

Four Councils form GO Shared Services to save £673K annually with Agresso Local Government Platform

A considerable business transformation over two years has resulted in a successful project.

The situation

As a result of the UK's public spending deficit, local government organisations in the UK are under acute pressure to make savings with many facing financial ruin if they fail to adapt. This led Cotswold District Council, Cheltenham Borough Council, Forest of Dean District Council and West Oxfordshire District Council to break out from traditional administrative and regional borders and collaborate across their back-office operations, so that they could go beyond simple cost cutting measures and reform services to deliver ongoing, exponential savings.

The councils created GO Shared Services, to provide Finance, Procurement, HR and Payroll back-office transactional and professional services to the member councils and two private companies - Cheltenham Borough Homes Ltd (an Arm's Length Management Company for Cheltenham) and Ubico Ltd (an environmental maintenance organisation). Culturally and technically the level of change for the organisations and their employees would be huge.

The need

"Going forward we knew the project would face scrutiny from the regions' taxpayers and councillors," said Paul Stuart, Head of Finance (East) at GO Shared Services. "To maximise efficiencies we needed one ERP system that would facilitate common business processes across all organisations, but also, where necessary, have the flexibility to adapt to different processes."

The implementation approach would lead to significant cultural and business challenges. Staff and resources from each core function at each organisation would need to be transferred into the single shared service. This would place uncertainty over their future, and for all employees it would completely change the way they interacted with these core functions. In addition, a burning financial software platform at

the Forest of Dean meant that it would become unsupported within eleven months. It was therefore critical that the new system was up and running before this cut-off point.

A rigorous evaluation of ERP technology solutions to be used by the shared service centre was undertaken by SCC using the SPRINT II framework agreement.

"The procurement process concluded that the Agresso Local Government Platform from UNIT4 was the right solution for GO," continued Stuart. "This was based upon its reasonable cost, impressive track record and flexibility. Also, having a single, integrated platform that was provided by a single vendor meant a faster, lower-cost implementation, without the need for GO to deal with multiple suppliers."

GO managed the implementation and configuration of the solution supported by UNIT4's 'Assisted Build' which provided advice and consultancy services.

The Shared Services team used the UNIT4 public sector fast-start approach to create a 'Golden Client', an out-of-the-box ERP solution with standard local government processes that could be rapidly rolled out to the councils. This would keep customisation to a minimum, only localising where absolutely necessary.

GO recognised that the change associated with such a significant shift in working practices, including for instance the cultural impact on users, can negatively impact the adoption and effectiveness of any new shared service. To combat this, Change Co-ordinators were appointed within each organisation. Additionally, Core GO staff also convened at UNIT4's purpose-built training facility in Bristol for instruction on the technical aspects of Agresso so that going forward they supported the solution with confidence. UNIT4

also provided systematic training for business users across member organisations.

This careful management of change, the hard work of all employees, and the determination to include stakeholders at the beginning of project, helped staff hit the ground running with the new systems and the new 'way of working'.

The project was delivered to budget and was live at the Forest of Dean before the critical cut off point for support of its existing finance system.

The Benefits

The councils have brought together four core administrative functions from four separate organisations onto a single Technology Platform that serves 1449 business users. Finance, HR, Procurement, and Payroll services are provided to the businesses with greater flexibility, efficiency and cost-effectiveness. This transformation has enabled the councils to meet the threat of budget cuts over the long-term.

The shared service is on course to deliver cumulative savings of £3.8m over 10 years. With effect from April 2013, the shared service is delivering savings of £673,000 per annum, representing an impressive return on investment of 47%.

Cotswold DC Councillor John Burgess, who is responsible for the newly created GO Shared Services at Cotswold said: "We are always trying to achieve maximum value for Council taxpayers and I think GO Shared Services ticks all the right boxes."

There is now widespread availability of self-service to employees across functions for tasks such as requesting annual leave, claiming allowances and expenses, requisitioning goods, paying suppliers, viewing pay slips and more.

This is significantly reducing the administrative burden on each organisation, contributing to, on average, a 23 per cent reduction in costs per year on back-office services. It is also allowing functional experts to concentrate on delivering great services rather than shuffling paper.

"Not only are we saving money," continued Burgess. "We can now do more with less and, in many instances, do it better because we are bringing together a pool of expertise and experience. For example, we have a team of HR experts that are providing strategic advice on supporting and getting the most from our people where previously this was not available." The GO Shared Services Councils are tracking the Return on Investment (ROI) against a series of pre-determined Key Performance Indicators (KPIs).

Transactional savings:

	Previous baseline unit costs	GO estimated unit costs	% Savings
Creditors	£3.84 per invoice	£2.13 per invoice	45
Debtors	£4.43 per invoice	£3.60 per invoice	19
Payroll	£7.49 per payslip	£4.57 per payslip	39

"For the first time, managers have access to one set of real-time data," said Jenny Poole, Head of GO Shared Services. "Given the need to save costs and navigate tough times, this improved visibility enables managers to make faster and better informed decisions on the deployment of budget and strategy in general."

A single technology platform with data held in one place for each organisation also means that business functions can more easily interact wherever processes cross the organisation.

The Future

GO Shared Services also realised that change is not a destination but a process. All of its clients continue to be impacted by budget pressures and so the service centre is not resting on its laurels. Where appropriate the range of services supported may be extended in order to deliver further efficiency and GO is also hopeful of extending its client base to other organisations.

"What continues to be critical is the flexibility of the business model and the technology that supports it," said Poole. "With this in place we have a firm foundation on which to face the future challenges in the sector."

About UNIT4

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