

# **PROFITING FROM PARTNERSHIP (or another magic formula?)**

**Colin Cram**

**Regional Director**

**North West Centre of Excellence**

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# USA

**80% OF MERGERS 'FAILED' PREDICTED TARGETS**

**60% EXPERIENCED A DROP IN PROFITS IN A RISING MARKET**

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# THE COUNTER VIEW

OVER 80 COLLABORATIONS IN THE NORTH WEST

NUMBER OF COLLABORATIONS (SHARED SERVICE)  
INCREASING

COUNCILS WITH LOWEST ACTIVITY LEVELS HAVE  
HIGHER COSTS (AUDIT COMMISSION)

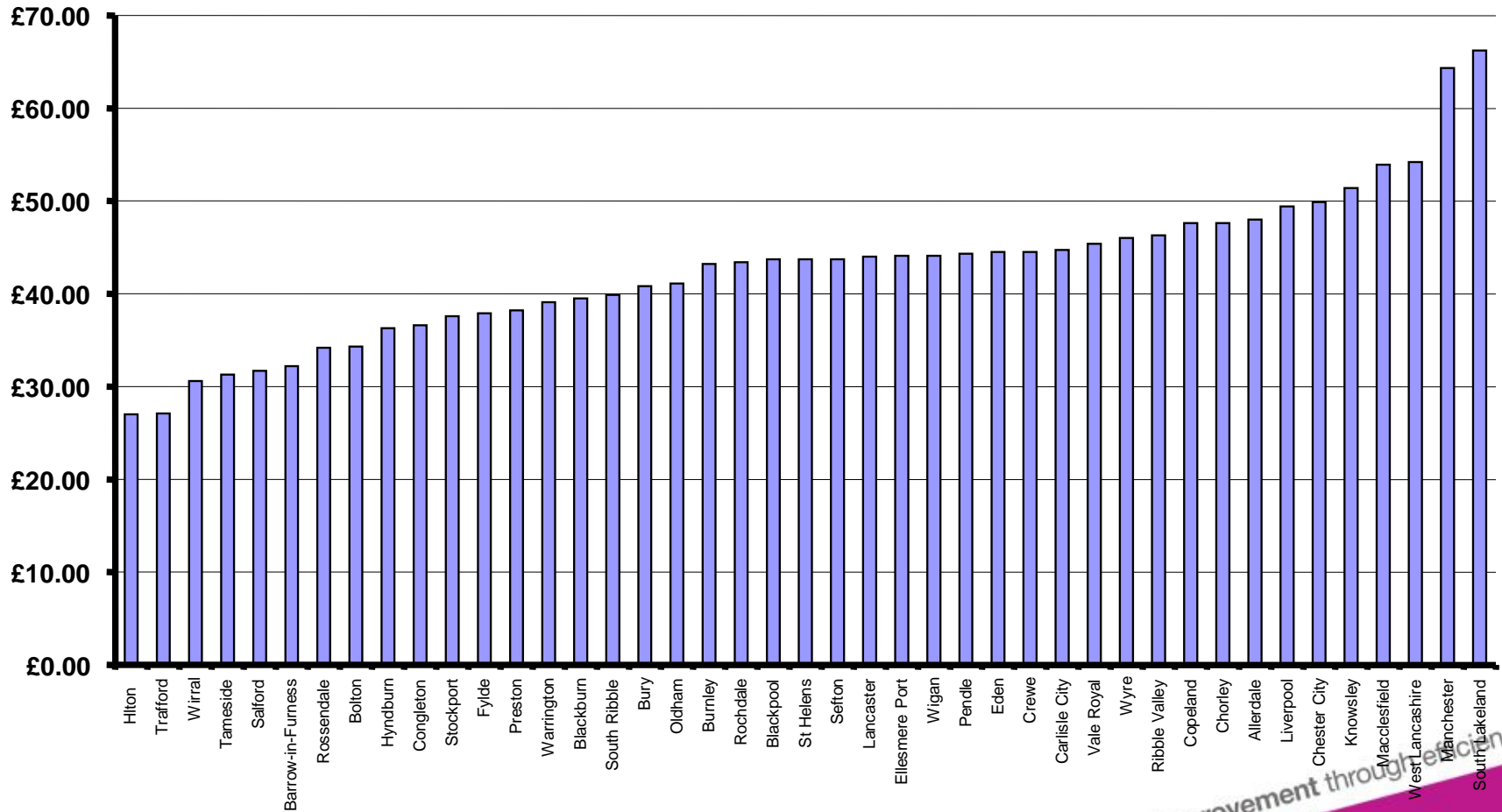
SHARED SERVICES SEEN AS IMPORTANT DELIVERY  
MECHANISM FOR EFFICIENCY AND  
TRANSFORMATION

NUMBER OF PRIVATE SECTOR MERGERS  
INCREASING

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# WASTE COLLECTION

BV86 Cost of waste collection per household in NW 2005-6



# **UK LOCAL GOVERNMENT – SAME SIZE AS “USA”**

**TAX COLLECTION COST**

**PER DWELLING**

**£40**

**NO CLEAR RELATIONSHIP BETWEEN**

- COST AND PERFORMANCE**
- IN-HOUSE OR OUTSOURCED**

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# PROCUREMENT IN THE NORTH WEST

**OPPORTUNITIES IDENTIFIED THROUGH  
COLLABORATION: £150M + PA**

- **BETWEEN LOCAL AUTHORITIES**
- **BETWEEN REGIONS**
- **WITH CENTRAL GOVERNMENT**

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# **LOCAL PASSENGER TRANSPORT: £2,000M PA**

## **EFFICIENCIES THROUGH:**

### **INTEGRATION**

- **WITHIN COUNCILS**
- **WITH NHS**

### **PARTNERSHIP BETWEEN COUNCILS**

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# WHAT IS PARTNERSHIP?

