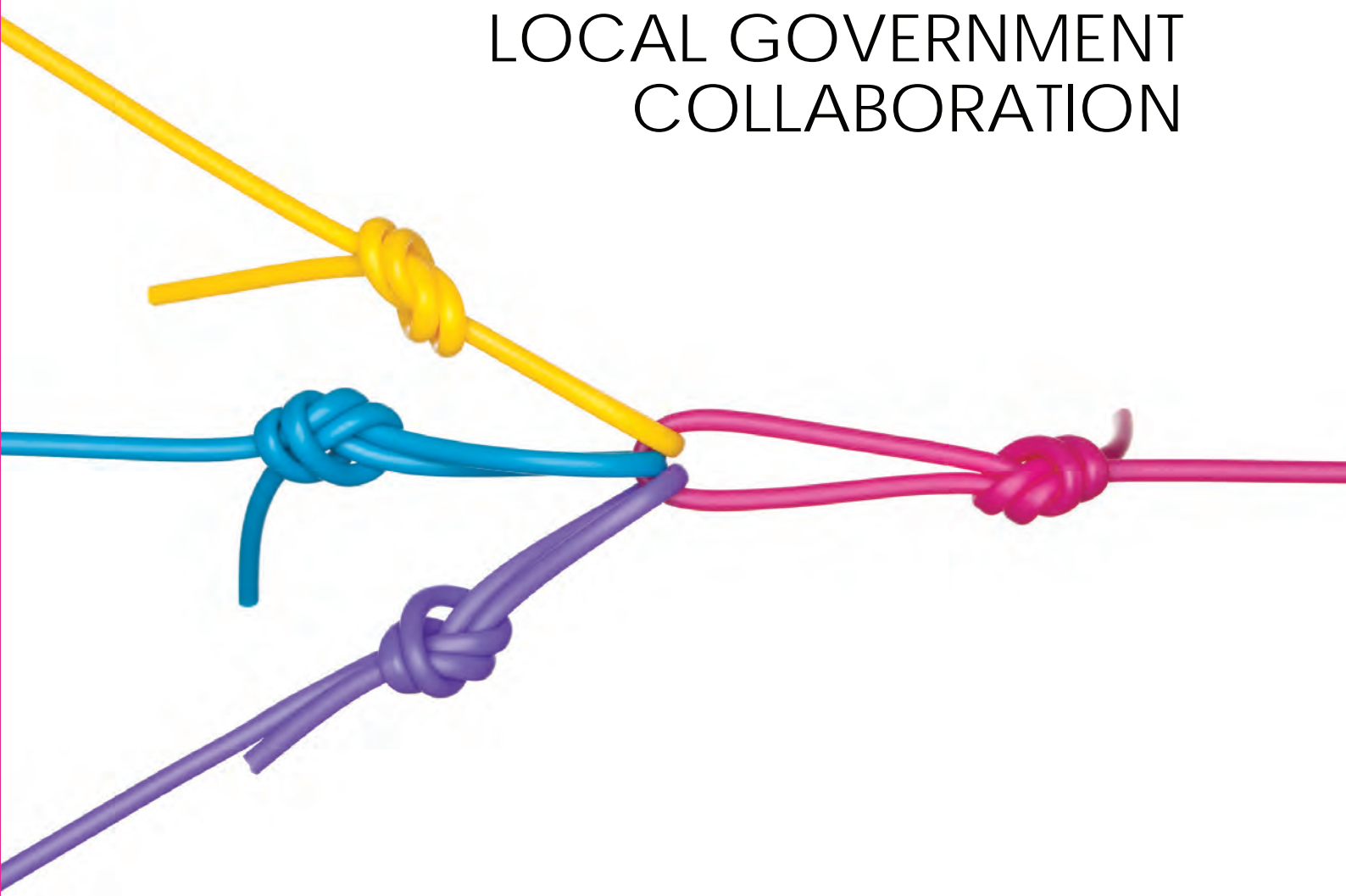




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SHARED SERVICES: PROPOSITIONS FOR LOCAL GOVERNMENT COLLABORATION



An ICLRD Briefing Report

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This briefing report, drafted by John Driscoll, ICLRD Director and Caroline Creamer, ICLRD Deputy Director, synthesises and incorporates the documentations and findings of the research team responsible for the companion ICLRD publication, [Shared Services Across Local Government – Sharing International Experiences](#). The research outputs and team included:

- Shared Services in Scotland – Glasgow and the Clyde Valley: Dr. Deborah Peel, Professor of Planning Research and Scholarship in the School of the Built Environment at the University of Ulster.
- Mancomunidades in Spain – The Asturias Region: Dr. Brendan O’Keeffe, lecturer in Geography at Mary Immaculate College, University of Limerick.
- New York’s Shared Services Programme: Kendra Leith, Assessment Coordinator at MIT and former research associate at the Institute for International Urban Development, Cambridge, Massachusetts; and Linda Shi, urban environmental planner at the Institute for International Urban Development.
- Local Government Restructuring and Realignment in Ontario, Canada: Karen Keaveney, Lecturer in the School of Planning, Architecture and Civil Engineering in Queen’s University Belfast.

Executive Summary

In light of the on-going economic crisis that has severely impacted public finances, government at all scales is finding itself in the position of having to achieve more with less. While the development of shared services across the public sector is not a new concept, the agenda has received a higher profile – largely due to the many challenges facing the sector, not least financial.

Reflecting the new priority on shared services, the ICLRD aims to help local and central authorities identify practical ways to pursue the shared services agenda, with a particular focus on the cooperation between and among local councils and counties in the Irish border region. At the Sixth Annual ICLRD Conference in January 2011 on the challenges of ‘Doing More with Less’, local and central authorities from the Republic of Ireland and Northern Ireland explored opportunities for addressing the realities of reduced public expenditures and the potential role of shared services.

The ICLRD has also addressed shared services in its executive training programme, case study documentation and applied research. ICLRD intends to support central and local government interests in shared services by:

- Raising the awareness of the opportunities and challenges of, and diversity within, the shared services agenda;
- Documenting selected good practices where central government can provide incentives and other supports;
- Developing a greater understanding of how geographic proximity and shared interests, assets, interactions and demands for services influence opportunities for shared services; and
- Identifying the practical ways, and in what sectors, local government and other agencies tasked with delivering services can cooperate.

In assessing the prospects and benefits to shared services, it is important that the agenda is viewed from different perspectives. In addition to contributing to cost savings and efficiencies, there is potential to expand the application of shared services to issues beyond the current focus on back office functions. For instance, the agenda can also be about improving collaboration among local governments to deliver improved services or provide a service that may not be available or be subject to cut backs. In particular, environmental issues, regional-level planning and economic development by their nature cross administration and/or jurisdictional boundaries, and require imaginative solutions and the sharing of resources, expertise and best practices. This sharing of resources and expertise is of particular importance within the Irish Border Region. According to local government executives from the Irish Border Region attending an ICLRD training programme in 2011, shared services are most fundamentally about organising and delivering services around the needs of the citizen.

