



**East Midlands Shared Services Joint Committee
09 December 2024**

Subject:	East Midlands Shared Service Performance Report 2024/25.	
Corporate Directors	Simone Hines – Assistant Director of Finance, Strategic Property and Commissioning, Leicestershire County Council (LCC) Stuart Fair, Interim Corporate Director for Finance & Resources and Section 151 Officer Nottingham City Council (NCC)	
Portfolio Holder(s):		
Report author and contact details:	Elaine Simpson – Head of East Midlands Shared Services 01163056506 elaine.simpson@emss.org.uk	
Other colleagues who have provided input:	Jill Turner, Business Support Manager, Emma Sutton, Acting Employee Service Centre Manager.	
Key Decision	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Subject to call-in <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Total value of the decision: None		
Section 151 Officer expenditure approval Has any NCC spend been approved by the Section 151 Officer? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/a Spend Control Board approval reference number: N/A		
Date of consultation with Executive Member(s): N/A		
Summary of issues (including benefits to citizens/service users): This report provides the Joint Committee with a summary of the performance of East Midlands Shared Service (EMSS) during Q2 2024/25.		
Exempt information: None		
Recommendation(s):		
1. To note the performance of EMSS during Q2 2024/25		

1 Reasons for recommendations

1.1 To report on the performance of EMSS for Q2 2024/25.

- 1.2 To provide the Joint Committee with an update on the progress of the projects within the Business Plan.
- 1.3 To ensure that the Joint Committee can form a clear and accurate view of the performance of the service, reporting any highlights or concerns back into their own organisation.

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.

4 EMSS Service / Business Plan 2023/24

- 4.1 The following table details the priorities for EMSS in 2024/25 as identified from the last Strategic Plan agreed in 2023.

Benefits Key

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

Project / Priority	Target End Date	Benefits	Description	Status	Sept 24 Update
Technology - Oracle Analytics implementation	June 24	  	New functionality negotiated during the contract renewal. Finance available 2023 and HR 2024	Complete	
Technology – Oracle Guided Learning	August 24	   	A new system that will greatly improve the user experience of using Oracle, providing on screen user guides and process notes.	Complete	Whilst the implementation has been completed by EMSS, there is a reliance on the service areas to create content and utilise the functionality now available.
Technology - Oracle Cloud Infrastructure Health check	July 24		A health check highlighted a number of significant inadequacies with the set-up.	Complete	
FSC – Best Value Review	Mar 24	  	A full review of FSC services, performance and efficiency. To enable partners to assess the value for money delivered and opportunities for improvements	Complete	

Project / Priority	Target End Date	Benefits	Description	Status	Sept 24 Update
Organisational - Performance Reporting	Dec 24 Work will be ongoing to deliver further improvements	 	Improve reporting capability and measures. Automate and improve use.		Some performance stats and dashboards are now being generated from FDI this includes new functionality for payroll being introduced in 24C
Technology - Oracle EBS archive	March 25		To transfer the data in EBS to an archive state		Work is well advanced to develop a new archive led by LCC it is anticipated that NCC will also be able to migrate from the current platform before March 25
Technology – Oracle Redwood Implementation	Feb 25	 	Oracle have developed a new interface /front end for their system which is being rolled out module by module		The role issues have been resolved and the pace of work is increasing. Oracle have extended the deadlines for adoption in light of the issues.
Review of the Oracle Support Service	Dec 24	 	A review of the service to ensure it is meeting customer needs.		A new draft service plan has been produced and a proposal to introduce a new post is with sponsors for consideration
Procurement of customer support system	Feb 25	    	The Freshdesk contract will end in Feb 25, so a new procurement exercise has been started.		A preferred system has been identified that will support significant developments. The contract is being finalised and implementation has begun
FSC – Duplicate payment identification system replacement	Dec 24	  	The current system requires upgrading		The in-house solution has been developed and is currently undergoing testing

