

East Midlands Shared Services Joint Committee
18 March 2024

Subject:	East Midlands Shared Services Strategic and Performance Report – Quarter 3, 2023/24.	
Corporate Directors	Simone Hines – Assistant Director of Finance, Strategic Property and Commissioning, Leicestershire County Council (LCC) Shabana Kausar – Director of Finance, Nottingham City Council (NCC)	
Report author and contact details:	Lucy Littlefair – Head of East Midlands Shared Services 01163056333 lucy.littlefair@emss.org.uk	
Key Decision	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Subject to call-in <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No The report does not contain any decisions eligible for call-in
Summary of issues (including benefits to citizens/service users): This report provides the Joint Committee with an update on the people, customer, operational and technology priorities and performance for EMSS.		
Recommendation(s): The EMSS Joint Committee is requested to:		
1. Note the operational performance of EMSS for Quarter 3 2023/24.		
2. Note the progress of the projects within the EMSS Business Plan		

1 Reasons for recommendations

- 1.1 To ensure that EMSS continues to develop its performance, ensure that the Joint Committee can form a clear and accurate view of performance and to improve transparency and accountability.
- 1.2 To report on the performance of EMSS for Quarter 3 (Q3).
- 1.3 To provide the Joint Committee with an update on the progress of the projects within the EMSS Business Plan.

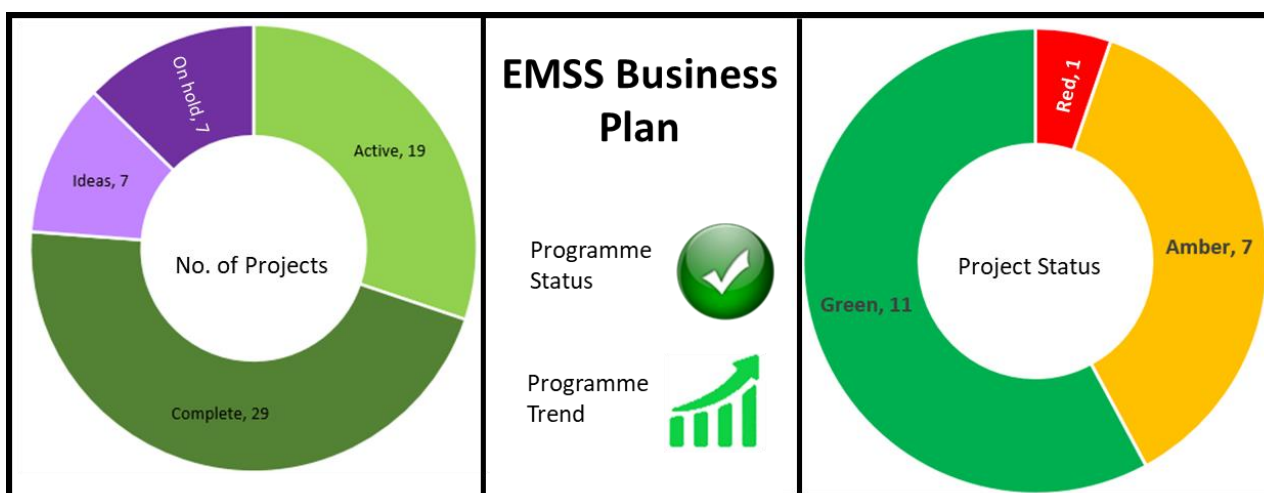
2 Other options considered in making recommendations

- 2.1 None, as EMSS is required by the Partnership agreement to provide performance updates to Joint Committee.

3 Strategic Plan and Business Plan 2023–2025

- 3.1 In 2022 the Joint Committee agreed the 3-year vision and strategic priorities for EMSS. Appendix A details progress against those priorities and includes updated information and focus for 2024.

- 3.2 In summary, EMSS have made good progress and/or largely completed the actions that they are able to solely manage; but it is taking longer to deliver the priorities which require partnership working or are reliant on decisions that can only be taken by the partner councils, e.g., access for all employees to online payslips. This is not a criticism of partner colleagues, but a reflection of the complexity of shared services, the fact that end to end processes cut across multiple services and differing priorities.
- 3.3 Ultimately, the services provided by EMSS are an extension/part of the internal HR and Finance services for each council. EMSS cannot operate in isolation and must ensure that it is aligned with the vision for the respective support services. To that end, the Head of EMSS is on the LCC Sustainable Support Service Programme Board, is working closely with NCC HR colleagues to redefine the operating model and is expecting to be included in discussions with NCC finance colleagues about potential changes to their model. The Finance Service Centre manager is also involved in LCC's Financial Control Group and Operational Finance Improvement Project Board and NCC's P2P Mobilisation Group.
- 3.4 The work this year to reset the vision and strategic priorities for EMSS from 2025 onwards is important, as it will ensure that the shared service is focussed on delivering in line with the priorities of each council.
- 3.5 A key part of the current Strategic Plan is the EMSS Business Plan 2024, which covers both the organisational and service specific projects for this year.
- 3.6 The table below shows the status of all 'active' projects. It has been organised under the headings - organisation, technology, Finance Service Centre (FSC) and Employee Service Centre (ESC) to link activities to EMSS' core themes.



