

# Estate Rationalisation - Shared Services



Date

17 March 2010

Presented by

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# Objective of session

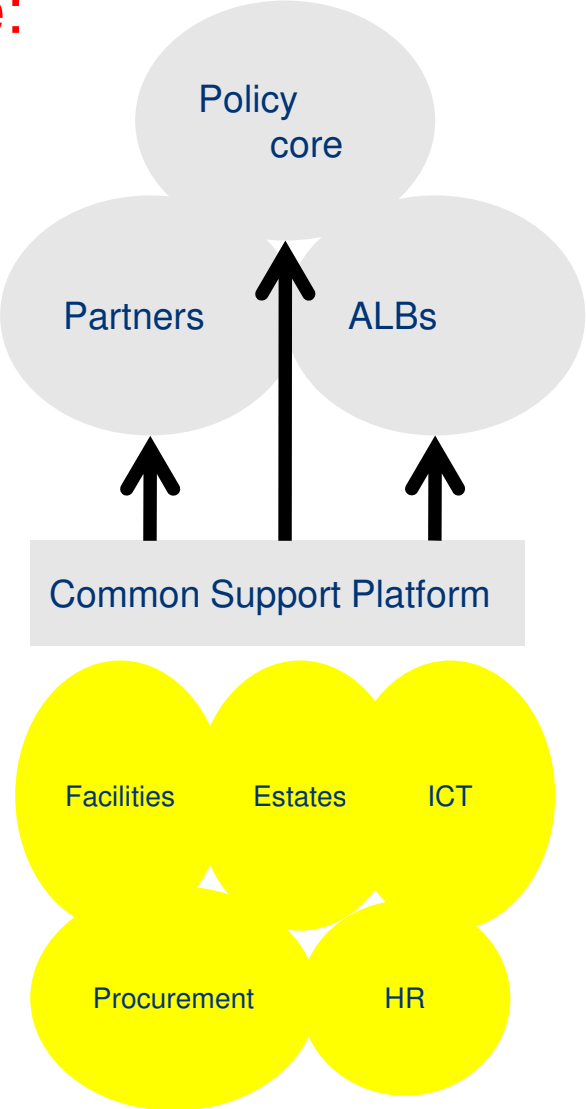
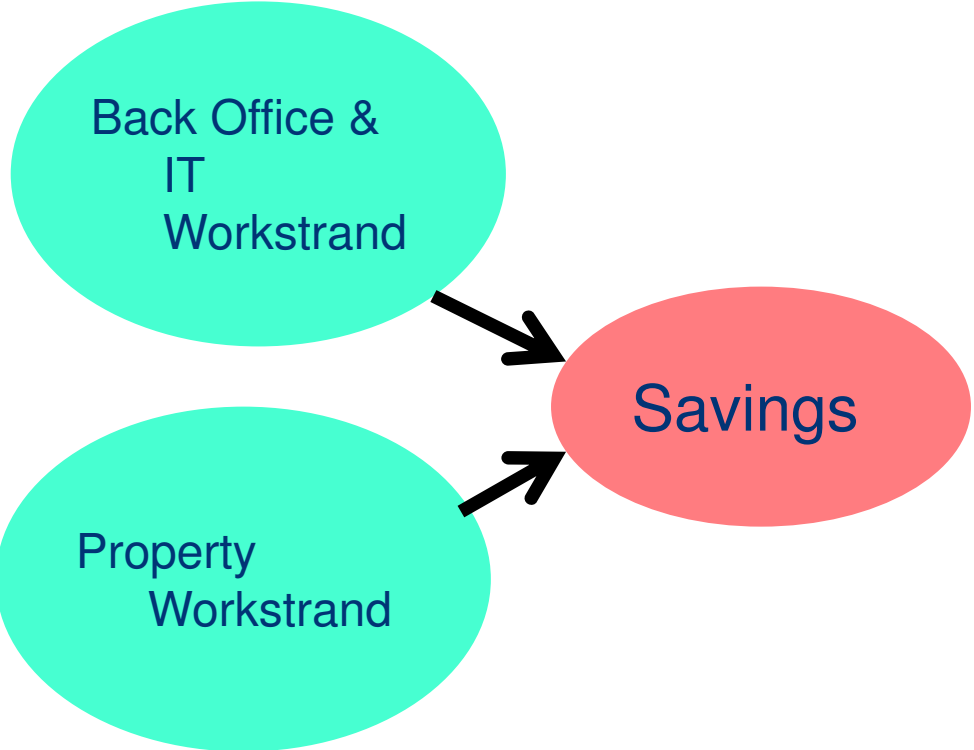


