# Shared Services Strategy for Government

Government
Shared Services

Cabinet Office

March 2021

**Ministerial introduction: Parliamentary Secretary for the Cabinet Office, Julia Lopez MP, endorses reform of Government Shared Services. She said:**

"Tackling the coronavirus has been the biggest peacetime challenge faced by the Civil Service for 150 years. Despite this, the Civil Service always aspires to reach the very heights of professional excellence. The pandemic has proved, beyond doubt, the benefits of - and need for - agile back-office systems. It has opened our eyes to what is possible, and how we can be more efficient and cost-effective. This new Shared Services Strategy will iron out any systemic inefficiencies to leverage advances in technology, and improve our central processes, so that together we have more time and mental bandwidth to focus on delivering what the UK Government stands for.

"The Shared Services Strategy will bring together core functions of a business into a single simplified centre to save time, cut back-office red tape and offer taxpayers better value for money. It will provide one operation that is simpler and smarter. It will eliminate the duplicated effort that saps energy and morale, and will claw back the thousands of hours that we would all rather spend helping people recover from the impact of the pandemic than filling in data fields on an outdated form.

- Better, streamlined services that relieve the burden of bureaucracy;
- Modern systems that are easy and quick, to free up your time;
- Lower costs, to offer better value for money for the taxpayer.

"By streamlining services and modernising our systems, being bold about adopting new technologies and capabilities, we know that we can drive down the costs associated with payroll, processing invoices and servicing contracts.

"I look forward to working together in pursuit of this common goal of saving time, effort and money to help the country to level up and unite; to flourish outside the European Union, and to build back better and greener so that citizens and communities everywhere can thrive and prosper."

*Julia Lopez MP*

**Introducing the Shared Services Strategy for Government, Matthew Coats, Director General, Government Business Services, said:**

"I am pleased to launch our Shared Services Strategy which will positively impact on the lives of civil servants by delivering modern cloud-based systems and time-saving processes which harness the power of automation.

"A new Shared Service Centre approach will result in higher productivity and a standardisation of business needs, and make the most of high-quality resources, leading to lower costs. We also want to get user experience right, through a comprehensive transformation process, improving efficiency and delivery for busy civil servants. These services are something that all civil servants have in common. They're part of the fabric of our organisation, something that connects people together.

"We  want to deliver services that are better value for money, and cut through processes which cost time and money. The three overarching objectives we are working to are:

1.  Meeting end-user needs, promoting excellence and convenience for both staff and managers.
2.  Delivering value and efficiency, including by separating technology from Service Centres, and including all transactional services.
3.  Convergence around processes and data, including the consolidation and modernisation of technology platforms, while maintaining choice for departments.

"Our strategy will allow the Civil Service to deliver insight; continuously improve to drive down costs; develop accessible, intuitive, and useful systems for civil servants; and innovate and embrace competition.

"Our ambition is to free up civil servants to focus on what they do best: engaging with, and delivering for citizens. The strategy will encourage greater collaboration, help reform government and play a part in emphasising interoperability across government. Our updates to Shared Services will be more accessible and useful for staff, all in line with global industry standards."

# Strategic context

*We are adopting a converged approach, offering standardisation of business needs, reducing competition for skilled resource and delivering lower costs. Following Lord Maude's advice to Cabinet Office ministers, we are introducing five Shared Service Centres which will deliver more for less by prioritising data, and addressing process debt. Moving to cloud-based Enterprise Resource Planning (ERP) and automation, to make systems quicker and easier to use, means we can deliver savings and benefits. We must capitalise on the shift to working remotely and to the increasing reliance on digital services to accelerate our transformation and support civil servants to be more agile.*

| | | | |
|---|---|---|---|
| **Our objectives** | **1. Better experience for all users** using intuitive systems that are easy to use and mobile-enabled. | **2. Efficiency and value for money** better systems and services which support productivity and seek to reduce costs. | **3. Standardised processes and data** to support interoperability, making it easier to understand and compare corporate data. |
| **What it looks like now** | Our shared services framework uses a Net Promoter Score. This is an industry-standard customer experience score which has been adopted as the measure for end user satisfaction rates. | High implementation costs reduce the return on investment and can lead to compromises being made in an effort to reduce cost. | Our systems are highly customised. Change decisions are taken in isolation. Data is siloed, and analysis and reporting is conducted in off-system spreadsheets. |
| **What change can bring** | Systems are quick and easy to access on any device, freeing up time for people to focus on their jobs. Support needs and costs reduce as users are able to navigate tasks intuitively. | Commercial convergence increases buying power and reduces implementation costs. | Lean end-to-end processes, powered by intelligent automation, to deliver reliable data, for example, to support workforce management across government. |