- 3.7 Since the last Joint Committee, the move from Gen 1 to Gen 2 infrastructure for non-SAAS Oracle elements has been completed and the Wagestream project with LCC has been cancelled due to technical difficulties in segregating NCC data.
- 3.8 Whilst most of the projects within the FSC are focussed on enhancing the service and introducing new areas of work, e.g., debt collection; the projects within the




























Employee Service Centre are required to stabilise the service post implementation of the new HR/Payroll system.





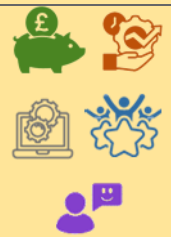









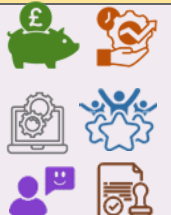

- 3.9 ESC colleagues meet monthly with HR colleagues to discuss progress against the Improvement Plan and in some cases re-prioritise activity based on the needs of the partners. Progress has been significant since April 23 and therefore, as the original plan covered 2 years, it is appropriate to update it to include additional activities from April 24. A revised plan is under development, ready for consultation with HR colleagues in March.
- 3.10 The technology projects are a mix of maintenance related, e.g., changes to the infrastructure and new modules.
- 3.11 New projects include a new Oracle front end (Redwood), new communication and engagement plans, as well as an office move for FSC staff.






Benefits Key

Stat / Policy Requirement		Cost Savings		Process Improvement	
Customer Experience		Staff Welfare		Automation	

Project / Priority	Benefits	Description	Status	March 24 Update
Technology - Gen 1 to Gen 2 infrastructure		This will move the non-SAAS elements of the Oracle system onto new hardware which should result in improved performance	Complete	The move to Gen 2 is complete. There are some minor issues to finish in decommissioning the tech on Gen 1
ESC – LCC Wagestream implementation		A system to allow staff to access an advance on their pay in LCC	Cancelled	Technical barriers especially in regard to information governance proved too difficult to overcome in a cost-effective way
Organisational - Performance Reporting		Improve reporting capability and measures. Automate and improve use.		Work continues to find ways to automate performance reporting.
Organisational - New Customer Strategy		To implement the strategy to improve the standards of customer service and release agent time to resolve urgent queries		The work is now focused on the Customer Boards to ensure that they continue to drive improvement
Organisational - New internal and external communication plans		To improve communications and engagement new plans have been agreed		The plans have been devised and agreed and early work on the internal plan has begun. EMSS will liaise with partners on the external plan

Project / Priority	Benefits	Description	Status	March 24 Update
Technology - Oracle EBS archive	  	To transfer the data in EBS to an archive state		Following an in-depth review it was not possible to implement an alternative to the Navisite solution so the current arrangement will be extended until Mar. 25
Technology - Oracle Analytics implementation	  	New functionality negotiated during the contract renewal. Finance available 2023 and HR 2024		Partners have tested the finance system and it is ready to be moved to production. Work will begin on the HCM system in March
Technology – Oracle Guided Learning	   	A new system that will greatly improve the user experience of using Oracle		Implementation has been delayed until April to allow partners more time. Work has been focused on ensuring that robust support will be available after go-live. However sponsors need to agree how best to get value from the budget allocated for the licences.
Technology - Oracle Cloud Infrastructure Health check		A health check highlighted a number of significant inadequacies with the set-up.		Following the completion of the Gen 2 move the final actions are being finalised and a new health-check will be commissioned from Oracle
Technology – Oracle Redwood Interface Implementation	 	Oracle have developed a new interface /front end for their system which is being rolled out module by module		Early work on scoping the level of change and disruption is underway for the HCM modules which must be live by the end of the year.
FSC – Best Value Review	  	A full review of FSC services, performance and efficiency. To enable partners to assess the value for money delivered and opportunities for improvements		The review has been shared with the Sponsors / partner colleagues for internal scrutiny and comment.
FSC – Duplicate payment identification system replacement	   	The current system requires upgrading		Currently investigating whether to purchase a system or development in-house.

Project / Priority	Benefits	Description	Status	March 24 Update
FSC – Oracle Post Implementation Value Investigation (PIVI)		A service from Oracle to review the system and processes post go-live to ensure best use is being made. Will also report on functionality not being fully exploited		Most of the work has been completed and Oracle are now focussing on processes which are causing issues.
FSC – Office move		Following a request from NCC the team will move from the first to the ground floor		Some delays have occurred as a result of NCC needing to engage with LCC IT
FSC - Dialler system and SMS software		A new system to automate the contacting of customers about their debts either by text or by phoning		Investigations have begun around the current telephony systems and their capabilities before looking to a new system
FSC - In house Debt Collection Phase 3		To in-source the service and increase its scope and processes		The final round of recruitment is underway. Project due to complete Mar 24.
FSC - Supplier Portal roll out		A self-service module for suppliers to manage invoices and payments		Work continues to move suppliers onto the portal. Have agreed a final round of invitations before use becomes mandatory
FSC - AR Customer Portal Bill Management		Self-serve portal to get copy invoices and view account		Work has restarted on this project and defects appear to have been rectified.
Paperless Direct Debits		Project to move customers to paperless direct debits to reduce printing, postage and resource		Developing a business case to move customers to online direct debits
ESC - HCM and Payroll Transformation		Review, define, and re-establish the operating model for the Employee Service Centre (ESC).		Work is progressing including utilising the partner meetings to agree Oracle Change Requests. Transformation Plan will be updated for 2024/25.

