"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
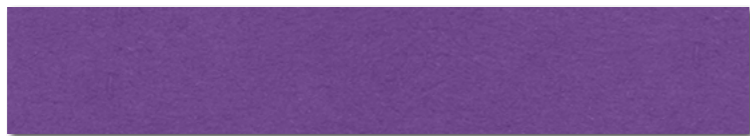
people who make the decisions

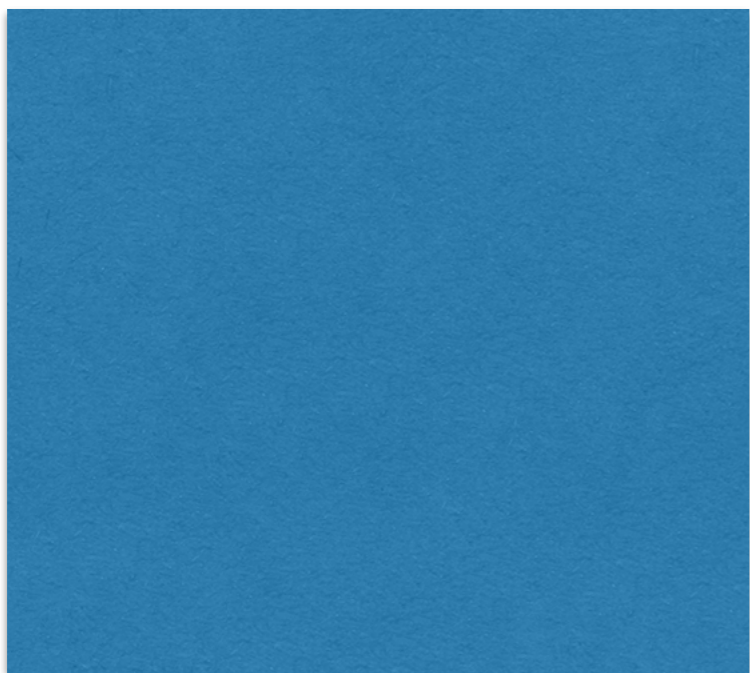people advising the people who make the decisions

people designing and delivering through service commissioning

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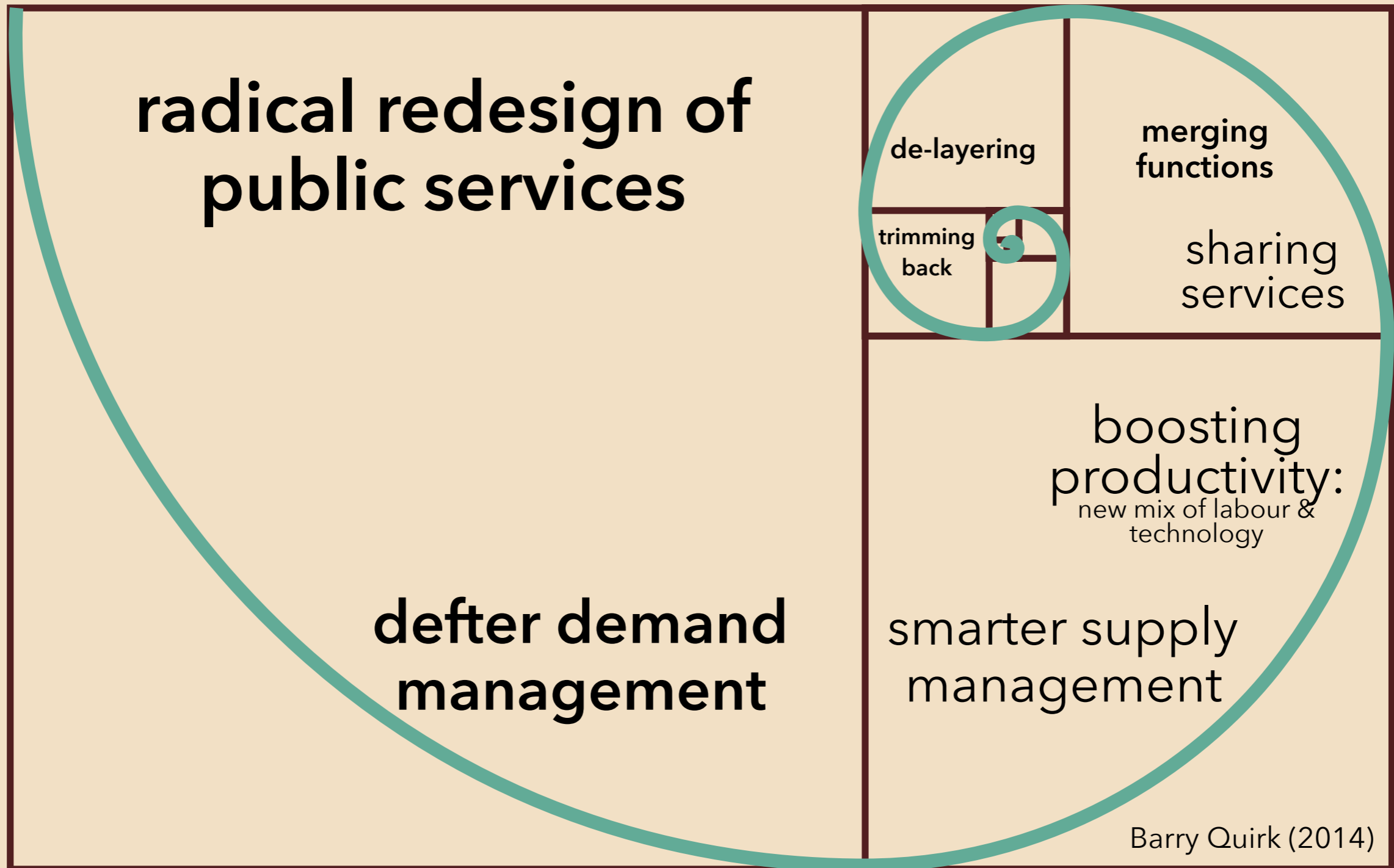
people managing the people doing the work