# Shared Services Strategy for Government

## What we want to achieve:

Delivering **better services**, through **modern systems**, at a **lower cost**. This means:

**1. A better experience for all users** with systems that are intuitive, easy to use, and mobile-enabled.

**2. Efficiency and value for money** through better systems and services, which support productivity and reduce costs.

**3. Standardised processes and data** to support interoperability, making it easier to understand and compare corporate data.

## What we are going to do:

We are transforming shared services to make them **smarter**, **swifter** and more **streamlined**.

We are bringing together back-office government finance and HR transactions to deliver a transformed customer experience for civil servants.

We will do this by delivering cost-effective systems and modernising and simplifying complex processes.

In making these changes, we will cut out bureaucracy, free up civil servants' time to focus on serving the public and, by transforming, we will deliver an improved user experience.

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# Shared Services Strategy for Government

*The future of central government shared services is contingent on a number of key workstreams: Shared Service Centres, commercial, process, data, quality measures, better systems and services, and transformation to realise user experience.*

**1. Shared Service Centres:**
Five Centres - departments in each Centre work together to design a common operating model, implement standardised, common Cloud based Enterprise Resource Planning (ERP) services.

**2. Commercial Convergence:**
Secure value, with central frameworks as the route to market, supported by a national pricing model for major ERP suppliers, driving commercial tension and flexibility.