- **BENCHMARKING**
- **IMPORTING BETTER PRACTICE**
- **OFF-LOADING PROVISION TO ANOTHER AUTHORITY**
- **CREATING JOINT DELIVERY GROUP**
- **OUTSOURCING TO PRIVATE SECTOR**

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# **SOME 'PARTNERSHIP' PROJECTS SUPPORTED BY NWCE**

- **CHESHIRE WASTE COLLECTION AND RECYCLING**
- **E-PROCUREMENT**
- **HIGH COST ADULT SOCIAL CARE**
- **CHESHIRE REVS & BENS**
- **SHARED SERVICE PROCUREMENT**
- **E-AUCTIONS**
- **AGMA ENVIRONMENTAL SERVICES/PUBLIC PROTECTION**

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# **BENCHMARKING/COPYING BETTER PRACTICE**

- **LESS CONTROVERSIAL**
- **QUICKER**
- **LESS COSTLY**
- **QUICK BENEFITS REALISATION**
- **HIGH CHANCE OF SUCCESS**

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# SHARED SERVICE/JOINT SERVICE DELIVERY

- **CONTROVERSIAL**
- **LONG TIMESCALE**
- **COMPLEX**
- **HIGHER RISKS TO SERVICE**
- **HIGHER RISK OF NON-COMPLETION**

**BUT: LONG TERM BENEFITS CAN  
JUSTIFY IT**

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# POSSIBLE APPROACH

- **PLAN LONG TERM STRATEGY AND PROGRAMME**
- **GET “QUICK WINS” THROUGH BENCHMARKING AND COPYING BETTER PRACTICE**

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# IDENTIFYING PARTNERSHIP OPPORTUNITIES – FIRST PASS

SERVICE EG	LIKELY DELIVERY TIMESCALE	RESISTANCE TO CHANGE	TECHNICAL DIFFICULTIES	OPPORTUNITIES TO DO THINGS DIFFERENTLY	POTENTIAL BENEFITS	SCORE
REVS & BENS						
PROPERTY						
PROCUREMENT						
CONSTRUCTION						
LEGAL SERVICES						
FINANCE SYSTEMS						
ENVIRONMENTAL SERVICES						

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# BENEFITS ASSESSMENT MODEL

	<b>B/MARKING</b>	<b>IMPORTING BETTER PRACTICE</b>	<b>JOINT DELIVERY</b>	<b>OUTSOURCING MERGED ORGANISATIONS</b>
<b>LOWER COSTS</b>				
<b>BETTER SERVICES</b>				
<b>ACCESS TO EXPERTISE</b>				
<b>INNOVATION</b>				
<b>INCOME</b>				
<b>JOB CREATION</b>				

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# ISSUES AND RISKS

	B/MARKING	IMPORTING BETTER PRACTICE	JOINT DELIVERY	OUTSOURCING
COSTS AND TIME				
PEOPLE				
ORGANISATIONS				
COMPROMISE				
SLOWER PROGRESS				
CIRCUMSTANCES CAN CHANGE				

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# **RULES OF THUMB OF PARTNERSHIP:**

- **CLEAR AND REALISTIC OBJECTIVES**
- **CLEAR BUSINESS PLAN**
- **STRONG PROJECT TEAM**
- **BUSINESS CASE**
- **SELECT RIGHT MODEL**
- **CONSIDER CONSTITUTION SET OF 'CLUB' RULES**
- **RIGHT GOVERNANCE**
- **CLARITY OVER WHO IS RESPONSIBLE AT A HIGHER LEVEL**
- **STRONG SUPPORT FROM THE TOP**

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# **RULES OF THUMB OF PARTNERSHIP**

- **GOOD QUALITY ANALYSIS**
- **CLEAR UNDERSTANDING OF COSTS**
- **PERFORMANCE MEASUREMENT**
- **SUITABLE CONTRACT**
- **FLEXIBILITY** - **GOVERNMENT POLICIES**  
- **CSR07**
- **COMPATABLE STANDING ORDERS**
- **DON'T START UNLESS DETERMINED TO SEE IT THROUGH**
- **DO NOT AVOID ISSUES**
- **USE PROVEN DOCUMENTS**

# RULES OF THUMB OF PARTNERSHIP

- **ONLY COLLABORATE WITH THOSE FIT TO COLLABORATE**
- **ONLY COLLABORATE WITH THOSE WHO WISH TO COLLABORATE**
- **CLARITY OVER WHO DOES THE WORK**
- **MAINTAIN INTERNAL SUPPORT**

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**With thanks.....**

**Colin Cram**

**Regional Director**

**North West Centre of Excellence**

**[colin.cram@tameside.gov.uk](mailto:colin.cram@tameside.gov.uk)**

**Telephone 0161 342 3301**

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