



## Innovative commercial partnerships with BT

Flexible joint venture partnerships are increasingly seen as an alternative to outsourcing in the drive to reduce public sector expenditure and improve services. BT's innovative risk sharing and transaction-based models provide public organisations with flexible and integrated solutions, dedicated financial support and world-class expertise

### Sharing risk and rewards with a partner

The public sector is continually exploring new ways to deliver more efficient service levels – without excessive risk and investment. An increasingly popular method of achieving expensive public service goals is by forming long-term partnerships with the private sector, or public-private partnerships (PPPs) – where financial risks and rewards are shared between the two parties.

In such a partnership, the private sector typically designs, builds, finances and operates facilities based on specifications provided by the public sector. The aim is to transfer some or all of the risk to the private sector contractor, whilst giving the private contractor the opportunity to form profitable long-term partnerships.

BT employs innovative and flexible risk sharing and transaction-based models which offer public organisations the opportunity to transform their business. BT has already established several key strategic partnerships which provide public organisations in England, Scotland and Northern Ireland with a range of innovative business solutions.

Our approach is founded upon extensive experience in the public sector marketplace throughout the United Kingdom, working with partners such as Liverpool, Suffolk and Rotherham Councils, The City of Edinburgh Council, the Scottish Government and Land Registers of Northern Ireland, to name a few.

# Case study

## BT Joint Ventures

### Disclosure Scotland – helping enhance public safety

Disclosure Scotland was established by the Scottish Government to carry out criminal history checks. Its aims are to enhance security, increase protection of children and vulnerable adults, to widen access to data and to enable more informed recruitment decisions.

The service was developed as a public-private partnership (PPP) between the Scottish Government and BT. Each organisation is jointly responsible for various aspects of the day-to-day service. BT provided most of the initial investment and is making a return via the transaction of Disclosures requested by public and private organisations.

BT designed and developed the Disclosure Scotland system which can handle a high demand for disclosure certificates, as well as enabling communication between Disclosure Scotland and the UK Police Forces.

---

“[BT] showed us their ability to manage and change with legislation that affects the service we supply. I have every confidence in BT to do that in the future and am looking forward to continued partnership with them.”

**Brian Gorman**  
Manager  
Disclosure Scotland

### Redefining services in Liverpool

Liverpool City Council needed to radically change the way in which it delivered services to its population. Outdated technology and inefficient processes were among the problems as a (then) poorly performing local authority.

The council partnered with BT to form a joint venture company, Liverpool Direct Ltd (LDL). Service improvements were a specific requirement of the contract. The council and LDL developed the service improvement plans together – but LDL accepts the commercial risk of implementation.

Rather than having a fixed-fee structure, BT benefits when targets are exceeded – a classic win-win situation. The profits are shared, which equates to a reduction in the contract fee to Liverpool City Council and a ‘return’ for BT. Liverpool would not be liable if the joint venture company were to incur losses, making partnering with BT a financially safe investment decision.

---

“We’re getting the benefit of BT’s expertise in implementing and managing communications technologies as well as huge amounts of support for the process of business transformation. I think that’s a pretty compelling offer.”

**Colin Hilton**  
Chief Executive  
Liverpool City Council

### Planning and building a partnership in Edinburgh

BT is central to The City of Edinburgh Council’s ‘Smart City’ transformation and has successfully delivered back office transformation as well as a number of public-facing projects – including Planning and Building Standards (P&BS).

BT is working in partnership with The City of Edinburgh Council to supply the necessary technology, people and processes. The project is funded through a risk and reward basis over ten years, allowing the council to invest significantly more in development and technology upgrades to improve service delivery.

Under the private finance initiative (PFI) agreement, BT initially financed the work with a contribution from the council. To recoup its costs, BT makes a charge each time a transaction is completed on the new system. The council was thereby able to take advantage of a powerful new system and the substantial benefits that it offers, without having to raise the necessary capital upfront.

---

“We are now providing a much more comprehensive and a much faster service to our principal clients. It’s a better, faster information flow and that is what people want and are prepared to pay for.”

**Andrew Holmes**  
Director of City Development  
The City of Edinburgh Council

## Revitalising customer services in Suffolk

Suffolk County Council and Mid Suffolk District Council sought a private sector partnership to overhaul their customer services by providing more integrated access to users and improving efficiency. They aimed to combine disparate functions in a single joint venture and so establish an innovative model structured according to customer needs, rather than administrative limitations.