**3. Data Convergence Priorities:**
Common data standards for insight-driven decision-making. Improved data sharing in departments through integration and between departments with interoperability.
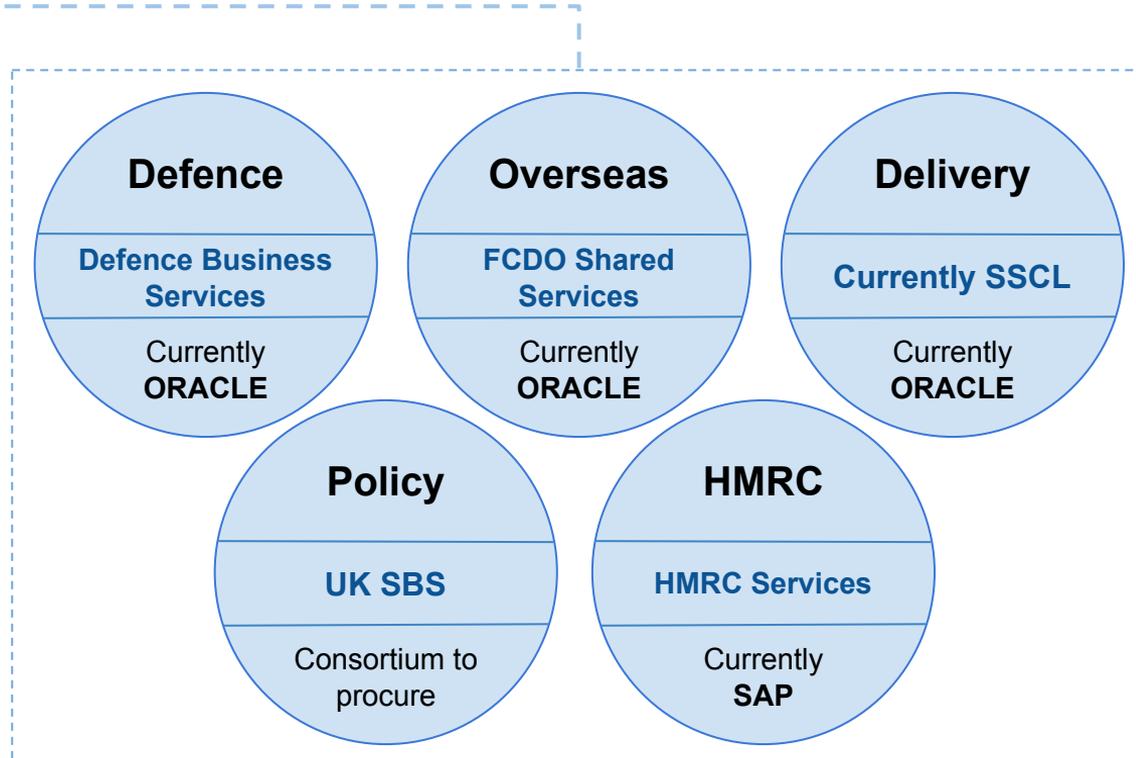
**4. Process Transformation Priorities**:
Process improvement to transform services and user experiences, through policy standardisation, automation and interoperability. The priorities are Joiners, Movers and Leavers (JML), and Source to Pay (S2P).
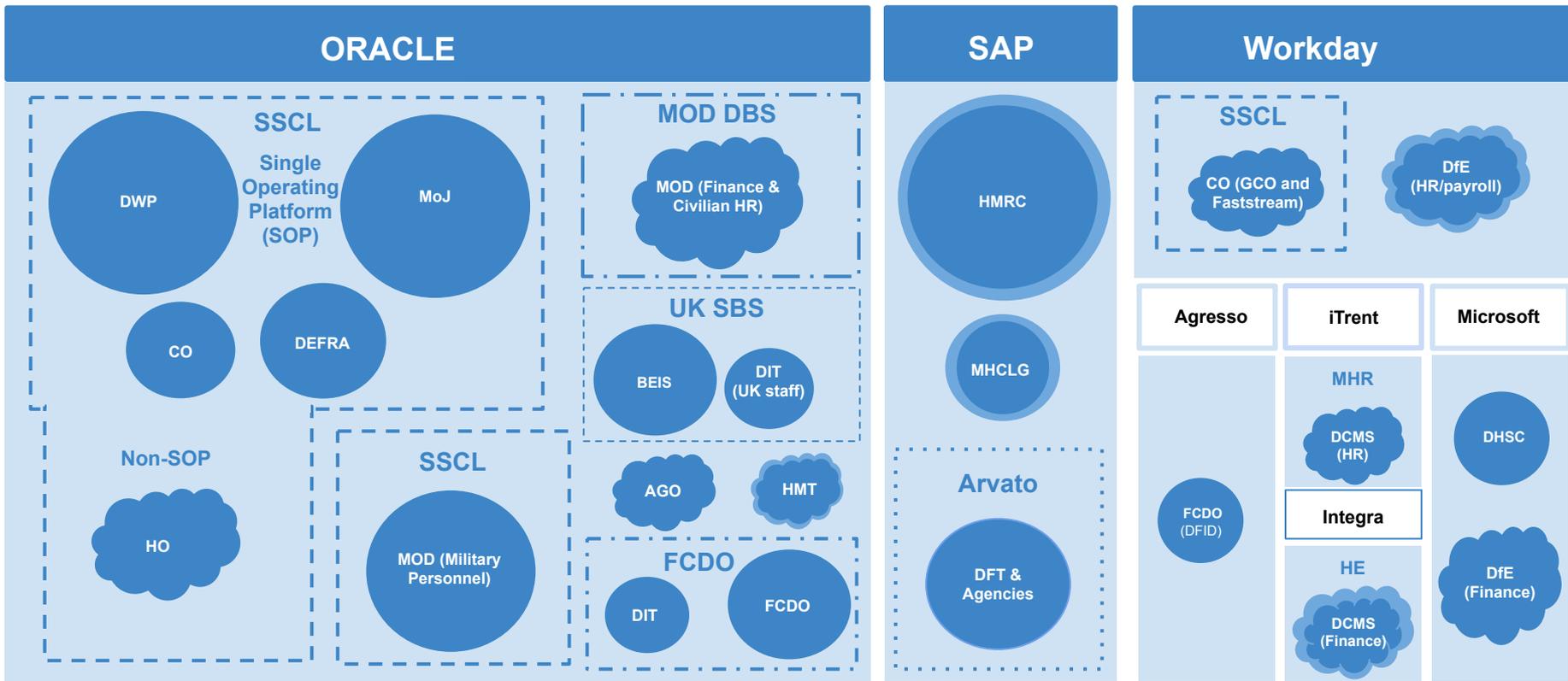
**5. Performance and Quality:**
User experience is at the heart of successful transformation; all Centres will use the Net Promoter Score to measure satisfaction. Regular reporting by all Centres against standard Key Performance Indicators.

