



ASSOCIATION OF
NORTH EAST COUNCILS

GUILDHALL, QUAYSIDE, NEWCASTLE UPON TYNE NE1 3AF
Tel: 0191 261 7388 Fax: 0191 232 4558
Website: www.northeastcouncils.gov.uk
Director : Melanie Laws

email: andrew@rane.gov.uk
direct line: 0191 261 3903

Strategy Team
eGovernment Unit
Cabinet Office
3rd Floor
Stockley House
130 Wilton Road
London SW1V 1LQ

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Dear Sir/ Madam

We would like to thank the e-Government Unit for the opportunity to comment on this strategy. Overall it is an excellent piece of work and we anticipate that local authorities and their partners in the North East will certainly adopt many of its proposed themes. This response is a joint submission from North East Connects and SOCITM North East

The strategy is a logical extension of other policy documentation around e-government and efficiency agendas. The ODPM e-government programme and e-capacity building blocks can lead the way to gaining efficiencies in local government through the application of programme/project and change management activities. Concentration on effective use of resources and the introduction of delivery vehicles such as local area agreements has focussed both local and central government towards shared services. This strategy is therefore, a welcome extension of its predecessors and should receive full support from all parties in pursuance of its recommended actions.

In developing the themes highlighted within the document some further explanation and illustration of its impact on local government would be very welcome, along with some practical local examples of Shared Services.

We have some comments on the detail within the report attached as Annex A.

I hope this input is helpful to you. We would welcome the opportunity to discuss Transforming Government further within the region, perhaps through a visit to a North East Connects event during the spring.

Yours sincerely

Mark Henderson
Chair, North East Connects

Peter Gallon
Chair, SOCITM NE

North East Connect: www.neconnects.com

Chair: Cllr Mick Henry
Vice Chairs: Cllr Linda Ebbatson, Cllr Nigel Martin

Comments on the detail of the report

Standardisation of core processes.

This factor cannot be under stressed.

Northumberland, a member of the North East Connects partnership, has recently completed an exercise which replaced 26 of its legacy systems with an integrated solution with our partner (Oracle).

A key principle which was adopted was not to implement a solution which matched current procedures. Northumberland would change its ways of working to much the functionality of the new system. Those processes had been developed over many years within large private sector organisations and were seen as clear advantages from adopting this approach:-

- They avoided the need to carry out costly Business Process Reengineering reviews.
- Focussed on implementing ‘no frills’ back office functions.
- They were able to achieve incredibly fast implementation timescales of 9 months (and within budget).

This approach allowed the Council to make savings of the order of £2m per annum. Subsequently their performance measures show the Council to be in the upper quartile for many of the operational and ICT performance indicators related to back office functions.

Vendor role on Standardisation

Clearly to demonstrate market uniqueness vendors provide functionally rich solutions. The differential cost between a standard solution and a 100% fit is never discussed or offered as part of the procurement. Suppliers have a role to play by providing some choice between the “out the box” solution and the enhanced product meeting all of the customer’s potential desires.

ICT Regional partnerships

North East Connects is keen to assist in the process of transformation, and in this task works closely with the North East Centre of Excellence, the North East Improvement Partnership and our sub regional partnerships.

The North East Society of Information Technology Managers (SOCITM) has very good regional representation and is promoting joined up infrastructure between Councils. They are carrying out a number of joint procurement ICT exercises including Internet Service Bandwidth and the Home Computer Initiative.

Joining all of our purchasing power into one tender.

It has been a very difficult (and slow) exercise to accomplish this. The main factor being that current contracts terminate at different timescales and members have had to go into holding arrangements to allow this joint approach.

This is a modest achievement but one which will help develop our capacity and appetite to work more closely on more fundamental services.

Infrastructure

On a number of occasions opportunities to share services have been prevented because the communication costs of joining two networks often outweigh the financial benefits which would have been achieved through the joint procurement.

With the fall in costs for communications technology we must explore opportunities to join networks. This will allow far more opportunities to share. It will ultimately lead to more choice for citizens, Local and Central Government.

