Cost savings and service improvement strategies in the Public Sector: Shared services

In the paper

- We explore the drivers for Local Government organisations to become involved in sharing services and how doing so could benefit both the end user and the Local Government organisation involved.

- We further explore the possibility of realising savings through a regional “one site for all” web site provision.

- We discuss how Abacus e-Media, through their software and experience, are perfectly placed to help Local Government Organisations drive out considerable savings.
For Local Government these are the coming days of the new austerity measures requiring a new practicality; a stripping down, fast efficient service delivery; in fact a shared delivery of services to their clients.

**Drivers**

After the 2010 election an emergency budget announced reductions in government department budgets of around £17billion by 2014/15. This white paper was written before the Comprehensive Spending Review due out 20th October 2010.

**Economy induced spending cuts.**

It is widely believed further cuts will be inflicted on Local Government budgets in the spending review. It’s expected these anticipated cuts will force Local Government Organisations to go through their departments with a scythe, hacking at services and support systems in attempts to cut their costs according to their means.

It will be no good having Georgette tastes on flannelette incomes. For Local Government these are the coming days of the new austerity measures requiring a new practicality; stripped down, fast efficient service delivery; in fact a shared delivery of services to their clients.

**The demographic trend is toward an older population.**

The section of the population born in the ‘bulge years’, i.e. those which occurred in the years after World War 2, are now in their 60’s. They will be expecting the full range of care services to be delivered to them. The problem is, however, the demographic paying for these services is much smaller with the tax paying ability of the bulge year demographic now having passed.

Coupling together the combined drivers of economy induced spending cuts and the pressures of an aging population creates the perfect wave which threatens to swamp public services.

In real terms, like never before, or at least not since World War 2, it means having to do more with less.

**Sharing services**

**What does it look like when delivered?**

When compared to councils of the same type i.e. districts with districts etc, councils do much the same thing. The services they deliver comprise Social Housing, Libraries, Education, Highways, Street Lighting, Social Care for the young and elderly etc.

In some areas all of these, and more, are provided by a single council; a unitary. Other areas have layers i.e. District Councils and a County
Council, each providing a service in a geographic area. The districts will deliver much the same but be differently branded, with different staff and different priorities. And the County will deliver over the whole geographic area what the districts don’t e.g. education, highways, social care etc.

**What services could be shared?**


- Being more about data sharing some of these are specific to central government departments but the principle of information and service sharing holds for Local Government too.

For Local Government, particularly in a tiered County, i.e. county and district councils, it means the districts working together at first to share information, perhaps on their web site but also sharing major support services e.g. legal, procurement, etc.

**Customer acceptance of shared services**

Would the delivery of shared services seem peculiar to the service user?

It has long been held most service users don’t know who provides what service in a tiered County, neither do they care. It’s unlikely, therefore the appearance of a shared service would cause problem to the user. After all they simply want their question answered or their service delivered. And as a council tax payer they want that delivery to be as cost effective as possible.

Shared services in a tiered County could be simply a central, yet separate, department handling a services e.g. the legal issues for the districts and the County or some similar set up for recruitment, procurement, HR, Information Governance etc.

The shared service agenda has been around for over 5 years. What has happened during that time in Local Government? Some would say not a lot. Speaking to CIO magazine, here [http://www cio.co.uk/article/3241184/city-of-westminster cio-david-wilde-on-shared-services-and-cloud/](http://www cio.co.uk/article/3241184/city-of-westminster cio-david-wilde-on-shared-services-and-cloud/) David Wilde, chief information officer
at Westminster City Council, explained why he believes shared services should be moved up the agenda in the public sector.

Saying “In the public sector there’s been talk for a number of years about shared services, but not a lot happened,” adding “There were counties or districts and maybe schools administration shared services but not at the level of finance teams, for example. Because of the financial constraints we’ll drive that harder. Rather than having silos, it will be ERPs (Enterprise Resource Planning) and sharing teams.