**Defence**

**Defence Business Services**

Currently **ORACLE**

**Overseas**

**FCDO Shared Services**

Currently **ORACLE**

**Delivery**

**Currently SSCL**

Currently **ORACLE**

**Policy**

**UK SBS**

Consortium to procure

**HMRC**

**HMRC Services**

Currently **SAP**

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**ORACLE**

**SSCL**

**Single Operating Platform (SOP)**

DWP

MoJ

CO

DEFRA

**Non-SOP**

HO

**SSCL**

MOD (Military Personnel)

**MOD DBS**

MOD (Finance & Civilian HR)

**UK SBS**

BEIS

DIT (UK staff)

AGO

HMT

**FCDO**

DIT

FCDO

**SAP**

HMRC

MHCLG

**Arvato**

DFT & Agencies

**Workday**

**SSCL**

CO (GCO and Faststream)

DfE (HR/payroll)

Agresso

iTrent

Microsoft

FCDO (DFID)

**MHR**

DCMS (HR)

Integra

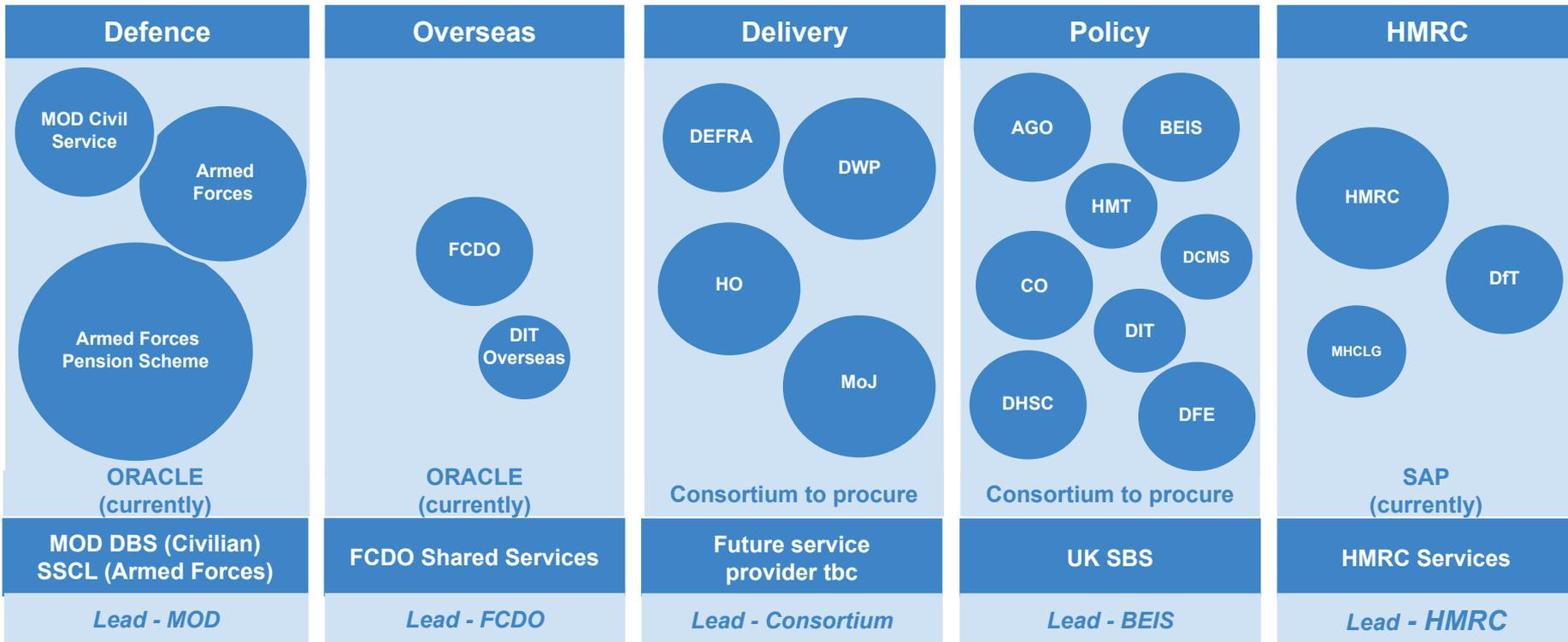**HE**

DCMS (Finance)

DHSC

DfE (Finance)

**Notes**

GSS scope includes the three territorial offices for the UK.
Devolved administrations are outside scope.
Landscape pre-dates machinery of government changes which created FCDO.