- Understand scope of Shared Services
- Impact on property
- Implementing Shared Services – the journey
- Realising benefits
- Retaining benefits
- Managing the Service

# The OEP Context



Scope:

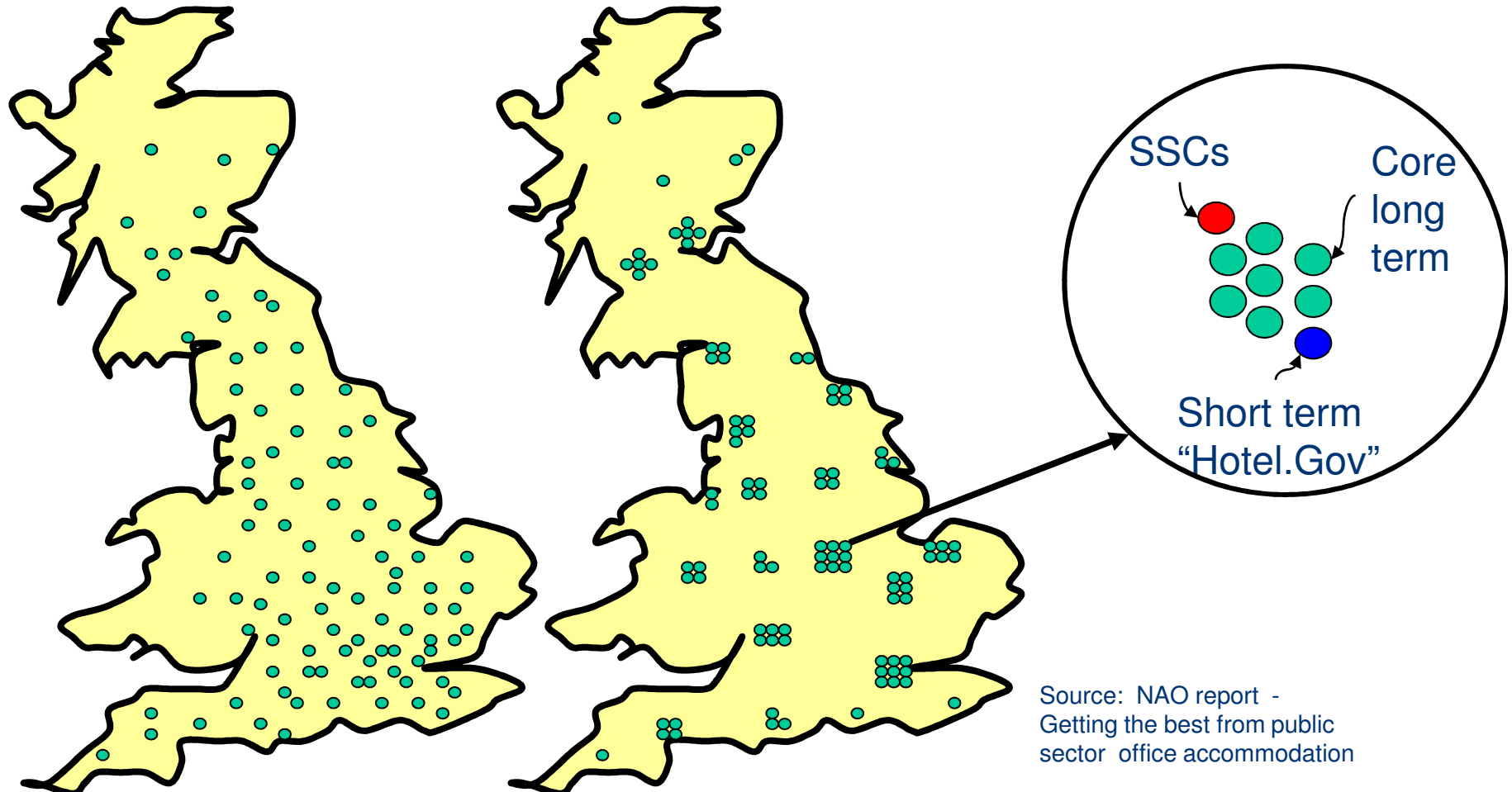


