

# London Sharing!

*Doing what we do, only better*

**Professor Malcolm Gillies**, Vice-Chancellor,  
London Metropolitan University & Chair,  
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

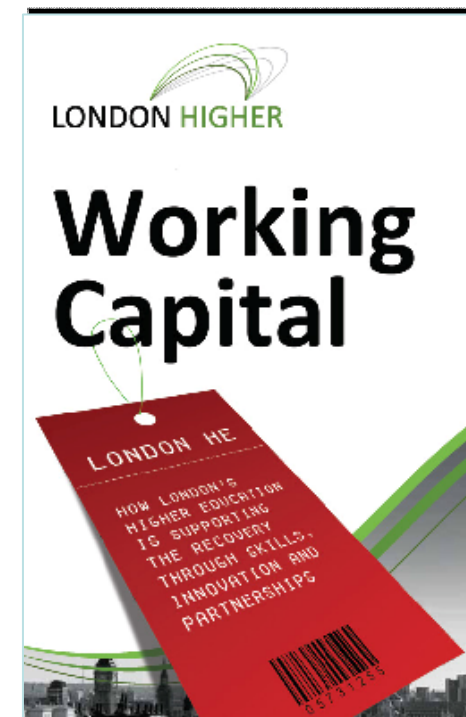
liz.afolabi, 08/11/2010

# 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?**

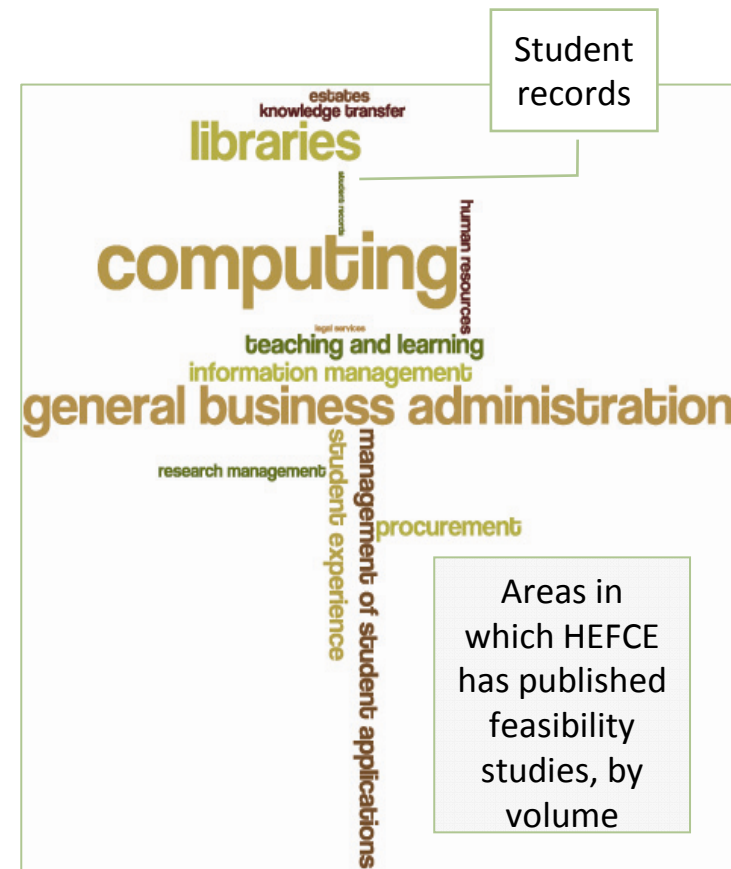
- No real 'push' to share ... until now!
- Business cycle often mis-matched

## **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”.

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)

