

## **A Shared Approach to Building a Better Scotland**

I am pleased to respond to the consultation which addresses issues on which I have sought to generate debate since my office was established by the Parliament in 2002.

The SPSO is an independent and impartial body that investigates individual complaints that the administrative actions and service failures of public authorities in Scotland have resulted in hardship or injustice. Our work includes seeking solutions to unremedied acts of maladministration or service failure.

We cover local government, the NHS, housing associations, universities and colleges, Scottish Executive departments and agencies, regulators, NDPBs, cross-border bodies, the enterprise network, the Scottish Parliamentary Corporate Body (SPCB), and Crown appointees such as the Auditor General, and the Public Appointments Commissioner. Our remit continues to extend as new bodies are created and the range of public services delivered by the private and voluntary sectors increases. This gives my office a unique perspective on the delivery of public services.

I see the Ombudsman as part of the administrative justice framework. We work closely with commissioners, auditors, regulators and others to contribute to improvement in the delivery of public services, and it is in this area that I see opportunities for shared services.

I shall respond according to the questions in the consultation paper. Much of my response echoes the evidence that I gave to the Finance Committee's Accountability and Governance Inquiry in April of this year.<sup>1</sup>

### **Questions 1 to 4**

- 1.1 Like all organisations, the Ombudsman does not operate in isolation. Since devolution, new bodies have been created and it is important that the different roles complement one another and that as much as possible is done to reduce potential duplication.
- 1.2 In my view office-holders have a responsibility to explore all opportunities for joint working, not least to lower the cost of delivering our services. Real savings have already been made - for example, together with the Scottish Information Commissioner, the Commissioner for Children and Young People in Scotland and the Commissioner for Public Appointments in Scotland, we agreed to purchase the same financial system and used the same adviser to install it and train staff in its use. This brought economies of scale, as well as providing back-up for contingencies. Further, the case-management system developed by my office has

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<sup>1</sup> <http://www.scottish.parliament.uk/business/committees/finance/inquiries/actgov/fc-actgov-05.pdf>

been adapted for use by the Scottish Information Commissioner, the Welsh and Northern Ireland Ombudsmen and other bodies in Scotland and beyond. This also represents savings to the public purse.

- 1.3 It is my view that shared services opportunities exist wherever there is broad commonality of process and/or function. The only functions that cannot be shared are those that are 'remit-specific', but any functions that are not unique to the remit of the office-holders could be shared with other offices. I am referring not only to 'back-office functions', such as HR, finance and procurement, but also to 'front-office functions', where I see significant and realisable opportunities for sharing services. For example, the basic process of complaints investigation is fairly generic, and accordingly there are opportunities to shared investigative resources and systems across organisations engaged in this process.
- 1.4 I do not consider that shared services are necessarily dependent on co-location. With the ongoing development of web-based systems, shared services can now be managed efficiently and supplied across different locations. This would allow office-holders to focus on fulfilling their statutory duties by drawing on the functional strength of another body.
- 1.5 I am currently exploring the scope for further cooperation between my office and others in terms of sharing both accommodation and services (HR, finance, IT, procurement, etc.) and the management of complaints investigation. I am confident that such cooperation could generate significant operational efficiencies and a more coordinated service for the public.
- 1.6 It is important that opportunities to share services are factored into the design of new and proposed offices. In my evidence to the Finance Committee I proposed six 'design principles' that could be used by the Executive when considering the establishment of new bodies or changes to the remit of existing organisations. I believe that that an overall design structure is vital to coherent and efficient governance. The principles are:
  1. *Clarity of Remit*: a clear understanding of the office-holder's specific remit
  2. *Distinction between functions*: a clear distinction between different functions, roles and responsibilities including audit, inspection, regulation, complaint handling, advocacy
  3. *Complementarity*: a dovetailing of jurisdictions creating a coherent system with appropriate linkages with no gaps, overlaps or duplication
  4. *Simplicity and Accessibility*: simplicity and access for the public to maximise the 'single gateway'/'one-stop-shop' approach
  5. *Shared Services*: shared services and organisational efficiencies built in from the outset
  6. *Accountability*: the establishment of clear, simple, robust and transparent lines of accountability appropriate to the nature of the office

#### **Questions 5 to 8**

- 1.7 I believe that there are no particular risks associated with the delivery of shared services that cannot be addressed by competent management and effective leadership. I am not convinced by the argument that sharing services necessarily compromises the independence of office-holders. There should be a clear distinction between 'the function', the 'office-holder' and 'the office'. It is possible

to maintain the independence of office-holders whilst pursuing the integration of offices and shared services.