BT was chosen as the councils' partner in a new company – Customer Service Direct (CSD) Limited. Furthermore, BT agreed to invest £50 million in business process re-engineering, change management and training over the 10-year lifetime of the contract.

The partnership has helped both Suffolk County Council and Mid Suffolk District Council reach the top of local authority efficiency league tables. In the longer term, BT's financial stability underpins a secure business model, whereby upfront investment in networked IT services could be paid for through process change over time.

---

“The objective of this partnership was to equip our staff with the right tools, so that they could provide an even better level of service. This would not have been possible without BT's financial commitment, system improvement knowledge, and joined-up approach to networking services.”

Jeremy Pembroke  
Leader  
Suffolk Council

## Transforming operations in RMBC

Rotherham Metropolitan Borough Council (RMBC) has transformed the delivery and efficiency of services to its citizens through a 12 year public-private partnership with BT.

RBT (Connect) Ltd was launched to generate £30m investment in new technology and create better, more efficient ways of operating, putting the customer at the centre of all the council's activities. A secondment model ensures the closest alignment and co-operation between stakeholders.

Multi-million pound savings through eProcurement have been ploughed back into front-line services, including new customer service centres. Residents benefit from better access to services, cleaner streets, cutting edge technology in schools and trail-blazing improvements in benefits and HR and Payroll.

RBT (Connect) Ltd was named Public Private Partnership of the Year in 2006 at the prestigious Municipal Journal Awards. Later in the same year Rotherham was named as one of the top 10 most improved councils in the country.

---

“We're already looking ahead to 2010 and beyond. Our transformation was never just about the use of ICT, but about clarity around our role in commissioning and providing services and the balance we aim to achieve between the two. These are exciting times for us and hopefully even better times for the citizens we answer to on the service delivery front.”

Mike Cuff  
Chief Executive  
Rotherham Metropolitan Borough Council.

# Case study

## BT Joint Ventures

### BT's partnership with LRNI

Land Registers of Northern Ireland (LRNI) is at the forefront of the modernising government agenda since the introduction of its pioneering Internet portal **landweb direct**. BT signed a £45 million, 12-year partnership agreement with LRNI, with an option to extend this by a further five years.

BT and LRNI jointly transformed the organisation from paper-intensive to completely electronic as part of their pioneering private finance initiative (PFI). New systems delivery was financed by BT, which charges a certain amount per transaction, but only after the system began generating revenue for LRNI. This transaction-based partnership enables LRNI to take advantage of its new systems without having to raise a prohibitive amount of capital

#### Results

Within three years of rollout, the Land Registry's online service **landweb direct** achieved:

- 93.6 per cent market recognition of **landweb direct** (2005 annual customer survey)
- By November 2003 online transactions surpassed the number of manual transactions – by 2006 **landweb direct** accounted for 71 per cent of total LRNI transactions
- By August 2005 over 50 per cent of all solicitor companies in NI were actively using **landweb direct** – accounting for around 80 per cent of total transaction volumes generated by solicitors

- Year on year transaction growth due to the buoyant real estate market. The combination of the back-office and online service have enable LRNI to achieve annual growth and improved efficiency
- Expanded customer base includes, the police, law searchers, banks and other local and central government departments
- Solicitors now account for only 53 per cent of the total customer base, from a high of 93 per cent

#### Awards

- Winner of IT category at PFI Awards 2000
- Highly commended in the National eGovernment Awards Take-up category 2005
- Government Innovation Awards 2006

---

“BT's innovative approach to financing the project was extremely attractive to us, and in fact made the whole programme possible.”

Wally Gamble  
IT Projects Manager  
LRNI

#### Addresses

Alexander Graham Bell House  
1 Lochside View  
Edinburgh Park  
Edinburgh  
EH12 9DH

#### Offices worldwide

The services described in this publication are subject to availability and may be modified from time to time. Services and equipment are provided subject to British Telecommunications plc's respective standard conditions of contract. Nothing in this publication forms any part of any contract.

© British Telecommunications plc 2007.  
Registered office: 81 Newgate Street, London EC1A 7AJ  
Registered in England No: 1800000

#### For more information visit:

[www.bt.com/uk/devolvedgovernment](http://www.bt.com/uk/devolvedgovernment)  
[www.bt.com/uk/localgovernment](http://www.bt.com/uk/localgovernment)

