

revitalise

A briefing on UNISON Scotland's public services campaign
No 6 Summer 2008

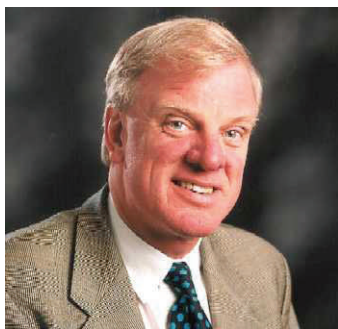


Central shared services fail to save

The House of Commons Committee of Public Accounts report into shared services adds to the growing body of evidence that vast amounts of public money are being wasted.

Yet again overblown promises of savings have failed to materialise. Again a report finds that over-optimistic promises of savings have been used to sell plans while the very real implementation problems are glossed over, leading to costly delays, mistakes and overruns. Edward Leigh MP Chairman of the Committee of Public Accounts said the cabinet office estimates of £14 bn savings each year was 'flimsy at best'. He said

"Government lacks accurate information on what corporate services cost and how they perform. There are no centrally agreed benchmarks against which to measure performance. The Cabinet Office doesn't even have a timetable for achieving this level of saving.



Edward Leigh MP.
Tory
Chair of the
Commons
Public
Accounts
Committee

"This is not just a point about poor management information and a lack of grip on detail undermining the move towards greater shar-

ing of services. Whether or not public bodies move to shared services, they must know whether they are receiving value for money from their corporate functions. Without that knowledge, there can be no driving out waste and freeing up money to improve services to citizens. "

The committee also reported that the Cabinet Office Shared Services Team was unable to explain how they had spent their budget for 2005-6 and 2006-7.

“Over-optimistic promises of savings have been used to sell plans”

Department of Transport shared services plans are also hitting problems. The programme — claimed to save £57 million — now looks set to cost a total of £81 million. It is set to go £65 million over budget and projected savings have been cut by two thirds. The National Audit Office (NAO) says the Dept of Transport was over-optimistic in setting its goals and timetable with the main supplier IBM. According to an industry analyst it is a class A study of the pitfalls facing shared service programmes. NAO Head Tim Burr said

"Departments need to be realistic about the challenges of implementing shared services and to manage suppliers effectively. "



Geoff of the Reform

A new right-wing think tank *Reform Scotland* launched in April.

Run by failed Tory candidate and ex-party employee, Geoff Mawdsley, and domi-



nated by private business interests, one of their first reports focused not on the private sector but on the public.

Power for the Public calls for more direct local accountability, greater decentralisation for public services and of course "diversity of provision" business-speak for more private sector provision.

Reform Scotland state that they will be publishing detailed research papers on how Scotland can grow its economy and improve its public sector. So far they appear to be mainly concerned with garnering column-inches for their private sector propaganda.

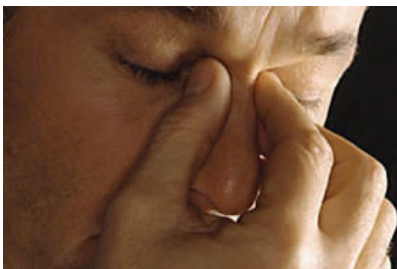
See www.reformscotland.com if you must.

Whose job are you covering?

Research shows that public sector workers regularly do unpaid overtime creating the effect of hundreds of thousands of extra staff.

Workers in the public and charity sector are much more likely to work more than their paid hours than those in similar jobs in the private sector. The research was done by the University of Bristol who found that 46% of those working in the not-for-profit sector said they did unpaid over-time compared with only 29% in the private sector. They also gave more unpaid time: an average of 9 hours 35 minutes per week compared with eight hours twenty minutes.

The report calculates that this is the equivalent of 60 000 extra staff in the public sector. This is more evidence that the public sector is its workers and any plans for its future much listen to the views of those at the heart of the services.



Brent case highlights UNISON's procurement warnings over shared services

The High Court has ruled that Brent LBC has violated EU procurement law when awarding a contract to a shared venture.

