

# revitalise

A briefing on UNISON Scotland's public services campaign  
No 5 Spring 2008



## Public Service staff care about services

**The public service ethos really does exist and is thriving among public sector workers, says a new British Social Attitudes Survey.**

The report shows that there is a new generation of idealistic, socially aware young people entering public services, motivated by high levels of altruism. However the report warns they are just as likely as private sector colleagues to change jobs for a better salary.

The survey asked people working in both the public and private sector what they thought were the most valuable aspects of a job. Both sectors valued job security equally highly, but private sector workers valued high income considerably more than public sector workers, and public sector workers rated "allows someone to help other people" and "a job that is useful to society" much more highly.

Comparing this data to 1997 and 2005 the importance of the social usefulness of a job has widened between the two sectors and is now 17%.

There is no obvious link between social group and the public service ethos, little difference between men and women, young and old or the highest and lowest paid. The

authors speculate that because of the similarity of management styles in public and private sectors and lower pay in the public sector only those really committed to the public sector join.

The difference is particularly marked between young workers in the public and private sectors: two thirds of public sector workers

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strongly agree that their job is useful to society compared to less than a fifth in the private sector.

Public sector workers are more likely to believe in the importance of their work, have pride in the organisation; they also tended to get more job satisfaction. They are though as likely as private sector colleagues to change jobs for a better salary.

The public sector ethos is alive and well but belief in this ethos will not stop staff leaving for better paid jobs if wages and terms and conditions worsen.

## East Renfrewshire trust victory

East Renfrewshire UNISON and the Anti Cuts Committee at Dunterlie are celebrating their victory against the council's plans to put sports centre, libraries, theatres and halls into a Leisure Trust. The campaign used public meetings to build public support and extensive lobbying of both the local authority and community council. East Renfrewshire leisure services will remain publicly owned and run.



## NHS Shared Services

The Support Services Project Board for the NHS in Scotland is moving the project onto its next stage. Decisions in future will be made at a local level.

Branches need to ensure that they remain up to date and monitor local plans. There is still a possibility of job losses in this new phase. The project board will issue HR guidance but boards will make decisions on staffing locally.

The Shared Financial Service consortia have now been set up.

- National Services Scotland, Quality Improvement Scotland, NHS24, The State Hospital, Grampian and the National Waiting Times Centre.
- Ayrshire and Arran plus Dumfries and Galloway, Lanarkshire, Shetland, Orkney, Health Scotland and National Education Scotland.
- Tayside, Fife, Forth Valley, Western Isles, Scottish Ambulance Service, Borders and Highland.

Greater Glasgow and Clyde and Lothian remain as stand alone boards.



NAO confirmation —

# Shared Services not quick fix

**A National Audit Office (NAO) report shows that it takes five years for shared services projects to break even and that figures for savings targets are based on very rough calculations and are not being properly tracked.**

The report is part of a review of the use of shared services in corporate services, like finance and accounting, human resources, procurement, IT, facilities and estates management. The Cabinet Office estimated that £1.4 billion could be saved by the introduction of shared services.

The report focuses on finance and human resources. These are the areas where shared services are most developed across the public sector. By March 2007, departments had reported savings of £1 billion. While some of this has been achieved through shared services it was not possible to identify how much, as shared services formed part of broader service changes. The report states that "The savings to date are relatively small".

The NAO believes that the Cabinet Office lacks a clear view of the benefits being secured by Departments. They have also identified a

number of barriers to shared services across government. As UNISON pointed to in *Revitalise 4*: buying services rather than providing them in house incurs a VAT cost. VAT rules set out under European agreements do allow government departments and local authorities to claim back VAT, but this is not so for many shared services.



## Savings will take 5 years to break even

The report also criticises the way savings are tracked. The £1.4 billion for potential savings is derived from assuming 20% savings of annual expenditure. The figure

is not broken down into departments and so it is difficult to track progress. Sector plans do not contain enough detail to assess whether the sum of individual projects will deliver savings on the scale required. There is also a lack of transparent data about the costs of existing corporate services. This is another example of estimated figures being used to justify moves to shared services. This report also indicates that the two most established shared services projects (in the NHS and prison service) take five years to break even: only then will they go on to deliver savings.

