

# **'Shared Services - Shared Necessity: Austerity, Reformed Local Government and Reduced Budgets'**

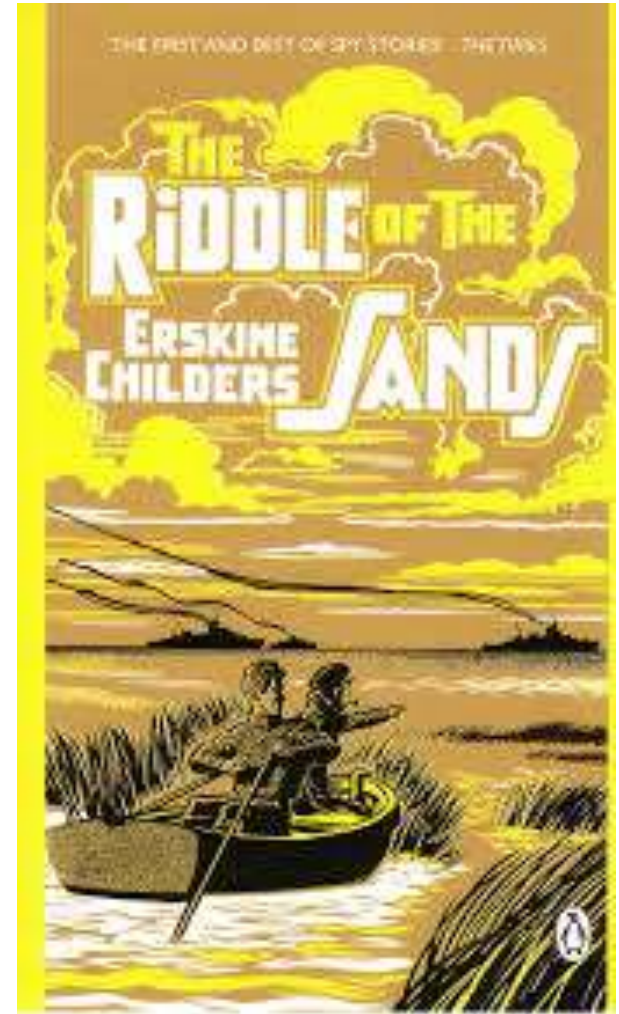
Greg Lloyd  
Emeritus Professor of Urban Planning  
School of the Built Environment  
Ulster University

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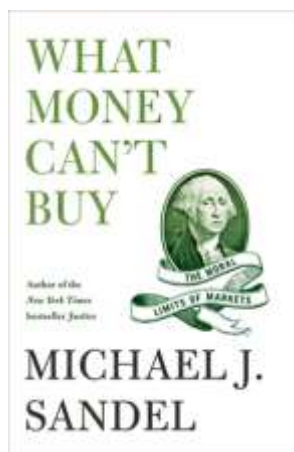
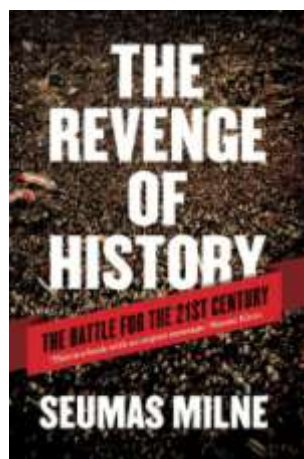
# Today

- Intellectual Ideas & Provenance
- Shared services – scale, rhetoric & realities
- Shifting sands – reform, change & capacities
- Conclusion



# An ideological turn

- The shift to neo-liberalism – a new moral economy – where is the public interest?
- Authoritarianism - the imposition of austerity
- Post democracy?
- Freedom and the assertion of libertarianism
- A lack of vision – “hollowing out” and “filling in”
- Short termism & fragmentation
- A fetish with “what works” and “solutionism”



# Neoliberalism

- Neoliberalism has permeated our worlds comprehensively. We are totally dominated by monetised values and templates.
- Neoliberal thinking has been exported aggressively across global governance.
- Neoliberalism (and austerity) have become normalised and create a sense of denial.
- Neoliberal thinking has led to the demonization of the working class.
- Neoliberalism has created the conditions in which it survives.