- 1.8 I recognise staff fears about shared services, especially in terms of potential impact on jobs and locations. When the SPSO was established, three offices were merged. Hence, my staff and I have direct experience of the difficulties and also the benefits of such mergers.
- 1.9 It is important that staff are consulted and kept informed throughout the process of identifying, planning and delivering shared services. Good communication is essential and should alleviate many concerns. The benefits to staff of properly considered and properly delivered shared services should be stated, especially in terms of support services and career development.

#### **Questions 9 to 11**

- 1.10 I support the need for a proper national shared strategy for the public sector. For such a strategy to succeed, it will need strong, visible and continued political support, backed up by the appropriate allocation of resources.

#### **Question 12**

- 1.11 In my testimony to the Finance Committee, I welcomed the increasing acceptance of the need to review the administrative landscape in Scotland and to design a framework in which organisations and office-holders can operate effectively and efficiently. There is a need to find what model best fits Scotland's history and aspirations, its size and political context. Models of governance in other countries can be instructive, and can be used to inform the debate, but we must find the best design for Scotland's needs.
- 1.12 An administrative model that promotes good organisational design and maximises operational efficiencies, such as shared services, will deliver better and more cost-effective services for the people of Scotland.

#### **Question 13**

- 1.13 Broadly, I support the guiding principles as published.

#### **Questions 14 - 16**

- 1.14 I am restricting my comments to my own area of activity and expertise, but please note 1.3 and 1.4.

#### **Questions 17 to 19**

No specific comments.

#### **Questions 20 to 23**

- 1.15 The appropriate and creative use of ICT has an important role to play in facilitating shared services and other operational efficiencies. I would welcome in principle the creation of a national strategic body to consider public sector ICT.

#### **Questions 24 to 26**

- 1.16 The SPSO recognises the advantages of sharing services in terms of procurement. However, such advantages are not limited to economies of scale and stronger bargaining positions. Shared services should also allow the development of deeper and more mutually beneficial partnerships with suppliers. It would be disappointing if there was a focus on short-term competitive advantage at the expense of building longer-term partnerships.

#### **Question 27**

No specific comments.

#### **Questions 28 and 29**

- 1.17 I would refer to 1.5.

#### **Questions 30 and 31**

- 1.18 I am encouraged by the emphasis now being placed by both the Parliament and the Executive on identifying opportunities for such synergies as shared services and in their ambition to see the delivery of the benefits. Such support and sponsorship is essential.
- 1.19 The delivery of the shared services requires strong leadership and effective management, particularly in relation to existing bodies. We have a need for managers with the appropriate skills but we also need leaders who can see the possibilities and who can overcome resistance to delivery.

#### **Questions 32 to 34**

No specific comments.

#### **Questions 35 and 36**

- 1.20 I recognise the clear need for personnel with the right skills, particularly in organisational design and change-management, to be available to lead and support the realisation of shared services.
- 1.21 The appropriate use of external personnel, including consultants and consultancies, may be necessary but I would like to see a greater emphasis being placed on improving management and leadership skills within the public sector. All public sector organisations have an obligation to seek continual improvement in

**efficiency and effectiveness. Such progress needs to be driven and ideally delivered from within, and not without, organisations.**

**Questions 37 to 41**

**No specific comments.**

**I welcome the Executive's approach to and emphasis on shared services. I would be pleased to contribute in any way I can to the design and delivery of the strategy.**

**Professor Alice Brown  
Scottish Public Services Ombudsman  
28 July 2006**

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Please complete the details below and return it with your response. This will help ensure we handle your response appropriately. Thank you for your help.

Name: Emma Gray, Communications Manager, Scottish Public Services Ombudsman  
Postal Address: 4 Melville Street, Edinburgh, EH3 0BR

- 1. Are you responding: (please tick one box)
  - (a) as an individual  go to Q2a/b and then Q4
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- Yes
- No