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

radical redesign of public services

de-layering

merging functions

trimming back

sharing services

defter demand management

smarter supply management

boosting productivity:
new mix of labour & technology

Barry Quirk (2014)
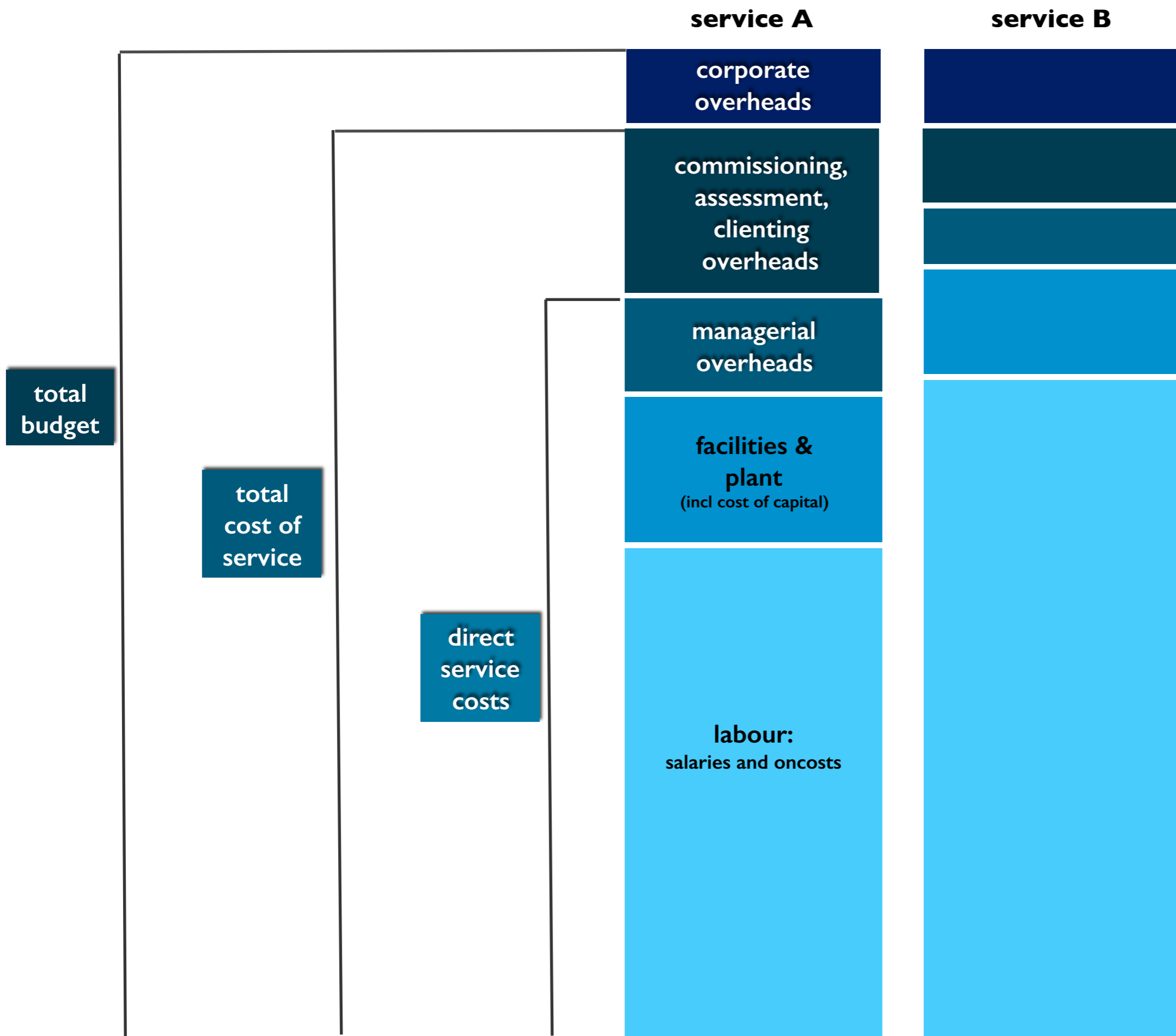
service A   service B

