



A SHARED APPROACH TO BUILDING A BETTER SCOTLAND: A CONSULTATION PAPER ON A NATIONAL STRATEGY FOR SHARED SERVICES

SOLACE (Scotland) welcomes the opportunity to respond to the consultation paper. Our responses to the various points in the questionnaire should be seen in the context of the following, which we regard as fundamental to the success of what is being proposed:

- SOLACE is totally committed to the shared services agenda, on the basis that it includes both back office and front line services. It is patently obvious that there are savings to be made if organisations pool expenditure that they would incur individually in doing the same or similar things.
- Technology of itself will not deliver on this agenda. It is about changing business processes across the public sector.
- A commitment to information sharing and drawing on the work of Customer First on citizen account, entitlement card, national gazetteer and CRM should underpin shared services.
- It is important that the exercise is about the whole public sector and not just local government.
- We need:
 - Vision – a clear sense of where we’re trying to get to. We may get there by various routes and at different timescales, but we must have a sense of where we are trying to end up.
 - The development of a powerful top team.
 - Recognition of the importance of communication in the process of change. Communication doesn’t happen in one go. It needs to be an absolutely relentless and continuous process of telling people what has happened and what is going to happen.
 - Progress to be maintained. There is no way that organisations change through blinding flashes of imagination and inspiration. They change through people being clear about where they want the organisation to go, and through a systematic process of incremental implementation. Otherwise, managers and staff are predisposed to think that this is just another initiative.

- This is not just another initiative. It is about changing the way we do business to suit the context we are now operating in. What we are talking about is not about quick rapid fixes. It is about a sustained effort on all our parts. We have to be willing to review vigorously, to measure progress, and to be honest with ourselves about where we've got to as we move along.
- If we are changing the way we do business, we need to develop appropriate management development packages which support managers as they adapt to the changing context and which focus on managerial responsibilities appropriate to the posts involved. We need to develop the vision and translate that into operational terms (that gives us the WHAT)and the management development package will be focusing on the managerial responsibilities related to delivery (ie the HOW).
- SOLACE sees itself as having a key role in terms of leadership and would point to the significant influence we have had with Customer First. Three of the Sub-Programme Boards – Definitive National Address Gazetteer; CRM/ Citizens Account; and the Entitlement Card - have all been chaired by SOLACE. We have a track record of ensuring ownership by Council Chief Executives and of making projects happen.
- P22 of the consultation paper sets out the agenda. In our view, each of the Pathfinder projects should be handled in the same way as the elements of Customer First – ie with a lead Council, and under SOLACE chairmanship..
- It has to be handled systematically:
 - Preparing the business case
 - Communication and change management
 - Business Processes –simplification, standardisation and automation of business processes
- We need a mechanism both to obtain a full audit of where the public sector is with ICT developments and to oversee a common way forward.
- There has to be a realisation that the Shared Services agenda cannot be seen as something separate from “Transforming Public Services”; it has to be regarded as an integral part and Transforming Public Services has to be looked at as the whole.
- More attention requires to be given to the governance arrangements, and SOLACE would welcome being involved in discussion about these aspects of developing shared services.

SOLACE (Scotland) RESPONSE TO QUESTIONNAIRE

1. Are we right to widen our view of shared services from the more traditional internal support functions to the processes and systems that underpin our front line services?

SOLACE believes that it is right to include frontline services as well as back office services in this exercise. Whole system solutions are required, and no areas should be excluded from consideration.

2. Are there opportunities for sharing in other functions and service areas that we have not identified?

The key to success lies in ownership on the part of the organisations entering into the agreement and on evidence of improved efficiency and effectiveness. It is likely that other ideas will emerge as the debate develops. It is important that there is a mechanism to ensure that these are shared widely and swiftly. The Improvement service has a role to play here in stimulating ideas generation and ensuring wide circulation.

