

Briefing on ..

Local Government Shared Services

Introduction

Despite the evidence that at best shared services provide savings only in the long term the current economic crisis has seen shared services once again championed as the panacea for public services. This briefing provides an overview of current and future shared service plans in local government based on information gathered from Scotland's Local Authorities.

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Shared Services

The Scottish Government see shared services as a key route to cutting costs. They believe that shared services should be introduced across all public sector organisations focusing on:

- support functions such as Accounting, Payroll, Procurement, Human Resources, Facilities, and Information and Communications Technology, which all

organisations need to support their core business and which are delivered to customers within the organisation, rather than to the public,

- the common operational processes and systems that underpin front line services,
- Infrastructure to support those common operational processes.

UNISON key concerns

- Loss of jobs particularly from rural areas
- Loss of local control and democratic accountability
- Tensions between local and national initiatives
- Local suppliers may be excluded from opportunities/not enough competition to prevent large companies gaining control
- Savings figures not robust and costs underestimated
- Privatisation via sharing with private provider of services
- Privatisation via EU procurement rules forcing the shared service provider to go to open bidding
- Staff moving to new employer, Change of employer, changes in terms and conditions, relocation, job losses.

Shared Services Survey

In 2007 UNISON surveyed branches about their employer's plans for shared services. Only ten branches replied giving a limited picture. UNISON has now used Freedom of Information legislation to ask local authorities directly to provide details

of their current and future plans in this area. This briefing gives an overview of responses but a fuller report has also been sent to branches. On request branches can also be provided with a full copy of the response provided by their authority.

Overview of initiatives in LG

Local Authorities are involved in a wide range of shared activities and are working with a range of organisations to develop closer, more joined-up working. UNISON fully supports partnership working and efficient delivery of public services.

What we are concerned about is the current blinkered way that many are looking at this issue. It is not possible to cover all councils in a two page briefing. Branches are encouraged to read the fuller report for more detail on their authority.

Further Information

Shared services update 2009
<http://www.unison-scotland.org.uk/revitalise/SharedServicesUpdateJune2009.pdf>

Shared Services leaflet
<http://www.unison-scotland.org.uk/revitalise/sharedservicesleaflet.pdf>

Bargaining and shared services briefing no 147

<http://www.unison-scotland.org.uk/briefings/sharedservicesbargain.html>

Revitalise spring 09
<http://www.unison-scotland.org.uk/revitalise/revitalisespring09.pdf>

Shared Services Examples

North East of Scotland Joint Public Sector Group (NESJPSG) formed in 2000. It comprises the Chief Executives (or equivalent) of Aberdeen City, Aberdeenshire and Moray Councils, NHS Grampian, Scottish Enterprise Grampian, Grampian Police and Grampian Fire & Rescue “to consider high level matters of great strategic significance to the geographical area for which they jointly have responsibility.”

Argyll and Bute council was awarded £150,000 to carry out a shared services diagnostic project in 2008. In October 2008 a plan to work with Highland, Dumfries and Galloway and Moray looking at property, customer management, rules-based eligibility and assessment, procurement and managing contracts, workforce deployment, admin and records management and managing change was drawn up. Further detail was provided in the Dumfries and Galloway response.

Dumfries and Galloway are at the design stage of the national shared services diagnostic project. This is scheduled to run until August 2009. They are working closely with Argyll and Bute, Highland and Moray. Serco Consulting have been appointed to provide programme support. The Programme Board now includes a representative from the joint trade unions. The rep is from UNISON.

East Ayrshire's plan for a pan-Ayrshire ICT based project was rejected by the National Shared Services Board. East Ayrshire is though still participating in the review and continues to look at further shared services. There is a Pan-Ayrshire Group involving the Leaders and Chief Executives of North, South and East Ayrshire councils,

representatives from NHS Ayrshire and Arran, Strathclyde Police and Strathclyde Fire and Rescue to look at future joint delivery of services. Since 2008 a number of other areas of shared services/working have been developed for example

- Minor works framework contract
- Public Sector Property Group
- Ayrshire Economic Strategy Group

East Dunbartonshire (EDC) worked with 5 councils consisting of (Falkirk, Stirling, Clackmannanshire and Perth & Kinross Councils and Edinburgh), developing the case for shared back office services. The *Improvement Service* rejected the proposal. KPMG Consulting was engaged to provide some technical support on the Diagnostic Pathfinder Project. The outcomes from this work largely relate to improvements in internal working, customer service and efficiency. The Council is participating in discussions with a consortium of 8 Clyde Valley Councils (**East and West Dunbartonshire, North and South Lanarkshire, Renfrewshire and East Renfrewshire, Glasgow and Inverclyde**) reviewing the potential for shared services. This review is being led by Sir John Arbuthnott, A report on the findings of the review should be ready by the end of October 2009.



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