

London Sharing!

Doing what we do, only better

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London Higher

- About London Higher
- The London Context
- A brief history to shared services in London
- London Higher Feasibility Study - Some findings
- A new model for HE services?



About London Higher

Supporting Collaborations with Higher Education

Working with HEIs to...

- Identify opportunities and threats
- Collate data & canvass opinions
- Ascertain interest & communicate outcomes

Working with partners to...

- Run efficient HE collaborations (e.g. Study London, Podium, London Business Development)
- Develop and set-up new collaborative opportunities (e.g. SHELL, London Medicine)
- Promote the benefits of HE in London



Slide 2

I1

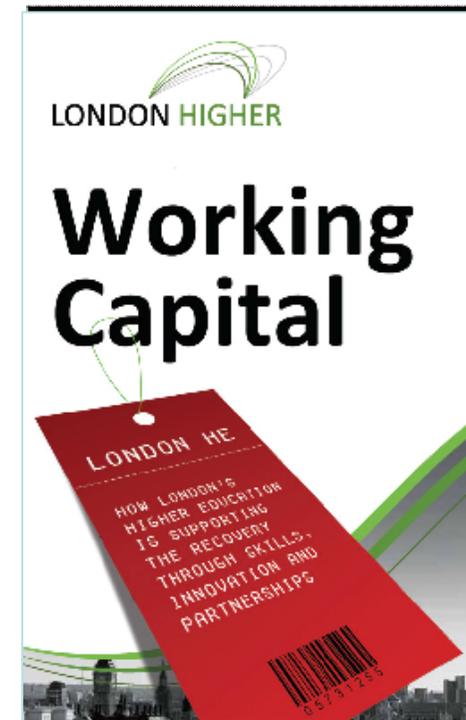
liz.afolabi, 08/11/2010

The London Context

London is a global city; it offers both opportunities and challenges

London in numbers...

- **Some 8 million** people
- **300** different languages spoken
- **>400** secondary schools
- **4** of the most deprived boroughs of the UK
- **40** publicly-funded HEIs
- **£12 billion** generated each year by HEIs
- **>400,000** students from UK & overseas
- **94,000** HEI staff
- **30%** share of research grants
- **90,000** international students



A Brief History of Shared Services

The barriers have been substantial – and not unique to London

Timing: when is good for you?

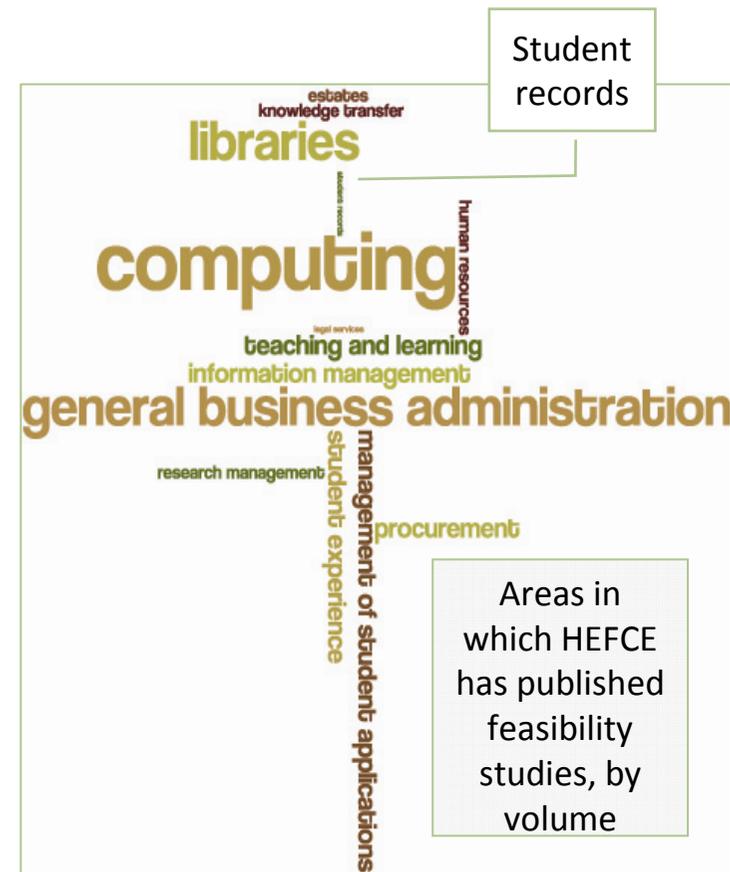
- No real 'push' to share ... until now!
- Business cycle often mis-matched

Locus: who's asking the question?