## Not in this parliament

Shared services do offer potential savings for the public sector, but in Scotland it will take some time for them to deliver savings. They often have high initial costs. They will not deliver the 2% savings targets set by the Scottish Government in the life of this parliament.

The report and executive summary can be downloaded from:

[http://www.nao.org.uk/publications/nao\\_reports/07-08/07089.pdf](http://www.nao.org.uk/publications/nao_reports/07-08/07089.pdf)

Executive summary

[http://www.nao.org.uk/publications/nao\\_reports/07-08/07089es.pdf](http://www.nao.org.uk/publications/nao_reports/07-08/07089es.pdf)

## Glasgow Outsources IT

**Glasgow City Council has created another Limited Liability Partnership (LLP)—Service Glasgow—to deliver IT and property services.**

Up to 300 staff have to choose whether to remain council employees and be seconded, or transfer to the new LLP. The council will have a 50 per cent share in the partner-

ship. The contract with Birmingham based Serco is worth £265 million.

It is suggested that this will also allow the council to reduce its use of expensive city centre office space by 35 per cent through creating "community hubs" where staff will be moved out of city centre premises. The council claims this is a 'green' move, reducing its carbon

footprint by reducing the number of journeys its staff and visitors make to the city centre.

This assumes that the council will base these 'hubs' where staff live!

This move continues Glasgow City Councils' strategy of moving away from direct delivery of services having also set up City Building LLP, City Building (contracts) LLP, City parking LLP and a Trust to run culture and leisure services.

# Health Services- different paths in UK and Europe

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The Nuffield Trust has published two reports on devolution and health services: a look at the differences between health services in the devolved administrations and England and a set of essays looking at the values behind the different policy programmes in health across the UK and the European Union.

The first report *Devolution and Health* concludes that there are real policy differences emerging with the devolved administrations focusing more on citizenship while England focuses on “contestability and plurality”. The report does suggest that if information is hard to come by to allow real comparison of the health services. (<http://www.nuffieldtrust.org.uk/publications/detail.asp?id=0&PRid=316>)

In the second report on values the key differences highlighted are:

- Collaboration and collectivism in Scotland
- Similar communication and collectivism in Wales
- Democratic participation, neutrality and the new public health in Northern Ireland, “having a say rather than having a choice”



These are contrasted with England’s use of market and technical solutions and looks at the debates within EU about creating a guide about what could be shared. Many of the authors, in the collection of essays, emphasise that the values claimed by policy makers are often different to those seen in practice in the different health services.

The section on Scotland is written by Professor Kerr (of the Kerr report) and Derek Feeley (Director of healthcare policy and strategy in the NHS Scotland). The report is available from the Nuffield Trust at <http://www.nuffieldtrust.org.uk/publications/detail.asp?id=0&PRid=307>

## IT Outsourcing failures

A recent survey by an online trade magazine has found that two thirds of UK IT chiefs believed that outsourcing rarely achieved the costs savings promised at the start of the deal. The article in *Silicon.com* reports that many are now very wary of outsourcing.

The European Services Strategy Unit reports that more than a hundred outsourced public sector ICT contracts have failed due to delays, cost over runs and terminations over the past ten years. The report is available from <http://www.european-services-strategy.org.uk/news/2007/ict-contract-chaos/>.

### e-Government award for JANET

The JANET shared services system, used by universities and colleges, has won a shared services award at the e-government National Awards.

The JANET network connects the UK’s education and research organisations to each other, via the internet. It claims to be used by 18 million people.

### NHS private sector use unproven

A new study in the British Medical Journal (BMJ) found that there is no evidence that using private mobile treatment centres has benefited the NHS. The study found so little data available from the private treatment centres that it was impossible to assess their worth.

The study also raised concerns about centres using NHS staff rather than employing new workers and diverting NHS money to profit making organisations. The article can be downloaded from <http://www.bmj.com/current.dtl> for a small fee so contact [k.sillars@unison.co.uk](mailto:k.sillars@unison.co.uk) if you want to read the full article.