ICLRD’s 2012 report on [Shared Services Across Local Government: Sharing International Experiences](#) documents the extensive experiences in Scotland, Spain, New York State and Ontario, Canada in this field. In addition to suggesting models of shared services, these international experiences suggests that there is a strong case to be made for placing the emphasis on *improving the quality of services and achieving efficiencies over the long-term*, rather than the short-term objective of savings (Queensland Government, 2008). Audit Scotland notes that ‘sharing services may not necessarily reduce costs although they may provide more effective service delivery.’¹ In a more recent publication, it added that ‘overall, progress in the delivery of shared services has been

¹ Audit Scotland. (2011) *An Overview of Local Government in Scotland 2010*. Accounts Commission, Audit Scotland: Edinburgh, January. Available online at: <http://bit.ly/g1JXIV>.

slow and, in our view, significant savings in the short term remain unlikely.² A recent assessment of shared services programmes in Ontario, Canada, also highlights this tension between the more immediate objective of cost efficiencies in response to budget constraints and improving service delivery over the longer-term:

*'The imperative to restrain spending should instead be an opportunity to reform programs and service delivery. Simple cost-cutting can be effective in hitting near-term deficit reduction targets, but it does not encourage longer-run fiscal stability or allow for reforms that will generate more value for money spent.'*³

This present briefing report on *Shared Services: Propositions for Local Government Collaboration*, a companion paper to the international cases, synthesizes ICLRD research to date on this topic as well as presentations by experts in ICLRD executive training programmes. In doing so, this discussion paper reflects on potential directions and approaches that could be incorporated into current programmes for providing services in very constrained economic context. ICLRD intends to update this briefing report and the international case studies as new information becomes available.

In this paper, there is a particular focus being placed on the Irish border region. For example, there are suggested areas in which a collaborative agenda on shared services could be developed on a cross-border basis. These were recommended by a working group of senior officers attending an ICLRD training programme in the Irish Border Region and include:

- Emergency services where there is the potential for collaboration on fire services – this is based on access and locality rather than county/district/council boundaries;
- Training and capacity building, which has the potential for the sharing of knowledge and learning amongst authorities;
- Arts, heritage and culture;
- Recreation services with the possibility for set up across both sides of the border;
- Tourism; and
- Environmental and Technical services.

With regard to environmental and technical services, the ICLRD report, [*Responding to the Environmental Challenge? Spatial Planning, Cross-Border Cooperation and River Basin Management*](#) (2012) highlights the new challenges and complexities that have to be addressed when considering how to manage cross-border river basins and respond to environmental considerations under EU Directives. This is an area where the sharing of expertise among local councils should be explored. Other potential areas for cooperation among specialist services include non-statutory spatial planning as well as data capture and mapping among the border networks.

To better understand the opportunities and challenges for potential joint action, a necessary first step will be to map the competencies, responsibilities and strengths of each county/council to help identify common areas for shared services. This will also identify possible cross-border opportunities where local governments in the border region have common areas of responsibility in areas such as local economic development, community development, recreation and leisure, arts and culture. Given the lengthy time frame and often-contentious process for implementing public administration reform, it would be practical to initially develop shared services in the medium-term around common needs and priorities.

² Audit Scotland. (2011b) *An Overview of Local Government in Scotland: Challenges and Change in 2012*, Accounts Commission, Audit Scotland: Edinburgh, 2011.

³ See Chapter 3. Commission on the Reform of Ontario's Public Services. (2012) "Public Services for Ontarians: a Path to Sustainability and Excellence." Government of Ontario, Ministry of Finance: Toronto. Available online at: <http://www.fin.gov.on.ca/en/reformcommission/chapters/ch3.html>.

Setting the Context

In both jurisdictions, there are clear and compelling drivers of shared services, and these have come into sharp focus in the current economic climate. In Northern Ireland, the Northern Ireland Civil Service (NICS) Reform Agenda includes shared services as a core element of achieving efficiency savings and improving productivity. Under the Review of Public Administration in Northern Ireland, in addition to transferring functions to local government, this long-standing programme has as a key rationale the achievement of economies of scale by consolidating functions among local councils. Launched in June 2002, and now moving into its 10th year, RPA is currently planned as a 11-Council model for 2015.

A 2009 PwC study commissioned by the Department of Environment in Northern Ireland to assess the options for local government service delivery recommended the adoption of statutory business services organisations (BSO) to support 'Transformation with Regional Collaboration'.⁴ An alternative approach was subsequently introduced by local councils through the Improvement, Collaboration and Efficiency (ICE) Programme to support councils in building upon existing corporate and business-planning processes when considering the potential for shared services. The Northern Ireland Local Government Association (NILGA), in a February 2012 draft response the Programme for Government for Northern Ireland, notes that both the 'reform programme [RPA] and the ICE programme 'offer the opportunity for local authorities and other partners to work together to deliver improved services, at less cost to the rate payer.'⁵

In Ireland, in response to the OECD's 2008 review of the Irish public service, the Government established a Task Force to identify areas where better value for money could be achieved, and more efficient services delivered.⁶ Shared services were one option put forward to redress these key challenges. More recently, the Fine Gael/Labour *Programme for Government*, published in March 2011, commits to a review of those services that could be converged between two or more local authorities, giving examples of HR, technology support and fire services.

This drive for increased efficiencies is also due to the severe constraints on both central government and local authority revenues. Since 2008, there has been a year-on-year decline in the General Purpose Grant from central government to local authorities in the Republic of Ireland. The Fund, provides local authorities with the finance for general discretionary funding for their day-to-day activities and for non-national roads, and funding for certain local government initiatives. In 2010, the Fund represented an average of 17 percent of local authority revenue, with the percent decline from the 2008 to the 2011 allocation ranging from 23 to 29 percent in the border counties.⁷ Capital funding for infrastructure has also been severely curtailed, as has support for regeneration.

The reform and restructuring agendas being promoted in Northern Ireland and those that are being contemplated in Ireland, have as their premise a reduction in local authority numbers, which while potentially yielding efficiencies, could exacerbate peripherality and distance already marginalised communities from support services. Therefore, the promotion of shared services is important in ensuring that emerging institutional and territorial geographies provide access to essential services, especially in marginalised communities, and promote opportunities for innovation and outreach in providing these services.

⁴ Pricewaterhouse Coopers. (2009) *Local Government Service Delivery Economic Appraisal*. Available online at: <http://bit.ly/LWKVYD>.

⁵ NILGA. Final NILGA response to the "Draft Programme for Government". Northern Ireland Local Government Association: Belfast, March 2012, page 9. Available online at: <http://bit.ly/LsFIKL>.

⁶ OECD. (2008) "Public Management Reviews – Ireland: Towards an Integrated Public Service." OECD: Paris.

⁷ Derived from analysis of published local authority budget information available on the Dept. of Environment, Community and Local Government website.

Current Focus and Potential Directions

Currently across both jurisdictions, the delivery of the shared services agenda focuses largely on 'back-office' functions that serve internal staff – for example, human resources, procurement and IT. In 2010, Enterprise Shared Services was established for the Northern Ireland Civil Service to bring together Finance, Human Resources and IT services. According to the Department of Finance and Personnel website, a February 2012 review concluded that the NICS has 'an exemplar of best practice in public service delivery'.

Within the health sector in Northern Ireland, the Business Services Transformation Project is considering sharing services within the Health and Social Care sector in the areas of finance (payments and income), human resources (recruitment and selection), and payroll, travel and subsistence. As announced in December 2011, the project proposes to create of four Centres of Expertise: payroll, human resources, finance payments and finance income, each of which could be in four different locations within Northern Ireland.