# The NAO perspective

Evolving from  
local planning

to a centrally  
determined  
strategy

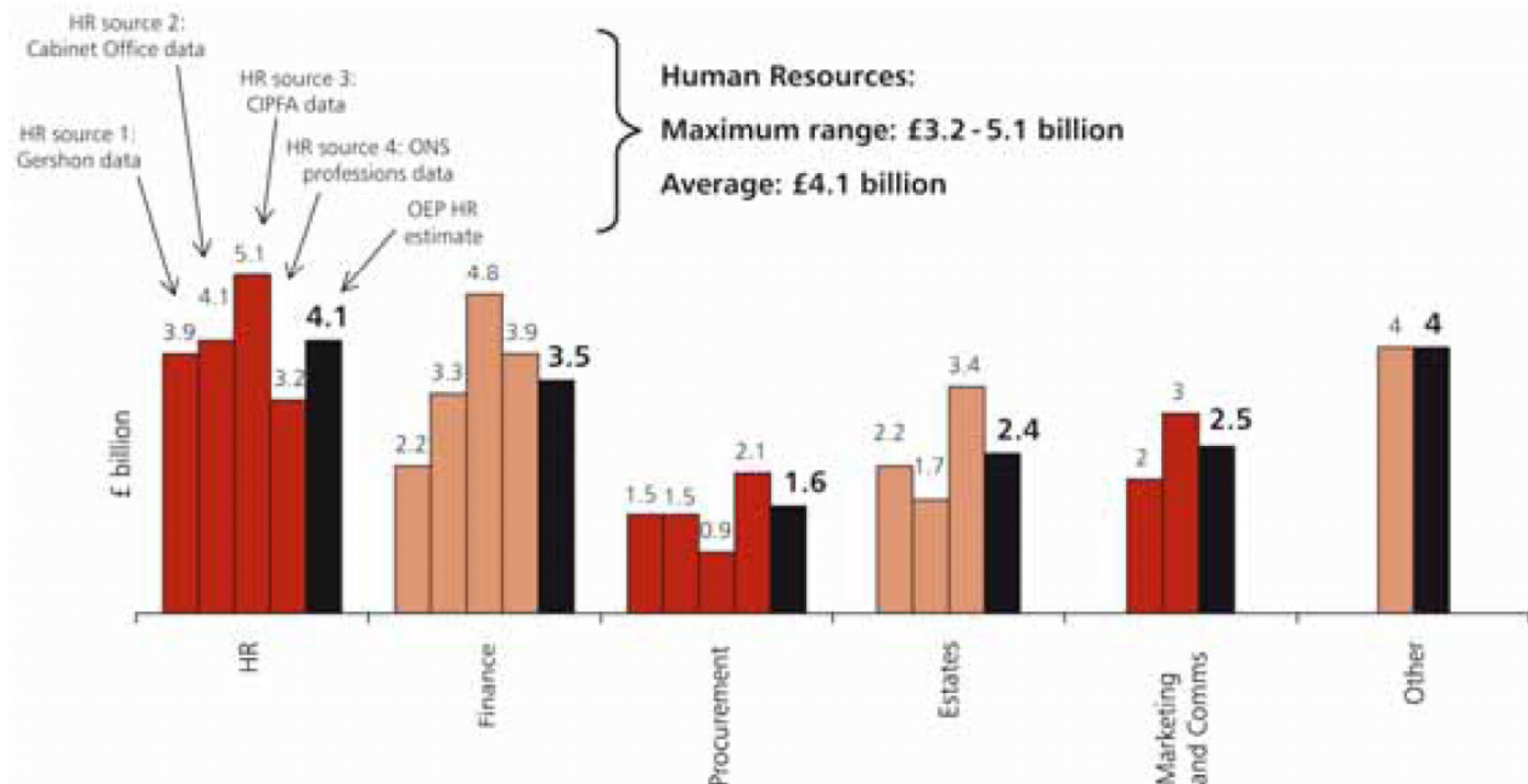
using SSCs, long  
term space and short  
term serviced space