3. What other examples are there of shared service good practice in Scotland?

SOLACE presumes that the individual responses from public sector agencies will have identified a range of examples of current good practice.

4. Are there other options for sharing that we have not identified in Figure 1?

Figure 1 outlining 4 clear stages is a useful illustration, provided a “one size fits all” approach is not being taken. The insistence on a single model could inhibit a process which is based on ownership and evidence of improved efficiency and effectiveness.

SOLACE is of the view that the best option for the delivery of shared services, is the Lead Council model, with a SOLACE Chairs as per current Customer First arrangements.

5. What do you see as the major risks associated with shared services?

The greatest risk lies in trying to achieve too much at the one time. What is required is a steady systematic methodical approach – a process of incremental progression.

In addition there will be risks related to:

- Failure of potential partners to agree;
- Failure to overcome governance and risk management procedures which are specific to one organisation;
- Lack of appropriate governance arrangements

- Need for allocation of resources at national level – a “spend to save” approach will be essential;
- Reluctance on the part of politicians to change – the possibility of a political perception that their power base is being reduced, or a perception that going down the shared services route will result in jobs being taken away from their area.
- Failure to allocate enough staff resources;
- Failure to provide training both in project management and in change management; Staff resistance to change, or to any relocation required;
- Increasing staff disenchantment if there is insufficient communication and they are not regarded as partners in the process.

6. What can we do to overcome these risks?

As stated in our introductory remarks, there has to be a realisation that the Shared Services agenda cannot be seen as something separate from “Transforming Public Services”; it has to be regarded as an integral part and Transforming Public Services has to be looked at as the whole. What is the vision for the shape of the transformed public sector in Scotland? We need to have a clear sense of the big picture so that we can identify the individual bits of the jigsaw required to make it happen. There is a need for clear leadership on a partnership basis between the Scottish Executive and the public sector. SOLACE can play a key role in this context.

7. How do we best provide the investment funding required to implement initiatives?

Identification of pathfinders, with funding allocated to sound business cases is in the view of SOLACE the most realistic way forward. Part of the outcome of pathfinders should be the production of an operational plan to achieve further roll-out,

The revised approach to the Efficient Government Fund is supported.

8. How do we best respond to the concerns of staff over changes to jobs?

Communication is fundamental, as is training which focuses on both project and change management. Such training should commence immediately, with the Improvement Service having a lead supportive role. Jobs will undoubtedly be affected, and retraining/redeployment possibilities will require to be explored and handled sensitively.

9. Have we made an effective case for developing a national shared services strategy for the public sector?

The case has been made in principle only. It is important that shared services be set in the context of Transforming Public Services. This has still to be done. A national business case has still to be produced and there is too much evidence drawn from the private sector.

10. What could we do to strengthen the case?

It would be helpful to identify the themes which are most appropriately dealt with at national, regional and local levels, and achieve buy-in across the whole public sector. Local government is not convinced that eg NHS Scotland, or Scottish Enterprise are currently giving much attention to sharing services outwith their own national operations. There is still a vertical silo mentality at the national level which often undermines achieving shared services at the local level between councils and other public service organisations.

11. What can we do to maximise support for the strategy?

Support will be maximised by delivering some “quick wins” to prove that the approach works. SOLACE would encourage the identification of a programme which provides models of good practice which will be recognised by all the stakeholders, including the public.

12. What should the long term aspirations be for the shared services strategy?

Better and less bureaucratic services delivered to the people of Scotland at the same or less cost. The main focus should be the benefit to Scotland’s citizens and businesses..

13. Have we got these guiding principles right?

Yes – although the principles could be grouped or summarised into a more succinct statement.

14. Are these the most appropriate areas for shared services?

Yes. Other organisations have achieved significant savings from a shared services approach to these areas. However, it would be important to concentrate on those services with the greatest savings potential. This would require a business case for each to clarify the level of savings possible.

15. Are there other areas we should be considering?

No. Start with these and let others develop.

