

# Public Document Pack

## Public Accounts Select Committee Agenda

Wednesday, 20 April 2016

**7.00 pm**, Ground floor, Laurence House

Civic Suite

Lewisham Town Hall

London SE6 4RU

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### Part 1

<b>Item</b>	<b>Pages</b>
6. Presentation on Shared Services	1 - 10

# Public Accounts Select Committee Members

Members of the committee, listed below, are summoned to attend the meeting to be held on Wednesday, 20 April 2016.

Barry Quirk, Chief Executive  
Tuesday, 12 April 2016

Councillor Jamie Milne (Chair) Councillor Chris Barnham (Vice-Chair) Councillor Abdeslam Amrani Councillor Brenda Dacres Councillor Amanda De Ryk Councillor Ami Ibitson Councillor Mark Ingleby Councillor Roy Kennedy Councillor Jim Mallory Councillor Crada Onuegbu	
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**FIELD\_TITLE**

“shared services”

Barry Quirk  
PAC April 2016

# what's key - geography or function?

- regionalism versus emergent managerial and service economies
- sandwiched between two high development boroughs (Southwark & Greenwich) and a large suburban residential borough (preserving amenity): nonetheless we have examples of some small sharing service (training, CPZ, OKR development costs, depots)
- IMT contract - Brent
- 3 Borough work & skills - with Lambeth & Southwark
- 7 Borough (Croydon, Lambeth, B&D, Brent, Havering, New) Oracle contract
- Back office (payroll, audit, pensions, FM) with Lambeth & Croydon
- 6 Borough Health & Social Care
- London initiatives - tri-borough; "One Source"; West London Alliance

neighbouring geographies (land, facilities, etc)  
overlapping service users, clients, etc

complementary strengths and weaknesses  
organisational cultural fit (politics, management)

win:win  
win:lose  
big win:little win



people who make the decisions



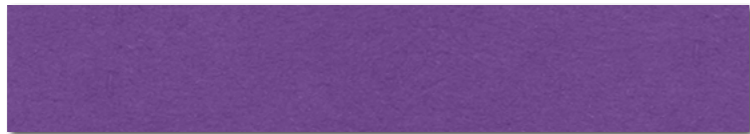
people advising the people who  
make the decisions



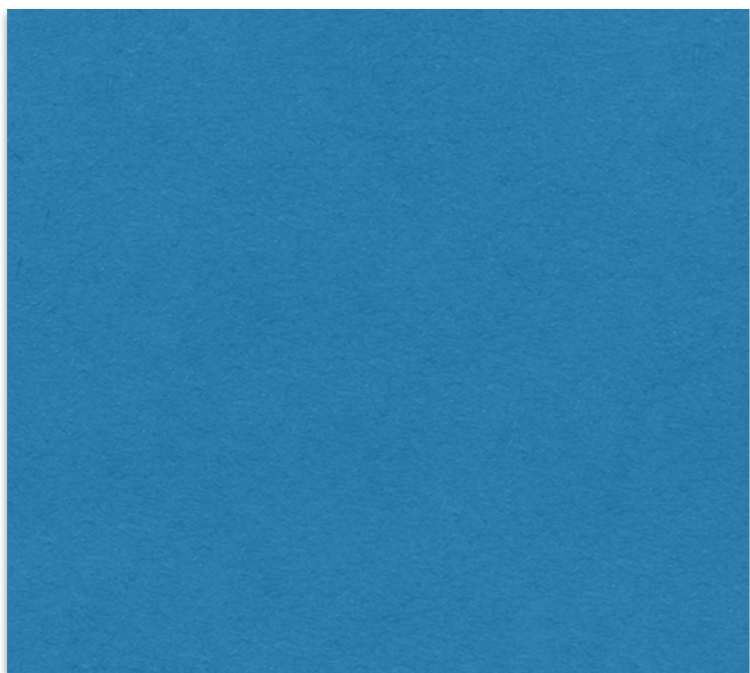
people designing and delivering  
through service commissioning



people paying the bills/invoices of the people  
managing the people doing the work



