m of services on a shared basis and recently announced that since November 2010, they have banked over £10m in savings.

What is the problem with central government?

The main problem reported by the NAO in this obscene, central government waste of public money, is that *"Most customers of shared service centres have not driven benefits. By insisting on overly customised processes they have not acted like intelligent customers"*.

¹ Reported in the Guardian: Local Government Network 01/05/12 as figures released by the Local Government Association

² National Audit Office (2012) [Efficiency And Reform In Government Corporate Functions Through Shared Service Centres](#). London: TSO: A report by the Comptroller and Auditor General HC1790, 02/03/2012

³ www.lgss.co.uk

What the NAO has shone a spotlight on is that the eight central processing units were set up to serve the needs of government departments and organisations, but each partner demanded a different service. This created problems when ERP was the tool being used to deliver services to customers.

The NAO reports that *"All the Centres we visited use Enterprise Resource Planning (ERP) software systems. These are complex and have proven to be expensive. They are designed to manage all the information generated by an organisation by using standard processes."*⁴

The resistance by the government departments to using standard processes, created complexity and that increased the costs.

So this wasn't even shared services, it was just provision of bespoke services from a shared centre - a very different concept.

And the NOA wasn't just grumpy about badly behaving customers, the centres came in for criticism too because they were run expensively. *"Centres need to investigate ways of becoming more efficient in delivering their service to customers. They should explore all opportunities to reduce costs including accommodation, staffing, process and technology."*⁵

In Wales they are mulling over the best way for 22 authorities to develop and deliver a collaborative revenues and benefits service.

If they haven't done so already, then maybe they should dissect the NAO report very carefully and ensure they don't build a number of central units that go on to deliver 22 individualised, highly expensive services to the partners.

A key concept central government has yet to learn is that shared services should reduce costs, not put them up!

⁴ NAO report P6, para 9

⁵ NAO report P9 para h

Fire & Rescue: Celebrations, alliances and mergers

A Local Government Association review has identified significant financial gains from the merger, therefore minimising increases to the service's council tax precept.

There is a bit of a celebration going on, down in the South West as it has been five years since Devon and Somerset Fire & Rescue Services combined to increase their resilience and make savings.

Devon and Somerset undertook the first voluntary merger in the history of the UK's fire and rescue service, in 2007, and claim to have saved over £4m during that period of time.

A Local Government Association review has identified significant financial gains from the merger, which minimised increases to the service's council tax precept. Sharing staff and resources allowed improvement in the delivery and efficiency of its services.

Deputy Chief Fire Officer Neil Gibbins, who was the Combination Project Director for the merger, said in a press release: *"The joint organisation is in a far stronger position than would be the case if the two services were still separate."*

We have made significant financial savings whilst creating a more flexible workforce which allows us to put our resources where they are most needed.

We also have a stronger influence nationally, which means that we can raise issues that affect rural fire services like ourselves at the highest level."

And collaboration seems to be catching on...

Since March 2012, and the release of CLG funding to develop collaborations between services, the following projects have developed in F&R:

Derbyshire, Nottinghamshire and Leicestershire F&R will share a total of £5.4 million to implement a shared system in their emergency control rooms.

The three services will maintain their individual command and control rooms but the government funding will see them sharing a system to mobilise firefighters, fire engines and other resources to emergency incidents.



East and West Sussex

Fire Services are considering a central fire control as part of proposals to reduce the West Sussex fire and rescue service budget by £2.5m. They state that there are no plans to close fire stations.

A central fire control and mobilising centre for both East and West Sussex fire services would deliver savings in the region of £450,000.

Hereford, Worcester and Shropshire

Fire Services are to share control rooms with an ambition to improve response times for all three partners.

The three services will jointly develop common operations, technology and procedures that will enable them to respond more effectively to major incidents. Funding of £1.8m has been secured from CLG.

South Wales Police and Mid and West

Wales Fire and Rescue Service are in discussions about sharing facilities in one of their stations. If the link-up goes ahead, it will mean two police constables and the force's response car for Gower being relocated at the Reynoldston fire station.

Devon and Somerset, Dorset, Hampshire and Wiltshire Fire Services

are to develop a shared call handling and mobilising system which would serve all four existing control rooms.

The project plan indicates that savings of up to £600,000 a year could be made, without compromising the safety of the public or firefighters.

Savings will be made through sharing technology, procurement, training, and resilience savings.

Oxfordshire Fire and Rescue Service and Royal Berkshire Fire and Rescue Service are working in partnership on proposals for a new, single joint control function.

