



Shared Services Case Studies

Case Study 05: Glasgow City Council Shared Service Centre

Scale:	Contract value with Serco: £5.9 million over 18 months Number of Users: currently 1,500 growing to 13,000 (for self service applications)
Sector:	Public sector client
Timescales:	Started: October 2003 Completion: Staged implementation Part1 2004, Part2 2006
Parties involved:	Client: Glasgow City Council Supplier: Serco (Partners Pecaso UK, The Change Network)
Verdict:	Delivered planned benefits to time and budget? Yes Met Transformational Govt core objectives? Yes

Overall Project Objectives

- £5 million savings through more efficient Council support functions e.g. consolidation of systems, removal of manual processing, duplication of effort and reconciliations, use of self service e.g. requisitioning, implementation of shared service centre to run back office processes
- £8 million per annum savings through smarter purchasing decisions e.g. improved compliance to procurement processes and approved suppliers – less maverick spend
- Improve performance management of support functions

Project Description

“1 Business” was the back-office efficiency programme introduced by Glasgow City. This programme involved:

- The implementation of a 130 seat shared service centre to run the Councils’ back-office services for all departments. As a centre of excellence, the aim has been to develop a culture centred around customer driven services and best practice. With consistent business processes across council departments, one point of data capture, the shared service centre is enabling the electronic management of critical business data. As well as economies of scale, there is now transparency to the unit costs of back office operations.
- The replacement of over 200 legacy systems for finance, asset management, payroll, HR, procurement and performance management by one single platform, SAP. Self service applications introduced include for recruitment, learning and absence management.

The system went live for Part1 in 2004.

The procurement implementation was revised to include adoption of eProcurement Scotl@nd, the hosted e-procurement service which uses a common technical platform for use by the public sector in Scotland. The initial implementation of eProcurement [Scotl@nd](#) which went live in March 2006 involved 450 users, but over the next three years the system will be rolled out to 5,000.

Challenges, Issues and Problems

Key Change and Transition challenges for Glasgow included:

- Getting the pace of implementation and change right
- Competing against other development priorities and winning hearts and minds to embrace new technology and new ways of working
- Introducing a Shared Service Centre and redressing the balance between centralised/decentralised delivery

Project Benefits

- Evolving from non integrated “silo” business to an enterprise business driven by standard processes and

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supported by a Shared Service Centre.

- £1.5m savings achieved to date with a further £2m targeted for 2007.
- Majority of savings delivered from the sales stream. Savings have resulted from the now automated processes for authorising sales and generating standard invoices. As a result the Council has increasing sales income, improving recovery rates, shortening billing cycles and a reduction in administration. Previously 37% of invoices were paid within 30 days. This figure, for periods 1 - 11 (2005/06) stands at 75.5%.
- More customer focused sales. There is now strong ownership of the sales process and the new system functionality allows the interface with the customer to be analysed from all angles. Invoices are more user-friendly for customers, complaints are analysed to identify where the process has broken down and customer training is enabling frontline staff to provide a consistent approach.

Reasons for Success

- Member support – recognition that the back office is a corporate resource integral to supporting Council initiatives and aspirations
- Strong and effective programme management and governance arrangements
- Users and managers involved in the design and testing

Conclusion – did the project meet the core objectives of the Transformational Government Agenda?

Deliver citizen centric services: Yes

Improve efficiency: Yes

Improving government's professionalism: Yes