### Website racks up £2 million

Clackmannanshire Council’s website has now taken £2 million in payments. Around 1000 people have used the site every month to pay council tax, rent and other council invoices.

It took almost three years to reach the one million mark but only another year to reach two. Increasing numbers of people will be paying councils across Scotland for services online rather than by visiting council offices.

### Universities to share HR teams?

The Department for Innovation, Universities and Skills (DIUS) may force universities in England to share HR teams, to try and save £1.5 billion by 2011. The department is looking closely at shared services centres and particularly at merged HR departments as a way to make savings.

## Shared Services critic on Mather's reading list

**Jim Mather MSP, Minister for Enterprise, has apparently been impressed with management guru John Sneddon's criticisms of shared services. Hopefully this is the start of government taken a more realistic view of consultants' claims that shared services will solve all the problems in the public sector.**

Sneddon is critical of managers who want to control rather than manage and who keep power in the centre. He believes that organisations in both the public and private sector work well when they empower those who deliver to make decisions. He is also critical of over scrutinising and the waste of money and time involved in this. He highlights many of the issues raised by UNISON like the costs involved in setting out the various targets and guidelines, the costs of inspection and preparing for inspection rather than delivery and the cost in terms of demoralising staff.

Sneddon is particularly critical of front and back office splits. His experience shows that centralising "back office" functions:

- Removes continuity
- Creates waste, handovers, rework and duplications
- Lengthens the time to deliver a service
- Creates failure demand

Sneddon finds that managers, deprived of local admin support, find ways to recreate and duplicate it locally. He is also critical of standardisation as it inhibits the ability of organisations to deal with variety and change and therefore to meet customers needs quickly and effectively. He believes that many reform initiatives in the public sector take "a dim view of people" - that plans are based on negative assumptions about public sector staff. Setting targets and specifications assumes people don't know what they are doing. It also assumes they don't know what



What's on the bookshelf today Jim?

needs to change and that they need to be coerced to act, despite the fact that most were highly motivated to take their jobs in the first place. The social attitudes survey covered in this briefing shows clear evidence that public sector workers are keen to do a good job.

UNISON is delighted to see that Jim Mather is taking this seriously. More information on John Sneddon's views on public sector reform can be found on <http://www.lean-service.com/home.asp>

### IT staff urged to work in public sector

While many public sector organisations are outsourcing their IT work *Computer Weekly* is highlighting the opportunities available for IT staff to move to work in the public sector.

The article points to the many big projects underway in the public sector including shared services: central government and the NHS in particular are recommended to developers, project managers and infrastructure architects. They stress that the public sector is no longer lagging behind the private sector in term of challenging roles and is now at the cutting edge of IT work.

*Computer Weekly* suggests that the public sector offers competitive salaries, better holiday and pensions entitlements as well as excellent internal development and training opportunities.

### Single Outcome Agreement Guidance issued

COSLA has circulated guidance to chief executives on Single Outcome Agreements (SOAs). The booklet gives guidance on format and indicators to support local government in Scotland in developing their own SOAs.

The guidance will be followed by a number of regional workshops. The SOAs need to be complete and with the Scottish Government by 31<sup>st</sup> March this year and that those agreements will be finalised by the end of June.

These agreements are part of the Concordat between local government and the Scottish Government and underpins the funding provided until 2011. Each council will have its own agreement with government based on 15 key national outcomes agreed in the concordat. The national outcomes reflect the governments National Performance framework.

A draft set of 45 national indicators to track progress towards outcomes with explicit targets is included in the guidance. Local government has been developing a menu of local indicators that councils can select from to monitor progress at a local level. The full guidance can be downloaded from the Improvement Service at:

<http://www.improvementservice.org.uk/news/news-across-scotland/single-outcome-agreement---guidance-format-and-indicators-package-issued.html>

If you are facing any particular challenges from issues highlighted in the bulletin, or if you have good examples of public services succeeding by following the *Revitalise* principles, please contact Kay Sillars in the P&I team. 0870 7777 006.

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