The consultation paper on the creation of a Thames Valley Fire Control Service shared by both organisations explains the operational benefits:

“As an example, within RBFRS in 2001, each Control Operator handled 4 calls per shift at an approximate cost of £80 per call, in 2010 this had reduced to 1.36 calls per Control Operator per shift at an increased cost of £146.58 per call.

The proposal for the new Thames Valley Control Room anticipates that these figures will be each Control Operator handling 2.6 calls per shift at a cost of £77.99 per call¹.”

Northamptonshire and Warwickshire Fire Services have announced plans for an alliance between themselves to save money.

Northamptonshire County Council has already approved plans to share some resources, including training and control systems. Control centres will not be shared and the authorities have described the plan as a partnership rather than a merger.

The measure will go to public consultation in October. If approved it could be implemented by April 2013.

Buckinghamshire & Milton Keynes Fire Authority are to share the combined facility currently serving Cambridgeshire and Suffolk, with the support of £1.8m funding from CLG.

The firefighters at the service's 20 fire stations will be mobilised to emergency incidents by staff in Huntingdon from April 2013, and the control room in Aylesbury will be closed.

The project plan indicates that savings of up to £600,000 a year could be made, without compromising the safety of the public or firefighters.

West Midlands, Stoke-on-Trent and Staffordshire Fire Authorities are to develop and share a control service using £3.6m from CLG funding.

A feasibility study is exploring how the shared service would work, examining the way services support incidents and reviewing current working practices.

The ambition is for the shared system to be in place by 2014.

Cambridgeshire and Suffolk's Fire Services are being considered for merger as an option.

The two partners opened a joint control room in October 2011 and their options are to collaborate more, or follow the Devon and Somerset model and go for a full merger.

Both fire services are facing 12% cuts to their budgets over four years. Cambridgeshire will reduce its 275 firefighters by 25 in 2013 as a result.

Suffolk has already reduced its full-time firefighters from 275 to 224, with further plans to cut it to 209.

Both Suffolk County Council's cabinet and Cambridgeshire and Peterborough Fire Authority's board were meeting at the end of May to discuss the next steps.

¹ Thames Valley Control Room Consultation Document - www.rbfrs.co.uk

Shared services across police begins to gain pace in 2012.

The ambition, through shared services and other efficiency activities, is for Staffordshire Police to save £22m, and West Midlands to save £78 million, by 2013.

In Edition 7 of SSA Magazine there was an article on the July 2011 'Adapting To Austerity' report from HMI Constabulary.

The report identified 29 of 43 police forces who intended to form collaborations. That intention began to convert to activity in the spring of 2012 with several announcements since April.

Staffordshire Police and West Midlands Police have signed a deal to merge several services to save a total of £2.4 million.

They will share dog units, firearms and firearms licensing, road accident investigation, public order and vehicle recovery units. Parts of road policing, and criminal justice support ahead of court cases, will have a single management team.

The ambition, through shared services and other efficiency activities, is for Staffordshire Police to save £22m, and West Midlands to save £78 million, by 2013.

Cheshire Police and Northamptonshire Constabulary are to merge their back office operations even though they are 120 miles apart.

The forces will initially share services of finance and logistics using a 'multi-force shared service' integrated technology system.

Phase two will be the sharing of human resources services applying new technology to support HR and a duty management, payroll and command and control systems.



Surrey and West Midlands Police have put their shared service deal on hold.

The £1.5bn joint framework contract for computer equipment networks and services between West Midlands and Surrey police is being delayed, partly because of Surrey's Olympics policing commitments, and concerns over governance and financing.

Union Unite says that another factor is the public resistance to the changes. In a public poll it conducted on local attitudes to the proposed involvement of the private sector in currently uniform-led services, the majority opposed elements of the new arrangements, especially where private sector firms were to carry out work.

Cambridgeshire, Hertfordshire and Bedfordshire Police have decided to move from shared services to outsourcing as a way of saving costs over the coming years.

They have already merged their Scientific Services Unit (SSU), Armed Policing Unit and the Major Crime Unit merger. The ambition was to save the three forces £3 million a year.

A new report 'Policing in Austerity – One Year On' is to be published in Summer 2012 and will present a range of data on force plans and how they intend to deal with the budget cuts as a result of the Spending Review.

The road policing unit, the dog unit and the firearms licensing department were also proposed for merger.

However, the Guardian¹ reports that outsourcing of police support services could be the only viable solution to deliver savings to make up a £73m shortfall in funding for the three forces.

The Guardian reports, "The three forces formalised their relationship last year in what was described as a strategic framework agreement, which described their joint working arrangements and included details of the purpose and scope of the alliance, how it will be delivered and governed as well as outlining the financial arrangements.