Project / Priority	Benefits	Description	Status	March 24 Update
ESC – Implementation of 'seeded' absence, LGPS fixes and seeded Teachers' Pension Scheme		Required to move from custom to seeded absence scheme within payroll system by August 24.		Implementation of seeded absence has started.
ESC – Implementation of ePM system	 	One year contract to trial utilising an analytics tool to support the payroll service.		Roll-out has commenced and should be completed in early 2024

4 Technology

Oracle Cloud

- 4.1 The committee will see from the detail below that there is significant activity required in relation to the Oracle system over the next 12 months. With projects that will not only impact and involve EMSS, but also colleagues across the partnership.
- 4.2 The projects underway with Oracle are the implementation of Oracle Guided Learning and the Fusion Analytics Warehouse – two new modules; and the implementation of seeded payroll functionality that was missing during go-live, related to absence, the Local Government Pension Scheme (LGPS) and the Teachers' Pension Scheme.
- 4.3 The Oracle Guided Learning (OGL) implementation has continued, with training and support for those across the partnership who will create and publish content. However, due to colleague's work commitments, the roll out has been much slower than anticipated. To date only LCC HR have produced any volume of content which brings into question whether the partners will see the benefits of their investment.
- 4.4 EMSS are working with Sponsors to review their business cases to decide whether to renew the licences in May. The product is undeniably very powerful and has the capacity to deliver significant benefits, especially in light of the impact of Redwood on training and guidance (this is explained in paragraph 4.11)
- 4.5 Work to implement Finance Fusion Analytics warehouse (FAW) has continued. A test system pointed at the Dev 2 environment has been tested by partners and they have requested the system is now moved into Production.

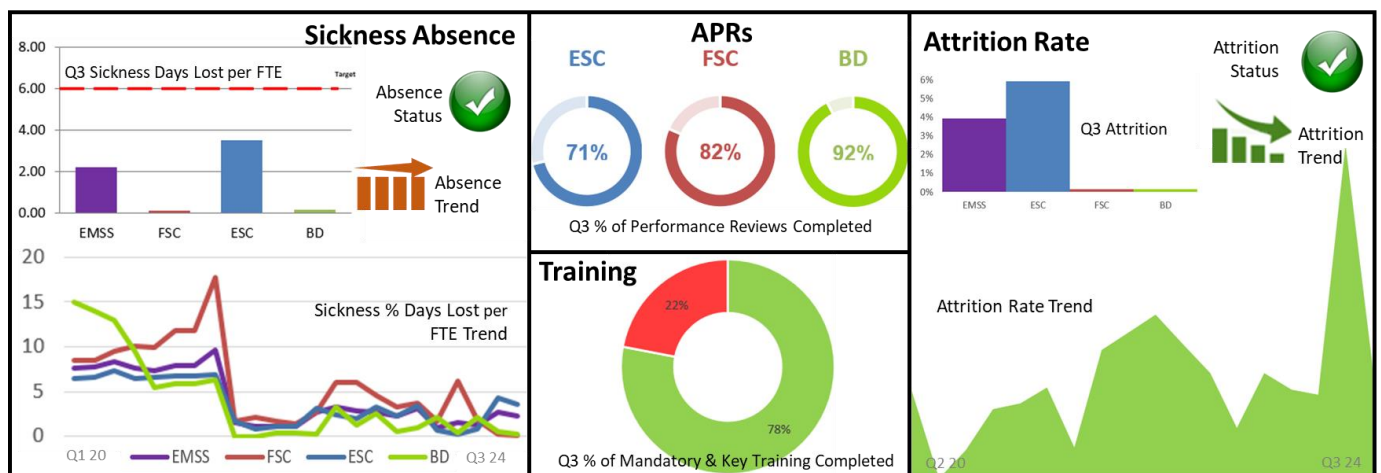
- 4.6 Work on the HCM Analytics system will commence in March once the licences are available. Again, there is no identified budget for implementation so EMSS will undertake some initial work to see if it will be possible to develop, using in-house resources.
- 4.7 Work has commenced in the ESC on 'backing out' the customised absence scheme that the partnership had to put in place during the implementation of Oracle in 2020-22. Oracle have since updated their system and a project is underway to swap the customised functionality for the latest version from Oracle. It is a significant project as it covers all aspects of absence, e.g., maternity, sickness, jury service and will alter the basis upon which many payroll calculations are made. The project is due to complete in June and it will require a week when managers will be asked to refrain from submitting absence information, whilst the cutover is completed.
- 4.8 Alongside the absence project, the ESC development team are also updating some of the LGPS functionality, again to back out customisations that were previously required as Oracle did not have the necessary capability. Once the absence and LGPS projects are complete, the team will turn their attention to implementing the seeded Teachers' Pensions Scheme and a new statutory return.
- 4.9 Work has also been completed on the move from Gen 1 to Gen 2 infrastructure. This was a complex piece of work to transfer all the PAAS elements onto the new servers. This has a number of benefits they are:
- Resolving the outstanding issues from the Oracle Cloud Infrastructure (OCI) health check
 - Improving the performance of PAAS elements, especially interfaces
 - Reduce the cost of universal credits
 - Ensure that interfaces use more up to date processes and code
 - Enables the move to Gen 3. This is undertaken by Oracle and should lead to further improvements
- 4.10 There is a small amount of work to complete in decommissioning elements on the old Gen1 platform.
- 4.11 Oracle are also rolling out a new front end for self-service screens called Redwood, this means the look and feel of manager, employee and procurement pages will be different. This will be a significant project to ensure that not only will the system work as expected with the new format but that all guidance and training is updated to reflect the changes. Work is well underway in assessing the impact for partners and a timeline is being developed to ensure that all parties are ready well before the mandatory use of the new screens in early 2025.

