



Nick Griffin
Mayoral Adviser on Budgets and Performance
City Hall
The Queen's Walk
London
SE1 2AA

10 October 2011

Dear Nick,

TfL's Shared Services Submission

Please find attached the Transport for London (TfL) shared service submission, which is in response to your letter dated 5 September 2011 and the Mayor's request for a submission in relation to shared services. The attached documents are in line with your aspiration of having a consistent response to your request across all of the GLA functional bodies.

The attached shows TfL will deliver in excess of £800m of savings in the identified areas over the requested period. In order to deliver these stretching savings targets TfL has used collaboration as a way of creating opportunities to improve its efficiency and effectiveness. Some examples include the CIPFA benchmarking process, visits to best practice organisations and detailed information sharing with the other GLA functional bodies.

TfL is and will remain committed to working in collaboration across both the GLA and in the broader public and private sector. TfL has adopted this broad and inclusive approach due to the diverse nature of the services it provides for Londoners. TfL are currently in active collaboration with for example the London Boroughs, Central Government, Network Rail and the GLA. TfL recognises that to achieve real results in collaboration requires investment and TfL has actively resourced and supported the shared service programme over a number of years. This is a clear demonstration of our commitment to what collaboration can bring to the organisation in both cost savings terms and improving the outputs of our services.

I am aware you attend the regular Procurement workstream meetings where there are some positive plans to share contract database information with the aim of building a strategic collaboration programme between the functional bodies. Again, this piece of work is being lead by TfL and we are expecting the work to start imminently.

It is worth also noting TfL are already hosting a full shared service offering to the GLA in areas such as Procurement, Legal and the IM hosting of SAP.

Steve D Allen

Managing Director
Finance

Transport for London
Windsor House
42-50 Victoria Street
London SW1H 0TL

Phone 020 7126 4918

Fax 020 7126 4238

Email stephenallen@tfl.gov.uk

Since taking on this work the GLA is transforming itself through the integration of many LDA programmes, the London region of Homes and Community Agency, a number of DCLG projects and many Olympics related projects. This increase has put considerable strain on the TfL resources but some of the recent KPIs show we are continuing to deliver an excellent service to the GLA. As an anecdotal comment we firmly believe that by TfL providing these services during this transformation process has saved many millions of pounds that would have otherwise been spent on external lawyers and consultants. This is a true demonstration of working in collaboration across the GLA, delivering value for the London taxpayer and we at TfL remain committed to continue to support the GLA.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Steve', with a stylized, cursive script.

Steve Allen
Managing Director Finance

1. Budget Provision (GLA Groupings)

2008/09 Base					2011/12 Base					2014/15 Base				
Budget £m					Budget £m					Budget £m				
1.	Audit		5.9		6.6		6.1							
2.	Communications and Marketing		48.0		42.4		40.7							
3.	Customer Services		30.8		27.6		22.1							
4.	Democratic Services	N/A		N/A				N/A						
5.	Equalities and Diversity		2.6		0.9		1.0							
6,7,8.	Estates and Facilities Management		117.3		109.8		113.8							
9.	Fleet Management	N/A		N/A				N/A						
10.	Human Resources – Training		9.7		14.8		12.6							
11.	Human Resources – General		43.3		33.6		27.8							
12.	ICT		137.8		169.3		138.9							
13.	Payroll		0.8		1.0		1.1							
14.	Procurement		10.9		29.9		21.4							
16.	Websites		1.9		2.2		2.4							
17.	Shared GLA Network Infrastructure	N/A		N/A				N/A						
15,18.	Finance, Planning and Reporting		57.8		67.1		61.7							
Total			466.8		505.3		449.5							

* Significant changes to reporting entities and organisational structure are expected post Horizon, including the transfer of operational support staff into some of the above support service areas.

2 - Savings - GLA Support Services

	2008/09					2014/15 saving as percentage of 2008/9 base budget*				
	Base Budget £m	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15			Total £m
1. Audit	5.9	(0.37)	(0.68)	(1.22)	(1.67)	(1.82)	(1.52)	-21%		(7.28)
2. Communications and Marketing	48.0	(1.37)	(2.07)	(1.94)	(4.35)	(5.76)	(5.93)	-10%		(21.40)
3. Customer Services	30.8	(0.95)	(1.50)	(3.05)	(7.59)	(12.12)	(13.20)	-35%		(38.40)
4. Democratic Services	N/A	0.0	0.0	0.0	0.0	0.0	0.0			0.0
5. Equalities and Diversity	2.6	0.0	(1.42)	(1.64)	(1.51)	(1.53)	(1.70)	-53%		(7.80)
6,7,8. Estates and Facilities Management	117.3	(2.07)	(18.09)	(11.18)	(54.87)	(25.30)	(29.07)	-20%		(140.56)
9. Fleet Management	N/A	0.0	0.0	0.0	0.0	0.0	0.0			0.0
10. Human Resources – Training	9.7	0.0	(2.39)	(2.57)	(2.64)	(2.79)	(2.94)	-25%		(13.33)
11. Human Resources – General	43.3	(7.03)	(10.89)	(13.07)	(18.01)	(20.98)	(22.70)	-43%		(92.68)
12. ICT	137.8	(19.70)	(41.04)	(43.65)	(50.22)	(56.21)	(51.58)	-30%		(262.40)
13. Payroll	0.8	0.0	0.0	0.0	0.0	0.0	0.0	0%		0.0
14. Procurement	10.9	(4.70)	(12.92)	(16.74)	(21.54)	(26.49)	(27.68)	-206%		(110.07)
16. Websites	1.9	(0.02)	(0.10)	(1.00)	(1.52)	(1.78)	(2.04)	-85%		(6.47)
17. Shared GLA Network	N/A	0.0	0.0	0.0	0.0	0.0	0.0			0.0
15,18. Finance, Planning and Reporting	57.8	(10.54)	(15.81)	(21.94)	(26.66)	(28.23)	(28.23)	-40%		(131.42)
Total	466.8	(46.75)	(106.90)	(117.99)	(190.57)	(183.01)	(186.59)	-33%		(831.81)

Note1: *A 3.5% inflation assumption has been used to compare NPV of 2014/15 savings against 2008/09 budget.

