

Shared Services Update

- £3 million released for new projects
- Major implementation projects well underway and going live this financial year
- Pathfinder diagnostics completed and conclusions being developed

In June 2007, Mr John Swinney, Cabinet Secretary, Finance and Sustainable Growth approved a number of projects for implementing shared services for Local Government within Scotland, releasing a further £3 million from the Efficiency and Reform Fund.

The National Shared Services Board (NSSB) was created in April 2006 to oversee the use of the Efficiency and Reform Fund to support developments in shared services and shared capacity within Local Government. Since then over 20 proposals have been recommended to ministers.

The NSSB has been focussed on five themes, (see diagram) and a small number of higher impact collaborative projects that will deliver better, more consistent services, and long term financial savings across Local Government.

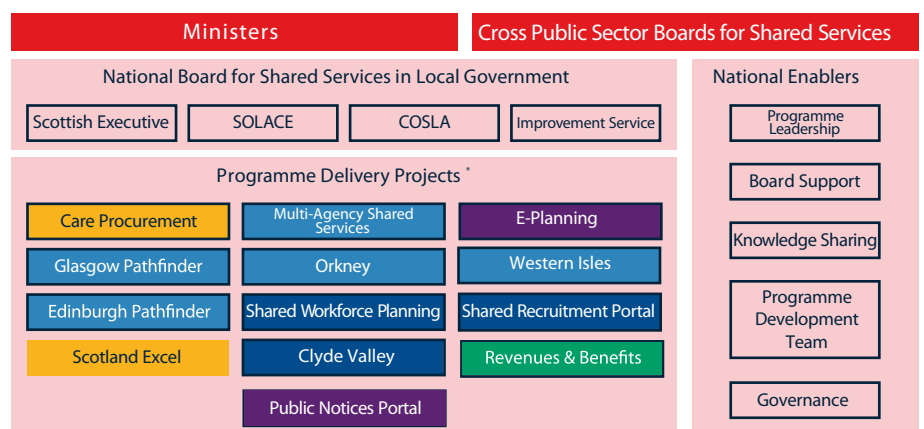
The NSSB is currently reviewing what has been learnt from the major diagnostics work that has been completed in Glasgow, Edinburgh and the Multi Agency project - as well as looking at the latest information from across the whole portfolio. The Board is looking at the emerging consensus and will be taking the opportunity to work with COSLA and SOLACE as well as meeting with the Scottish Executive to determine the way ahead. Shared Services will still be a key enabler of public sector reform.

What do we mean by shared services?

As shared services can mean different things to different people, the NSSB has been exploring a number of models of sharing including cross public sector collaboration, shared support/back office services and shared capacity projects such as Scotland Excel. Some of these models enable distributed efficiencies where organisations can share and maximise economies of scale by simplifying and standardising processes upon a common infrastructure without moving the physical delivery of services.

How are the projects organised?

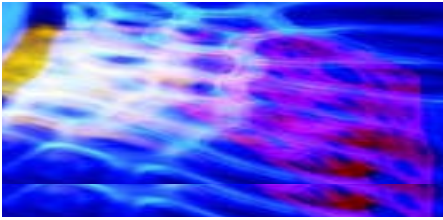
The NSSB is responsible for commissioning projects that are designed and scaled to deliver benefits to the broader Local Government community.



*Five Themes Key

- Procurement Initiatives
- Shared Workforce Planning
- Revenues & Benefits
- Integrated ICT
- Shared Service; Shared Capacity





Recently Approved Projects

National Enablers - Accelerating local service improvement

One of our goals is for pathfinder projects and leading councils to establish best practice ways of working which can then be adopted by all, creating shared models of working and a series of shared services.

The NSSB are exploring ways of maximising the benefit for all from the shared services pathfinder work by actively promoting the improvements that have been achieved by other councils, demonstrating their local relevance and encouraging collaboration. The Board have commissioned the first phase of the **Knowledge Management** project which will look at the options for the creation of a single point of information on best practice, benchmarks and tools, which will be accessible to all local authorities and other public bodies. Efficiencies will result from speedy and widespread adoption, and we will need to have the right support available locally and nationally to make this happen. This will be supported by events in the early Autumn.

Shared Workforce Management and Planning

One of the NSSB National themes is Shared Workforce Planning which seeks to position Scottish Local Government as an employer of choice. Local Government already has difficulties in recruiting key skills - and will face an increasingly competitive market.

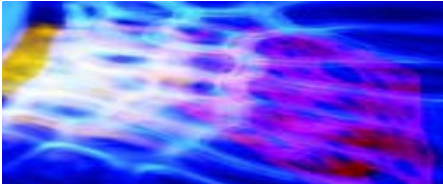
The **Shared Workforce Management and Planning** project will put in place the ability to effectively plan to deliver the right workforce to meet future service needs across Local Government in Scotland. This project is being led by COSLA and involves SOLACE, SPDS and the Scottish Executive. A detailed design is now being taken forward which will allow memorandums to be drawn up and agreed with local authorities. A revised business case will be presented to COSLA leaders in Autumn 2007.

Eight Clyde Valley local authorities are working together to establish more efficient and high quality training and development. The **Learning and Development** project, led by South Lanarkshire Council will generate significant cash savings as well as being a pathfinder for wider national adoption.