Brent claimed that awarding the contract for its insurance work to Local Authorities Mutual Limited (LAML) fulfilled the "Teckal" exemption. This allows local authorities to award contracts without tender to organisations over which the LA has substantial control. The contract was challenged by a private insurer who have had their case upheld. Future contracts will now have to go to tender.

UNISON has always believed that many of the plans for shared service between public bodies would mean that the services would have to be opened up to tender leading to privatisation.



Rural businesses worried about centralising purchasing

Businesses in rural areas have expressed concerns to the Scottish Government about the impact of the government's efficiency programme on the rural economy.

The Inverness Chamber of Commerce has expressed concern to John Swinney that increased central purchasing will prevent small Highland businesses from winning public sector contracts. They say that small businesses do not have the capacity to deliver goods and services across Scotland and can be easily undercut by bigger suppliers from across the UK and internationally. Small companies that lose local council contracts may not survive.

The UK government says that 30% of public sector contracts must be given to small and medium sized businesses. No similar target exists in Scotland.

Funding Challenges face Community & Voluntary Sector

The third sector in Scotland is facing a number of funding challenges that affect its role in delivering public services.

The full extent of the cuts is not yet clear. Cuts in Aberdeen have had the highest public profile but the challenge is not limited to this area.

The problems arise from a combination of issues: local government's tight budgets including the freeze on the council tax, specific decisions by some councils regarding grants to third sector organisations, the uncertainty about the transition between the end of the Community Regeneration Funding and the new

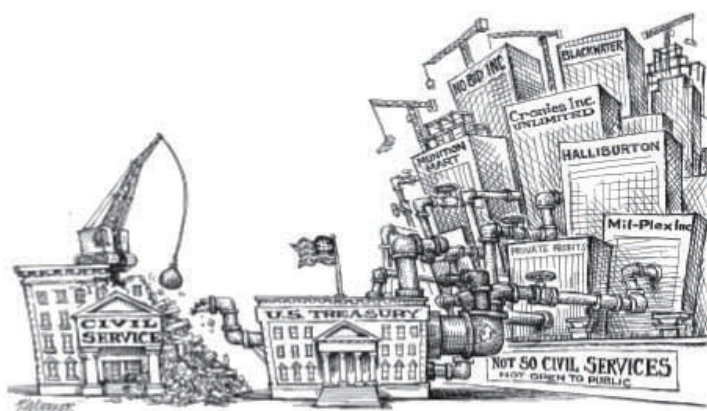
Fairer Scotland Fund and reductions in lottery funding streams. The third sector has a specific role in the delivery of services it should not be a route to cheaper services particularly if the savings are made through lower wages and poorer terms and conditions for staff.

Bush efficiencies cost a bundle

George Bush's plans to make the US government workforce more efficient have ended in costly bureaucratic failure. The competitive sourcing programme invited private contractors to bid on around 425,000 federal jobs.

Federal workers then had to prove that they could do their jobs better and more cheaply than the private contractors. The general accounting office estimates this cost \$4,800 per job.

Paul C Light, Professor of Government at New York University said "the competitive sourcing initiative did little to improve management, produced a ton of worthless paper, demoralized thousands of workers and cost a bundle"



IS cut out by Scottish Government

The Improvement Service (IS) - set up originally as a three-way partnership with COSLA, the Scottish Executive, and the Society of Local Authority Chief Executives and Senior Managers is now to be funded directly by councils and civil servants will no longer sit on the board.

The IS states on its website that it is dedicated to improving the efficiency, quality and accountability of public services in Scotland through learning and sharing information and experiences. In particular it has been involved in the on going programme to increase the use of shared services in the public sector.

A recent article in Holyrood magazine suggests that there is a suspicion that "because the money received by IS for large scale projects had to be spent quickly, much of it ended up

going straight to consultants with little lasting benefit to local government."



Chief Executive Colin Mair said, "It's certainly true that we (used) consultancy support where we needed to process something quickly, but we've sought to diminish and eliminate that"

The Holyrood article suggests that there are ongoing tensions with local government. Some councils appear to believe that IS is dictating what has to be done rather than acting as support and sharing best practise. Councils have also expressed concern on the amount of first hand local government experience core IS staff have.