Within Ireland, the potential for cooperating across local authority boundaries is a priority of the Department of Environment, Community and Local Government's Local Government Efficiency Review Group. This Group highlighted the need to obtain 'optimal efficiency in the delivery of local government service areas across functional boundaries, including joint administrative arrangements between county/city areas, and between town and county areas'. The Group also recommended 'focusing on the potential for greater use of shared services and a regional/national approach to service provision and support functions in specific areas'.⁸

Among local councils in Ireland, a current example is where Sligo County and Sligo Borough Councils share back office services in finance, ICT, and community services among others.⁹ In Northern Ireland, clusters of councils share services in waste management and building control. In a cross-border context, Louth Local Authorities and Newry and Mourne District Council have formally agreed in March 2011 to cooperate in emergency services, tourism, economic development and the green economy and to share an office and officers in the delivery of related programmes.

In outlining specific areas for shared services among local councils/authorities – as opposed to cooperation among central government departments, practitioners note that there is considerable scope in terms of the range of areas, issues and themes that can be addressed. The ICLRD's international case studies on shared services (2012 report) demonstrate that, internationally, there are a number of additional interesting applications of shared services. The extensive case study on shared services in Scotland outlines six partnering models in the Glasgow city-region.¹⁰

1. **Cross Public Sector Provision of ICT support**, for example, a lead council among four councils provides shared payroll/ HR application service through a service level agreement.
2. **Process Simplification/Standardisation for Data Sharing** among local authorities.

⁸ Government of Ireland, Department of Environment, Community and Local Government. (2011) "Local Government Efficiency Review Group Key Recommendations Short Summary." DECLG: Dublin, April 29, 2011. Available online at: <http://bit.ly/Abz7Nq>.

⁹ See presentation by Hubert Kearns, County Manager, Sligo County Council, on "Service Delivery for Citizens in Challenging Economic Circumstances: New Attitudes and Approaches in Provision of Shared Services." Session 2 of the 5th Annual ICLRD Conference, 21-22 January 2010. Available online at: <http://iclrd.org/2010-conference/session-2>.

¹⁰ See *Shared Services Across Local Government – Sharing International Experiences* (2012). The case study on shared services in Scotland was developed by Dr. Deborah Peel of the University of Ulster. Available online at: <http://bit.ly/PcGYjF>.

3. **Emergency Out of Hours Services** where the Social Work Services Standby Service provides out of normal office hours counselling and intervention to individuals across a total of eleven local authorities.
4. **Training and Professional Development** offers an opportunity to share training resources across Councils. The Clyde Valley Training partnership, led by the South Lanarkshire Council offers training programmes across eight local authorities.
5. **Co-location of services**, for example, the newly built Barrhead Health and Care Centre brings together health and social services. It was co-financed by the National Health Service Greater Glasgow and Clyde and East Renfrewshire Council.
6. **Specialist Services** offer opportunities to share specialised expertise across a range of sectors including health care, environmental protection or the sharing of a biodiversity officer between two councils.

In March 2009, the eight local authorities that make up the Clyde Valley Community Partnership commissioned Sir John Arbuthnott to review the potential for shared services across these eight local authorities that together make up the Glasgow and Clyde Valley city region. The Arbuthnott 2009 report and subsequent efforts to organise shared services are interesting because they provides other examples of potential areas and a more integrated approach and a model for shared services among local eight councils. The areas identified included:¹¹

1. **Civic Leadership** – joined up approach to improve leadership training in the public sector for officials and politicians.
2. **An Integrated Health and Social Care Service** – to deliver services including care of the elderly, social care services as well as mental health, drug and alcohol services.
3. **An Integrated Waste Management Approach** – to deliver waste management services across the eight councils.
4. **A Single Social Transport Solution** – including the improved use of school bus service across Council boundaries.
5. **Joint and Streamlined Fleet Management and Maintenance** – joint procurement and sharing of fleets including social transport vehicles.
6. **Shared Roads Maintenance** – including the pooling and sharing of staff.
7. **Property Sharing and Management in Local Hubs** – to develop an asset register to facilitate the joint planning, management sharing of property.

These examples illustrate how shared services among local authorities can take different forms depending on the local priorities, governance and history of cooperation. As noted later in the discussion of shared services in Scotland, four of the original eight councils in the Clyde Valley Community Partnership have chosen to move forward with an integrated package of services. There are other potential areas for collaboration among local councils as highlighted at in an ICLRD training programme by LG Improvement and Development, based in London.¹² These include:

Specialized Support Services. Typical back office shared services include IT/ICT, HR, Legal and Finance. For example, as part of a larger shared services initiative, the Lincolnshire Shared Services Programme provides an example of legal shared services among six district/borough councils. This sharing of legal services could also be viewed as a specialized service serving multiple councils. This approach may be easier to implement as opposed to more complex sharing arrangements across multiple councils.

¹¹ Arbuthnott, J. (2009) *Clyde Valley Review 09*. Available online at: <http://bit.ly/NGVZND>

¹² Presentation by Siobhan Coughlan Programme Manager Productivity, LGID; the organisation, based in London, supports innovation and partnerships among local councils.

Joint Management Arrangements. These involve formal arrangements between two or more councils to share a team of officers. However, each council retains its own legal and political sovereignty and designates officers for specific functions. This model can apply for example to senior officers including executives and a management team shared across cooperating authorities.

The MOU outlining cooperation between the Newry and Mourne District Council and Louth Local Authorities includes a provision for a joint senior management team as well as senior officers sharing responsibility for implementing cross-border programmes. The Geopark headquarters at the Marble Arch Caves Visitor Centre in Co. Fermanagh manages the cross-border Marble Arch Caves Global Geopark. A joint operational committee made up of representatives from both Cavan and Fermanagh Councils oversees this management function.

Capital and Assets. This programme maps local public sector properties and land and the customer demand and use of buildings; this information is then used to develop a business case on the use of assets.

Tell Us Once. The Department for Work and Pensions works with local authorities in England, Scotland and Wales to ensure that citizens only need to give their details once when reporting a bereavement or birth.¹³ This model started out as a pilot in four local authorities and has now rolled out to 300. This is a good example of introducing a customer-focused approach that links separate services through the sharing of common data.

The above-mentioned examples illustrate potential areas for shared services in back office and frontline services as identified by practical examples from local council initiatives. Among local governments in both administrations, there will be different drivers and opportunities for shared services. In Northern Ireland, the ICE Programme has suggested that shared services could in the following areas: information technology, human resources, procurement, support services and customer-facing services such as leisure, parks and recreation, waste/collection and disposal, environmental health and building control. And as noted earlier, in Ireland, Sligo County and Sligo Borough Councils have set precedents in how to share back office services.

Sharing Expertise and Supporting Regional Initiatives

In a larger European context, the shared services agenda directly supports EU policy initiatives (e.g. *EU Agenda 2020*), the effective implementation of EU Directives such as the water framework, and is responsive to future funding programmes that emphasise the key role of 'territory' and 'clustering' in delivering high quality services to citizens. Given that local authorities are facing staff cutbacks and are still required to undertake specialised tasks, such as flood risk assessment, strategic environmental assessments and habitats assessments, the pooling of resources to provide specialised environmental and technical services offers a potential opportunity for sharing staff resources.¹⁴

Between and among local governments, geographic proximity also creates opportunities for providing and maintaining services within a functional territory (see ICLRD [Delineating Functional Territories Across The Island of Ireland: An Initial Scoping](#), 2010).¹⁵ This concept of working with neighbouring

¹³ For an example, see the "Tell Us Once" Web site of Surrey County Council, available online at: <http://bit.ly/PbFKFf>.