**Key**

Departments not on cloud and with an in-house service provider

Departments already on cloud

Departments already on cloud and with an in-house service provider

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Government Shared Services

Cabinet Office

There are four considerations in deciding the number of Shared Service Centres: scale, competition, affinity, and time to deliver. Five Centres for all of government creates affinity, encourages competition and retains sufficient scale. We are working with departments to create this over the next couple of years.



| Defence | Overseas | Delivery | Policy | HMRC |
|---------|----------|----------|--------|------|
| MOD Civil Service, Armed Forces, Armed Forces Pension Scheme | FCDO, DIT Overseas | DEFRA, DWP, HO, MoJ | AGO, BEIS, HMT, CO, DCMS, DIT, DHSC, DFE | HMRC, DfT, MHCLG |
| ORACLE (currently) | ORACLE (currently) | Consortium to procure | Consortium to procure | SAP (currently) |
| MOD DBS (Civilian) SSCL (Armed Forces) | FCDO Shared Services | Future service provider tbc | UK SBS | HMRC Services |
| Lead - MOD | Lead - FCDO | Lead - Consortium | Lead - BEIS | Lead - HMRC |

# 2. Commercial convergence

*Departments and the commercial function will work together to deliver value for money by using central frameworks and national pricing models, driving commercial tension and ensuring Service Centres maximise technology, as transformation moves us into the cloud. Implementing automation and a single Software as a Service (SaaS) system for each Centre will deliver efficiencies.*

## Departments working together to drive lower costs for all as they move to cloud:

### 1. Buying as a Centre

The route to market is through Crown Commercial Service (CCS) frameworks to compete for Enterprise Resource Planning (ERP), System Integrator (SI), and Business Process Services (BPS).

The Cabinet Office Controls requirements and Centre pipelines will support convergence on technology and Shared Service Centres.

### 2. Commercial tension

This will be created in both the initial sourcing, and throughout the contract life.

Clear, outcome-driven requirements, focusing on standard processes and benchmarking, to drive supplier innovation.

Maintaining the commercial pipeline for future opportunities.

### 3. Flexible Business Process Services

These will deliver effective and efficient use of the ERP; optimising self-service and automation.

Continuous improvement to take advantage of emerging ERP capabilities.

Opportunities for BPS to provide data analytics and interactive, user-centric knowledge tools.

# 3. Data convergence - priorities

*Insight-driven decision-making from accurate data, for the whole of the Civil Service. Applying data definitions and standards, set and monitored by the GSS Design Authority. Achieving common data sets across all functional domains, such as HR, finance, property and procurement. Improving data-sharing within departments through integration, and between departments with interoperability.*

## Current landscape

- Slow, manual processes require manual reconciliation and intervention to complete.
- Partial implementation of functional standards and policies, resulting in inconsistent data sets that are hard to share across systems and services.
- Data entered into systems often requires revalidation and multiple entry, adding extra steps into processes and increasing the likelihood of errors and delays.
- It is hard to track end-to-end processes across the systems that deliver shared services due to differences in the way data is captured and held.
- Systems and services across the Civil Service operate in silos. This makes interoperability hard to deliver.