Oracle e-business archive

- 4.12 Following the go-live of Oracle Cloud the old Oracle system, e-business (EBS) was changed to an archive state. It remained on the old infrastructure (NaviSite), and with EBS functionality as well as the reporting system – OBIEE. However, as the total costs of this were £95K work began immediately on looking for a cheaper alternative.

- 4.13 Two options were explored, a data archive and a lift and shift of the current system onto Oracle infrastructure.
- 4.14 Nottingham have confirmed that they require access to EBS in its current state until March 2025, so the first option was not viable. In reviewing the second option it became apparent that it would not be possible to set up the new system within the Oracle Cloud and have it properly tested within the time available. There are also some longer-term questions about the level of expertise required within EMSS or the partners to manage this solution going forward.
- 4.15 The existing arrangement with NaviSite will be extended for a further year. The cost of the system (EBS) is £52,080. The costs of the OBIEE reporting function is £43,200 (this is only used by NCC). In light of the delays in moving away from Navisite and the asymmetric use of the systems the partners have agreed on a scheme to allocate the costs.

5 People



- 5.1 The average number of days absence per FTE has continued to decrease again from 2.69 in Q2 to 2.22. The rates in the ESC have also fallen from 4.21 in Q2 to 3.54. It is hoped that with the continued extra support for ESC staff this will continue to fall.
- 5.2 Annual Performance Review (APR) rates continue to show improvement across all teams.
- 5.3 Overall the number of staff up to date with their mandatory training has remained steady, however this conceals improvements in completion for GDPR and display screen equipment and a drop in managers needing to complete health and safety training. All managers will be reminded as to the absolute necessity of keeping this up to date.

- 5.4 Joint Committee will recall that the Q2 report included an analysis of the results of the 2023 LCC Staff Survey. Overall, the results were positive news but two questions in particular had a significant drop of nearly 10%, they were:
- My manager supports flexible working practices
 - I feel safe to speak up
- 5.5 Work has begun to investigate why staff are unhappy on these points. On the issue of flexible working formal and informal discussions with staff have confirmed it was the change to working patterns in the ESC that caused the concern. Staff were asked to attend the office twice a week to assist with the establishment of the new teams and new ways of working. In light of responses, this initiative is under review to find alternative ways of meeting operational needs, whilst promoting flexible working.
- 5.6 To understand the concerns about feeling safe to speak up a new survey has been commissioned that seeks greater detail as to how these concerns have arisen. The analysis of this new data and resulting management actions will be reported in Quarter 4.
- 5.7 A new internal communications and engagement plan has been developed to ensure that effective communication and consultation exists at a range of levels and over a range of channels. The boxes below outline the principles of the plan and its goals and objectives.

INTERNAL COMMUNICATION AND ENGAGEMENT AT EMSS			
Principles - Why it matters			
TEAMWORK Our colleagues will be better placed to team up and work together on projects		CLARITY Our colleagues will gain clarity on systems, services and processes throughout EMSS	
WELLBEING Our colleagues will feel empowered by receiving open, honest and transparent communication		COMPLIANCE Our colleagues will be more aware of legislative and partner expectations to promote compliance	

Objectives / Goals - What we want to achieve			
TRUST Our colleagues should find one another and comms reliable and honest, with a sense of mutual respect		MOTIVATION Our colleagues should feel inspired to promote change, develop goals and stay focused	
How: Distribute regular, consistent comms and provide colleagues with the opportunity to raise honest questions		How: Recognising and rewarding performance and teamwork	
PRIDE AND ADVOCACY Our colleagues should be proud to work for EMSS and champion the services we offer		CONNECTION Our colleagues should grow bonds with one another to promote collaboration and progress	
How: Share service-wide achievements, awards and statistics to present the accomplishments of EMSS over the year(s)		How: Create events and virtual spaces in comms for colleagues to share stories and experiences with one another	

6 Customer



6.1 Customer satisfaction has risen 11% from Q2 to 83% this quarter. All the teams have seen an increase, the table below highlights the improvement by service.

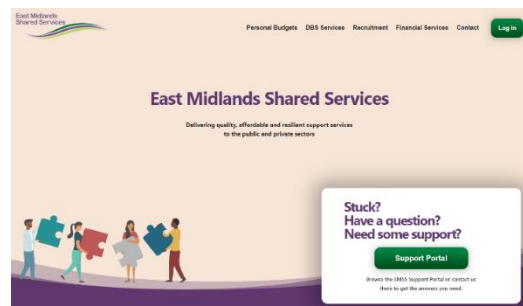
Quarter	ESC	FSC	BD
2	68%	73%	76%
3	82%	80%	88%

6.2 It is hoped that these results show a return to the trend of improvement. To assist this endeavour further work is being undertaken by the Customer Boards to look at the most common query types and how these can be resolved for customers using self-service channels. The Boards will also review the quality of responses to customers to ensure that interactions with EMSS customer agents provide the excellent service expected.