¹⁴ See presentation by Mr. Pádraig Maguire, RPG Implementation Officer, Border Regional Authority, on "A Planning Perspective." Session 1 of the 6th Annual ICLRD Conference, 20-21 January 2011. Available online at: <http://icldr.org/2011-conference/session-1>.

¹⁵ Administrative boundaries do not always coincide with patterns of economic and social activity 'on the ground'; and as a result, administrative areas can become divorced from the functions of towns and cities.

local authorities in providing services underpins the spatial planning concept of clustering among smaller towns and villages that is found in both the Northern Ireland Regional Development Strategy, the Investment Strategy for Northern Ireland (both strategies refer to a hierarchy of settlements and services) and the National Spatial Strategy in Ireland.¹⁶ The 2012 Northern Ireland Local Government Association (NILGA) response to the NI Programme for Government noted that the NI Draft Investment Strategy 'particularly examines co-location as a means of developing government efficiencies.'¹⁷

As an example of broader partnerships in territorial cooperation development strategies on a cross-border basis, the ICLRD report on [Small Connected Towns](#) (2008) illustrates how cross-border micro-regions became arenas of development as a result of collaborations between civil society and local authorities. Among the examples are the Castleblayney and South Armagh (CASA) Partnership promoted by Monaghan County Council and Newry and Mourne District Council, and the Clones Erne East Partnership, which involves Fermanagh District Council, Clones Town Council and Monaghan County Council.

Such efforts in planning have potential for expansion as illustrated in other examples. In Scotland, the sharing of strategic planning services among local councils presents an interesting model for how expertise is shared among local councils. Established through planning legislation in 2006, four city strategic development-planning areas are responsible for developing Strategic Development Plans that bring together the councils in each of these four areas.

One example is the TAYplan Strategic Development Planning Authority, which covers the area within the local authority boundaries of Perth, Kinross, Dundee, Angus and Fife. TAYplan was established as a Strategic Development Planning Authority in 2008 for the four local authorities to jointly prepare and review a required Strategic Development Plan. After the Scottish Government provided an initial set up grant of Sterling 140,000, the annual budget of Sterling 240,000 is equally borne by the four participating councils. Public relations, human resources, legal, IT and committee administration are shared with Dundee City Council, for which TAYplan pays Sterling 8,000 per annum. The work is coordinated and undertaken by a small core team of up to three full-time and one half-time personnel who are employed by Dundee City Council. TAYplan uses a collaborative approach by meeting with the Chairs of the other Authorities and key agencies to discuss problems and how to overcome them. There is an emphasis on project management, efficient operations, a customer-oriented approach and a 'focus on outcomes to reinforce confidence in planning'.

In reflecting on the progress of the organisation since its effective start-up in June 2009 when the core staff were appointed, there have been a converging and streamlining of similar processes and systems across planning authorities that are still responsible for delivering their local plans as well as delivering economies of scale and shared skills.¹⁸

TAYplan was recently recognised for its work by the Royal Town Planning Institute's UK overall award for 2011, the Silver Jubilee Cup. In congratulating the TAYplan team, the RTPI said: 'Planners make great places, and what TAYplan demonstrate is that it is possible to show people how planners go

This, in turn, can lead to inefficient planning and the duplication of services, particularly on an inter-county (and inter-jurisdictional) basis. The notion of 'functional areas', as promoted by the EU, has formed part of the policy debate on spatial planning and can also underpin the identification of shared services.

¹⁶ See article by Martin Spollen and Joanne Gallagher 'New Analytical Methodologies for Evidence-Based Infrastructure Planning in the Public Sector' *Borderlands, The Journal of Spatial Planning in Ireland*, ICLRD 2012.

¹⁷ NILGA, 2012, page 3.

¹⁸ The TAYplan was presented in an ICLRD training module on shared services by Pamela Ewen, Strategic Development Planning Authority Manager for the Dundee City Region, known as TAYplan.

about doing that. By approaching the need for a long-term strategy in a new way, they have brought planning alive.¹⁹

While the legal and institutional context is obviously different, this approach of pooling expertise and sharing staff and management to produce a strategic initiative could also be explored in the Irish Border Region for groups of councils. If undertaken in a cross-border context, this would be non-statutory in nature. The ICLRD report, [The Basel Metropolitan Area: Three Borders – One Metropolitan Area](#), offers an example of how specialized planning expertise can be shared in the Basel Metropolitan across three borders. Implementing the ICBAN Strategic Planning Initiative upon its completion could offer an opportunity to explore a shared approach to providing technical resources that is supported by involved Councils.

Challenges and Factors for Success

In identifying potential shared services, it has become evident that the operationalization of shared services must be undertaken with keen regard to the context. Identifying areas for collaboration highlights the importance of understanding the role of geographic proximity and shared interests, especially in front-line and specialist services. In addition, advances in information and communications technology have created ‘digital opportunities’ for shared services where different activities in multiple locations can be brought together.

The ‘drivers’ for shared services can be regionally specific. For example, rural municipalities experiencing population decline find they have to work together to maintain services and proactively develop economic strategies that jointly draw on their local assets. This is the case for the Irish border region. Other demographic trends that may influence the need for specialized shared services include an aging population, which could influence the types of cooperation promoted by local councils. Regionally developed solutions to shared services can help to avoid the ‘one-size fits all’ approach to shared services, especially where rural and urban population densities and distances to services can influence opportunities for local governments to deliver services bi-laterally through two councils or multi-laterally through a cluster of councils.

The following table outlines key challenges and factors for success when considering a shared service programme. Key challenges include developing a keen understanding of customer needs, engaging staff at all levels in developing creative solutions and not underestimating the challenge of bringing together different organisational cultures to work collaboratively. Factors for success include a clear vision for what the shared service under consideration will deliver, strong leadership from officials and councillors and training to support staff as they take on new roles.

Shared Services: Challenges and Factors for Success	
Key Challenges	Key factors for Success
<ul style="list-style-type: none"> • Understanding shared customers to reorganise and redesign services – using Customer Insight • Joining up related services provided by different organisations around different customer groups • Leveraging assets through sharing frontline and back offices 	<ul style="list-style-type: none"> • A clear agreed vision for what this shared service will deliver • Strong leadership from both a senior officer and senior elected member • A robust business case outlining costs and benefits • Robust governance arrangements to drive and monitor progress

¹⁹ RTPI. (2012) “TAYplan Scoops Prestigious UK-wide Planning Award.” RTPI: 23 Feb. 2012. Available online at: <http://bit.ly/MJeMRw>.

