

## Shared and Managed Services & Systems

“Delivering organisational efficiencies  
with innovative solutions”



“We are getting a **cost-effective** solution from a proven supplier. Capita IB Solutions **understands our business** and offers great flexibility by consistently adapting to support our needs in the ever-changing landscape. We enjoy a **genuine partnership** with Capita IB Solutions which is now underpinned by the investment from the Capita Group.”

**Bob Telford**  
**Programme Director**  
**North East Patches Shared Systems Group (NEP)**

# A shared services or shared systems approach to the delivery of core services is increasingly being adopted by many public sector organisations to drive efficiencies, improve compliance and control and enable improved insight into the business.

## Shared Services & Systems Overview

Public Sector organisations currently expend a relatively large proportion of their resources on compliance and controls in relation to the management of back office functions, often to the detriment of enabling efficiencies and analysis.

Capita IB Solutions Shared Services & Systems is a proven tool to help redress that balance. Our Shared Services & Systems offering leverages the scale of your organisation, capitalises on the skills and resources within it and provides an enhanced quality of service to you. The benefits are typically a 25-50% cost reduction and increased control and efficiency.

The opportunity for more effective sharing of services within and between public sector bodies was a key theme in the Gershon Review published in July 2004, and this was developed further in the Cabinet Office Transformational Government Strategy, which described the business case for shared services as compelling, based on:

- Economies of scale and delivering financial savings for release into frontline services;
- Improved service delivery through streamlining of services;
- Better sharing of information across functional and organisational boundaries;
- Aggregation of buying power for the purchase of leading edge solutions;
- Greater opportunities for staff specialisation; and
- Offering a framework for continuous improvement and process innovation.

## The Emergence of Shared Services & Systems

Partly as a result of developments within domestic and international markets and partly because of the emphasis given by the Gershon Review, shared services and shared systems solutions have received a great deal of attention in debates over the delivery of the efficiency savings.

The Efficiency Review has placed the sharing of services across multiple organisations at the heart of efficiency reform going forward. There is a general recognition of the drivers and the potential for significant economies of scale through the sharing of administrative and support services across multiple agencies, Government Departments, NHS Trusts and Local Authorities.

## What are Shared Services & Systems?

“Shared services” means bringing together activities and processes that were previously carried out by a number of departments or employers, into a single place or body.

In the past this has typically referred to “back office” operations like processing records, payroll, finance and benefits.

However, shared services can now refer to a much wider range of services.



# Improved Flexibility and Scalability

The Cabinet Office has estimated that central and local government could save about £1.4 billion annually through greater sharing of corporate services. To achieve these potential savings, Departments need to implement shared services projects effectively and efficiently.

The development of shared services can take a variety of forms. They include:

**Collaboration and shared procedures between existing public bodies.** An example of this kind of operation might be two NHS Trusts sharing an IT support service.

**Lead employer.** This is similar to collaboration, however differs in that one public body will take the main responsibility for a service, providing it for a number of others. For example, one local authority might administer the local government pension scheme for itself and a number of its neighbouring authorities.

**Corporate consolidation.** A public body might bring together all its transactional and administrative operations under one roof within a shared services centre.

**Joint management at regional or sub-regional level.** This is when two or more public bodies create a new organisation often called a "partnership" to manage particular operations.

**Joint venture with the private sector.** A public body might create a partnership with a private sector company, each jointly contributing resources, to provide services.

## Key Drivers

- Technological developments that make it easier for organisations to share information
- The e-Government agenda, which talks about standardising and automating routine back-office processes
- The continuing focus on controlling public sector expenditure through increasing efficiency and effectiveness
- The regional Centres of Excellence, which were established partly to encourage and/or host shared services for neighbouring local authorities
- The Local Government Act 2003, which gives higher-performing English councils increased freedoms and flexibilities to set up commercial organisations
- Comprehensive Performance Assessment, part of which evaluates the extent to which English local authorities engage in joint and collaborative working and deliver value for money
- Budgetary constraints and the desire to keep costs down whilst simultaneously maintaining high quality services
- Leading organisations wanting to share their expertise with other bodies
- Struggling organisations looking to learn from other, higher-performing organisations.