16. What methods could we use to help select and prioritise the potential areas for shared services?

There should be clear evaluation criteria, including financial benefits; quality benefits; costs of deliver; return on investment; timescale for delivery; number of partners signed up.

17. Are these the correct communities of interest to focus on?

Yes, although we have a query as to why Scottish Enterprise is not included.

18. Are there other appropriate ways of grouping organisations?

Groupings can be done in different ways, but it seems sensible to proceed as suggested in the first instance.

19. Where should the voluntary sector and the mixed economy fit in?

As with community planning, the voluntary sector should be included in two respects – contributing to discussion of proposals, and as a delivery agent in their own right.

20. What role does ICT have in promoting our public service reform objectives?

SOLACE support the view of SOCITM that in a shared service environment, ICT should be an enabler of shared service. It will be important to develop a blueprint of what should be the common ICT infrastructure to meet current and future needs.

21. Would the creation of a national strategic body to consider public sector ICT in Scotland help in achieving more joined up and efficient public services?

On the one hand, the creation of yet another national body could be seen as increasing bureaucracy. On the other hand, there is no doubt that a body with the remit outlined by SOCITM could have a powerful and effective influence in supporting the shared services agenda. Both SOCITM and SOLACE should be represented on such a body.

22. What should the role of such a body be?

SOLACE supports the role set out by SOCITM, namely:

“that the remit of such an organisation must have teeth and the accountability to correctly influence the ongoing strategy, and

- *Determine the National ICT Strategy to support (not Lead) Shared Service*
- *Influence Business Case Development to real benefits*
- *Quality check Shared Service Proposals and make appropriate recommendations*
- *Provide standards guidance on Information Security, Infrastructure Standards and data standards*
- *Provide Risk Assessment and Reporting of implementation, integration and migration*
- *Provide appropriate specialist skills in*
 - *Programme & Project Management*
 - *Change Management*
 - *Business Case Development*
 - *Implementation*
 - *Contract negotiation, framework implementation & service management*
 - *Benefits Tracking*
- *Ensure skills and career issues are properly assessed*
- *Assess business case of Centralised –v- Shared Service”*

23. Where should the membership of such a body be drawn from?

It is our view that the membership should be a balanced representation from across the public sector in Scotland. Consideration should be given as to how the body would relate to the Board of the Improvement Service, and there may be merit in forming the body as one reporting to the Board of the Improvement Service, which has representation from the Scottish Executive, CoSLA and SOLACE.

24. How can we best link in proposals from the McClelland Review with our shared services strategy?

We must avoid duplication of effort between the work of the Shared Services Board and the Procurement Board. There will also be procurement issues arising from shared services, and attention is drawn to the need for a clear understanding of the applicability of EU procurement rules for public/public arrangements.

25. What more can be done to promote better asset management and the sharing of assets across the public sector?

Considerable work has been done by some Councils on the Schools Estate Management Plan. There is a case for the creation of a Public Sector Asset Database to be used in asset management strategy formulation.

Sharing working and delivery space have implications for asset management, and there will be opportunities to sell assets to help fund the new arrangements. This is an area which, if innovative thinking can be brought to bear, has considerable scope for assisting the reform agenda.

26. Is this a subject that is best tackled at a local level or are there national aspects that need to be addressed?

A national strategy should be developed, but there should be encouragement of shared working at the community planning level.

27. Are there other important cross-sector areas which should be considered for shared service options?

This requires further detailed consideration.

28. Are there other major shared services initiatives underway within any of the sector groupings above that we have not identified above?

No

29. Are there additional shared services initiatives that should be considered for these groupings?

No

30. What governance and programme/ project management structures do we need to put in place to ensure effective implementation of the strategy?

More attention requires to be given to the governance arrangements, and SOLACE would welcome being involved in discussion about this. We are attracted by the Customer First model, for which the governance arrangements are currently being revised, and we are of the view that the opportunity should be taken to formulate governance arrangements for Shared Services on the back of this revision.

