



“Retaining control and achieving change at a pace appropriate for the individual authority is a driver ”



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Discussion Paper

Did Gershon give Shared Services a Bad Name?

One of the constants in attempting to establish a Shared Services project, even at an initial exploratory level is that the staff tell you that they and colleagues will resist it because it's only about “efficiency”. Efficiency means only one thing “job cuts”.

Certainly Shared Services can deliver efficiency gains and its objectives ought to include efficiency targets but the approach can deliver far more than efficiency.

The officers who actually kick-off a Shared Services initiative do it for a number of reasons, efficiency whilst one of them is often not the principal driver. Drivers for Shared Services, other than efficiency gains, include:

- Improvement in customer service by having more of the right skills available
- Recognition of the lack of capacity (or rather to purposely gain greater capacity)
- Defence against being subsumed into a Unitary Authority
- Furthering Partnership working
- To retain control
- To better develop staff

Like most services, the back office services typically considered for sharing do rely on skilled personnel (though some transactions can be “de-skilled” and parcelled into a Processing Centre – another perceived threat to some staff). The customer experience of using any service is normally dependent upon the skills of the service staff – the more qualified staff available, the more likely a positive customer experience.



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Many Local Authorities are struggling to cope with current Government initiatives never mind considering new initiatives or even internally driven operational improvement. Greater capacity through Shared Services can provide a much needed spur to introduce process improvement or Lean Six Sigma, or other improvements which ultimately improve customer and staff satisfaction. A call on greater capacity certainly improves service resilience.

One dynamic that has emerged since last year has been the need to stave off unwelcome approaches following the "Prosperous Communities" White Paper. Whilst this may appear negative it goes hand-in-hand with the belief of choosing ones own Partners with whom empathy and synergy already exists.

Retaining control and achieving change at a pace appropriate for individual Authorities is a driver. There are plenty of examples now of Local Authorities bringing an outsourced relationship to an end because they could no longer control it and therefore lost the forecasted savings.

Perhaps the most surprising is that, once engaged in it many staff see Shared Services as an opportunity. An opportunity to shape improvement in the service they deliver, to shape the skills they acquire, to shape the improvement of their career – leading to better staff development, retention and even attraction.

When the Gershon Report is cited by officers three points seem to have stuck – shared services, a £21.5bn saving form the Public Sector in total and a £6.45bn saving from Local Government.. Did Gershon give Shared Services a bad name at the outset?