# Key Findings

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

## Current Shared Services

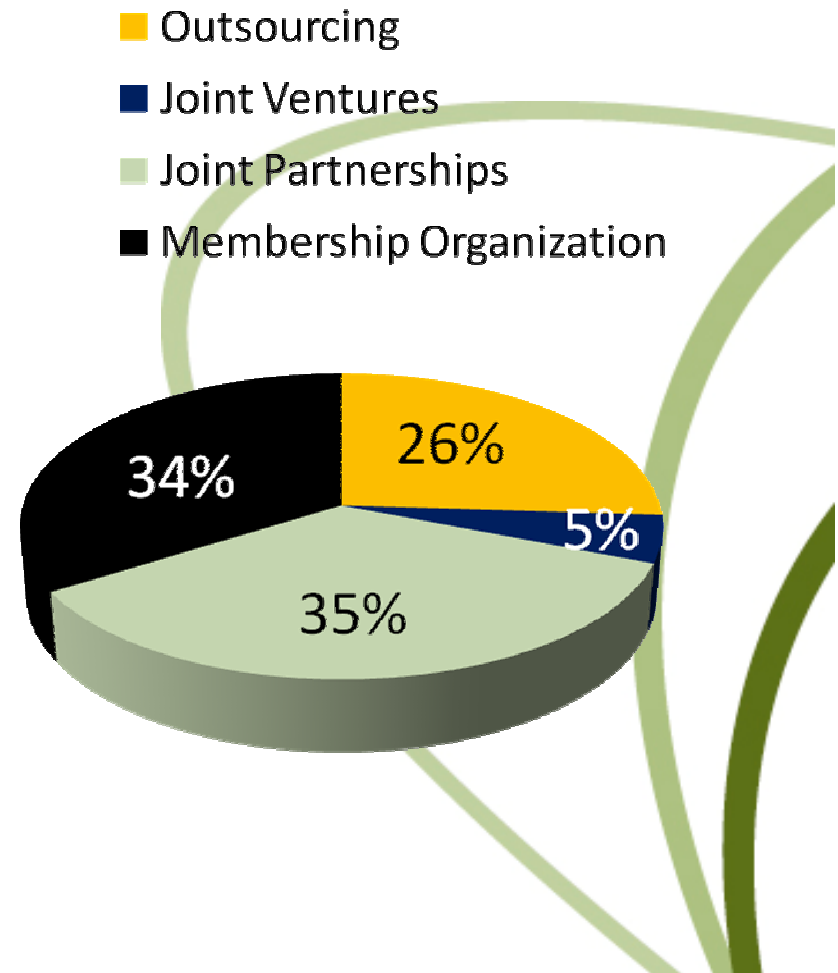
- Mainly front office
- Lack of understanding (cf. outsourcing)