At the time, the alliance was expected to bring savings of £15m-£20m per year across the three forces by the end of 2015-16, which were said to be crucial in "helping each force to maintain delivery of frontline policing to communities in the face of the current financial challenges". However these savings have proved to be insufficient, with the gains from outsourcing significantly more promising.

In terms of IT, the budget for the three forces is close to £20m a year and the forces employ about 175 IT staff. If agreed by all three police authorities, the earliest that outsourced services could be in place would be April 2013.

Dyfed-Powys, Gwent and South Wales Police plan to save £750k by sharing a joint firearms training unit.

In a press release, Gwent Police Deputy Chief Constable Feff Farrar said the move would provide increased access to resources and expertise while creating savings through shared training and equipment costs.

¹ Guardian Government Computing (11/05/12) *Police trio say only outsourcing plan will tackle £73m funding gap: Bedfordshire, Cambridgeshire and Hertfordshire police say shared services will not deliver sufficient savings.*

South Buckinghamshire and Chiltern Local Police Areas are to align their boundaries to match the shared management structure of the South Buckinghamshire and Chiltern District Councils.

At the beginning of April 2012, the Local Police Areas (LPA) in both districts merged into one, which will be called Chiltern and South Bucks LPA. The merger will also bring a change to the senior management structure.

South Yorkshire Police and Humberside Police are to share their computer systems, technology and equipment from June 2012.

The two forces already share human resources and training departments.

Policing in Austerity

A new report 'Policing in Austerity – One Year On' is to be published in Summer 2012 and will present a range of data on force plans and how they intend to deal with the budget cuts as a result of the Spending Review.

The report will present findings from HMIC support and challenge visits, data provided by forces to HMIC and other data collected by forces.

The report follows on from 'Adapting to Austerity' which was published in July 2011.

The data used for the report will be derived from: Home Office crime statistics designated as National Statistics and previously published; data requested by HMIC and provided by police forces; and Local User Satisfaction surveys conducted by forces.

We will provide a digest of the report in Edition 8 of the SSA Magazine.

Equality Act 2010

WHAT IS THE IMPACT ON SHARED SERVICES?

The Equalities Act is “the law which bans unfair treatment and helps achieve equal opportunities in the workplace and in wider society”.

Creating a shared service is a change management activity that can cause significant disturbance to service delivery and the culture, processes and staff of the partnering organisations involved.

The desired outcome of the disturbance is a significantly better service for the end user, improved systems for staff to operate, better outcomes for the leadership, and all at a lower cost.

The Equality Act 2010 “encourages public bodies to understand how different people will be affected by their activities so that policies and services are appropriate and accessible to all and meet different people’s needs”¹.

The Act applies to:

- staff employment
- facilities
- goods and services
- the experience of service users

Therefore the Act can have ramifications in the creation of the new shared service delivery, new culture, processes and staff structures. In many shared service documents there are now references to the Act and its implications on the service design.

What is the Equalities Act 2010?

The Equalities Act is “the law which bans unfair treatment and helps achieve equal opportunities in the workplace and in wider society”².

The three aims of the act require that public bodies³ have due regard to eliminating:

- unlawful discrimination
- advancing equality of opportunity
- fostering good relations.

In that context it replaces the sex, race, disability and age discrimination acts - and throws in some new regulations too.

¹ Government Equalities Office (2010) - Equality Act 2010: Public Sector Equality Duty. p3

² The description on the Home Office Website

³ A public function is described as “a function of a public nature for the purposes of the Human Rights Act 1998”

Who is responsible for the Act?

The Government Equalities Office (GEO)⁴ is responsible “for the government’s overall Equality Strategy, Building a Fairer Britain. This supports the coalition government’s commitment to ‘concerted government action to tear down barriers to social mobility and equal opportunities and help to build a fairer society’. It aims to improve equality and reduce discrimination and disadvantage for all, at work, in public and political life, and in people’s life chances.”

There are good guidance papers on their website if you would like to explore this in more detail.

So what does it mean for shared services?

In their ‘quick start’ guidance to the act, the GEO state that compliance involves conscious thinking about the three aims of the Equality Duty as part of the process of decision making.

This ‘conscious thinking’ can be seen in the Tri-Borough⁵ Implementation Plan put before each cabinet in June of 2011.