Project / Priority	Target End Date	Benefits	Description	Status	Sept 24 Update
FSC – Oracle Post Implementation Value Investigation (PIVI)	Oct 24		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		Oracle have produced a summary of the main AR issues to assist an in-depth root cause analysis. This is now awaiting a deep dive into specific processes to understand if better functionality is available or not. This has been chased with Oracle, no date has been set. Delay is due to key staff leaving Oracle.
FSC - Dialler system and SMS software	Nov 24		A new system to automate the contacting of customers about their debts either by text or by phoning		Investigations and demos are now complete for a telephony systems with extended capability to ensure debt calls are priorities based on age, value, and payment history. This project will be picked up early 2025 for implementation.
FSC – LCC ASC Debt	Jan 25		To move the service to the FSC improving processes and recovery rates		Work is ongoing to transfer this work to EMSS. As TUPE will apply for the work done by a third-party contractor there are some resulting complications that need to be agreed, however, this will not prevent or delay the move.
FSC - Supplier Portal roll out	Ongoing		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	Sept 24		Self-serve portal to get copy invoices and view account		This project is currently on hold following Oracles decision to charge license fees per customer per month for the use of this. A Customer self-serve portal is still a high priority, so currently other products and options are being investigated as an interim fix to be able to deliver documents securely to all customers. This project will be resumed in 2025.

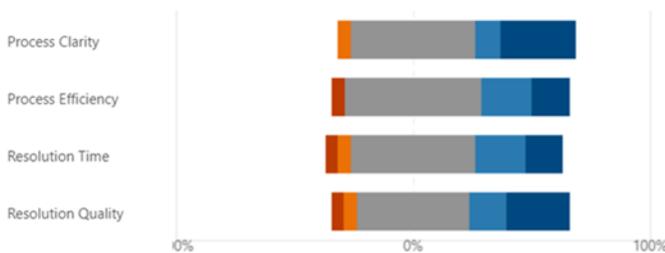
Project / Priority	Target End Date	Benefits	Description	Status	Sept 24 Update
Paperless Direct Debits	Sept 24		Project to move customers to paperless direct debits to reduce printing, postage and resource		Business case is complete and has been agreed by both NCC & LCC. Contract and supplier agreed, first kick off meeting to configure the integration of the DD mandate into fusion has taken place. Expect this project to complete by mid Jan 25
ESC - HCM and Payroll Transformation. Year 2	Mar 25		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.
ESC – resolve ‘reducing balances’ element issues	Nov 24		Issues still outstanding from ‘go-live’ on certain payroll elements, i.e those where the balance reduces each month over a set period of time.		Work has now commenced on the remaining elements which don’t reduce properly following the completion of the work above seeded absence work. due to complexities involved, this is planned to be completed by April 25

5 Technology

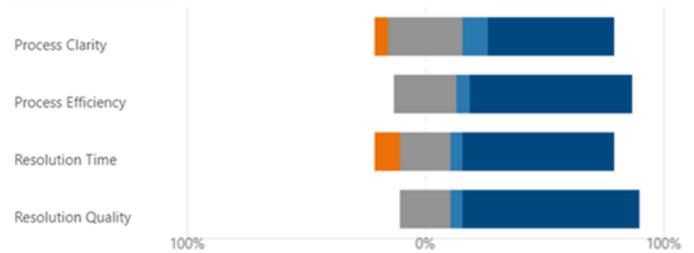
Oracle

- 5.1 All the work to resolve the issues from the Oracle Cloud Infrastructure health check are now complete and a new check run to confirm there are no outstanding issues run. This latest review passed 977 of the 1000 tests with no issues. The defects identified are all known issues and were around users logging into Oracle using a user name and password instead of single sign on (via active directory). These have been resolved by requiring all users to use multi factor authentication when accessing the system outside of the active directory. The integrated monitoring is now working and rates the current configuration as excellent.
- 5.2 The implementation of Oracle Guided Learning (OGL) has been completed. Refresher training has been offered to all users and the content created will be available in Oracle from mid-Nov.
- 5.3 The implementation of Redwood, the new look and feel for Oracle is still on-going. A fix for the main issues around roles has been provided by Oracle and work has recommenced. Work is also underway to resolve the issue identified in supplier set-up where internal (NCC and LCC) colleagues, setting up new suppliers were not using the correct form. This is now being configured for use. This section of the Redwood update covers HR, Payroll & Procurement and is set to complete by Autumn 2025. Additional support and resource has been added to the 2025/26 budget to ensure this project can be delivered. There are currently no dates from Oracle on the Redwood update for finance modules.
- 5.4 Work is also well advanced on the review of the Oracle Support Service. This included a survey of key system users on the main functions of the Oracle Support Service, to gather insight and feedback to assist in any redesign. The results are below:

Please rate the following areas in relation to Change Requests

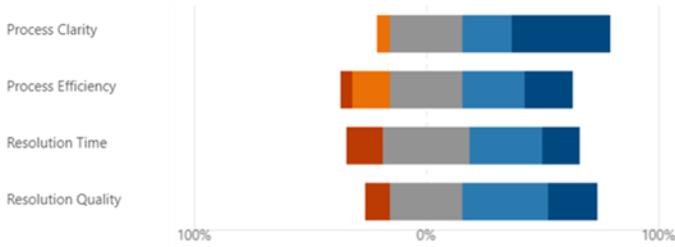


Please rate the following areas in relation to Roles and Access

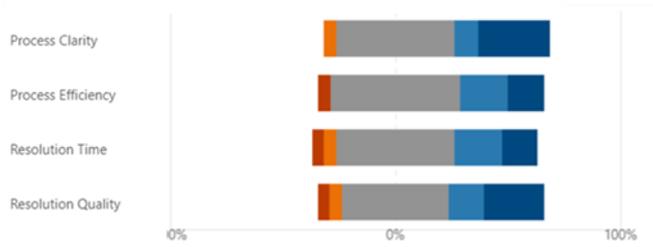


■ Dissatisfied ■ Slightly Dissatisfied ■ Neutral ■ Slightly Satisfied ■ Satisfied

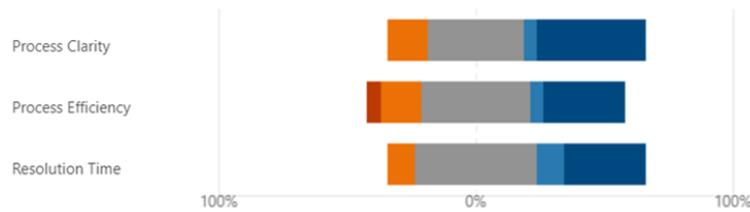
Please rate the following areas in relation to Incidents



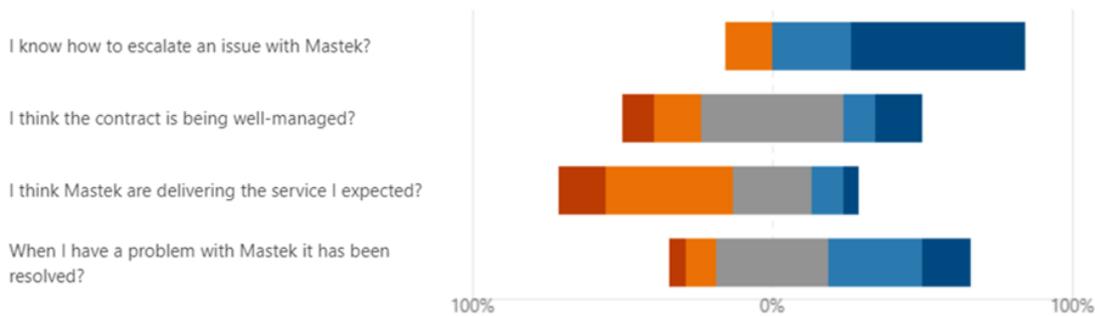
Please rate the following areas in relation to Change Requests



Please rate the following areas in relation to Environment Management



Please rate the following areas in relation to Mastek Contract Management



5.5 Overall the feedback is positive but there are clear themes emerging where there is significant dissatisfaction, and these are around Mastek deliverables:

- Incident resolution times and quality
- Change request resolution times and quality
- The service received from Mastek
- The effectiveness of the Mastek contract management

5.6 The conclusion of the review has been to propose adding a new part time role to manage the relationship with Mastek, including ensuring work and requests are being completed to time and to the required quality and oversee the quarterly update processes. This will free up the existing Oracle Support Manager to focus on the technical aspects of system design and development to reduce the reliance on Mastek and provide greater challenge and oversight. Also to provide partners with advice and guidance on how to meet organisational objectives and help develop an Oracle Roadmap. This proposal is with EMSS Sponsors.

