

Central Government Shared Services

April 2008

Guidance for Customers and Providers



**Making
government
work better**

Introduction

In March 2007, the Cabinet Secretary, Sir Gus O'Donnell wrote to Government Departments to encourage them to review the performance of their corporate services and consider moving to a shared services delivery model in order to improve efficiency and accelerate transformation of the Government's HR and Finance functions. Two large Departments, Department for Work and Pensions (DWP) and HM Revenue and Customs (HMRC), which have already established corporate shared services organisations were identified as "providers" of shared services with smaller Departments encouraged to consider joining one or the other offering as "customers".

The process of migration to shared services is now underway. Cabinet Office and the Department for Children, Schools and Families (DCSF) are planning to join DWP's service during 2008, and HMRC has successfully migrated the Valuation Office Agency (VOA) onto its own platform. Within the Ministry of Justice National Offender Management Service, the HM Prison Service operates a National Shared Service Centre which is already providing Corporate Services to the Home Office.

Significant efficiencies are anticipated from the migration to shared services, with public spending being channelled away from administration and 'back office' activities and towards front line services.

In spite of these early successes, shared services should not be seen as an end goal in its own right. Instead each potential customer of shared services must consider its own corporate services requirements and make an informed decision on how best to effect the necessary transformation. This may involve sharing services provided by DWP or HMRC, offering its own services to others, outsourcing to the private sector or maintaining the status quo.

In addition to the experiences of DWP, HMRC and other departments in delivering corporate shared services, this guidance also draws upon the experiences of other services that are being delivered by government departments to other public sector organisations. These include:

- The DWP **Customer Information System (CIS)** whose customers include HMRC, DVLA and local authorities;
- **Directgov**, the central portal for public services to which all Government Departments are signed-up customers;
- **The Club**, a partnership between the Department for Children, Schools & Families (DCSF), the Department of Health and DirectGov, which offers a fully managed e-infrastructure for the delivery and support of government web services;
- **Government Gateway**, a common IT infrastructure investment used by citizens and business to transact securely with a wide variety of government organisations; and

- **Government Secure Intranet (GSI)**, the secure network for the public sector.

These cross-government services have all faced similar challenges, for example, in the areas of investment, customer take-on, operating agreements and governance. Further details of these examples are provided in an Annex to this guidance.

This guidance is intended to assist in the decision making process for taking up shared services, and focuses on a number of the key challenges identified by both providers and customers. In particular, it shares best practice on the commercial arrangements required to ensure successful delivery of shared services, and covers a range of potential challenges which need to be addressed in doing so.

The guidance is not intended to address areas which, although vitally important to a successful shared service implementation, are not specific to shared services themselves. Such areas include project and programme management, developing a business case for investment and change management.

Cabinet Office has also developed a Shared Services Toolkit which addresses these areas and provides assistance to organisations throughout their shared services journey. The toolkit can be found at:

http://www.cio.gov.uk/shared_services/toolkit/

The guidance and toolkit together provide essential reference material for

everyone looking to implement shared services, whether as providers, customers or policymakers.

The information and opinions which this guide contains are not intended to be a comprehensive study and should not be relied upon or treated as a substitute for specific legal or policy advice concerning individual situations.