Work undertaken across the Scottish public sector in 2006 identified a key opportunity for efficiency gains and service improvements within recruitment advertising. Local Government, endorsed by COSLA leaders, needs to

- improve the impact of advertising spend on recruitment,
- reach a larger potential employee pool,
- improve its image as an employer of choice,
- become more effective in recruiting the right staff and
- improve the efficiency of the recruitment process.

The Improvement Service, working with SPDS, COSLA and SOLACE is developing a **Shared Electronic Recruitment Portal**. The portal will be scalable and could be opened up to the wider public sector with additional savings and benefits being delivered. The service is expected to go live in February 2008.



Cross Public Sector Collaboration

The **Joint Working in Orkney** project will demonstrate how sharing of back office services (between Orkney Islands Council and NHS Orkney) can be delivered in practice. Funding has also been released to undertake preliminary work by the Outer Hebrides Community Planning Partnership to secure service improvement and more efficient service provision for users throughout the islands in their **Integrated Service Delivery Project**.

Other Projects recently approved

The Scottish public sector spends around £10million per annum on public notice advertising. This project will develop a new way for the public to access, via the internet, clear and easy to use information on services such as road works. The **Public Information Notices** portal will be scalable and could be opened up to the wider public sector with additional benefits being delivered.

The Improvement Service (on behalf of local authorities) has carried out a joint procurement exercise to agree a common set of business requirements across councils and to tender for a **National CRM** supplier. A framework contract has been agreed with a supplier which delivers significant savings. The IS will manage the contract - a CRM co-ordinator has been appointed - and manage the relationship between councils and with the supplier. West Lothian is the lead council.

Recently Completed Projects

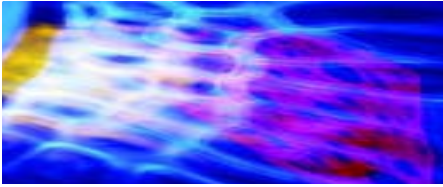
The objective of the **Glasgow Pathfinder** project was to develop and implement a new method of Local Government service delivery that generates efficiencies from simplifying procedures to adopt best practice. The **Edinburgh Pathfinder** project has a similar scope and service coverage. The Board are keen to ensure that we continue to move forward and build on the benefits of the work that has been undertaken and the partnerships that have been developed. The various approaches identified for simplifying, standardising and sharing provide an opportunity for wider Local Government to deliver improved and more efficient services to its customers.

The **Multi-Agency Shared Services** project looks to develop and deploy a multi-agency shared service capability for Clackmannanshire, Stirling, Falkirk, Perth & Kinross and East Dunbartonshire councils, in HR, procurement, finance and payroll. An outline business case has been produced for individual and collective council partners and commitment of the new councils political leadership is being progressed.

The outputs from these projects have been reviewed and the NSSB are drawing out the emerging consensus from these. Individual councils are also progressing the next steps within their own authorities.

These projects have provided valuable evidence that demonstrate the substantial benefits that derive from simplified, standardised processes. There is also agreement that de-cluttering arrangements for business support will allow service managers and professionals to focus on improvement and innovation in services to the public. There are models for support services that would make partnership working and sharing between councils, and with other partners, much easier.

Decisions about national implications and benefits are being actively developed and discussed with partners over the summer.



Excel Update

The Scotland Excel project aims to deliver best value for local authorities across Scotland by creating a centre of procurement expertise. Local authorities have positive experience of collaborative procurement. The original Scotland Excel bid was supported by 21 partner organisations. A Scotland Excel Steering Group, chaired by David Martin, the Chief Executive of Renfrewshire Council, was established in December 2006. The Group has broad representation of Chief Executives and Senior Managers from across local authorities in Scotland and includes representatives from the Scottish Procurement Directorate, the Improvement Service, Strathclyde Police and the Scottish Local Government Procurement Forum.

The objectives of the project are to create a customer-oriented organisation which will work with local authorities and partner organisations across Scotland to deliver best value public services by:

- Securing significant cost reductions and increasing the quality of service from suppliers through collaborative procurement initiatives. The centre of expertise will act as the delivery agency for local authority category 'B' (sectoral) commodities, in line with the McClelland review recommendations. It will also play a role in the category 'A' (national) commodities and category 'C' (local) commodities, acting as the main point of contact and co-ordination for national initiatives and supporting the development of council procurement initiatives and facilitating cluster initiatives at a local level.
- Improving best practice procurement capacity and capability across the sector by developing a comprehensive coaching, mentoring, training and development framework, aimed at all relevant staff in all functions.
- Creating a forum and communication medium for engaging with suppliers to deliver business benefits within the supply community by fostering innovation and effective partnerships with key suppliers, small-sized and medium-sized enterprises (SMEs), trade associations, and other public and private bodies.

The new centre of expertise will be significantly different from the existing authorities buying organisation (abc). The proposed Scotland Excel organisation will be based in Paisley and supported by three regional offices across Scotland based in Edinburgh, Aberdeen and Inverness.

The project team have developed the detailed plans to manage the transition to the new centre of expertise in line with the McClelland recommendations and timescales.

A key focus over recent months has been to work closely with procurement colleagues across the local authorities and partner organisations to clarify and confirm the commodities that will be managed collaboratively through the new organisation and work is now ongoing to establish the timescales associated with these into delivery "waves".

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Further information

The details of Shared Services projects are being updated and information on the Improvement Service website (www.improvementservice.org.uk) will be significantly upgraded over the next few months. For further information please contact:
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