*Demonisation serves a useful purpose in a divided society like our own, because it promotes the idea that inequality is rational; it is simply an expression of differing talent and ability. Those at the bottom are supposedly there because they are stupid, lazy or otherwise morally questionable. Demonization is the ideological backbone of an unequal society.*

Owen Jones (2012) Chavs. London, Verson, p viii

# Shared services

Collaboration and integration of services are key elements of **Public Service Reform** and **efficiency** agendas..... delivered by best **business** practice and business process improvement, better use of public assets, improved collaborative working and much wider application of Shared Services: ensuring that **value** is added in all end-to-end business processes and **eliminating** non-value added activities.

Reform of public services through a decisive shift towards **prevention**; greater **integration** at a local level driven by better **partnership**, workforce development and a sharper, more **transparent** focus on performance. **Our public services must challenge themselves to work collaboratively, including engaging in sharing services.**

# Shared services

Three scales or functions/ layers are involved:

- Back office functions (HR, administration, procurement, IT)
  - LGA – national shared services compendium
  - 337 councils in England share 383 arrangements
  - Efficiency savings estimated at £357m
  - 95% of all English councils are involved.
- Front line – as with community planning
- Volunteering capacity – the new normal

# Shared Service Benefits

- increased efficiency/reduced costs
- creation of economies of scale
- process standardisation
- improved levels of service
- increased professionalism
- improved staff prospects
- technology consolidation & improvement/investment
- allows participating agencies greater focus on core functions



# Shared Services Risks

- operational risk for participating entities
- legal issues for participating entities
- supplier lock-in and dependency
- public procurement obligations
- data protection/freedom of information obligations
- employment law
- enforcement of rights risk

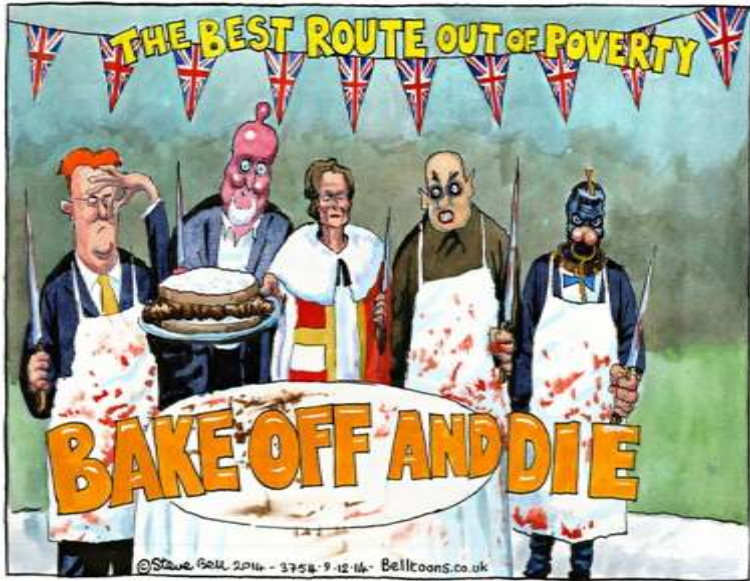
<b>London</b>	<b>52</b>
<b>South East</b>	<b>79</b>
<b>East England</b>	<b>60</b>
<b>South West</b>	<b>33</b>
<b>East Midlands</b>	<b>65</b>
<b>West Midlands</b>	<b>41</b>
<b>North East</b>	<b>8</b>
<b>North West</b>	<b>30</b>
<b>Yorks &amp; Humberside</b>	<b>15</b>

# Communities into the future

- The 2013 Spending Review in England confirmed that Councils will continue to face public sector spending cuts up to at least 2016. The total reduction in core funding from government to councils in the period of this Parliament is 40 per cent.
- Councils have so far largely restricted the impact of the cuts on their residents. They have worked hard to save those services that people most value and have protected spending on social care for children and the elderly, but even these areas are now facing reductions.
- Continuing reductions of the same order to the end of the decade are unsustainable and will threaten the local authority front line services that local people most value.

# What are the constraints?

- Economic uncertainty and social division
  - Food banks
- New parameters - Some services may be eradicated
  - Street lighting
- Local governance under threat
  - Social cleansing



LISA MCKENZIE

*Getting By*

Estates, Class and  
Culture in  
Austerity Britain

Foreword by Paul Gilroy  
Illustrated by David Laundy

# Concluding observation

Threading through the evidence relating to the issues is a deep concern that **understandings of the public interest, the common well-being and notions of collegiality have all but disappeared in the modern world. This, of course, is not a new point**, but it makes a deep and telling acknowledgement of the changed context we live in.