6 Customer

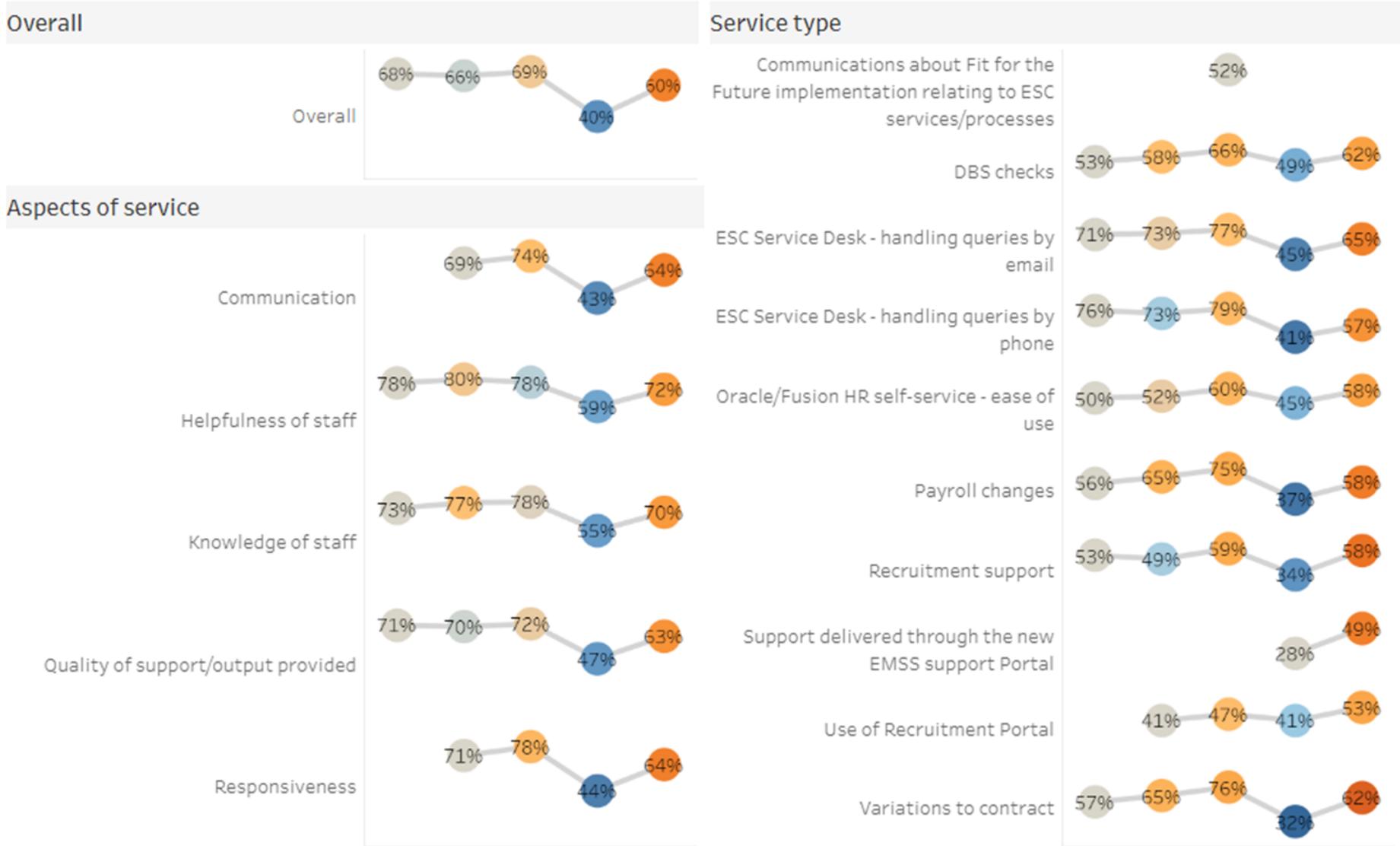


- 6.1 The trend for customer satisfaction has continued to decline slightly. Significant work has been undertaken to investigate, including reviewing all negative responses however there are no patterns or common themes. The new Head of EMSS is considering proposals to revamp the Customer Boards to re-energise the work to improve customer outcomes. It should be noted that of the quality checks against negative feedback, many of them were not a negative reflection on EMSS, but rather the user not appreciating the self service requirements.
- 6.2 Resolution time has improved as has the proportion of tickets resolved within SLA.
- 6.3 EMSS has also received the feedback from the 2024 LCC Support Services Survey. This is carried out every two years and all staff can give feedback on the services they have used. Joint Committee may recall in 2022 receiving very disappointing scores. Investigation at the time revealed a lot of dissatisfaction with the new Oracle system and unfamiliarity with the associated new processes. However the outcomes this year show significant improvement. Overall in 2022 the ESC and FSC were ranked 22 and 23. In 2024 they have risen to 18 and 20 respectively.
- 6.4 The following charts show the results and change over time.

