

Developing and Implementing Shared Services Across the West Midlands

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‘Most shared services projects cost more to set up than they ever achieve in savings, and that’s if they ever get off the ground at all!’

- Myth or the harsh reality?



Context

- Probably a bit of both, but
- Why share at all?
- Drivers for sharing:
- Financial climate – ‘we can’t be any more efficient on our own; therefore we must share if we are to achieve the necessary cost reductions’
- Total Place/Locality working – ‘we must pool resources and work together more effectively with partners if we are to maintain or improve the quality of services to our customers’



Some West Midlands Examples

- **Sharing individual services:** Worcestershire Enhanced Two Tier Programme / Lichfield and Tamworth Shared Waste Service;
- **Sharing a range of services (without combined management):** Stafford Borough and Cannock District Councils;
- **Whole organisation sharing (management and service delivery):** Staffordshire Moorlands and High Peak Alliance / Bromsgrove and Redditch.



Stafford Borough Council and Cannock District Council

- **Drivers & strategic benefits:**
- Financial savings;
- Increased resilience i.e. workload peaks, sickness, vacancies;
- Improved services;
- Strong positioning for sharing with new partners;
- Learning from each other to achieve best practice;
- A stronger voice working in combination;
- Better competitive position for trading services.

Stafford Borough Council and Cannock District Council

- Lead Authority Model (MOU signed 2009);
- Business case & SLA on a service by service basis (BC / ICT / HR / Finance / Revs & Bens / Legal / Audit (incl insurances, risk management, procurement & civil contingencies));
- Framework agreements developed HR / Finance / Legal
- TUPE of staff;
- Transformation using Lean / Systems Thinking;
- Structures emerge from re-designed services;
- Achievement of savings through vacancies / procurement / shared systems.

Our Approach – Stafford Borough Council and Cannock District Council

- Leadership engagement – Strategic & Programme Board;
- Kick off meetings with staff (not a takeover / defence against private sector / preserve jobs / unprecedented budget cuts / no preconceived ideas about location, service design or final structure / regular TU consultation;
- Initial focus on SLA development defines scope of service (end to end) & recipient obligations;
- **Check** - agree common purpose / understand demand / processes / measures / blockages;
- **Plan** - vision & redesign / improvements / joint service;
- **Do** - Pilot & test / roll in / continuous improvement;
- Communications / FAQ's / branding is sensitive.

Key Lessons

- Leadership is crucial;
- Don't underestimate the effort required;
- Be clear about why you want to share – base decisions on data not assumptions;
- Understand and quantify the potential benefits and costs;
- Ideally, consider shared services as an option on a transformational journey rather than a definitive starting point;
- Take account of the political dimension early on – it will either drive or break the process
- Focus on 'economies of flow' as much as 'economies of scale';
- Don't forget the people – change is primarily about people;
- Joint branding might be sensitive
- Learn from others & innovate - one size does not fit all.

IEWM Forward Strategy

- New arrangements being put in place but continued support available;
- Likely to be chargeable, at realistic rates;
- Increasing emphasis on strategic, leadership and organisational change;
- Potential to move into other sectors and regions