SOLACE sees itself as having a key role in terms of leadership and would point to the significant influence we have had with Customer First. Three of the Sub-Programme Boards – Definitive National Address Gazetteer; CRM/ Citizens Account; and the Entitlement Card - have all been chaired by SOLACE. We have a track record of ensuring ownership by Council Chief Executives and of making projects happen.

P22 of the consultation paper sets out the agenda. In our view, each of the Pathfinder projects should be handled in the same way as the elements of Customer First – ie with a lead Council, and under SOLACE chairmanship.

31. Who should be involved in these governance arrangements?

The Scottish Executive, CoSLA, SOLACE, SOCITN and other stakeholders should be involved.

32. What are the options for raising the investment needed to deliver the strategy?

Para 34 refers to the need to invest £1.5bn to produce annual savings of £750m. Public bodies will not be able to provide this level of funding, and possible sources are:

- Scottish Executive Funding via a substantially enhanced Efficient Government Fund
- Prudential Borrowing
- Leasing/PFI
- Joint ventures

33. How should we prioritise the areas to invest in first?

Under 16 above we list evaluation criteria such as financial benefits; quality benefits; costs of delivery; return on investment; timescale for delivery; number of partners signed up. “Quick wins” are highly desirable to win staff and public support. Costs of delivery are also an important consideration since resources could be diverted away from other areas, and leads to the conclusion that some priority should be given to projects which will result in savings across the public sector.

34. How can we ensure that we deliver the projected benefits from this investment?

This should be done by:

- ensuring that key staff are leading the pathfinders (cf SOLACE members leading the Customer First Sub-Programme Boards)
- appropriate reporting and monitoring mechanisms

35. How can we best meet the change management challenge presented by the shared services?

If we are changing the way we do business, we need to develop appropriate management development packages which support managers as they adapt to the changing context, and which focus on managerial responsibilities appropriate to the posts involved. We need to develop the vision and translate that into operational terms (that gives us the WHAT)and the management development package will be focusing on the managerial responsibilities related to delivery (ie the HOW).

There could be a significant role for the local government Improvement Service, perhaps adopting a Change Management Methodology, with support from a practitioners' group.

36. What can be done to increase the change management skills and capacity within the public sector?

We should take the opportunity of creating a national training programme, with trained individuals working to that programme. Again, a role can be seen here for the Improvement service commissioning both the drafting of the programme and its delivery.

37. What should we do to ensure we engage effectively with staff and keep them fully updated on progress and respond to their concerns?

Recognition of the importance of communication in the process of change is fundamental if we wish to generate and maintain staff ownership of the agenda. There needs to be an relentless and continuous process of telling people what has happened and what is going to happen. Regular liaison with trade union and staff representatives will be essential, and the development of answers to "Frequently Asked Questions" could be a useful addition.

38. How can we engage effectively with suppliers to ensure that they are able and willing to supply the products and services needed to implement the strategy?

Given the fact that suppliers are already contacting individual Councils, and given that some of the work will be Scotland wide, there would be merit in considering the setting up of a clearing house to make sure that EU tendering procedures are adhered to, and that a balance is

struck between making savings and becoming reliant on a very few companies, with a serious effect on local employment.

39. What type of measurements should we be focussing our efforts on?

Measurements focussing on outputs rather than processes eg: cash savings; time releasing savings; customer satisfaction; quality of services.

We should also now be collecting baseline information on services, against which to gauge future improvements

40. What other support would be helpful in taking forward the shared services strategy?

We support the view that the Improvement Service may be able to coordinate an implementation team with general skills to assist each of the projects. The approach taken re Customer First, with Council staff seconded to the Improvement Service could be worth building upon.

41. Is this timescale realistic?

A view can be given on this only after the full scope of what is involved is clearly set out. Timescales have to be based on the detailed project plans and the availability of resources.

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