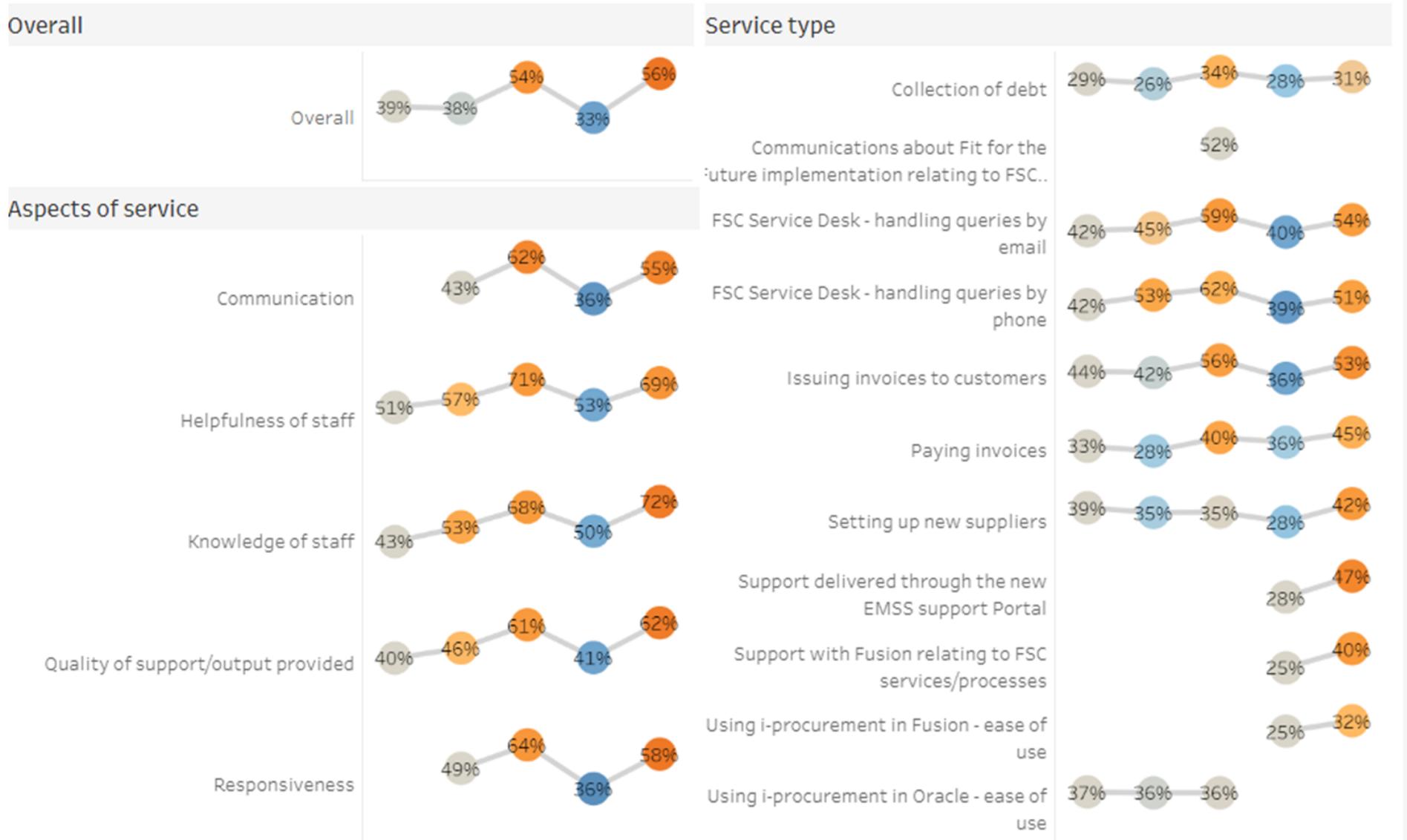
	2022		2024			2022		2024	
	Line Manager	Colleague	Line Manager	Colleague		Line Manager	Colleague	Line Manager	Colleague
Finance Service Centre					Employee Service Centre				
Overall	22%	47%	42%	68%	Overall	29%	51%	51%	68%
Communication	28%	49%	52%	60%	Communication	35%	51%	50%	76%
Helpfulness of staff	47%	62%	64%	74%	Helpfulness of staff	54%	63%	63%	80%
Knowledge of staff	43%	60%	66%	77%	Knowledge of staff	50%	61%	62%	76%
Quality of support/output provided	34%	52%	54%	70%	Quality of support/output provided	37%	57%	53%	72%
Responsiveness	30%	46%	55%	61%	Responsiveness	36%	50%	52%	74%
Collection of debt	24%	32%	25%	39%	DBS checks	41%	58%	57%	67%
FSC Service Desk - handling queries..	32%	54%	48%	60%	ESC Service Desk - handling queries..	32%	57%	50%	77%
FSC Service Desk - handling queries..	31%	49%	48%	57%	ESC Service Desk - handling queries..	29%	57%	47%	67%
Issuing invoices to customers	33%	41%	52%	56%	Oracle/Fusion HR self-service - eas..	35%	57%	48%	69%
Paying invoices	30%	42%	41%	49%	Payroll changes	27%	48%	51%	62%
Setting up new suppliers	24%	33%	31%	55%	Recruitment support	28%	45%	51%	69%
Support delivered through the new..	20%	41%	38%	58%	Support delivered through the new..	21%	36%	37%	61%
Support with Fusion relating to FS..	19%	35%	29%	51%	Use of Recruitment Portal	29%	64%	43%	67%
Using i-procurement in Fusion - eas..	18%	38%	24%	39%	Variations to contract	33%	29%	60%	64%