It’s a sensitive area because ‘efficiencies’ typically mean reduced headcount, but that can’t be an excuse for not automating (sharing services) and saving where it makes sense.”

Shared service benefits are underpinned and realised by technology

Successful Shared Services projects understand technology to be the prime driver of value. Of course the “technology enabled processes” offer the greatest scope for savings through the economies of scale, particularly if they have a public facing/service delivery aspect. We have produced a white paper on “Cost savings and service improvement strategies in the Public Sector: Channel shifting”. You can find it here http://www.abacusemedia.com/channel-shifting

Choosing the right software to be at the heart of a shared service is a key decision.
Merging of web sites

A natural extension of sharing web services is the possibility of merging of web sites. These merged sites could be for a geographic area where, for example, the County and the district operates under the banner of one web site.

This site would provide information about services across the area for resident, businesses and visitors. Essential to this provision is the tagging of services related to postcodes so the user gets area centric information delivered to their browser when they use the site.

There have been obstructions to this type of service delivery with discussions mainly revolving around the loss of identity. In order for this to work there has to be a consensus of who does what and where. Evidence has to be shown on the benefits to the partners of this type of communal approach. Those benefits have to be substantial enough to overcome the natural resistance to being subsumed into a greater whole.

For the end user the divisions and separations Local Government make in service delivery is confusing so this communal feel may even add clarity by removing those confusions.

How Abacus can help

There are some 460 Local Government web sites across the UK. Each is different, at least in branding terms. Each is doing its own thing.

Each is paddling its own economic canoe. Each is spending on software, programming staff and hosting. And of course each is spending staff time on providing information for its own web site.

There is scope for generating savings.

- Sharing a software package capable of centralising the delivery of multiple web sites and at the same time keeping them separate, independent and unique is clearly of benefit in software costs alone.

- This can be delivered without the need for councils to provide technical programmers to enable each web site, or the cluster as a whole; here is further considerable scope for savings.

- Similarly, Savings can be made by sharing UK based hosting (to comply with data protection standards) which is:
  - secure
  - backed up
  - underpinned by industry standard disaster recovery processes
  - Connected to the internet by high speed connection

Savings on software, savings on technical staff and savings on hosting can be achieved by sharing Abacus’s Web Provision using Webstructure.net.

How Abacus are already helping?

Lincolnshire County Council is currently sharing its software, design templates and hosting with 2 other councils. West Lindsey District Council and North Kesteven District Council. Each has its own style, branding and content. The savings for all current partners is tangible.
The partnership has been in existence for around 5 years. Each of the councils in the partnership is well regarded by the Socitm review team, Lincolnshire scoring 3/3 for overall viewer rating and 3/4 stars for site classification, West Lindsey and North Kesteven both scoring 2/3 for overall viewer rating and 2/4 stars for site classification in the Better Connected 2010 report.

Abacus and the shared website

Abacus were instrumental in producing the LincUp site (a signposting site for the County and Districts in Lincolnshire).

The site was ground breaking and effective but did not seek to go that last step of a “one site for all” provision, though clearly all the information and building blocks were in place. The drive to provide ‘one site for all’ was not a project remit for this government funded project.

Lessons were learned in producing LincUp particularly about how the data would be sorted and displayed.

Conclusion

- Given that councils do largely the same things, sharing is easy and savings can be made, if slight compromises are made in web provision.
- There has never been a more pressing time to share services or a better opportunity to drive the concept through.
- There has never been a better time to remove some of the political – with both a small and large ‘P’ – obstructions to progressing this cost saving solution.
- Abacus has been delivering tangible savings through sharing services for at least 5 years so is well experienced and well proven in assisting with projects of this kind.
- In respect of merged web site projects; Abacus produced a “one site for all” signposting site for 8 councils – 1 county and 7 districts.
- The experience gained from that government-funded project would prove invaluable on projects wishing to drive savings out by delivering “together”.
- Abacus’ products, project management abilities and wealth of experience make it the ideal company with whom to talk about sharing web services and merged web sites.