## Future landscape

- The disparate and complex government landscape is able to act as one Civil Service, exchanging information seamlessly.
- Data shared and integrated so all departments are able to work together more effectively in the achievement of business outcomes for the back-office and the public.
- Using information input once that can be reused across system and departmental boundaries.
- Consistency of data and process enables an increasing number of services to become automated, making the Civil Service more efficient.

| Data standards | Data integration | Data interoperability | Data analytics and insights |
|---|---|---|---|
| Data standards will help eliminate siloed working, enabling effective and efficient sharing of information, securely and consistently across Centres and functions. | Maturity assessment of the flow of data between systems and services will lead to best practice information exchange between systems. | Departments will work according to the standards set by the functions to ensure accurate data is available for processing without intervention. | Use of standardised data through integrated, interoperable services, to deliver cross-government insights that enable evidence-based decision-making. |

*Joiners, Movers and Leavers (JML) is an agreed priority HR process. End-to-end reviews will consider process improvement through policy standardisation, process improvement, HR data standards, automation and interoperability. The lessons identified will be applied to further global processes.*

## Insights

We know that successful candidates submit the same data many times on eight or more unconnected systems, with poor user experience for the end-to-end process.
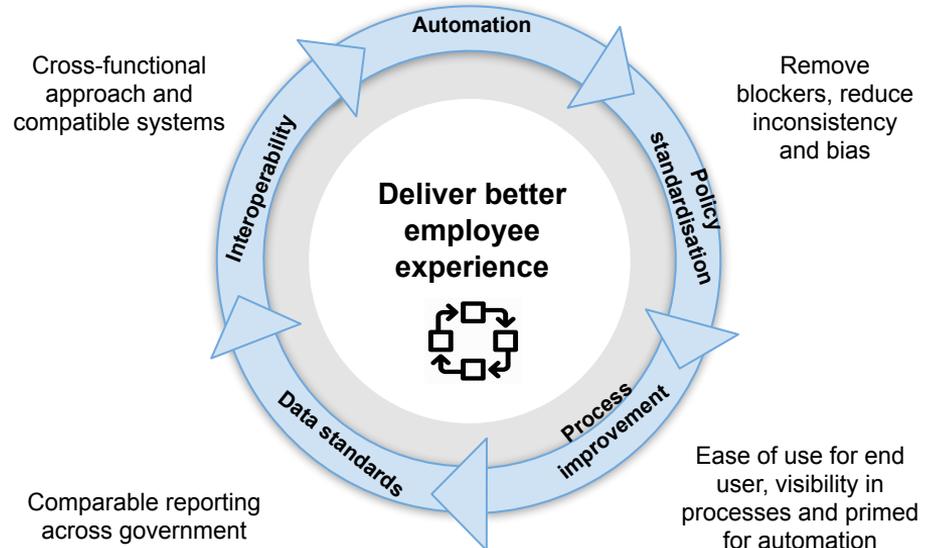
## JML deliverables

1. Improve efficiency:
   ➢ **Reducing** office processing time.
   ➢ Enhanced **data integrity** and **reporting** capability (comparing like for like across systems and functions).
   ➢ Develop **reusable** (cross-government) **automation** collateral.
2. Enhance **user experience**:
   ➢ 'Tell us once' - **remove duplicative** actions.
   ➢ **Drive-down bias** in recruitment systems and policies.
   ➢ Reduce staff underpayments and overpayments - **lowering government debt** and the need for emergency payments.

## Quick wins / tactical solutions:

1. Increase use of recruitment reserve lists.
2. Develop online assessment tools for recruitment.
3. Continue to drive out recruitment bias.
4. Embed security information for movers into the Civil Service staff transfer form.
5. Government Recruitment Information Database (GRID) platform: real-time attraction report to measure campaign performance.
6. Tell us once approach to data between HR, IT and estates.

## Lead: Government Business Services

Reusable collateral across government, reducing processing time

Cross-functional approach and compatible systems

Remove blockers, reduce inconsistency and bias

Ease of use for end user, visibility in processes and primed for automation

Comparable reporting across government

Automation

Interoperability

Policy standardisation

Process improvement

Data standards

**Deliver better employee experience**

# 4b. Process transformation - Source to Pay

*Source to Pay (S2P) is an agreed priority process. End-to-end reviews have considered process improvement through the Government Finance Function and Government Commercial Function convergence workstreams for Source to Contract (S2C) and Purchase to Pay (P2P). Automation and interoperability across both processes is now being considered, with a view to creating an integrated end-to-end S2P process.*

## Insights

Cloud-based ERP technologies, enabled by streamlined and automated processes, increase efficiency and improve reporting productivity.

Departments process millions of invoices every year.

Not all of these invoices are automatically processed and routed for payment: thousands take additional effort to resolve.