These charts show the improvement in satisfaction for staff and managers from 2022 to 2024.

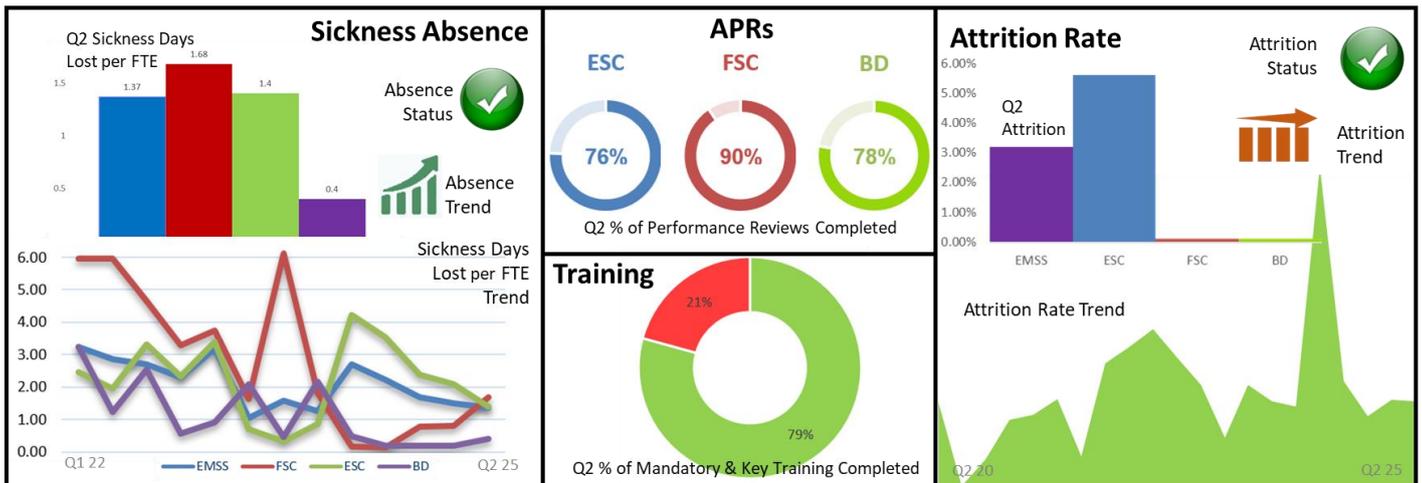
The chart below shows the overall scores since 2016 for the Employee Service Centre



The chart below shows the overall scores since 2016 for the Finance Service Centre