In section 5.2 of the document it introduces the terms of the Act and then goes on to confirm the implications for the shared service in sections 5.3 and 5.4⁶. The text reads:

5.2 As with all Council functions, Cabinet must have due regard to the public sector equality duty (“PSED”) now contained in Section 149 of the Equalities Act 2010 Act which provides (so far as relevant) as follows... [the terms of the act and duties are then printed in full, but we have not included them in this document as they are too long]

⁴ See <http://www.homeoffice.gov.uk/equalities/equality-government>

⁵ This is the shared service project between Royal Borough of Kensington and Chelsea, the London Borough of Hammersmith and Fulham and the City of Westminster

⁶ Taken from Agenda Item 7: Tri-Borough Implementation Plans, City of Westminster Cabinet Report of 27/06/2011

For example in November 2011, a decision to close libraries as part of a collaboration and efficiency programme between Gloucester and Devon councils was overturned by a judge because it failed to comply with “public sector equalities duties”¹.

5.3 Officers are of the view that the proposals will have no negative impact on protected groups at this stage and indeed the purpose of the proposals is to protect front line services. Officers are mindful however that the PSED is an on-going duty and due regard will continue to be given to the PSED as proposals are developed and implemented and appropriate action taken.

5.4 The job losses that are part of this change will result in staff being put at risk of redundancy. Senior staff intend all redundancy selection decisions to be fair and objective.

Failure to consider the Act can result in reputational damage for partners.

For example in November 2011, a decision to close libraries as part of a collaboration and efficiency programme between Gloucester and Devon councils was overturned by a judge because it failed to comply with “public sector equalities duties”¹.

In response to the ruling, Peter Bungard, chief executive of Gloucester County Council said “... the judge found we needed to do more with regards to our responsibilities under the Equalities Act and this is a huge disappointment as we take our duties here extremely seriously,”.

The key is advanced consideration in decision making

In terms of a shared service, the Equality Duty focus is on encouraging the partnership to understand how different people will be affected by the changes. It asks them to ensure that their policies and services are appropriate and accessible to all and meet different people's needs.

The positive view is that the new shared service can be pro-active in creating equality for their service users and staff.

¹ Case No: CO/4093/2011, Judge Martin McKenna, High Court Birmingham, 16/11/11

“By understanding the effect of their activities on different people, and how inclusive public services can support and open up people's opportunities, public bodies can be more efficient and effective.”²

This will require focus at different levels across the partnership's work - especially in the business case and at the design stage of the shared service journey.

How can a shared service project conform with the Equality Duty?

The public bodies covered by the Equality Duty are listed, and it's a long list, in Schedule 19 of the Act³ which defines what it means by “public authorities” - both general and specific.

It names almost 200 organisations covered by the act in England, Wales and Scotland - from Channel 4 Television through to Quality Meat Scotland, taking in councils, all FE/HE and police and fire on the way.

Across the individuals involved in leading, managing and delivering the new shared service, each has a role to play, regarding the equality duty.

In the GEO ‘quick start’ guide⁴ there are guidelines for the general application of the Act in all circumstances. We have drawn on those guidelines to provide ideas for an example checklist that could be developed by you in your collaborative working.

The checklist is on the opposite page. You may want to discuss with the partners the addition of any other roles in the service that are relevant.

² Quote from Home Office Website

³ Schedule 19 (Equality Act 2010) Consolidated List April 2011 is available at <http://www.homeoffice.gov.uk/equalities/equality-act/equality-duty/>

⁴ See page 6

Checklist for applying the Public Sector Equality Duty to shared service and collaboration activity

The Individual's Role In The Collaboration	Yes/No
Policy Makers Have they created a culture of building equality considerations in all stages of the policy making process in relation to collaborations by partners, including review and evaluations?	
Board Members/Decision Makers Has consideration been given to how the strategic direction, performance reviews and governance will ensure compliance with the Equality Duty?	
Senior Managers Involved In Designing The New Service Are they able to evidence that the 'due regard' to the Act has been given in the design, delivery, quality and effectiveness of the new service's functions?	
Equality And Diversity Staff Have they been involved and asked for advice at key stages in the design and delivery planning of the collaboration?	
HR Managers Have they been able to contribute their views on the Equality Duty when consideration is given to employment policies and procedures?	
Communications Staff Are they ensuring that equality information is available and accessible to all stakeholders in the shared service project?	
Analysts Are they able to articulate and advise on the effect the collaboration's policies and practices will have on equality?	
Frontline Staff Do they understand how to apply equality considerations in the delivery of the new shared service to the public?	
Procurement and Commissioning Staff Are they ensuring that equality considerations are woven into the collaboration partnership's relationship with suppliers?	

This table is developed from the advice given by the
Government Equalities Office in their paper:
Equality Act 2010: Public Sector Equality Duty
What Do I Need To Know?
(June 2011)

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