

UK Councils and IBM sign shared services agreement for the citizens of Somerset

Two South West Authorities have signed a contract to create a new Joint Venture company with global business services provider, IBM, at a total value of approximately £400 million over ten years.

Somerset County Council (SCC) and Taunton Deane Borough Council (TDBC) concluded over six-months of negotiation with IBM when they signed contracts on September 29. The result is the establishment of a new world-class Taunton-based joint venture company entitled 'Southwest One' run by staff seconded from both councils and IBM. Southwest One will deliver to SCC and TDBC: Finance; Information and Communication Technology; Human Resources; Somerset Direct and Customer Services; Property Services; Facilities Management; Design, Print and Postal Services; and Procurement. To SCC only: Traded Services to schools, and to TDBC only: Revenues; Benefits; and Corporate Administration. Ultimately, this is about providing quality local services to local communities whilst at the same time increasing efficiencies and reducing the cost of those services for the council taxpayer.

The venture is the first of its kind in the South West and builds on successful shared services initiatives in other parts of the country. The Joint Venture includes a framework agreement entitling over 30 other public sector organisations to acquire similar services through the partnership.

Another key element in this deal is that it is two "excellent" authorities working closely with IBM and its contractor, Mouchel Parkman. This presents a unique opportunity, which aims to transform both councils into world-class organisations.

Avon and Somerset Constabulary has been working closely with the authorities and is working towards becoming the first police force in the country to join a Joint Venture arrangement to deliver shared services. A decision on whether or not they will join the venture could be made by the Police Authority in November.

Both Councils are confident that the deal will see investment in Somerset's infrastructure which could help to boost business opportunities in an area of the UK where small to medium-size enterprises make up in excess of 90 percent of the market.

Richard Jones, Government Industry Leader, IBM, and acting Chief Executive of Southwest One said: "Teaming up with the Councils in this new joint venture, IBM will enable them to deliver significantly improved services to both the authorities and the wider population of Somerset over the next ten years. Southwest One will combine the breadth of IBM's world-class business transformation and managed service capabilities with the depth of council staff skills and experience. This in turn will enable the team to create an innovative services model which transforms the way civic services are delivered to constituents, as well as address some of the challenges associated with their wider economic agenda."

The launch of Southwest One is also being heralded by both Councils as a potential solution to the increasing pressures on local government finances. Jill Shortland, Leader of Somerset County Council explains: "This partnership is absolutely essential to both organisations in our attempts to inject funding into frontline services in the prevailing climate of huge public and government expectation. Both councils are in absolute agreement that our partnership with IBM represents excellent value for money, an increase in our pool of skills, and most importantly will result in better outcomes for the people of Somerset."

Councillor Ross Henley, Leader of Taunton Deane Borough Council said: "Taunton Deane is delighted to be part of this partnership. We are confident that Southwest One will enable us to not only deliver excellent, value for money services to our local community but will also support our broader ambitions for the regeneration and growth of Taunton and Taunton Deane. We are both ambitious authorities who

constantly seek to improve services and reduce costs, and we are confident that Southwest One will enable us to achieve this ambition."

IBM expects to record about half the amount as a signing in the third quarter 2007.

The Cabinet Office pan-government shared services programme has been watching the progress of the project to see if there are lessons learnt which can be useful for other parts of the public sector.

For further information contact Somerset County Council's Access & Communications team on 01823 355020.

ENDS

Please find attached three images from today's contract signing.

1. Staff managers from Taunton Deane Borough Council and Somerset County Council marking the launch of Southwest One.
2. Members and senior managers from Taunton Deane Borough Council, Somerset County Council and IBM shake on the new deal.
3. Somerset County Council Chief Executive, Alan Jones, Acting Chief Executive of Southwest One, Richard Jones, and Chief Executive of Taunton Deane Borough Council, Penny James, following the contract signing.