Saving in the rain

St Johns Hospital in Livingston has won an award for a new system that uses rainwater for the laundry. The system has reduced the amount of water used from the mains in the laundry room by 30%. The system has already saved its installation's cost in water bills.

In-house contact best practice

Stirling University has produced a report identifying best practice in council contact centres. Key finding include:

- All local authorities with contact centres ran them in-house
- The most common service delivered via contact centres was waste services followed by pest control
- Over half used email and just under half used the internet.

The most common complaint stemmed from repeat calls where complete service was not received.

Pilot for councillors

Seven Scottish councils are to pilot continuous personal development for councillors. The councils involved are Aberdeenshire, East Lothian, Falkirk, Fife, South Ayrshire, Scottish Borders, and West Dunbartonshire. The pilot will start in autumn in 2008 and will involve e-learning packages.

Nomad Scotland

Nomad Scotland is the Scottish version of a network that promotes best practice and knowledge sharing among local authorities in mobile and flexible working. More information is available from www.projectnomad.org.uk. Various telecoms firms like BT, Capita Motorola and Blackberry sponsor the site. It does have useful examples of flexible working in the public sector that will help anyone trying to negotiate flexible working in their workplace.

How to measure efficiencies

COSLA has produced a framework for Local Authorities in Scotland to produce their reports on their work under the Efficient Government Initiative.

The guidance defines efficiency savings as:

- Achieving the same or a higher level of output on a lower input (cashable), or
- Achieving a higher level of output on the same input (non-cashable).

The efficiency statements will be published separately from the annual accounts and it is recommended that the Efficiency Statement for 2007/08 be published no later than August

2008. This will report on the efficiency savings made in five recommended areas:

- procurement ,
- absence management,
- asset management,
- shared services and
- streamlining bureaucracy.

The paper recommends a structure for the reports, and points out that a wide range of audiences at both local and national level will be looking at them. The current level of budget cuts in local government, the end of ring-fencing and council tax freeze mean that the efficiency reports will attract more public interest than in the past.

Four years delay on patients' records

The single NHS electronic patients' record system for England is running four years behind schedule; it will not be ready until 2014. The National Audit Office reports that fixed price contracts mean that the project is still on budget. There is still no guarantee that the 2014 date will be met or that all trusts will sign up to the new system.

The NHS in Scotland is rolling out a new document management system. Called *Version One*, the system plans to enable health boards to electronically create, deliver and store all financial documents. It should reduce the need for manual entry. The contract is worth £3.6 million for COA Solutions and should be fully operational by March 2008.

Scotland Performs—no it's not a new Arts body

The Government has launched its version of *Virginia Performs* (see *Revitalise 4*) imaginatively named *Scotland Performs*: www.scotland.gov.uk/About/scotPerforms/performance. The site aims to provide a snapshot of how Scotland and the Government "is doing".

There is a summary of **Purpose Targets** and **National**

Indicators on the front page that then link to more detailed statistical information. These follow on from the National Performance Framework in the Spending Review.

Like all statistics, the choice of what to measure is as important as the measurement itself.

Its ongoing usefulness will also depend on how up to date the statistics remain. It does though provide a good starting point for a wide range of statistics on Scotland.

New LA body launched to assist procurement

A centre of excellence in local government procurement has been launched called **Scotland Excel**.

It aims to:

- use collaborative procurement to reduce costs
 - improve best practice by developing coaching, mentoring and training and development
- and create a forum for engaging with suppliers in an effort to improve efficiency

It will provide services to local authorities in

- Procurement support i.e. in contract negotiation
- Advice and support
- Training
- Best practice.

Their website is www.scotland-excel.org.uk

where news, catalogues and a virtual shopping mall are available.



I don't think that's what the government means by a national framework.

If you are facing any particular challenges from issues highlighted in the bulletin, or if you have good examples of public services succeeding by following the *Revitalise* principles, please contact Kay Sillars in the P&I team. 0845 355 0845

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