6.3 Use of the chatbot remained steady through the first two months of the quarter but fell in December inline with reductions in other channels. The business will continue to monitor volumes and outputs to ensure that the chatbot provide improving levels of service.

6.4 Although resolution times fell at the start of the quarter, with the build up to the Christmas break, with increased staff annual leave they rose again in December to 152 calendar hours. These should fall again quickly in Q4.

6.5 The new EMSS website has been developed and should go-live early in Q4. It provides easier access to the support portal as well as being easier to navigate and promote services. Final testing is underway to ensure it works across a range of devices and it should be live by the date of Joint Committee.



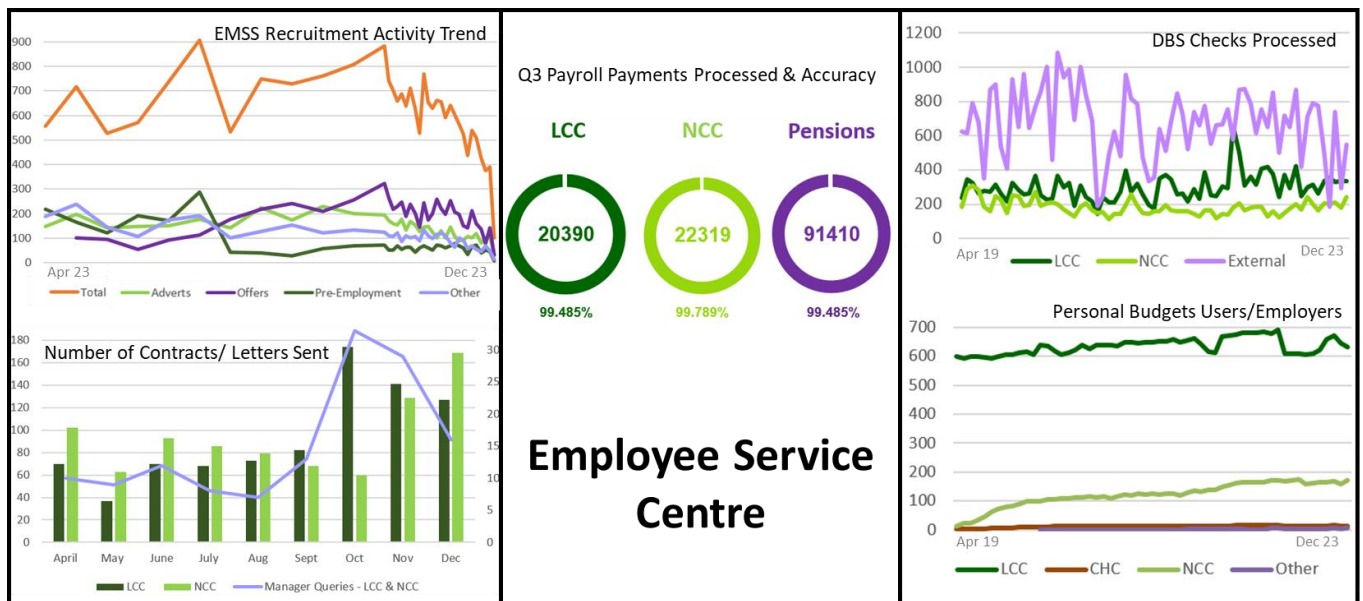
6.6 In addition to the new internal Communications plan an external plan is also being developed. This is less well advanced than its internal version, but its objectives and principles are shown below.

EXTERNAL COMMUNICATION AND ENGAGEMENT AT EMSS	
Principles - Why it matters	
<p>PROMOTION</p> <p>It is an opportunity to promote the EMSS brand and increase awareness of our diverse services.</p>	
<p>LOYALTY</p> <p>It is an opportunity to grow trust in EMSS and the services we offer to our partners</p>	
<p>CLARITY</p> <p>It is an opportunity to improve knowledge of systems and processes to drive efficiency</p>	
<p>PROVE OURSELVES</p> <p>It is an opportunity to demonstrate to our existing partners that we are innovative & cost-effective</p>	
Objectives / Goals - What we want to achieve	
<p>STRONG RELATIONSHIPS</p> <p>Our customers & Partners should have positive and transparent two-way relationships with EMSS</p> <p>How: Maintain regular, consistent and accurate comms that provides a place for feedback from both parties</p>	
<p>EDUCATED USERS</p> <p>Our customers & Partners should be aware of systems and processes to improve transactions and services</p> <p>How: Regularly review and develop our customer focused knowledgebases to reduce tickets and queries</p>	
<p>VALUE FOR MONEY</p> <p>Our Partners & Customers should see us as a cost-effective solution to Payroll & Transactional Finance</p> <p>How: Share service-wide achievements and statistics and apply for awards to showcase to partners and public</p>	
<p>RAISE AWARENESS</p> <p>The wider Public Sector should be more aware of our brand and the services we offer</p> <p>How: Improve our online presence and share a range of diverse services that EMSS can offer</p>	

6.7 The finalised plan will be presented to Joint Committee when it is complete.

7 Operational Performance

Employee Service Centre (ESC)