## Real Benefits

- Quality and resilience

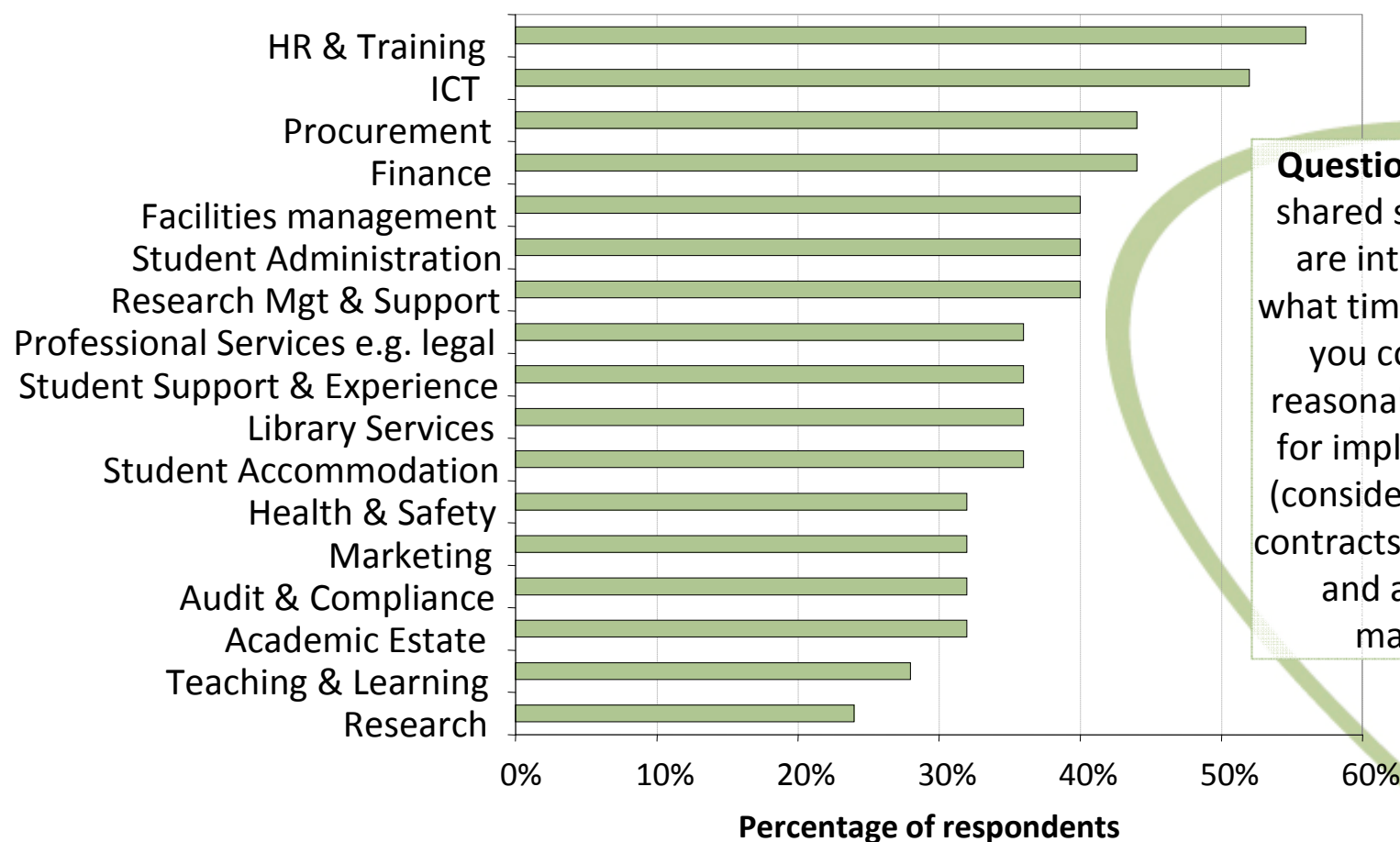
## Myths

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



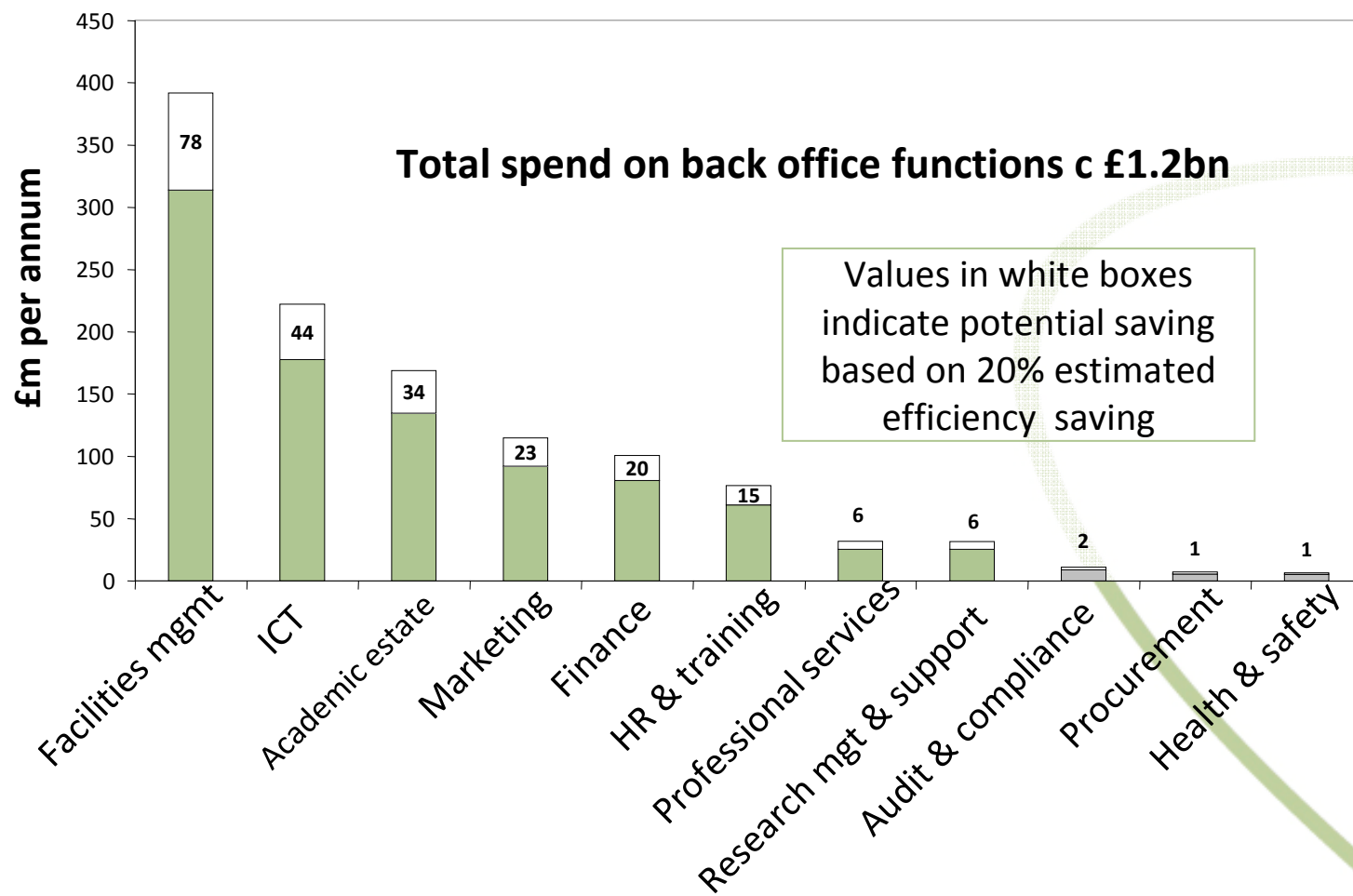


## Proportion of respondents expressing an interest in medium term (1-3 years) implementation

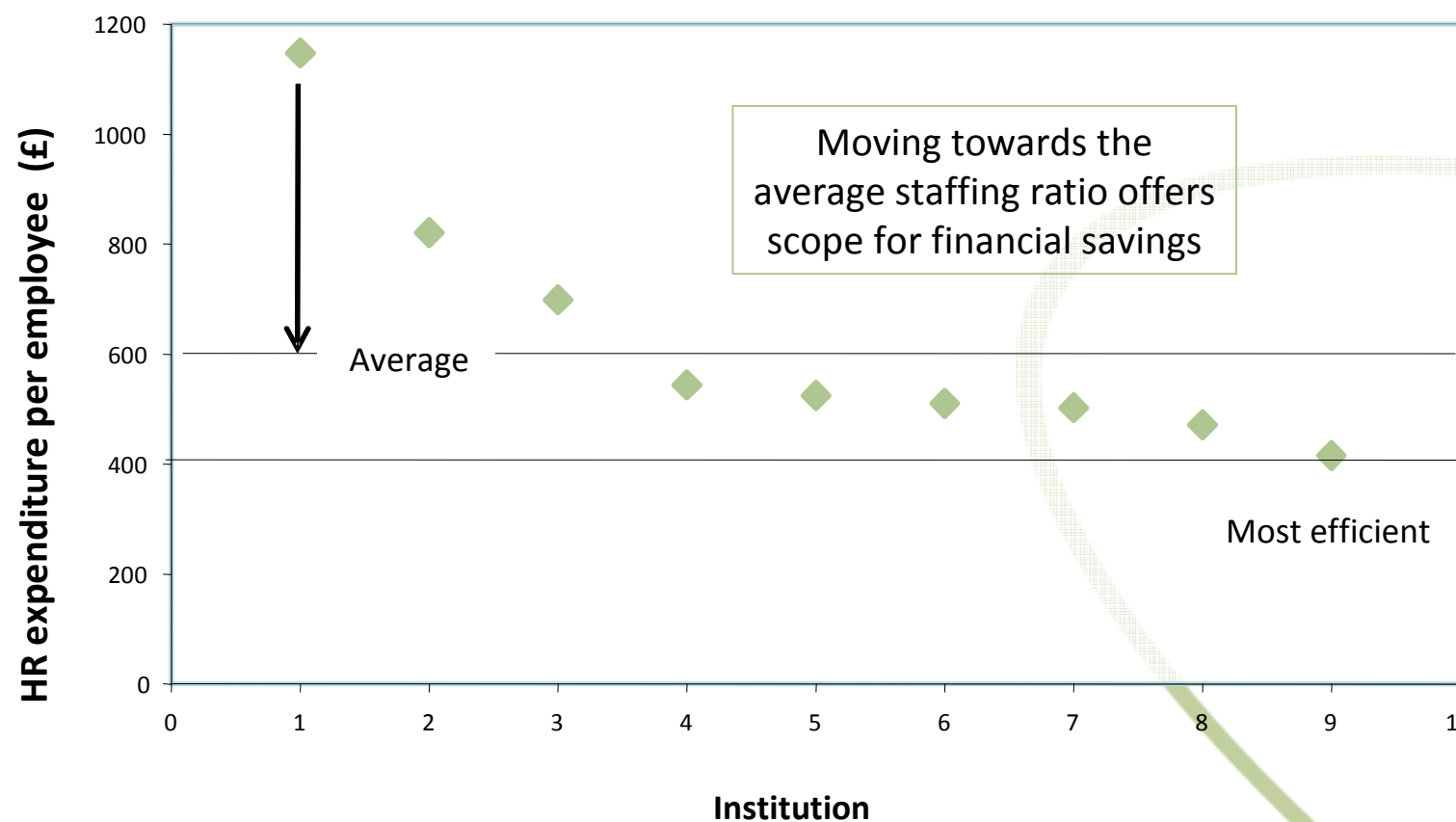


**Question 5.** For the shared services you are interested in, what timescale would you consider as reasonable/ feasible for implementation (considering existing contracts, costs of exit and any other matters)?

## 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



*For further information on London Higher, or any of its activities, please contact:*

**Jane Glanville, CEO, London Higher**

[jane.glanville@london.higher.ac.uk](mailto:jane.glanville@london.higher.ac.uk)

020 7664 4845

**Michael Reynier, lead on Shared Services Project**

[michael.reynier@londonhigher.ac.uk](mailto:michael.reynier@londonhigher.ac.uk)

020 7664 4844

**Or visit our Project website at:**

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