# The Benefits of Shared Services & Systems

Although some public sector organisations might only be looking at shared services because of central government pressure, the potential benefits they can deliver mean they are often worth pursuing for their own sake.

## Cost Reduction

Indeed, they provide an opportunity to deliver the step-change in efficiency and performance that the Gershon agenda demanded.

Furthermore, the public sector still have a duty to provide best value to local residents, and it may well be the case that a shared services arrangement is most likely to deliver on this requirement.

## Financial Savings

Shared services are frequently mentioned as a way of reducing costs – they account for a major percentage of Peter Gershon's plan for public sector efficiencies and many public sector organisations see them as a way of keeping future budget increases down to a minimum.

A report in late 2005 estimated the UK public sector could save up to £40bn over the next ten years if best practice shared services were established for HR and finance. Such savings come from:

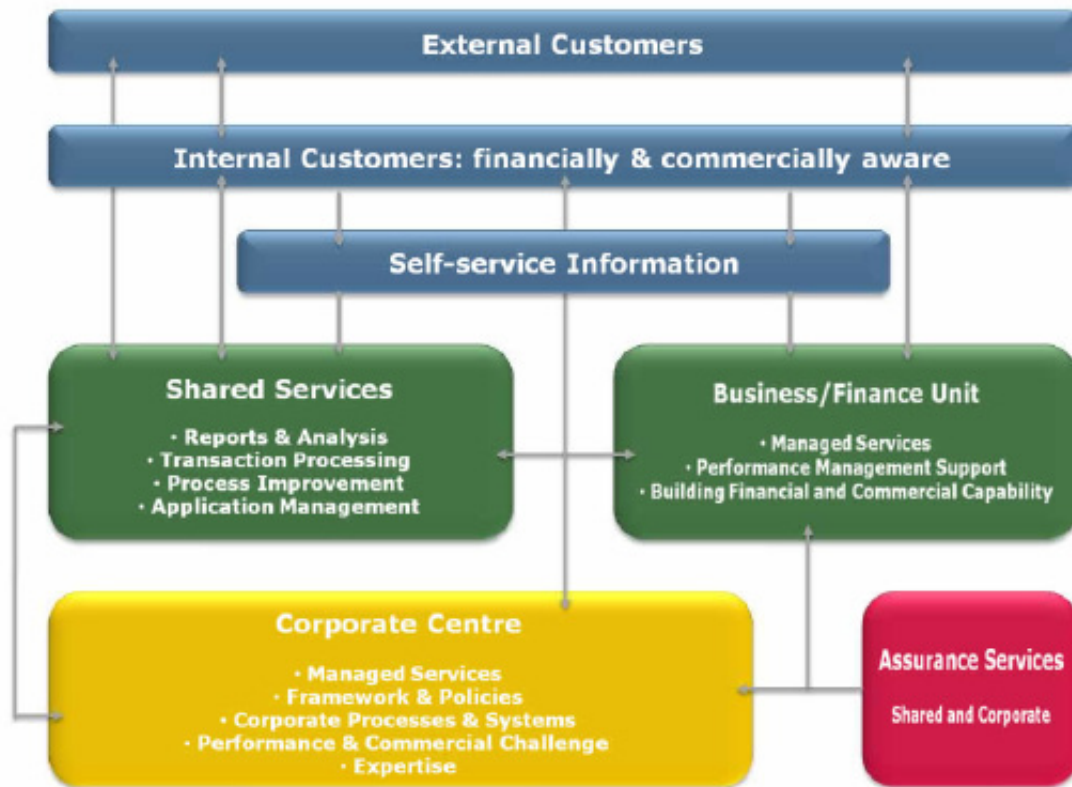
- Staff rationalisation through economies of scale;
- Adoption of best practice in working practices across the partnering organisations;
- Lower accommodation costs by moving to a single site;
- Fewer management overheads and more streamlined reporting procedures; and
- Cheaper procurement through aggregated demand.
- Better management information should improve decision-making and help identify where problems occur within business processes;
- Better procurement information, such as whether goods and services are bought off-contract, will help to rationalise the supplier base;
- Corporate information will be consolidated in a single place, ensuring that it is clean and consistent, as well as improving database interoperability;