- 7.1 Q3 saw the ESC show some considerable signs of stabilisation in its processes and procedures, however, pressure remained on the payroll teams with residual maintained school queries and pension processes taking longer to settle.
- 7.2 the new monthly separate LCC/NCC account meetings were started, discussing any operational issues, overpayments, and future development plans of each partner. These have been well received.
- 7.3 The ESC is now monitoring overpayments more closely each month to ensure that debts are pursued immediately either by issuing an invoice or negotiating agreements for recovery via payroll. Work is ongoing with partners to try and reduce some of the common errors/issues which create overpayments. The number of overpayments across both partners had reduced by the end of Q3.
- 7.4 In December, the ESC successfully delivered the 2023/24 pay award for partners, including calculating the back pay owed for all maintained staff to ensure accuracy of payment to them by their new payroll providers. This was a great achievement, as demonstrated by the limited increase in pay day queries.
- 7.5 Across Q3 the ESC processed 43,689 payments for NCC, LCC and external customers. The team also processed 91,410 payments to pensioners of the Leicestershire Pension Service through the Altair system.
- 7.6 The accuracy rates of the payroll are based upon the number of errors identified by employees, managers or EMSS after payday. The performance for Q3 is 144 errors out of a total of 43,689 payments (a rate of 0.32%). The source of these errors can originate both with the manager and the ESC. The improvement in the payroll accuracy can be seen in the decrease of manual BACS payments made across the quarter compared to the same quarter last year. There has been a decrease of 35%

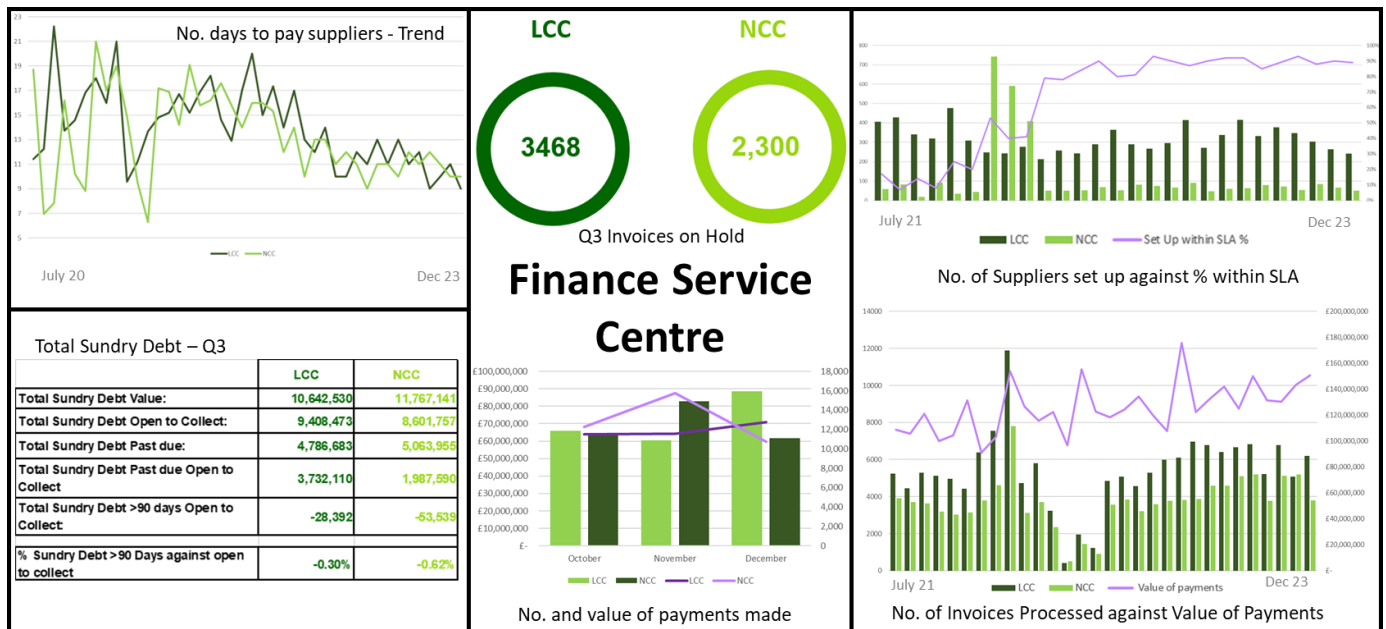
or 57 payments. It is worth noting though, that the greater scrutiny of the payroll is throwing up historical anomalies that are taking the payroll time to unravel.

7.7 In Q3, HR Admin colleagues produced, 442 contracts and letters for LCC and 358 for NCC. Work is ongoing to ensure that this team has visibility of all transactions that are completed through MSS. Under this scrutiny, the number of errors detected on MSS submissions has increased again this quarter, 78 errors were queried across the quarter. Work has been done with each partner organisation to identify the correct way for these transactions to come into us to help give clarity to managers and the supporting HR teams.

7.8 The total number of DBS checks completed in Q3 was 3904, which is 257 higher than in Q2. The ESC has recently onboarded Blaby District Council as a new customer. The ESC is also working closely with DBS authority to ensure that checks are achieving a high level of compliance.

7.9 The recruitment team processed 585 adverts in Q3 a decrease of 20% on the previous quarter and the number of new appointments processed was 717, a decrease of 8% from Q2. Q3 saw ORC bed in as a process, this is demonstrated by a decrease in the number of requisition templates rejected for missing information and a considerable decrease in the number of managers contacting the service desk for advice, the number of contacts regarding ORC in Q2 was 382 and this decreased to 45 contacts in Q3. There was a significant improvement in the service that the recruitment team delivered, achieving the agreed SLA of 24-hour turnaround on adverts and offers by the end of the quarter.