people managing the people doing the work



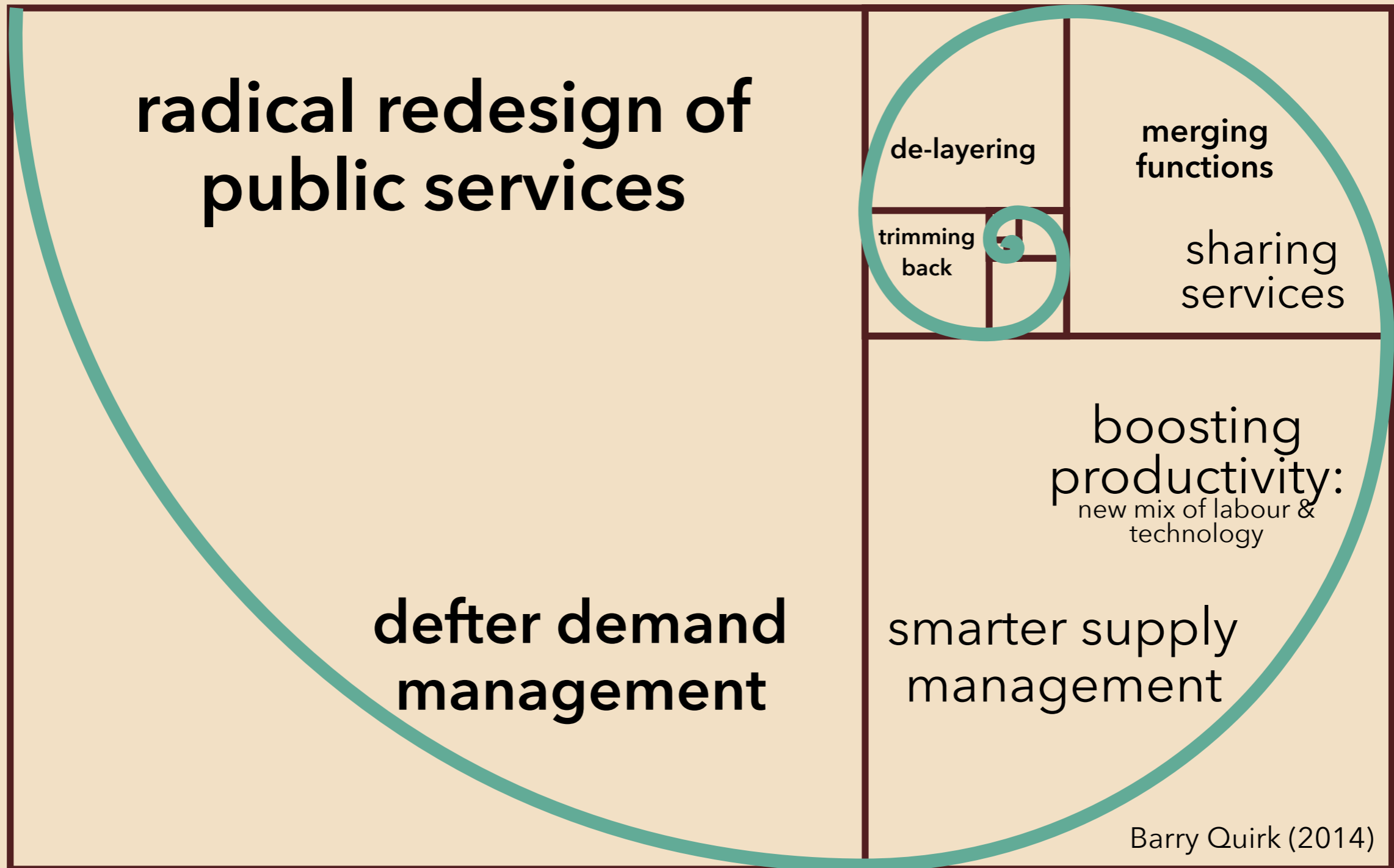
people who are actually doing the work

# illustrative overall cost of Council as an institution

governance	£2m
management	£5m
professional (back office) service	£10m
service commissioning	£10m
service management	£10m
service provision	£150m
facilities & plant (offices, IT, depots)	£65m

# Fibonacci sequence

illustrative diagram showing the scale of savings that will be realised from each approach





**service A**

**service B**

corporate  
overheads

commissioning,  
assessment,  
clienting  
overheads

managerial  
overheads

facilities &  
plant  
(incl cost of capital)