The big prize

Transformation of service will be aided by ICT but we must not lose our focus in that the technology exists to support front line services (along with back office functions) along with citizen access. Huge efficiencies could be achieved by merging functions, staffing and suppliers into one unit. For example one Payroll section satisfying a number of Councils. Although this would be very difficult to take on as a first step, there must be opportunities to review functions and redesign delivery by taking a joint approach. Start small and build our capacity. What about one Audit section serving several Authorities as a start?

Citizen and Business Centred Services identifies 4 key actions:

- To increase understanding of customer needs and behaviors.
*We support the notion that the needs of key groups – such as older people – are best **viewed in the round** rather than service-by-service. The principle of Best Value was always to view a service from a citizen viewpoint and many inspection reports have laid testament to the fact that whilst many services did in fact align service delivery to customer needs they often failed to account for other services provided by the authority. The move towards Children and Adult Services as a thematic rather than a service approach is to be welcomed and I hope will encourage greater understanding of customer needs.*
- To define customer groups and appoint directors to lead the overall development of services to those groups.
*We welcome the Government's intention to appoint Customer Group Directors to lead the design of services, track and communicate performance against customer related targets and **represent the interests of their customers**. We would hope that such a move could be reflected within local authorities as well.*
- To create a Service Transformation Board to define and enforce common service design principles.
*We support the intention to steer and co-ordinate the work of Customer Group Directors and others, via a Service Transformation Board of officials from the **wider public sector who run major services** and have operational delivery*

responsibility. This may well assist ending the removal of functions from local government and allow each locality to develop the arrangements that suit it best. There is potential in **allowing councils to take on roles currently played by other public bodies**. It is a logical extension of the principle that councils should take responsibility for steering local public services to explore extending their role in appropriate cases to scrutiny, regulation, commissioning or provision.

- To develop modern channels and manage the migration to them. Over the next decade, the principal preferred channels will be the telephone, internet and mobile channels as well as the increasingly important channels within the **digital home**.

Shared Services identifies 5 key actions:

- Ministers, Permanent Secretaries, Councillors and Chief Executives to give **strong leadership**.
*To realise local ambitions, **councils and local public service partners** need to act together. Local authorities provide the democratically elected leadership to steer all local public services to meet local people's priorities, and can pioneer new forms of local governance such as **local public service boards**.*
- Bodies awarding funding should presume that public service organisations only deliver good value for money when they standardise and **share services with others**.
The Audit Commission, the IDeA, the Chartered Institute of Public Finance Accountancy and the Employers Organisation have collaborated to develop the Improvement Network. This website contains toolkits, guidance and case study examples that show how local authorities have improved services. Partnership working is one of the five key themes, and this is updated on a regular basis. Although the website focuses on local government, it contains much information about collaboration that applies across the public sector. Visit the website at: <http://www.improvementnetwork.gov.uk/imp/core/page.do?pagelid=1>
- A Shared Service Director has been appointed in the Cabinet Office to promote and drive sharing across the public sector and to establish overarching standard frameworks for shared services and Centres of Excellence have been established for local government.
*We support the notion that all councils should **explore with their public service partners how local services can be most effectively deployed to deliver better local outcomes**, and how the totality of public resources can be deployed most cost-effectively to achieve this. We hope this action can contribute to a wide variety of local initiatives that involve reconfiguration of both 'front' and 'back' offices to promote easier user access, joint working across services and greater efficiency. This action, therefore, needs to account for how to empower local authorities to lead such initiatives by removing legal and policy obstacles.*
- HM Treasury will work with the National Audit Office, the Audit Commission, the Cabinet Office and public service delivery organisations on guidelines for the governance and **funding for service sharing**.
It should be noted that new government policies and legislation frequently involve partnership working. The major policy initiatives within the seven shared priorities for local government¹ all depend for their success on effective joint working at a local level. I would hope that this action could reflect the growing policy focus on

area governance at regional, sub-regional and the neighbourhood level; this may involve local authorities and a variety of partners at each level.

- Each government organisation should set out **clear policies for sharing for services** and assets that it needs or can provide to others.
This action should note that the Government has introduced a number of initiatives to improve the governance of partnerships locally. For example, the development of Local Area Agreements and Local Public Service Boards to improve 'horizontal' accountability; align budgetary and other processes; and streamline decisions on service planning and delivery.

ENDS