total
budget

total
cost of
service

direct
service
costs

**corporate
overheads**

**commissioning,
assessment,
clienting
overheads**

**managerial
overheads**

**facilities &
plant**
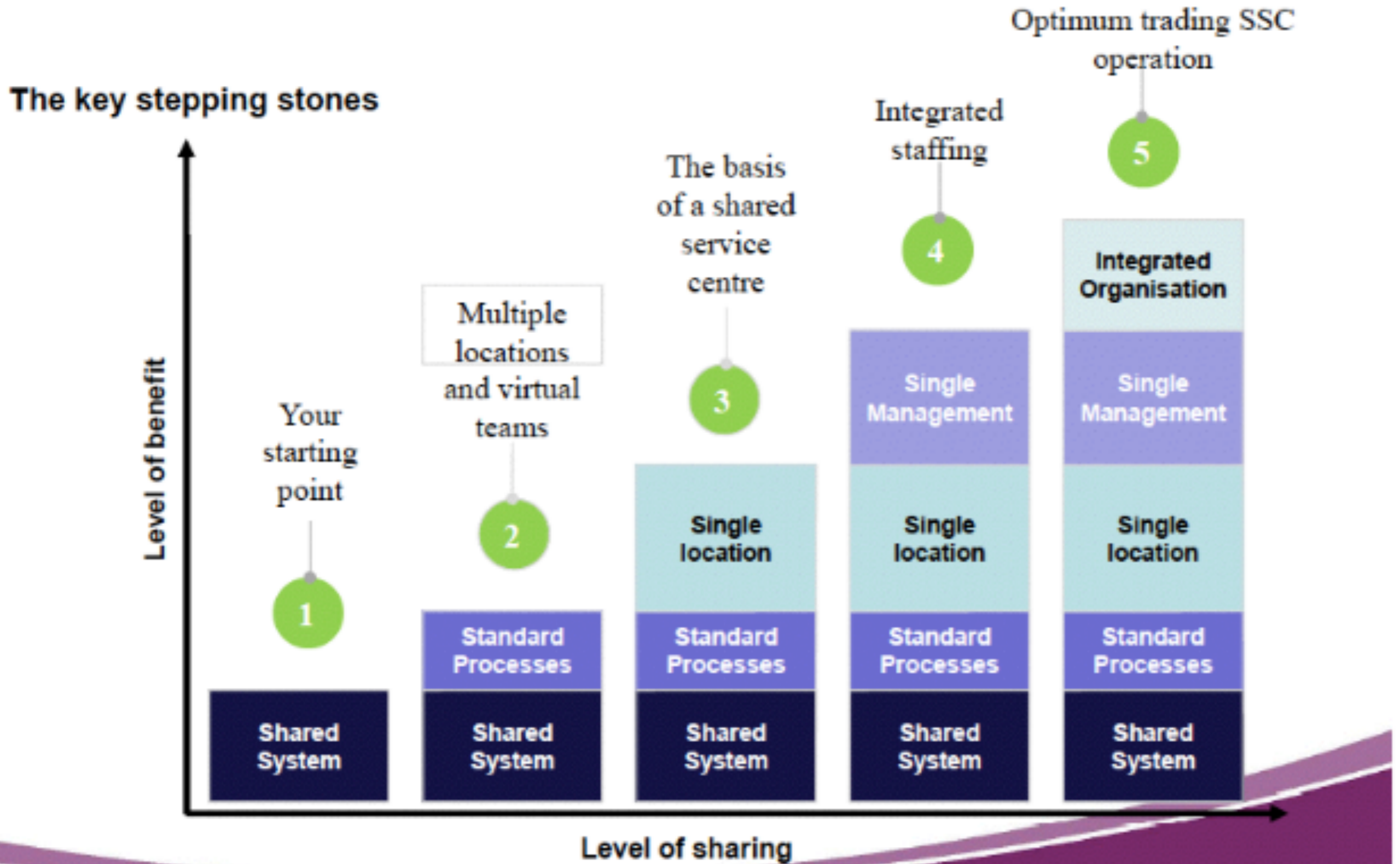(incl cost of capital)

labour:
salaries and oncosts

an example of six Councils and accounting

The key stepping stones

Level of benefit

Optimum trading SSC operation

(5)

Integrated staffing

(4)

The basis of a shared service centre

(3)

Multiple locations and virtual teams

(2)

Your starting point

(1)

		Integrated Organisation
Single Management	Single Management
Single location	Single location	Single location
Standard Processes	Standard Processes	Standard Processes	Standard Processes
Shared System	Shared System	Shared System	Shared System	Shared System

Level of sharing

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