<ul style="list-style-type: none"> • Managing and sharing data across different services and partners to make it easier for the customer to carry out their transaction • Joining up different legacy IT and telephony systems • Engaging staff and partners at all levels to draw on their knowledge and expertise of how best to redesign services • Transcending different organisational cultures to work effectively together 	<ul style="list-style-type: none"> • On-going consultation and engagement with service users • Engagement and involvement of frontline staff and elected members • Engagement and involvement of appropriate partner and community organisations • Alignment and investment in essential IT to support the delivery of selected shared service • Robust programme and project management arrangements • Development and training to support staff work under the in new arrangements
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Source: Siobhan Coughlan, Programme Manager Productivity; ICLRD Executive Training Programme – Shared Services Module (2011)

Despite the considerable attention that shared services is receiving, it is generally acknowledged that there is relatively little by way of comprehensive evaluation of shared services and the challenges and opportunities the agenda presents. Summaries of international cases from [Shared Services Across Local Government: Sharing International Experiences](#) (ICLRD 2012) are provided below to highlight how international examples have addressed some of these known challenges.

International Experience

Recent commentaries have highlighted the importance of critical reflection as governments pursue different approaches to shared services. For example, the Scottish Government refreshed the national guidance on shared services in 2011 and highlighted the point that considerable guidance and case study evidence of shared services exist internationally. These experiences are especially important when considering the key role of local governments. The ICLRD developed four case studies on diverse international experiences and good practices in shared services:

- Shared Services in Scotland: Glasgow and the Clyde Valley
- Mancomunidades in Spain: The Asturias Region
- New York’s Shared Services Programme; and
- Local Government Restructuring and Realignment in Ontario, Canada.

This broad view of four very different cases offers insights for policymakers and practitioners in both central government departments and local government. The Scotland and Ontario cases demonstrate top-down processes driven largely by central administration, while the New York and Spanish mancomunidades cases illustrate bottom-up approaches where local governments are largely responsible for pursuing shared services and access support from central government.

Case I Shared Services in Scotland – Glasgow and the Clyde Valley

In Scotland, there are 32 directly elected local authorities. These authorities vary considerably in terms of geographical coverage and urban and rural context, and the scale and diversity of the communities they serve. Public services for which local authorities are responsible include cultural services, economic development, education, fire and police services, housing, leisure and libraries, planning and the environment, regulatory and protective services, roads and transportation, regeneration, social work and waste management. Under devolution, considerable emphasis has

been placed on the modernisation and reform of public services to improve efficiency and customer focus. Shared services form a core part of this political agenda to transform public services.

The case study focuses on the Glasgow and Clyde Valley city-region in West Central Scotland and provides an example of an evolving set of shared service initiatives across a geographical area that includes eight local authorities. Glasgow and the Clyde Valley have a relatively long history of cooperation and joint working in order to address economic restructuring of the area, notably around statutory land use planning. Today, Glasgow and the Clyde Valley form the basis for the strategic development plan, one of four in Scotland that provides, in effect, a city-regional spatial planning framework. The Glasgow and the Clyde Valley Strategic Development Planning Authority is responsible for planning Scotland's largest metropolitan city-region, which comprises more than a third of the country's economic activity and population, and 60 percent of its most deprived wards.

In recent times, the establishment of the Glasgow and Clyde Valley Community Planning Partnership provided the basis for rethinking, reorganising and strengthening selected services on a shared basis. Notwithstanding the shared history of different models of sharing services in the Glasgow and Clyde Valley context, the difficulties of implementing the vision set out in the Arbutnott (2009) review illustrates that the practical realities of implementing shared services and gaining political agreement across different local authority boundaries should not be underestimated. For example, in July 2011, four of the eight councils 'decided not to proceed, citing concerns about best value or uncertainty about the proposed structures and governance.'²⁰ The original business case that predicated a savings of Sterling 38 million was based the participation of eight councils; a revised business case will be developed based on the participation of the four councils.

The case study is a timely example of the dynamics of rethinking public services and builds on the Scottish Government's explicit attempts to modernise and rationalise the public sector. On the one hand, the Glasgow and Clyde Valley city-region offers insights into the iterative ways in which reform might be put into place across a natural geographical area, comprising urban and rural settlements of different scales. On the other hand, it provides evidence of some of the institutional, organisational and political challenges of multi-level governance. It indicates that despite a history of joint working and practical examples of collaboration, shared services in other spheres of local authority working cannot be taken as a foregone conclusion.

Case II Mancomunidades in Spain: The Asturias Region

Foremost among the models of collaboration among local authorities in Spain are mancomunidades. Mancomunidades are voluntary associations that bring municipalities together to create a single structure. Once constituted, a mancomunidad subsumes the power of the constituent municipalities in defined areas, such as local service provision and/or infrastructure development. Mancomunidades are also formed to execute a joint-project, such as the construction of a community venue or the promotion of a tourism and heritage resource. Thus, they can be formed for a specific task and for a fixed period of time, or they may exist on a more permanent basis.

The case study reviews the experience of mancomunidades in the Asturian Region where community-level services have been broadened and improved through inter-municipal collaboration. This region of Spain, which is similar to Northern Ireland in size and has a population of just over 1.1 million, is largely rural with 78 municipalities, three-quarters of which have populations under 5,000.

In the Asturias Region, there are 19 mancomunidades. At a minimum, the Asturian experience reveals issues and insights that are of relevance to the local services agenda on the island of Ireland.

²⁰ Audit Scotland, 2011b, p. 16.

Mancomunidades demonstrate that collaboration across local government boundaries generates new synergies that enable innovation and the attainment of new and improved services and outputs. The experience of 65 municipalities cooperating through 19 mancomunidades in the Asturias Region illustrates how added value is generated for local communities, as new projects and services come on stream, particularly in rural areas with low population densities. By pooling their resources, local councils have been able to leverage complementary external funding and to respond to a range of local issues. The case illustrates how mancomunidades effectively connect to regional, national and EU government programmes and policies.

The Asturias Mancomunidad members note that the micro-regional scale (i.e. an average population of 27,000 with geographical cohesiveness) is conducive to inter-municipal collaboration. This localised approach is highly participatory and has enabled mancomunidad services to be targeted at a local level and also towards marginalised sections of society. Importantly, mancomunidades have successfully captured and cultivated local identity and heritage, and have worked with communities and the private sector to valorise local resources. For example, in Asturias, they developed tourism projects that draw on the region's mining heritage, mountainous topography and gastronomy.

While mancomunidades are common throughout most of Spain and are growing in Latin America, there have been few formal evaluations of their work. The general consensus at the local level in Asturias is that municipalities and their citizens have benefited from their participation in mancomunidades in the following ways:

- Economically, through reduced costs for service provision;
- Socially, through access to new and increased services; and
- Environmentally, through conservation projects that put a value on the environment and improve the local quality of life.

While there is a clear contrast between Ireland, Northern Ireland and Asturias with respect to the scale of local authorities, all three locations are characterised by vibrant local civil society activities. There are many examples on the island of Ireland that demonstrate how inter-community collaboration across local, administrative, county, regional and state boundaries have improved local quality of life and economic competitiveness.²¹ The lessons from both contexts reveal the benefits of collaborative approaches.

The experiences of mancomunidades in Asturias demonstrate that whatever the factors that bring local authorities together initially, strong leadership, participative governance and a flexibility in structures and geographies can result in collaborative structures not only sustaining existing local services, but in developing and promoting new ones.

