



CEO PEER NETWORK MEETING 1 FEBRUARY 2022

Exploring sharing back office functions

Which functions can be shared this way?

- Fundraising
 - Purchasing
 - Premises/administration
 - Human resources, recruitment and staff development
 - IT • Finance services
 - Payroll services
- Key levers that enable organisations to realise the benefits of shared services are:
 - Centralisation of effort, expertise and costs thereby reducing or eliminating duplication across organisations
 - Standardisation of processes and systems, leading to enhanced services
 - Enhanced ability to share best practice, knowledge and experience across organisations leading to improvements in productivity
 - Improved utilisation of resources (hardware, software and people) leading to reduced requirements at an aggregate level³.

How can organisations share back office services?

Organisations can collaborate on one support service or many. They can do so from separate locations or by sharing premises. Each organisation can maintain its own identity or partners can together create a new organisation to share services.

Two or more organisations together deliver back office services. They may work together to deliver services to all the partner organisations involved or one may provide services to the others. Each organisation maintains its independence and its own identity.

Like other types of collaborative working, setting up shared back office services takes time and effort. A due diligence exercise helps organisations find out about partners' potential liabilities so that they can judge whether to go ahead. Professional advice will help determine what level of investigation is appropriate.

Why do you want to share back office services? Are you aiming for cost savings, improved service or both? How do you know this will be achieved?

- Feasibility studies and a system of monitoring and review will help answer these questions.
- Be clear about how each partner is already meeting its back office support needs.

- How would the new arrangement improve on this?
- The VAT implications of sharing services need to be considered. Are you planning to generate income by selling spare capacity to other organisations?

Above taken from

https://www.nicva.org/sites/default/files/d7content/attachments-resources/sharing_back_office_services.pdf

Discussion on Sharing back office functions

- Sharing contractors such as Information Technology support was suggested as a possible idea. The suggestion of making savings on big ticket items could make sense where organisations pay the most to a supplier such as utility companies.
- National Council for Voluntary Organisations (NCVO) provide a service where they negotiate cheaper rates for the sector through collective purchasing, more about the Trusted Supplier service can be found out [here](#).
- It was suggested that it can also be to purchase softer services together such as collectively purchasing wellbeing support working with KCSC. This was previously done through the Strengthening the Core programme.
- Iain (Open Age) was seeking to purchase training for senior managers and expressed this as an example where organisations can jointly purchase with him now or something to collaborate on in the future
- William (Venture Centre) suggested that organisations could use their own staff within their own organisations with expertise to deliver training that can be purchased, enabling the local sector to be financially supported
- It was suggested that between us we could develop a framework of providers. William mentioned that RBKC has a local framework which he can share and so this could be reviewed this initially.
- There was a discussion on how best to share information across the network so that possible joint initiatives could be developed or promoted. One option was to set up a WhatsApp group, however preference was for KCSC to manage a process by which information could be exchanged through the CEO PN group. AS agreed to explore how KCSC would manage the process of sharing information.

Actions

- AS to explore how best information can be shared across the network on:
 - recommendations made of companies/organisations to use and share with other organisations that enquire about good recommendations.
 - Opportunities to jointly purchase contractors
 - Opportunities to share back office services
- William to send Angela the RBKC framework