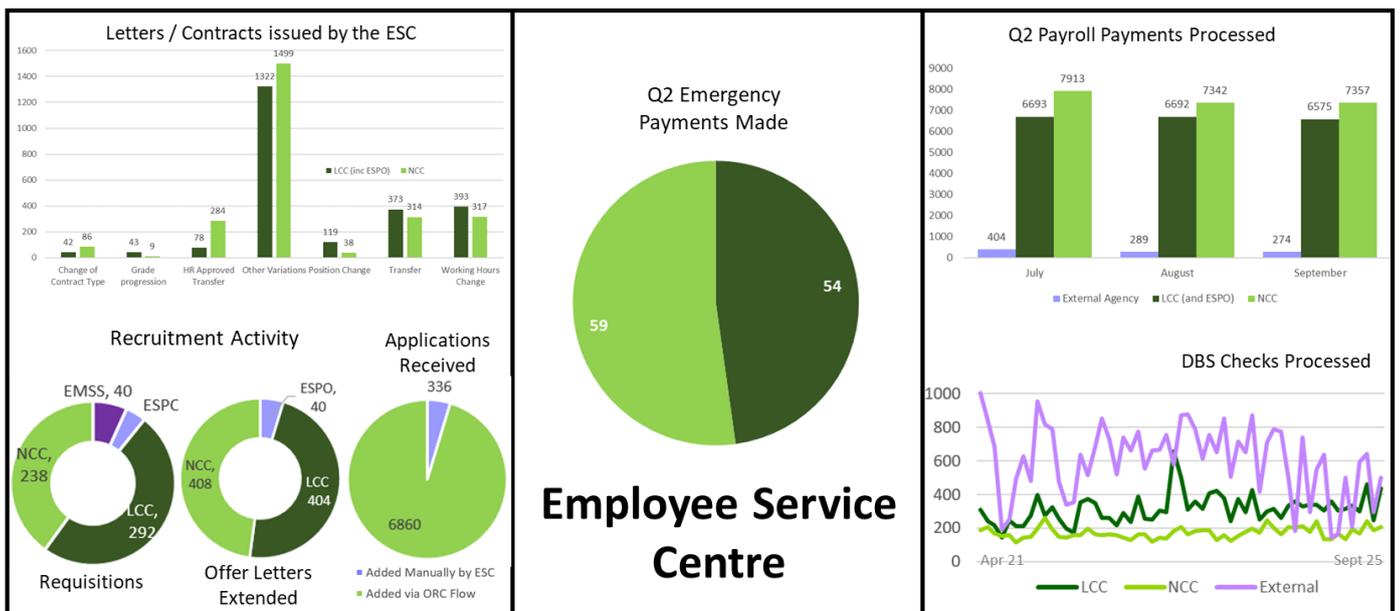


7 People



- 7.1 Sickness absence has risen in the FSC and Business Development. However it has fallen in the ESC. The increased absences for the FSC and Business Development are currently under management.
- 7.2 Overall absence is at 1.37 for the whole staff group but this is at risk of rising if absence continues to decline in the FSC and BD.
- 7.3 Annual performance reviews (APRs) have started to increase with the exception of Business Development. These should also improve for next quarter as all managers have now received their APR and they can now cascade the work objectives to their teams.

8 Service Performance – Employee Service Centre (ESC)



- 8.1 Q2 started with some considerable staffing challenges facing the ESC, with several notable absences hitting both the management team and the development team. Lucy

Littlefair was promoted to Assistant Director within LCC, whilst a new Head of EMSS has been appointed as well as the ESC manager appointed in an acting up capacity, there were other key management absences in the team that slightly did hinder some of the development work planned.

As a result of these challenges, Emma Sutton was appointed as acting ESC Manager.

In these difficult circumstances, one of the first tasks was to examine the resilience of the team. To assist with this, an options appraisal was conducted looking at whether external support was required or whether promoting within could provide the necessary support.

This options appraisal resulted in a number of temporary agreements being made permanent and an additional number of temporary moves being awarded, these were designed to increase stability within the team. This was achieved within the existing budget.

It is also notable how well the team have pulled together at this difficult time and how they have continued to deliver with high standards throughout this period. Everything that was required during Quarter 2 was delivered and standards have been maintained, this can be attributed to the hard work and dedication of the whole ESC team.

- 8.2 The ESC relocated over the summer months away from the Eastern Annexe to Room 300 in the main County Hall building. The move has been positively received by the team who are enjoying having natural light and the greater collaboration achieved by being in the same room as the HR and Pensions teams.