Source: NAO report -  
Getting the best from public  
sector office accommodation

# OEP Data

**Chart 1.A: Summary of estimates for the cost of back office operations across the public sector**



Source: HM Treasury analysis based on a variety of sources, including Gershon data<sup>3</sup>, Cabinet Office data<sup>4</sup>, CIPFA data<sup>5</sup> and ONS data<sup>6</sup>

# The challenge

To:

- Cut back-office costs by £4bn
- Simplify & standardise operations
- Improve management information
- Facilitate better working relationships
- Improve working environments

# The opportunities



- Modernise business processes
- Facilitate rapid start up of new operations/  
consolidation of mature businesses
- Collaboration across business units
- Economies of scale/ Centre of Excellence
- Headcount reductions
- Potential to improve service levels if required &  
offshore operation

# Case Studies



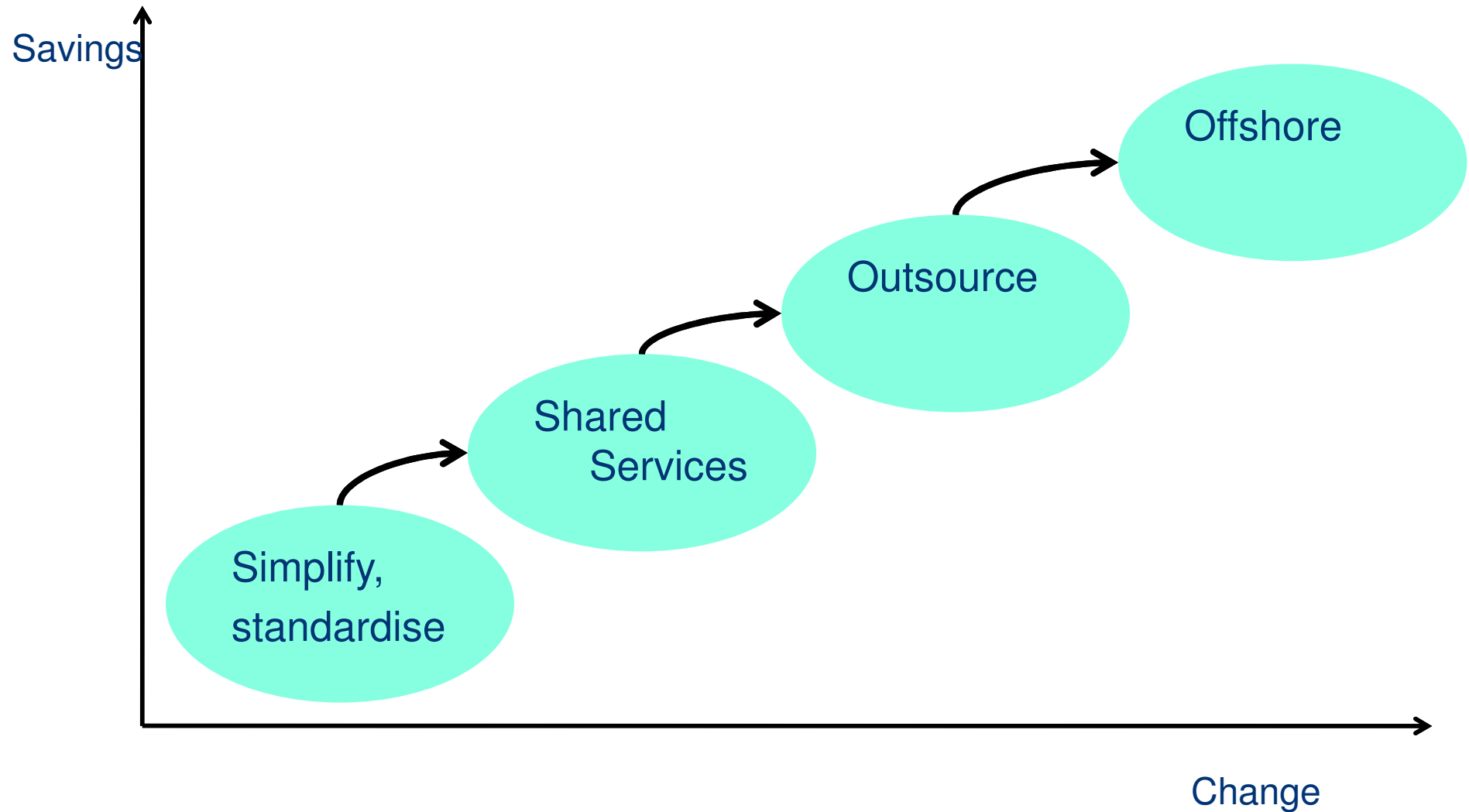
- HM Prison Service
- National Health Service
- Department for Work & Pensions
- Department for Transport
- Local Authorities