## Non-Financial Benefits

A shared service initiative can act as a catalyst for introduction of non-financial benefits, and in many cases, such improvements will deliver knock-on financial savings as well as better quality of service. For example:

- Improved processes will ensure things are done right first time, prevent duplication and allow for easier automation where appropriate;
- Struggling organisations can deliver significant improvements if they partner with and learn from their higher-performing neighbours; and
- The cost of providing support services becomes much more transparent and enables a better focus on performance management





### The Capita IB Solutions Managed Services Model offers:

- Continuity and resilience of service
- Securing cost savings and sustainable efficiencies
- Releasing staff time for more customer-facing activities
- Improving the scalability of systems
- Ensuring improved and more up-to-date systems
- Collaborating with other institutions and improved cooperation

### Capita IB Solutions and Shared Services & Systems

Capita IB Solutions is a leading supplier of Financial applications to the public sector. This gives us unrivalled experience of Finance in the NHS, Local Government and the wider Public Sector, not only in the UK & Ireland but also overseas.

Increasingly, our applications are being used in a shared service and shared systems setting. Examples include North East Patches and Anglia Support Partnerships in the NHS and Hartlepool Borough Council and Staffordshire Moorlands District Council in Local Government.

The selection of the Integra Open Enterprise software and technology platform is one of the key factors in determining the successful setup of a Shared Service or Shared System solution.

The choice is important in: lowering the risk and cost of implementation, having confidence that the out of the box solution is right for the business processes, and in ensuring that the solution is future proofed.

The Shared Service or Shared System Host Organisation then knows that the software platform upon which it relies is flexible and scalable in order to take on new functions, new responsibilities and additional users as the centre expands.

### Our Services

Capita IB Solutions are able to offer our clients a range of Shared Services and Shared System options ranging from a self-hosted Shared System, where multiple organisation share the same system but have different configurations, through to a fully hosted and managed Shared Service, where multiple organisations share common system configurations and focus on centralised transactional processing.

# Reduced Total Cost of Ownership

Shared services & systems can deliver efficiencies and improve both effectiveness and the experience of the employee or customer by standardising, simplifying and consolidating service provision. They also provide opportunities for investment in areas that would not otherwise be affordable, e.g. in new systems

These options include the following configurations:

- Self Hosted and Self Managed Shared System
- Self Hosted and Capita IB Solutions Managed Shared System
- Self Hosted Shared Service providing Transactional Processing to Partner Organisations
- Capita IB Solutions Hosted and Managed Shared System
- Capita IB Solutions Hosted and Managed Shared Service to a Transactional Processing Organisation

## Hosted and Managed Services

Capita IB Solutions provides a cost effective model for supporting financial applications and brings together its financial management expertise and vast experience in application support to offer a managed service model.

By availing of application support through a shared resource pool, our clients can be assured of much higher productivity, flexibility and access to best practices. The application can be hosted either at our Data Centre or onsite locally by the client.

In the later case the managed service offering is based on a "pick list" of systems administration activities and tasks that forms the basis of the Service Operating Schedule and Service Level Agreement.

## Hosted Service Model

Through this service offering, Capita IB Solutions will provide maintenance and support services for financial applications including Integra Enterprise and Oracle E-Business Suite (EBS) using a highly skilled common pool of resources.

The Capita IB Solutions hosted service covers Level 1, Level 2 and Level 3 application support, spanning:

- Functional support for all modules of Integra Enterprise and Oracle E-Business Suite (EBS)
- Technical support in Integra Enterprise and Oracle EBS
- DBA Services for Integra Enterprise and Oracle EBS
- Database Management
- Operating System Management
- Application System Management
- Business Process Re-Design

## Our Customers Include:

- Anglia Support Partnership (Integra)
- North East Patches (Oracle)
- Hartlepool Borough Council (Integra)
- Staffordshire Moorlands District Council (Integra)
- NHS Shared Business Services (Oracle)
- Birmingham Shared Services (Integra)
- North Staffordshire Combined Healthcare NHS Trust (Integra)



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