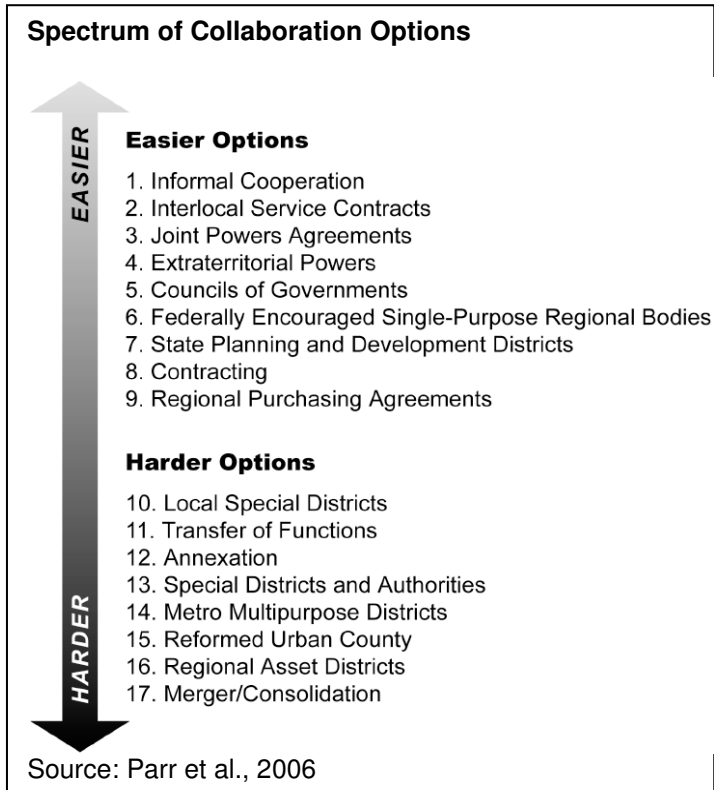
Case III New York's Shared Services Programme

In the United States, the delivery of services within states can be the responsibility of thousands of local entities, such as counties, municipalities, towns, villages and school districts. New York State, for example, has 3,175 local government entities along with 1,113 special purpose groups such as public libraries, regional planning boards, and soil and water conservation districts. Shifting demographic patterns, characterized by the growth in the number and size of urban areas and the establishment of metropolitan areas made up of numerous local governments, have served to fragment service delivery.

²¹ Creamer, C., Blair, N, Keaveney, K., O'Keeffe, B. and Driscoll, J. (2009) *Rural Restructuring: Local Sustainable Solutions to the Rural Challenge*. Armagh: International Centre for Local and Regional Development.

Reductions in federal and state aid, which represent on average 40% of local government budgets, have created incentives to gain efficiencies through cooperation with neighbouring local councils. A 2006 National League of Cities report classified local government collaboration in the United States into 17 categories that span a wide spectrum of options. The report insightfully distinguishes these options by their ease of implementation, with informal being the easiest, and mergers or consolidations being the most difficult.²²

The case study explores New York State's efforts to support shared services and consolidation at the local level, and how two communities in the state merged their police departments, one of the more contentious services to consolidate. It also analyses the impact the state program has had on local activities and cost savings. Based on state and local experiences, the study concludes with a set of lessons learned that merit attention when considering a shared services agenda. In summary, these include:



- *Benefits from Shared Services Can Be Unbalanced*; while there can be overall savings to shared services or the more difficult option of consolidation, the discrepancies in taxes and savings can favour one party making political buy-in difficult.
- *Strong Relationships and Leadership Are a Critical Building Block*; a key to successful service integration is cooperative and trusting relationships between key community leaders who are dedicated to the cause of integration and efficiency.
- *Money Isn't Everything – Stakeholder Engagement is Needed from the Beginning*; the early involvement of stakeholders can help target proposed strategies to priority issues and shape solutions that will be more readily acceptable to the community.
- *The Savings are There, but May Not Be Substantial or Immediate*; on average, consolidation has resulted in cost savings of 2 to 5 percent per year, and the greatest total cost savings have accrued from shared services in public safety, while the greatest reductions in household tax payments have come through shared water and sanitation services.
- *Financial Incentives and Technical Assistance*; given local budget limitations and the fact that the costs of transitioning to shared services and consolidation may take years to recoup, financial support for feasibility studies and implementation from regional government agencies is often necessary to catalyse local action. Even consolidation studies that do not result in dissolution of government often lead to new efforts to cooperate.

²² Parr, J., J. Riehm, and C. McFarland. "Guide to Successful Government Collaboration in America's Regions." Washington, D.C.: National League of Cities, 2006.

- *Research Institutes Can Help Build Evidence Base*; the New York Case shows that research institutions and universities have been instrumental in the development of model practices for shared services and consolidation, evaluation of past initiatives, and case-by-case studies of potential opportunities. They have served as neutral, third-party technical experts in conducting the feasibility studies, as well as developed best practice manuals, guidance documents, assessments and evaluations that have served as resources for local governments.

A key characteristic of the case is the State's strong financial and policy support for local implementation, including for cities to conduct feasibility studies and provide early retirement and other benefits to alleviate the most controversial aspects of government streamlining.

Case IV Local Government Restructuring and Realignment in Ontario, Canada

The goal of achieving efficient, cost-effective, territorially rational and service-appropriate local government has driven restructuring and transformation in municipalities in the Canadian Province of Ontario for a number of decades. This challenge, similar to that faced by both administrations on the island of Ireland, has been the basis of continual assessment and reassessment of the day-to-day and strategic operations of local government in Ontario.

A series of agreements at the Federal and Provincial levels over past decades, particularly since the 1970s, established a number of arrangements that aimed to improve and streamline service delivery between Provinces and their municipalities in Canada, and increase co-operation at the inter-municipal level. Starting in the mid-1990s, the Progressive Conservative-led government (1994-2003) implemented a series of measures that sought to promote greater efficiencies in the delivery of local government services, including in particular a process of 'Local Service Realignment' (LSR) that resulted in efforts among some municipalities to engage in inter-municipal cooperation.

A key objective of the LSR, which was first proposed in 1997, was the achievement of more efficient and cost-effective government in Ontario. The goals of LSR were:

- Greater accountability to the taxpayer;
- Protecting priority services and maintaining critical standards;
- Streamlined service delivery;
- Capitalising on local expertise and innovation with greater autonomy for local government; and
- Reducing duplication and waste between levels of government.

In particular, the process introduced amalgamation and/or cooperation, and transferred powers from provincial government to local government.

This case study outlines the hierarchy and structure of municipalities in Ontario, with an emphasis on the southern part of the province and the Greater Toronto Area (GTA). The structure of government in this part of Ontario province bears a relevance to governance and organisational hierarchies on the island of Ireland. It is particularly useful to review the impact of the LSR programme initiated in 1996 in Ontario given similar proposals for local government change on the island of Ireland. In addition, these local government transformations were initiated at a time of fiscal austerity in Ontario and provide comparative context for analysis given the current economic situation in Europe.

At the time, the core idea driving inter-municipal cooperation, as shared services are referred to in Canada, was largely ideological as opposed to based on in-depth evidence and guaranteed cost savings. The Ontario case study illustrates that, assumed cost savings and efficiency achievements

are less likely to be realised when the appropriate groundwork is not put into place prior to the commencement of agreements.

Key Findings

Savings and Effective Service Delivery. The cost savings of sharing services and merging local authorities are usually less than expected. As noted in the introduction, Audit Scotland (2011) stated that: ‘sharing services may not necessarily reduce costs although they may provide more effective service delivery.’ Additionally, the up-front costs can be significant.