8 Finance Service Centre (FSC)



8.1 Overall performance during Q3 within the FSC remained within service level targets; with 23,486k payments made to a value of £124m. A total of 10,105 invoices were processed.

- 8.2 The average number of days to pay a supplier in Q3 was 9 days for LCC and 10 for NCC. As can be seen from the dashboard, over time these figures have fallen significantly.
- 8.3 In Q3, the overall proportion of invoices paid within 30 days for LCC was 95.7% and NCC was 95.3%. The proportion of trade suppliers paid within 30 days of receipt of a valid invoice was 98.2% for LCC and 97.6% for NCC. It is worth noting that both NCC & LCC have moved to payment of trade suppliers to terms from the date the invoice was received, not the date printed on the invoice.
- 8.4 Trade supplier invoices not paid within 30 days are due to invoices being on hold, either held in dispute or a delay in approving the invoice by the relevant manager. Monthly reports and emails are issued to chase the resolution of any invoices on hold, in a bid to try and get as many supplier invoices paid on time as possible. The FSC has little control over how quickly invoices are approved for payment.
- 8.5 At the end of Q3, LCC had fallen to 841 invoices on hold >90 days old and NCC increased slightly to 568. Invoices on hold include those awaiting coding or approval and are usually resolved within 1 to 2 weeks, the 90-day benchmark is reported as most disputes or reasons for non-payment should be resolved within that time.
- 8.6 NCC and EMSS are working on a project to clear any invoices that have been on hold for more than 12 months and are not actively being chased for payment. LCC is also looking at a similar exercise which should see aged invoices on hold reduced in the coming months.
- 8.7 The tables below show the breakdown of debt 'open for collection' for LCC and NCC in Q3. The performance is shown for both the new in-house EMSS team and the individual debt that is still with Thornton Hope. The figures can increase and decrease significantly month on month, for example if a large invoice falls past due. Overall, the collection performance rates are positive as the Councils are benefiting from the more focussed in-house service. Debt values are also seasonal, Christmas and school closures contribute to spikes in debt, however, they quickly recover in the following months as the market returns to normal. The debt not paid on time in December due to the seasonal spike was quickly recovered in early January, as per the commentary in the table below.

BU	Sector	Movement	Comments
LCC EMSS In House Open to collect Past due	Business	£564,204	8 customers (9 Transactions >£20k) = £1.7m (3 transactions on longer outstanding = £758k)
	Education	£188,255	
	NHS	£4,424	10 customers (16 Transactions >£20k) =£909k (12 transactions no longer outstanding = £708k)
	Public Sector	£722,069	
LCC EMSS TH Open to Collect Past Due	Individuals	£19,207	
	Other	£0	
Total EMSS Movement		£1,498,159	

BU	Sector	Movement	Comments
NCC EMSS in House Open to collect Past due	Business	-£5,329,828	£6.1m Inv 855130111 BEIS SICE credited 19.12.23
	Education	-£251,122	
	NHS	£39,995	
	Public Sector	-£183,523	
NCC EMSS TH Open to Collect Past Due	Individuals	£16,499	
	Other	£36,729	
Total EMSS Movement		-£5,671,250	

8.8 The dashboard shows that the percentage of suppliers set up within the 5 day target at the end of Q3 was stable at 90%. This is as high as can be achieved with the current process as EMSS are often reliant on additional information requested from suppliers or service teams.

9 Finance colleague comments (including implications and value for money/VAT)

9.1 In compiling this report discussions have taken place with the Head of EMSS, EMSS Sponsors and finance teams in Leicestershire County Council and Nottingham City Council.

10 Legal and Procurement colleague comments (including risk management issues, and legal, Crime and Disorder Act and procurement implications)

10.1 Legal advice has been taken from NCC's Legal Services for relevant matters.

10.2 Procurement advice has been provided by NCC's Procurement team for relevant matters

10.3 There are no Crime and Disorder Act implications considered to arise directly from this report.

11 Social value considerations

11.1 None

12 Equality Impact Assessment (EIA)

12.1 Has the equality impact of the proposals in this report been assessed?

All projects and activities requiring an Impact Assessment have been done.

13 List of background papers relied upon in writing this report (not including published documents or confidential or exempt information)

13.1 None

14 Published documents referred to in this report

14.1 None

Strategic Priorities Update

Priority	Actions	Status	Comment
Customer	Complete HCM implementation, including Oracle Recruiting Cloud	Complete	Completed in April 23
	Realise benefits from Freshdesk implementation	Complete	Embraced new functionality for all interactions between customers and EMSS. System is also being utilised by LCC Strategic Finance to manage all their customer interactions.
	Deliver Customer Service Strategy, utilising the enhanced digital technology provided by Freshdesk.	Complete	Delivered
	Providing data and reporting to enable end user to utilise self service	Ongoing	Data and reporting will remain a key theme for 2024 and beyond.
	Relentless focus on service quality, which is measurable and linked to strategic themes	Complete	Customer Boards are well established and provide a monthly focus on all aspects of customer service, interactions and demand management.
Operations	Clear backlogs created since the finance and HCM go-lives	Complete	Backlogs cleared on the service desks by April 2022.
	Review and confirm the target operating model (TOM) for each partner, ensuring alignment with their strategic priorities	Ongoing	This is a priority for both Councils. The services within EMSS are part of the overall HR and finance models, so TOM dictated by partners.
	Complete end to end process review in conjunction with the partners.	Ongoing	LCC finance work progressing.
	Digitisation of paper transactions to reduce post, printing and stationary costs	Ongoing	The ESC is reliant on partners granting all employee's access to Oracle, e.g., access online payslips to reduce costs.