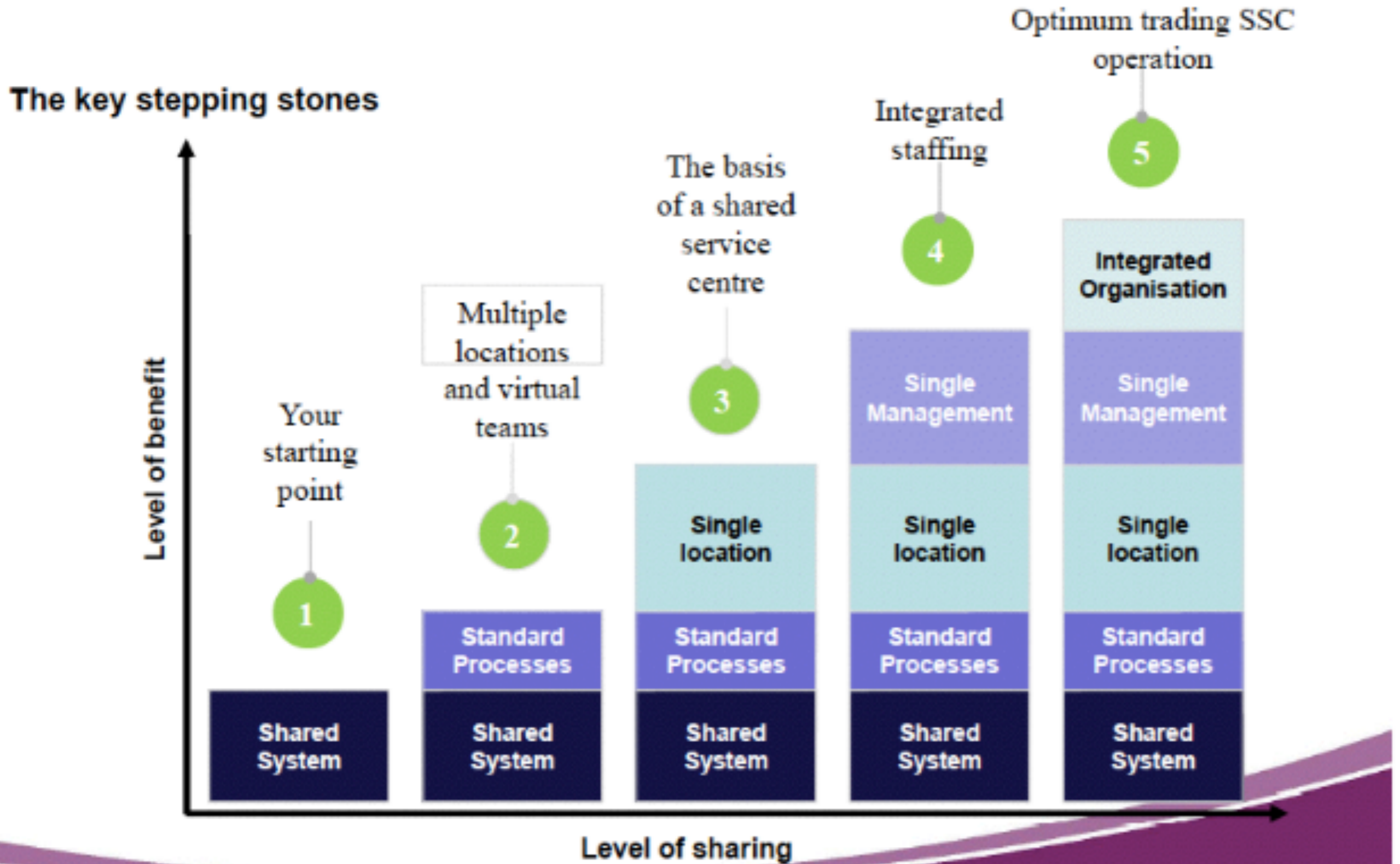
labour:  
salaries and oncosts

total  
budget

total  
cost of  
service

direct  
service  
costs

# an example of six Councils and accounting



from PWC and the Oracle project

# sharing elections management: degrees of integration

- facilities
- land; depots; back offices; plant & material
- computer systems
- staffing
- management
- other service delivery costs (agency staff, etc)
- communications and branding
- service purchasing
- governance

## benefits

may build in sustainability & flexibility  
may improve London-wide elector experience  
avoids duplication and waste  
enables some costs to be shared  
decreases managerial overheads

## disbenefits

may serve to centralise risk  
local knowledge and links may weaken  
elections become detached from Council business  
registration may separate from election

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