- External (cf. HEFCE feasibility studies)
- Internal (cf. Turkeys & Christmas)

Investment: the cheque is in the post...

- Very few £s offered up-front
- VAT means little return



Feasibility Study

To explore the extent of, and appetite for, shared services across London HEIs

Survey of Heads of Institution

- What services do you currently share & which would you be interested in sharing?
- 25 responses (61%)

Survey of Finance Directors

- What are your costs on 17 core services?
- 12 full responses (30%)

Interviews

- What are the barriers and work-arounds?
- 29 consulted

Our feasibility study was conducted by **Grant Thornton**. The full report can be downloaded from our website:

[www.londonhigher.ac.uk/
sharedservices.html](http://www.londonhigher.ac.uk/sharedservices.html)

Definition

The issue of misunderstanding

Shared services are

- “Services required by more than one institution, which have been managed into one entity or extended to serve multiple institutions from one host in order to improve service quality and/or efficiency”
- “Can involve sharing of services between a number of collaborating HEIs, and sometimes between HEIs and other bodies such as FE colleges and local authorities”.

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Key Findings

*HEIs are still sceptical of sharing services;
specialist HEIs are the most interested*

Current Shared Services

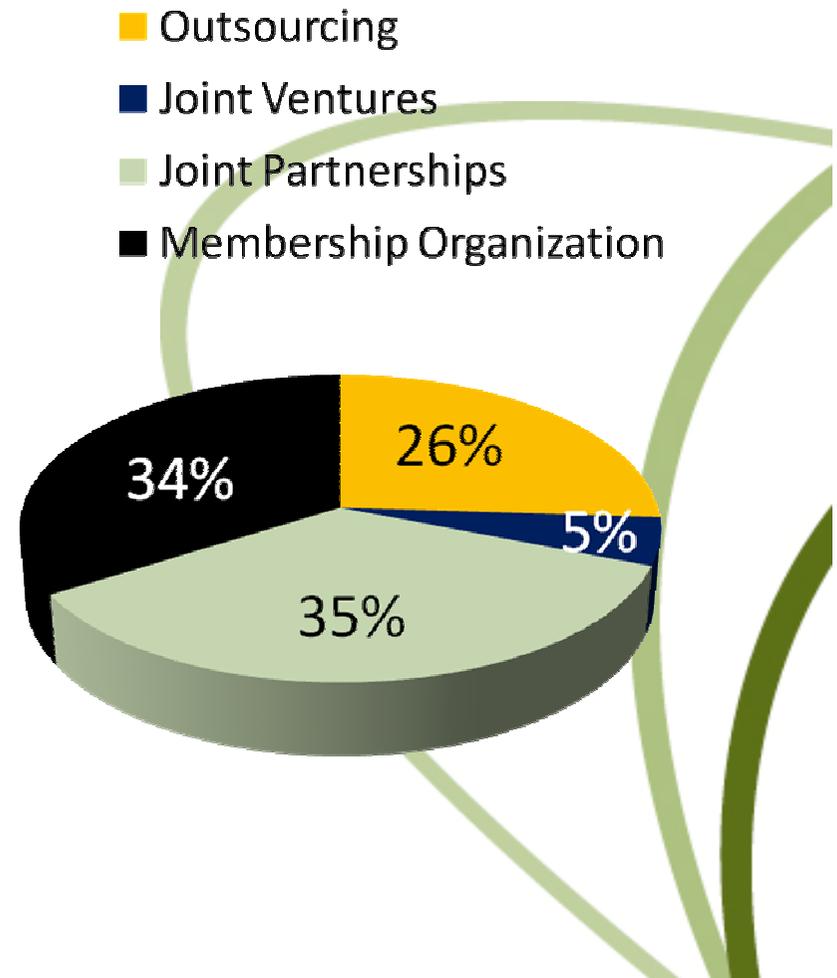
- Mainly front office
- Lack of understanding (cf. outsourcing)