			The FSC are developing business cases to move to paperless direct debits and implement a customer portal that will enable the digital management of invoices.
	Optimise operational efficiency (reducing cost per user)	Ongoing	Draft Best Value review completed for the FSC in February 24. Number of efficiency / improvement projects ongoing, e.g paperless direct debits. ESC due in 2025, post stabilisation of service.
	Ensure resilient infrastructure, security and business continuity plans in place	Ongoing	Work is ongoing across a number of areas to ensure robust plans are in place. These include a new DR and security plan for Oracle, new and improved formats for EMSS' Risk Log and BCP.
	Substantial assurance on core controls achieved and maintained	Ongoing	Disappointing audit outcomes for AR and IT in 2022/23. Should see an improvement in 2023/24 with just payroll not reaching substantial assurance.
	Increasing cash flow through improved debt collection – reduction in DCA fees and write offs	Ongoing	The final stage of the 'insourcing' debt collection will be completed by the end of March 24. KPI information indicates a significant improvement in the recovery of debt. Work is ongoing with partners regarding the legal process once the collection activity has been exhausted and write offs. Disputes and service area response times are still an area of concern.
	Deliver ESC Transformation plan by March 2025	Ongoing	Significant amount of the Transformation Plan was delivered in 2023, it is being updated to reflect the priorities for 2024.

People	To provide opportunities for continuous professional development and succession plan to enable staff to develop their careers with EMSS	Ongoing	APR completion and effective performance management is embedded within the services. More work to be done on succession planning.
	Develop new 'ways of working' operating model and principles based around remote working	Complete	Launched 'ways of working' across EMSS, within the services and individual teams.
	Become an organisation with enhanced people capacity and capability	Complete	Culture of performance management. Apprenticeships fully utilised in ESC, plan to introduce them in the FSC from 2025.
Finance	Reduce the overall EMSS headcount post Fit for the Future;	Complete	Staffing reduced across all three services post implementation of Fusion and the closure of the Fit for the Future Programme.
	Focus on jointly understanding our costs, so that the partners understand how their money is spent;	Complete	Detailed analysis of budget since 2012 complete and shared with partners. Presentation at Joint Committee in
	Agree the budget for EMSS for 2022 and basis of funding agreement and MTFP principles;	Complete	MTFP drafted and signed off yearly in consultation with Sponsors and Joint Committee.
	Realise the benefits from the significant investment in a Tier 1 ERP system	Ongoing	Will be an ongoing priority as should always be looking to realise the benefits from the ongoing investment. Re-negotiated the contract with Oracle in 2023 and was able to realign licences against usage and incorporate new modules.
	Become financially sustainable	Ongoing	Inflation and Oracle development costs will continue to apply pressure to the EMSS budget.
Technology	Establish 'support model' for Oracle Cloud Fusion across the partnership;	Complete	In light of the experience of running and supporting Oracle. EMSS will review the support model to reflect the larger role played by EMSS staff.

	Complete Managed Service Provider procurement and onboarding	Complete	Contract secured with Mastek from
	Develop a 'technology' roadmap which embraces the opportunities presented via quarterly updates and utilises new capability within our existing subscription as well as new product capability. Look to make the most of the investment in Oracle Fusion Cloud	Ongoing	Work has begun with Mastek and the partners to review how best use can be made of all the functionality available.
	Act as the 'business owner' for the Oracle Fusion Cloud product, managing the relationship with Oracle and the MSP on behalf of the partners.	Complete	In place from the end of the Fit for the Future programme.
	Reset relationship with Oracle – establish account meetings, attend forums, utilise 'Customer Connect' and Customer Relationship Manager;	Complete	In place from the end of the Fit for the Future programme.
	Embrace opportunities within the Oracle Cloud technology to ensure that business improvements accelerate post-stabilisation	Ongoing	Some progress, but capacity to focus on Oracle across the partnership has been impacted, e.g., Oracle Guided Learning
	Review of efficiency enabling technology (RPA development) and HCM Journeys	Ongoing	The use of RPA is under review currently with Mastek and partners to ensure the most efficient use of resource and of Oracle functionality.
Growth	Carry out an analysis of potential areas of growth for EMSS.	Ongoing	Business case had been developed and signed off to transition LCC Adult Social Care debt into EMSS from Jan 25. Further discussions required with Sponsors on 'internal' opportunities, where EMSS could pr
	Review 'traded' HR/Payroll services to confirm long term commercial viability	Complete	Decision taken in January 2023 to cease trading with the education sector.

	While we focus on driving effectiveness and efficiency within the services we deliver, keep an eye on the future and grow in a measured and managed way that balances reality with our ambitions.	Ongoing	Ongoing focus and priority for the Head of EMSS. Number of conversations with other Councils and customers have taken place, but any growth has to fit within the operating context and system restrictions.
	Develop a reputation built on quality that consequently provides opportunities for growth, either with our partners or new clients	Ongoing	Links to the work on the target operating model for HR and Finance, redefining the role of the Employee Service Centre and Finance Service Centre in 2024.