In the case of New York State, it has been found that cost savings in regards to consolidation of local governments, the most difficult option to pursue, have been on the order of two to five percent. ‘Study after study makes it clear that consolidation is not a magic bullet for drastically reducing costs and can’t provide the 10 percent to 30 percent immediate savings that taxpayers want.’²³ Overall, the New York’s Local Government Efficiency Program (LGEP) found that among 64 completed projects for shared services and municipal consolidation, the average savings on the local government tax levy is 4.6 percent.²⁴

The Scottish case concludes that the prevailing economic climate and fiscal constraints necessitate innovative thinking and new forms of service provision, though the models adopted need to be appropriate and sustainable.

In Ontario Province, reviews of the significant local government restructuring initiated in 1999 note that there are mixed results in savings on capital and operating costs. The Chairman of the 2012 Commission on Reform of Ontario’s Public Services, commented: ‘we must be students of history and history shows that simple cost cutting by governments too often generates fiscal improvements that peter out after a few years as pressures build.’²⁵

The Ontario case study of government reform in 1999 shows that change simply for the sake of it rarely works if evidence had not been provided to ensure that the appropriate transformations are taking place, and that there is sufficient fiscal support and policies to back them.

Proximity Creates Opportunity. Geographic proximity and even adjacency can create opportunities for sharing assets and delivering local services with possible cost savings. For example, in New York State, the most significant cost savings were obtained by consolidating adjoining town and village police forces, sharing a utility network such as water and sewerage facilities, or merging fire-fighting services.

In Spain, the mancomunidades offer a legal framework for municipalities to share services that they could not otherwise afford to provide on their own, such as primary care clinics, fire brigades and ambulance depots. Shifting demographics can also be a driver for shared services. In Spain, rural municipalities experiencing population decline find they have to work together to maintain services and proactively develop economic strategies.

In Scotland, it has become evident that the operationalization of shared services must be undertaken sensitively with respect to the specific conditions of place, time and context. The long history of cooperation among the local authorities in the Glasgow and Clyde Valley has led to the sharing of

²³ Zetteck Jr., Charlie. “Consolidations Could Mean Savings for Taxpayers.” *DemocratChronicle.com*, March 1, 2009.

²⁴ New York State Department of State. 2010. Local Government Efficiency Program: Annual Report 2009-2010. New York: NYS Department of State.

²⁵ Commission on the Reform of Ontario’s Public Services, 2012, p. iii.

development planning functions and specialists through a Strategic Development Authority as well as other partnering initiatives. In Ontario Province, the recognition that two separate transit systems serving adjacent urban centres needed to link up eventually led to a major inter-municipal agreement to merge the two transit systems.

As noted in the Scottish Case, understanding shared services as a network of collaborative working offers a relatively more fluid, flexible and outcome-focused interpretation of the shared services agenda. It has been noted that debate on implementing shared services in Scotland has focused ‘too much on the solution as an end in itself rather than a means to achieving better outcomes for service users and residents.’²⁶ This point was also raised in discussions in the Scottish Parliament in 2011, that shared services need to be evaluated as a function of the services provided, rather than the form they take.

Strong Relationships and Leadership. All four cases note the key role of leadership and good working relationships in developing a shared services programme. The Spanish Mancomunidades illustrate this point with Councillors playing a key role in organising and providing leadership. The review of experiences in New York State shows that the ultimate key to successful service integration is cooperative and trusting relationships between key leaders and personnel who are dedicated to the cause of integration and efficiency. Pursuing a shared services agenda is much aided by the presence of long-standing relationships within and between the departments; with trust not only paving the way for future cooperation, but also addressing the emotional, cultural, policy and fiscal factors that can affect programmes.

Buy-in Is Key. Common to all cases is the importance of stakeholder involvement, including end users and staff responsible for planning and delivering the services. Introducing shared services will often mean that politicians and residents as ratepayers are concerned with the loss of cultural and community identity as well as potential reductions in the levels of service. In New York State, experience has shown that the early involvement of stakeholders can help target proposed strategies to priority issues and shape solutions that are more readily acceptable to the community. In Spain, mancomunidades have been characterised as extremely open and participatory; political collaboration occurs across political and affiliations and administrative borders with needs, resources and opportunities identified at the local level. In Ontario, the political push for shared services from the province led to limited opportunities for the involvement of the municipal officials who were going to be impacted by the changes. The municipalities’ concern for ‘downloading’ responsibilities and costs become a reality after the implementation of local service realignment in 1999. Less than ten years later, in an agreement between the province and local governments in 2008, Ontario Province agreed to begin ‘uploading’ municipal costs.

Supporting the Implementation of Shared Services. The introduction of shared services is facilitated by financial support for feasibility studies and the cost of merging services. Since 2006, the New York State’s Local Government Efficiency Programme has provided technical assistance and research grants to local authorities to undertake feasibility studies and fund costs related to the merging of functional services. According to local leaders in New York, the financial incentives have been the most useful part of the Local Government Efficiency Program, although the programme’s capacity building workshops, online resources and technical assistance out of branch offices have also been helpful. Of the \$44.7 million in grants distributed among 295 projects from 2005 to 2010, 32 percent of the funding went to water, sanitation and utility projects, and 30 percent to transportation. The balance funded public safety, education and reorganisation of other services.

²⁶ McInlay, F. (2011) ‘Don’t be Seduced by Savings: It’s All about Better Services’, in: Grace, C. and Higgins, T. (Eds) ‘The answer to all our problems – at a strike?’, in: *A Problem Shared...?*, London: Solace Foundation (pp. 44-45).

The cases also illustrate the role of legislation in supporting shared services. In both the Spain and New York State for example, legislation is in place that allows municipalities to associate and enter into agreements to jointly provide services. In Ontario, given the far-reaching changes set out by the government to realign local governments and services, provincial legislation had to be put in place to give the provincial government the authority to restructure municipalities. This legislative underpinning must be considered for different shared services, some of which (such as town mergers and consolidations) may lead to complex legislative requirements and lengthy and politically contentious processes. Simpler forms of sharing services can be based on informal agreements, contracts for services or inter-municipal agreements that can work within existing legislation.

Propositions for Shared Services in the Irish Border Region

As part of a 2011 ICLRD training programme, a shared services working group made up of senior council and county executives and officials from the Irish Border Region indicated that shared services is a priority issue at the moment and that it is important that local authorities play a strong role in shaping the shared services agenda. The Group considered various issues related to shared services within Northern Ireland and Ireland and the challenge of developing joint actions given the different structures and operational methods for local governments. From the perspective of the Working Group on Shared Services, shared services are ‘an approach to getting shared outcomes...where no one size fits all.’

The general opinion was that shared services should not focus primarily on cost savings, but rather also consider customer services and the adoption of a citizen’s perception of service delivery and quality by local government.

Potential areas identified for shared services by the working group included:

- Co-location/sharing of buildings and places where possible;
- One-stop shops;
- Shared Chief Executive/Management teams and planning which has been implemented in certain UK authorities;
- Shared legal services;
- Standardizing procedures, which could ultimately result in the sharing of knowledge;
- Shared finance in terms of back office functions as it was appreciated that the systems in the Northern authorities vary greatly (unlike in the South where authorities have the same financial system); and finally
- Training and development.