Real Benefits

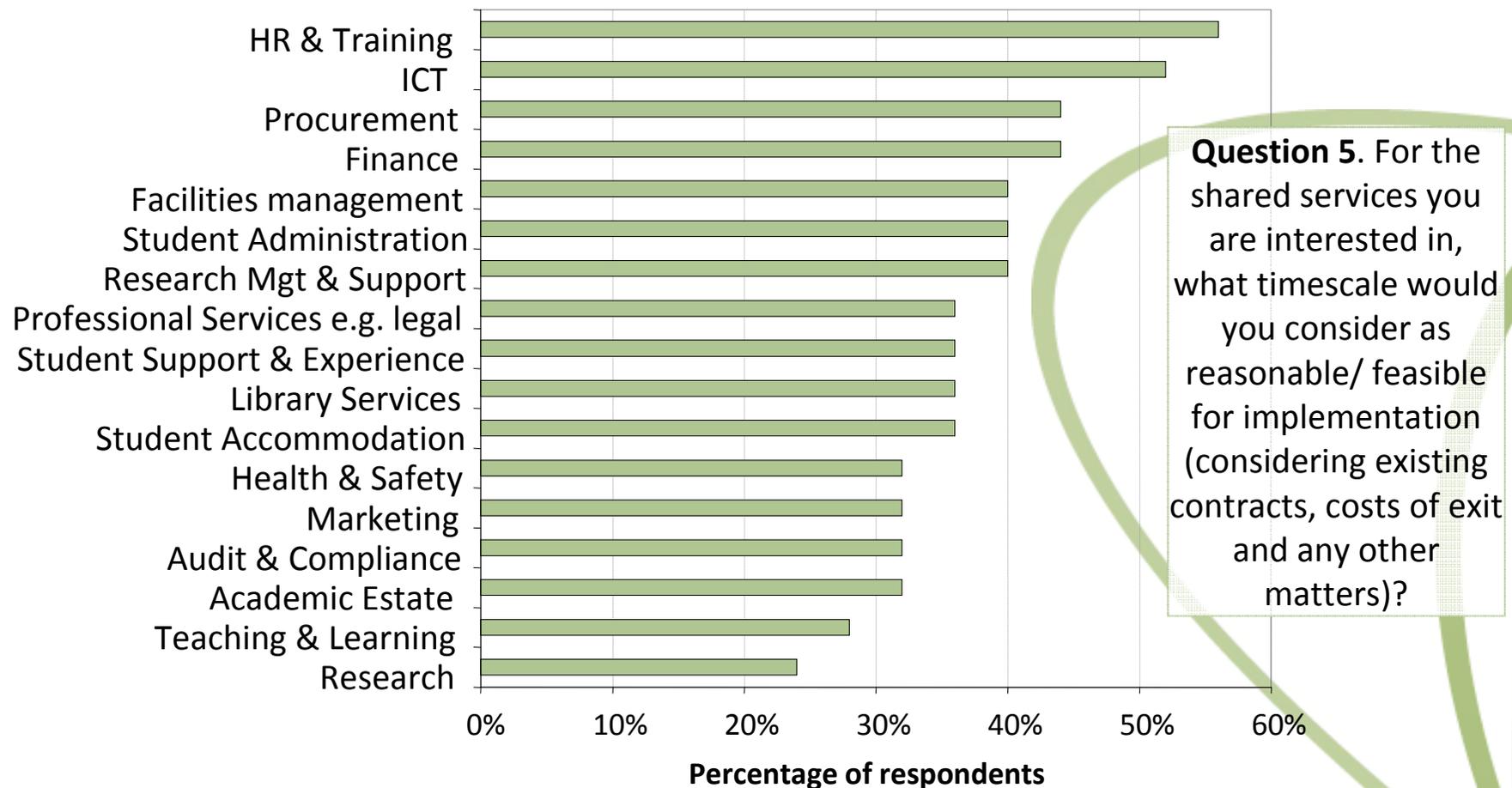
- Quality and resilience

Myths

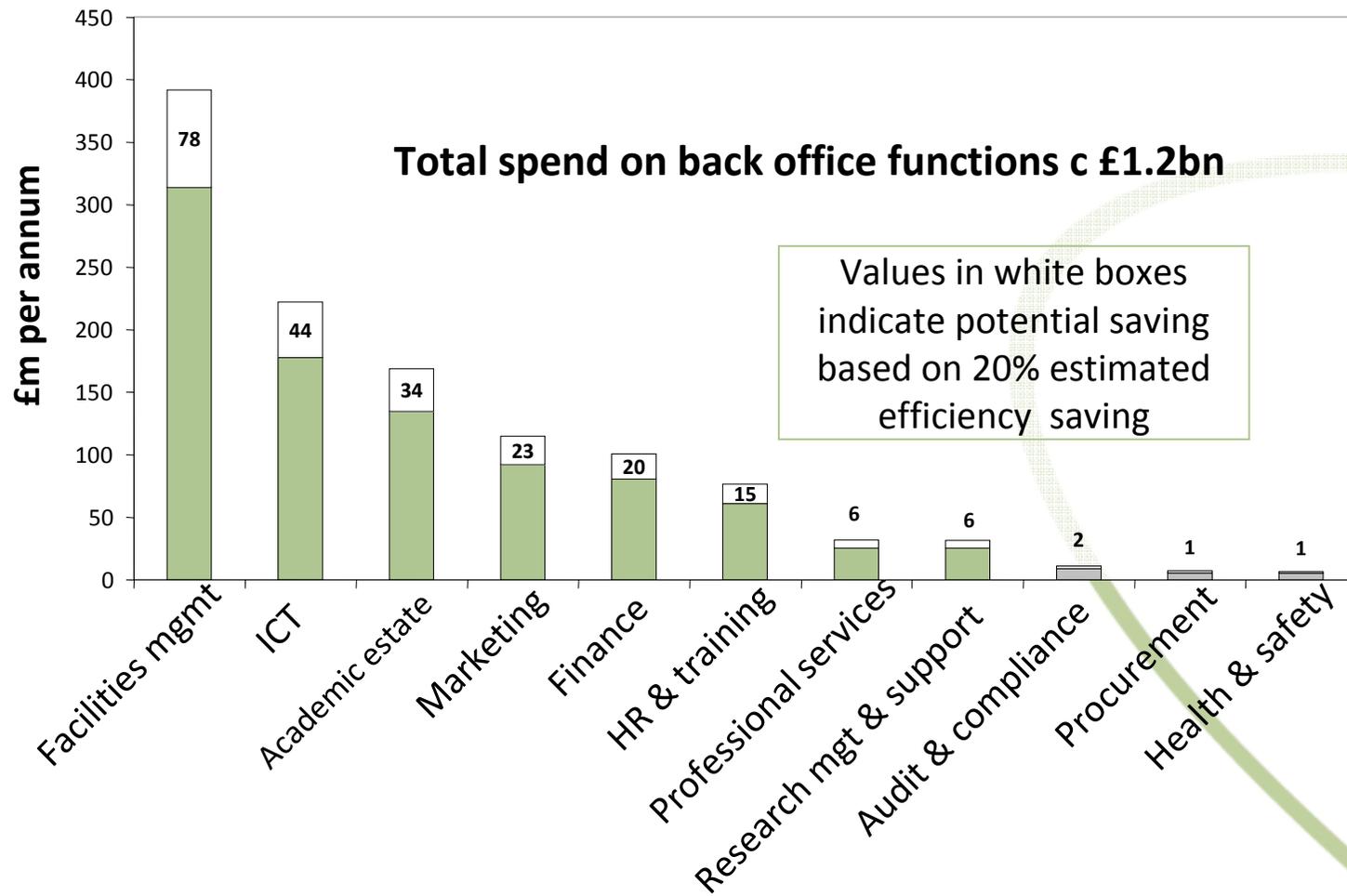
- It will solve all my £ worries
- It reduces my competitiveness
- VAT makes it not worthwhile
- It has to be with another HEI