## Source to Pay deliverables

1. Production of a **seamless end-to-end process**, combining existing best practice S2C and P2P processes.

2. Supplier gives information once, **removing duplicative actions.**

3. Pay suppliers sooner – **improving prompt payment** through standard process and reducing need for same-day payments.

4. Enhanced **data integrity** and **reporting** capability (comparing like for like across systems and functions).

5. Develop **reusable** (cross-government) **automation** collateral.

## Key performance indicators

1. Reducing cost per invoice.
2. Improving prompt payment of invoices.

## Quick wins

- Monitoring compliance to P2P global design principles (GDP) annually.
- S2C and P2P data standards to be signed off and published.
- S2C GDP and process maps to be signed off and published.
- Gathering data to inform identification of further S2P deliverables.
- Combine S2C and P2P process maps to create a seamless end-to-end process.
- Alignment of GDP to eliminate any discrepancies where processes cross.

*Getting user experience right is at the heart of successful transformation. Baselining and benchmarking across government, using a standard set of key performance indicators. Regular reporting on cost and quality, to measure value for money and service. Using comparative data, including external insights, to focus on continuous improvement. Improving employee experience by exploiting technology such as integrated applications, smart forms, and providing the ability to use private devices securely. Working with the central HR and finance functions to deliver projects where modernisation and reform can be secured.*

## Service transformation goals

**1** **Automation by default - insource to the ERP** with the removal of forms, automating approvals for rule-based decisions and single input transferred automatically to multiple systems.

**2** **Digitally-enabled services for specialist users** with integrated systems, providing real-time insight, removing duplicate data sources and giving a single version and location of truth.

**3** **Supporting civil servants** through self-service, using artificial intelligence and chatbots for swift query-resolution, and enabling services to support financial wellbeing.

**Baseline and benchmarking**
Departments will be accountable for user experience, delivering quality outcomes through common standards, matching industry standards and best practice.

**Continuous improvement**
Key performance indicators will be reviewed and will evolve over time. For example, automation will require a new set of measurements to ensure quality outcomes are maximised.

## Core key performance indicators for government:

**Payroll accuracy**
**98.5% of people records paid correctly** - a measure capturing quality based on current practice.

**Invoice accuracy**
**99.5% of invoices paid correctly** with thresholds on net values of errors - a measure capturing quality based on current practice.

**End-user satisfaction**
**Net Promoter Score improvement** achieved within **24 months** of adoption.

**Government transfers**
**95% of transfers completed** within the agreed **end-to-end timeline** (measured through separate component parts).

**Mobility of service**
Ensuring users have **easy access** to shared service systems from a range of **devices and mobile applications.**

# Measuring success

*We are working with departments to establish five Shared Service Centres, each with a roadmap and agreed future date for consolidating onto a single Software as a Service (SaaS) system. We are developing a suite of metrics for the other workstreams against which we can measure success.*

### Shared Service Centres
- There will be five Shared Service Centres: Defence, Overseas, Delivery, Policy, and HMRC-led.
- Departments in each Centre will work together to design a common operating model, share business process services and implement standardised business management tools, shifting away from transactional to outcome-focused transformational services.

### Commercial convergence
- Establish CCS Frameworks to deliver an effective and consistent route to procurement.
- Develop Government Business Service's role in applying Cabinet Office Controls to support alignment with the Strategy and ensure value-for-money decisions are taken on routes to procurement.

### Data convergence priorities
- Core standards for HR, Finance and Commercial will be defined.
- Define standard classifications of data flow best practice, create and define usage of a Single Employee ID across the Civil Service by all departments. An integration blueprint will be created for use by departments.
- Quarterly performance collection and maturity assessment will ensure we monitor and assure implementation and use.
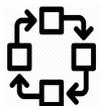
### Process transformation
- Joiners, Movers and Leavers: Improve efficiency and enhance user experience. Reduce staff under/overpayments.
- Source to Pay: Create a seamless end-to-end process, improve prompt payment rates and automate collateral.

### Performance and quality
- Measure user experience with a Net Promoter Score (NPS).
- Regular reporting against a standard set of key performance indicators on staff payments and invoices.
- 95% of staff transfers completed within an agreed end-to-end timeline.

**Government Shared Services**

**Cabinet Office**

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