

A broad constituency

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You might think that it is easier to collaborate in the public sector. Taking out the profit motive surely makes life easier? What could possibly get in the way?

"Governments. Targets. The political dimension," says Nick Jackson, executive consultant for government and public services at [Capgemini](#), a consultancy. "In the private sector, as long as the business case stacks up, people accept it; but the public sector see themselves differently, accountable in different ways."

Public sector projects have a reputation for going wrong, in terms of time delays and cost overruns. Of course, this happens in the private sector, too, but public sector projects have a unique set of issues.

"Often, the system you are looking at – the process of delivering a public service – is very complex," says Al Geddes, director of central government accounts for [Hedra](#), a consultancy. "It involves a number of different partners and a complex chain of events. And sometimes the chain breaks."

Mr Geddes believes part of the problem is that public sector departments tend to be set up as individual vertical silos, organised from a minister or permanent secretary down, with few mechanisms for collaboration. A topic that requires collaboration but cuts across departments, such as climate change, will challenge the existing hierarchy of responsibility and duty, and the different cultural practices of each department.

"When you put two organisations together, the tendency is to put them under some pressure," says Andrew Humphries, CEO of [SCCI Ltd.](#), a business relationship specialist. "They have to accommodate each other. And when you set up a long-term contract with a partner, you have to invest quite highly in that relationship to make it work. That can end up generating a feeling of imprisonment and constriction, where individuals end up working to the small print and forgetting the bigger picture."

Public sector contracts can often be much longer-lived than those in the private sector, and more akin to a marriage than a business relationship. Mr Humphries, who has studied the relationships between the Ministry of Defence and its main contractors, argues that there is often a serious failure of communication in public sector projects. "Less than 30 per cent of these relationships had regular meetings to discuss operational aspects. Key dialogues about how the last set of orders had gone, what orders are coming up, discussion of quality issues or performance targets, just weren't taking place."

Just as in the private sector, Mr Geddes believes communication is key – but only after establishing a clear vision and business case for the change. "It is often easiest to start small, getting local leaders of agencies together to develop a pilot and prove the new arrangements. In developing a pilot you can work on building trust between different delivery bodies, different departments' views of the same data, or different departments' data on the same issue."

Determining the outcomes of a project is not always easy. In defence, for example, the outcome might be to provide a particular piece of equipment. But should that be bought abroad at the expense of UK jobs? Depending on the political climate of the time, the answer could vary.

Mr Humphries says: "Perhaps industry believes you should buy British because doing so would provide jobs in the UK. But the government has said a contract should go to open competition even if it means closing down factories. Of course, it's never as simple as that – but the political and industrial factors have to be balanced."

The range of stakeholders is far greater in a public sector project. Not only is there a department and a private sector company to consider, but there is also the end user, the consumer of the product or service, and the taxpayer. The wide range of stakeholders in public services can lead to conflicting agendas and confusion about objectives and outcomes.

The political dimension is critical in understanding why public sector collaboration can be difficult. Mr Jackson says: "There could be a big push around shared services, on which everyone agrees. But in reality, if Doncaster is sharing with Barnsley, both sides start worrying about losing jobs to the other. Then, jobs lost in Doncaster translate into votes and whether an MP stays in power."

Public sector services may not have the same need to collaborate if the service is a monopoly such as rubbish bin collection, though there is an increasing expectation that departments deliver joined-up objectives. "There is a need to move away from a one-size-fits-all mentality," he says. "It should be about locally-based communities directing what's

best for them, and giving them the tools and enabling mechanisms to do that.”

Mr Jackson sees a sea change in the way public-private sector collaboration is developing. “Previously, the attitude was, ‘You are here to provide us with this service.’ Now, it is, ‘Can we have a conversation about leading practice in this area?’ It is recognising the value that industry has.”

The private sector is often still guilty of placing too much emphasis on the financial, and believing that a strong business case is the end of the discussion. But Mr Jackson believes the increasing job mobility between public and private sectors has helped the two sides to understand each other.

Mr Geddes agrees that the situation is changing. “What you have in the public sector is a willingness to collaborate, a willingness to share knowledge and often very vibrant knowledge-sharing networks. It can often be quite collegiate.”

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