# SSC's & Estates



- Provides opportunity to rationalise space used
- Improved services close to customer
- Maximise use of property assets
- Improved working environments – staff retention, morale & productivity
- Potential to establish at specific hubs

# How far to go



# Barriers

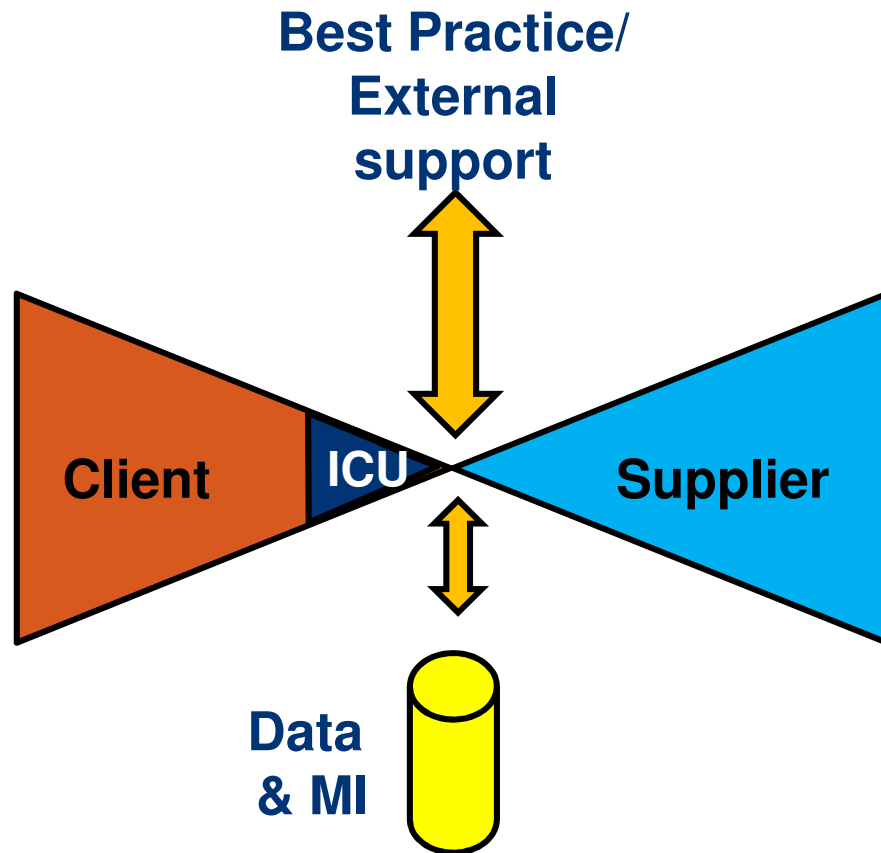
- Remote location from the business
- Perceived loss of control of data
- Attract, retain staff to run SSC
- Impossible to realise the benefits
- Incompatibility of the technology platform

# Benefit Management



- Identify benefits in Business Case
- Assign owners to benefits
- Categorise benefits according to:
  - Service improvement
  - Cost reduction
  - Responsiveness
  - Improved Management Information
  - Collaboration

# Intelligent Client Unit



With the following attributes:

- Strategic
- Translators
- Planners
- Continuous improvement
- Benefit focused

# Conclusion



- Shared Services can deliver real change & cost savings
- Potential major contributor to Estate rationalisation
- Major potential to support relocation
- Joined up Arms Length Bodies

But:

- Benefits need careful management
- Change programme integral part of the solution
- Intelligent client unit to manage ongoing service