Specific areas in which a collaborative agenda could be developed on a cross-border basis in the Irish Border Region included:

- Emergency services where there is the potential for collaboration on fire services – this is based on access and locality rather than county/district/ council boundaries;
- Training and capacity building, which has the potential for the sharing of knowledge and learning amongst authorities;
- Arts, heritage and culture, which was considered by the Group as an area of great interest for further exploration;
- Recreation services with the possibility for set up across both sides of the border;
- Tourism; and
- Environmental and Technical services.

With regard to environmental and technical services, the ICLRD report, [Responding to the Environmental Challenge? Spatial Planning, Cross-Border Cooperation and River Basin Management](#) (2012) highlights the new challenges and complexities that have to be addressed when considering how to manage cross-border river basins and respond to environmental considerations under EU Directives. This is an area where the sharing of expertise among local councils should be explored. Another potential area for cooperation among specialist services is with data capture and mapping among the border networks; this is starting to occur. Additionally, as noted earlier, there is a potential of sharing spatial planning expertise for non-statutory planning between and among councils in the border region.

To support a shared services agenda in the Irish border region, the working group recommended further collaboration among border region councils by mapping services using a citizen centric focus. This would involve:

- Taking a customer's view of the service provided and what the customer ultimately expects to get from it;
- A full costing analysis of the delivery of the services under consideration;
- Establishing and agreeing upon shared principles for working together;
- Developing a shared research agenda and agreeing on pilots; and
- Developing a communications strategy.

The Group identified a possible pilot project focussing on environmental services such as recycling centres. Initial steps would involve the mapping of existing centres and the tracking of customer access to facilities, with the possibility of encouraging people to cross county/district boundaries and the border to avail of services.

The All-Island Research Observatory (AIRO) has developed an accessibility module as well as other [mapping tools](#) that can assist in identifying access to services.

Next Steps

The Irish border region can lead the way in developing innovative working practices by identifying and charting pathways for shared service opportunities. The MOU between Newry and Mourne District Council and Louth Local Authorities is one example how local governments in the border region created a shared approach to managing common natural assets for tourism as well as economic development, the green economy and emergency services. The two councils are now sharing officers and staff (see box summary).

Even before greater powers are devolved to the Northern Ireland councils under the Review for Public Administration, councils in Northern Ireland and the Republic of Ireland share responsibilities in common in the areas of: local economic development, community development, recreation and leisure, arts and culture, environmental protection and health (some powers), waste management and veterinary and dog control.

Sharing Assets, Sharing Resources, and Sharing Management and Staff for Cross Border Cooperation

In March 2011, Louth Local Authorities incorporating the Town Councils of Dundalk, Drogheda and Ardee along with Newry and Mourne District Council signed a unique Memorandum of Understanding to cooperate in the areas of: emergency planning; renewable energy and green technology; tourism and recreation; and sustainable economic growth and job creation. These areas were carefully selected to reflect ongoing cooperation projects, the opportunities and responsibilities presented by the shared natural and heritage resources within the region, as well as the mutual desire to assist in the development of the regional economy (see ICLRD [report](#) for more detail).²⁷ The mutual identification of these functional reasons to cooperate is important when developing potential shared services programmes.

The Memorandum of Understanding sets out the frameworks with which both local authorities promote, strengthen and stimulate the social, economic, and cultural links within the region, focussing on indigenous growth, tourism and recreation including a major geo-tourism initiative, agriculture, low carbon initiative, emergency planning and age-friendliness.

Described by Senior European Officials, Members of the European Parliament, and local political and economic leaders as a first in Europe, the Memorandum of Understanding also commits the Joint local authorities to support and promote the economic development and competitiveness of the region. A Joint Office has been established; the office at McGrath House, Newry joins the Louth office in County Hall, Dundalk which has become the first shared service of its kind between two EU countries.

To better understand the opportunities and challenges for potential joint action, a first step would be the mapping of competencies, responsibilities and strengths of each county/council to help identify common areas for shared services as well as cross-border opportunities. Other steps as outlined by the working group and discussions among the ICLRD research team include:

1. Identify common services and activities that lend themselves to collaborative models including clusters of councils where appropriate.
2. Identify areas where local councils can begin to take the lead in developing a shared services agenda within their respective competencies and what areas require partnerships with central government departments.
3. Explore what type of shared services programme(s) can be piloted among interested councils:
 - a. Are there innovative and creative mechanisms of sharing expertise and resources to deliver complex programs such as management of international river basins or delivering non-statutory strategic planning, economic, green economy or planning initiatives?
 - b. Are there confidence and experience building options that may be easier to implement such as shared training to increase staff skills, access to best practices or developing a shared campaign regarding access to recycling centres.

²⁷ ICLRD. (2010) *Developing a Strategic Alliance between Newry and Mourne District Council and the Louth Local Authorities*. Armagh: International Centre for Local and Regional Development. Available online at: <http://bit.ly/KvPWJm>.

4. Explore what kind of central government support (legislation, financial incentives and technical assistance) can encourage local councils to identify and implement shared services.
5. Find common ground between the cost saving / public sector reform agenda of central government(s) with the citizen/customer-centric model of service delivery favoured by local government(s).
6. Identify performance indicators would provide a baseline for measuring the contribution of a shared services agenda in the border region.
7. Create a forum to exchange best practices and provide support for organisations that can introduce innovative approaches to shared services and collaborative working models. Providing good practice exchange around the practical implementation of shared services can also contribute to linking approaches in the border region with European practice and possible funding sources.

The Irish border region can lead the way in developing innovative working practices by identifying and charting pathways for shared service opportunities. There is a commitment within councils in the border region to pursue a shared services agenda – and in the context of the island of Ireland, Council officials engaged in different ICLRD activities see themselves as having the potential to become leaders in this space.

Conclusions

In Ireland, there have been severe budget cutbacks and loss of staff in local authorities as part of the government's response to the fiscal crisis. Exploring shared services offers opportunities for maintaining service levels or jointly focusing on a priority area such as local economic development initiatives. In Northern Ireland, while these reductions in staffing and funding have not been as severe to-date, the lengthy timeframe regarding the implementation of the Review of Public Administration has made it difficult for Councils to explore shared services. The ICE programme initiated by Council executives is meant to fill this gap. It has been noted that aligning the ICE initiative within a wider reform programme will address the identified shortcomings of the previous reform process.

Shared services are seen as integral to local government reform in both jurisdictions. However, given the lengthy time frame and often contentious process for implementing reform, it may be more practical to develop shared services in the medium-term around common needs and priorities among local councils in the border region rather than relying primarily on centrally driven reforms. This approach would imply a focus on the need for common outputs when identifying areas of collaboration rather than large-scale reform.

In developing shared services in the border region, there are distinct advantages of building an initiative with existing structures rather than developing new ones. This also has the advantage of incrementally introducing change around a shared service and making adjustments as required. Furthermore, it focuses on outputs rather than establishing new processes.

In the Irish Border Region, the benefits of shared services will come primarily from a more focused approach among local councils to address a common issue(s) or opportunity (ies) or managing a shared asset.

With central government departments in both jurisdictions focused on the on-going fiscal crisis, local councils in the border region will have to play a much stronger role in organizing their own initiatives using local resources and to the extent possible, leveraging external resources including EU funding.

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