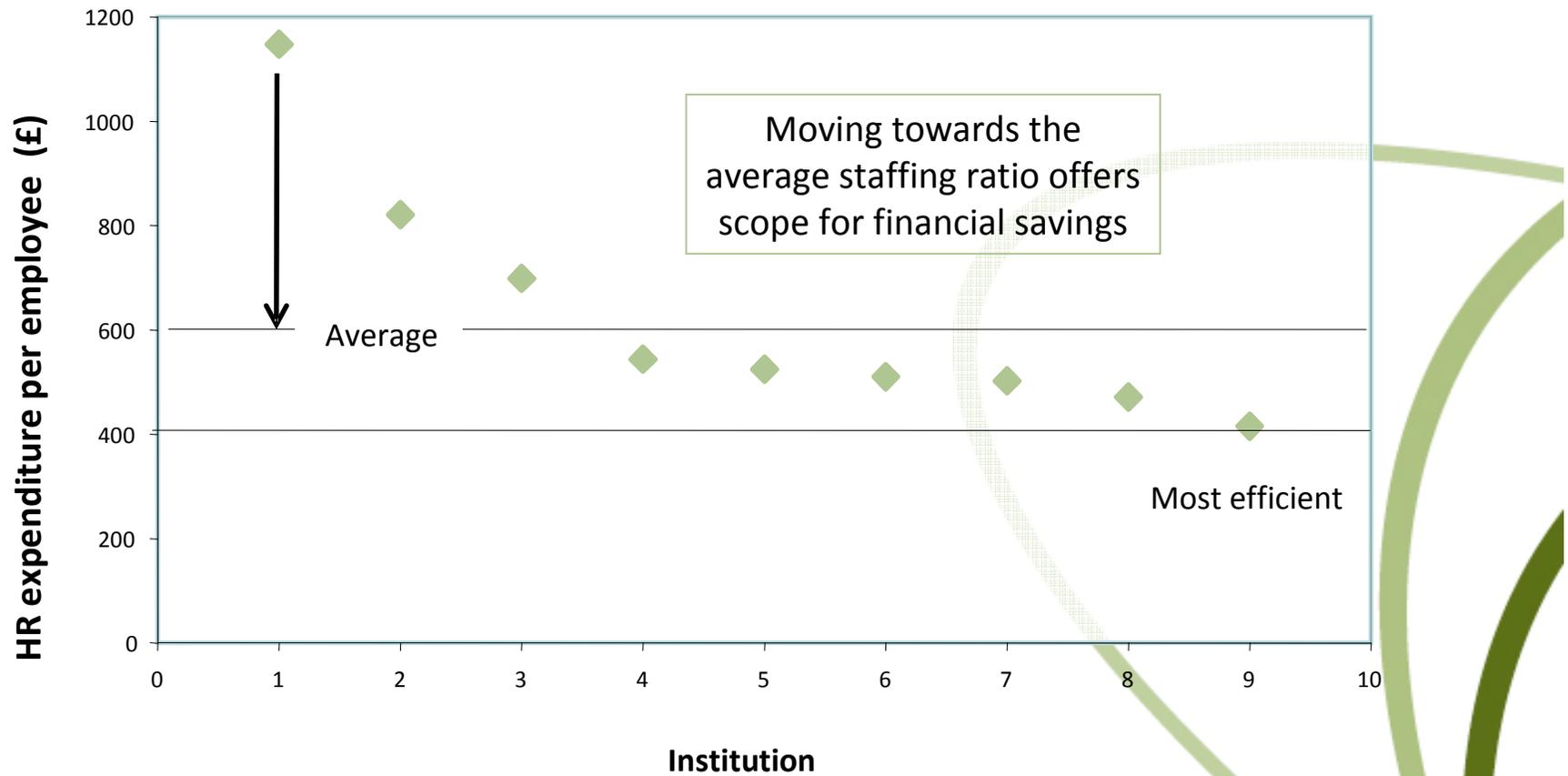
Proportion of respondents expressing an interest in medium term (1-3 years) implementation



Total spend on back office functions - estimate derived for LH member HEIs



Indication of HR efficiency - Spend on HR function per FTE staff member



A New Approach?

To be successful shared services need to be approached consistently, systematically and over the medium-term

Comprehensively

- There is no 'one-size-fits-all'
- Let a thousands flowers bloom

Systematically

- HEIs and their partners will approach shared services at different paces
- A pipeline is needed to progress interest and discussion towards actions

Medium-term

- It will not happen over-night
- Quick-wins versus long-term gains

"...given the low level of uptake of shared services to date, we suggest that it will be important to start small and grow over time, with more institutions becoming members as the case is made and the benefits are realised.

(Grant Thornton 2010)

Contacts



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www.londonhigher.ac.uk/shareservices.html

