



# Reading Shared Service Arrangement

## Summary

Reading Borough Council (RBC) has successfully established a ground-breaking shared service arrangement with Hampshire County Council (HCC), built directly on the relationship formed from HCC's work with RBC through the Improvement and Efficiency South East's Major Framework on two high profile demonstration projects.

Key to the success of the shared service arrangement is the open and collaborative way in which the two authorities work together, which in itself supports the whole ethos of IESE. Underpinning the arrangement is a simple Protocol setting out the rationale going forward, which is embodied in a Management Arrangement for transparency.

The shared service arrangement is currently delivering a significant proportion of RBC's capital programme, which reflects the confidence in this arrangement and the underpinning detailed working practice already in place.

RBC has benefited from improvement and efficiencies in the order of £100,000s through shared management

arrangements and savings on procurement costs. In addition, the arrangement reflects a desire of both authorities to maximise the benefits of the re-use of the personnel involved and their experience to develop a learning environment for similar schemes.

## Quote

During the Gateway Review at the end of RBC's new HQ feasibility stage, Dave Peasley (acting Chief Executive at the time) said *"the project has gone exceptionally well. Quality advice is given to a level that we have not seen before. There is an overall level of confidence, and problems can be raised and dealt with"*.



## Background and Summary

In the summer of 2007 both RBC and HCC agreed to enter into a formal groundbreaking Shared Services Agreement (Formalised through the Shared Services Protocol under Section 113 of the Local Government Act 1972). HCC is the lead authority for the Construction and Asset Management Partnership for Improvement and Efficiency South East and programmes of work are flowing through the Framework for Major Projects set up on behalf of the south east authorities. The IESE Framework promotes long term collaboration and commitment, sharing knowledge and experience across local authorities and between contractors.

RBC's requirement for a new HQ and a primary school reorganisation at Alfred Sutton were two of the demonstration projects under the South East Regional Major Framework set up and operating on behalf of IESE for all regional authorities. Lessons learned on HCC's own HQ redevelopment at Ashburton Court directly applied to the options appraisal for Reading and the subsequent scheme development.

The Shared Services Agreement is for the placement of architectural and design services staff, employed by HCC, at the disposal of RBC for the purposes of performing RBC's design and property functions for new capital schemes including the Building Schools for the Future programme. It has been created on the basis of a simple Protocol setting out the intentions of the parties, the status of the staff, and makes reference to the Management Arrangement. The Management Arrangement includes the detailed working arrangements, obligations and procedures and reimbursement of costs. It is supported by standard documentation to enable both consistency of approach in relation to the management of projects and a monthly review. It will also enable a review of the programme of works and reflect the variable nature of the workload.

The Management Arrangement reflects the prime objective of IESE and the two authorities to work in an open and collaborative way. It is only through such a commitment, on a long term basis, that effective partnerships result and develop.

## Benefits

The arrangement has benefited from proactive leadership from the key senior staff of both authorities, both engaging and challenging an agenda for improvement. The key benefits achieved can be summarised:

- the use of key staff and consistent design teams to build on experience and knowledge gained, applying across projects and programmes
- open and transparent arrangements to enable monthly decisions on projects and programmes

- developing standard documentation and a database to inform and support future projects
- utilising the IESE Major Framework to avoid the costly and risky traditional tendering approach and process; and utilising the knowledge of Framework Contractors and developing supply chain arrangements
- Significant savings in procurement costs and through shared management arrangements.

## Critical Success Factors

The critical success factors have been that:

- a commitment from both authorities to make the arrangement work with an understanding of the benefits that would result
- the arrangements have developed through the pathfinder schemes (demonstration projects) which formed a platform of trust and confidence
- the development of the open and mature way of working, through monthly project workshops and a monthly account managers' meeting
- a monthly executive arrangement to provide support, deal with issues and open up efficiencies within both organisations
- a consistent resource and robust well respected management arrangements; with real and effective risk management
- a demonstration and challenge to secure best practice

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