Note2: Where service volume has increased since the 2008/09 budget, these will need to be noted in the commentary (e.g. Metronet, Tubelines Integration), but not included in the calculations.

Service	Benchmarking	Date conducted	Outcome
Internal Audit	-	-	-
Communications and Marketing	Media Buying		
	Tendered requirements together TfL and GLA . Billets auditing company (Media Audits) used.	April 2010 – Ending April 2011	A saving of 8%
	Photography		
	GLA expenditure approx £40k per annum TfL approx £60k per annum Very basic benchmarking showed differences in pricing.	June 2011-Sept 2011	Are now running a tender to get proper market pricing.
Democratic Services	-	-	-
Equalities and Diversity	'UK Government Sustainable Procurement Task Force' Flexible Framework for Sustainable Procurement	2010	Independently accredited at Level 5 of the Flexible Framework (highest level).
Estates Management	-	-	-
Facilities Management (FM) - general	GLA/TfL - Benchmarking exercise planned as part of wider collaboration strategy. Spend information shared.	Programmed for late 2011	Benchmarking results used to <ul style="list-style-type: none"> Inform long term FM strategy and quantify value being delivered through existing contracts Improve supplier performance
	Government Property Unit (GPU) - sharing management information and market intelligence/ benchmarking	Ongoing	To increase commercial transparency through to improve performance and achieve greater VFM.

Service	Benchmarking	Date conducted	Outcome
	data. Sharing KPIs and Specifications		Reducing workload by utilizing and refining existing documents.
	Westminster led tri-borough FM Procurement	Ongoing	To increase commercial transparency through to improve performance and achieve greater VfM.
Facilities Management - Warehousing	-	-	-
Facilities Management - Mail Screening services	-	-	-
Facilities Management - Reprographics	Leading pan-GLA (and beyond) of Print and Reprographics Services.	Ongoing	Working group created and strategy to be agreed and implemented
Facilities Management - Energy	-	-	-
Facilities Management - Events Management (deployment of signs and cones)	Market analysis and market cost price analysis undertaken as part of the Signage Category Management work pan-TfL. This relates to the purchase of Signs.	Early 2010	Currently undertaking a Tender exercise pan-TfL for a single Signage Framework to deliver future savings. Forecasted savings circa £5-8m to be delivered over a 10 year horizon.
Facilities Management - Construction Works	Joined pan-London Construction Panel (led by LB Haringey)	Ongoing	To increase commercial transparency through to improve performance and achieve greater VfM.
Facilities Management –	Leading pan-GLA creation of	Apr-2012	Aim to deliver 5% savings

Service	Benchmarking	Date conducted	Outcome
Furniture	new Furniture supply framework		against current expenditure levels
Facilities Management – Waste	Working with Network Rail to explore opportunities to combine waste streams at co-located premises.	On-going	Reduction of waste service providers and increase in recycling (specific targets to be determined).
Facilities Management - Professional Services	Benchmarked against the old OGC Consultancy Services Framework and the TfL Consultancy Framework, Metronet and LDA rates	2009	Reduction in rates
Fleet Management (including maintenance)	Working with the GLA Shared Services Group to benchmark and share prices in Administration, maintenance, procurement (lease and or outright purchase) and vehicle insurance.	Ongoing	Work is currently ongoing but the workstream is reviewing the possibility of using joint contracts or frameworks. In some cases this may be Central Government arrangements, where the MPS are mandated to use these.
Human Resources	CIPFA benchmarking exercise to compare the HR function to other public sector and non public sector organisations	Oct 2010	
ICT	CIPFA benchmarking exercise to compare the finance function to other public sector and non public sector organisations	Oct 2010	
	Mobile telephony framework Benchmarking of rates as part of the mobile telephony re-		The TfL Framework was used by the other FBs to leverage better rates.

Service	Benchmarking	Date conducted	Outcome
	tender against other GLA bodies		
Payroll (including pensions)	Reviewed as part of Finance or HR within TfL		
Procurement	CIPFA benchmarking exercise to compare the procurement function to other public sector and non public sector organisations.	Oct 2010	Significant change in this area following Metronet integration as demonstrated in the attached data sheet
Planning	-	-	-
Websites	-	-	-
Shared GLA Network Infrastructure	Following data gathering the NGN (Next Generation Network) will review the business case for a PSN compliant pan GLA managed network service.	ongoing	CIO board approval is awaited on the recommendations from the NGN steering group, once agreed, work will commence on aligning the current TfL MNS (Managed Network Service) with the NGN programme.
Finance and Resources	CIPFA benchmarking exercise to compare the finance function to other public sector and non public sector organisations	Oct 2010	