This move has also allowed to focus on the amount of physical filed documentation that it had held on to. This has now been largely cleared.

- 8.3 The account meetings with both LCC and NCC continue to focus on operational issues, they have continued in the trend of Q1 with a focus on collaboration to resolve any issues. In Q2 the focus of these meetings has been regarding how to improve late notifications, recruitment issues and new approaches to recovering overpayments.

A new approach to the recovery of overpayments was discussed and agreed. For overpayments to existing staff the agreed approach is that a suggested payment plan would be included in the overpayment letter. The purpose of this was to encourage discussion around re-payment terms rather than enforcing payment. This has had positive results so far.

- 8.4 The work continued within Q2, to agree the approach that the ESC will triage all NCC HR/Payroll queries through the Service Hub. The ESC has been supported in this project by Business Development team to ensure that Freshdesk can be utilised to support. The ESC currently handles an average of 3000 tickets per quarter for NCC and predict that due to this project this number will increase to 5000 which is more comparable to the LCC volumes.

This way of working has now been communicated with LCC HR and they are currently exploring the merits of this approach.

8.5 The Transformation Plan set out the priorities and activities across four phases: This plan has been hindered by some key absences and competing priorities from both LCC & NCC. The team have displayed the flexibility required to adapt and reprioritise where needed.

- Stage 1 Foundation April 2023 – September 2023
- Stage 2 Deliver the Basics October 2023 – March 2024
- Stage 3 Develop the Service April 2024 – March 2025
- Stage 4 Optimise the Service April 2024 – March 2026

In Q2, there has been a clear move to stage 3 of the plan. This is evidenced by clear progress being made on process maps and resolving historical issues. This is evidenced in one piece of work alone, reconciliation. LCC reconciliation is now up to date and progressing well, NCC are engaging in discussions over reconciliation and £234,000 of overpayments across both authorities are now in the process of being recovered.

8.6 Unfortunately, during Q2, nothing has improved with the service being provided to LCC maintained schools by one of the external payroll providers – Dataplan/IRIS, the service has remained poor. The ESC tries to help resolve these issues through weekly meetings that have been held with Dataplan, however, the progress is slow. LCC has requested a face-to-face meeting with dataplan as a last attempt to iron out the ongoing issues maintained schools are experiencing, before any further escalations take place.

8.7 In Q2 the ESC processed 43,539 payments for NCC, LCC and external customers. The team also processed 93,751 payments to pensioners of the Leicestershire Pension Service through the Altair system. This figure remains static.

8.8 The accuracy rates of the payroll are based upon the number of errors identified by employees, managers or EMSS after payday. The performance for Q2 is 54 errors out of a total of 43,539 payments (a rate of 0.12 %). This has increased slightly by 0.02%. The source of these errors can originate both with the manager and the ESC. Out of over 43,000 payments, this rate remains extremely low.

Interestingly the value of these payments fell considerably with £193,395 being paid in Q1 and only £97,809 being paid in Q2. This demonstrates that managers using emergency payments less as an alternative to the designed process and it is now largely being used to correct management/ESC oversights.

8.9 The ESC is monitoring overpayments closely each month to ensure that debts are pursued immediately either by issuing an invoice or negotiating agreements for recovery via payroll. The ESC focuses its KPI reporting on the amount of overpayments generated from leavers not being processed correctly. The reason for this is the amount owed is much more difficult to recover once someone has left the authority. The number of leaver overpayments in LCC have remained static from Q1(6 per month) and the number of leaver overpayments in NCC have increased

from 30 in Q1 to 39 in Q2. The amount of money that needs to be recovered has remained static in LCC (£6K) or reduced in NCC. NCC has reduced this figure in Q2 to £14,319 from £37,685.

8.10 In Q2, HR Admin colleagues produced, 2,121 contracts and letters for LCC and 2,412 for NCC. Work is ongoing to ensure that this team has visibility of all transactions that are completed through Manager Self Service (MSS), with error rates monitored. Work has been done with each partner organisation to identify the correct way for these transactions to come into the ESC to help give clarity to managers and the supporting HR teams. This is now an important discussion point in the Account meetings.

8.11 The total number of DBS checks completed in Q2 was 3206, which is 30% less than last quarter. This is aligned with normal performance over the summer months with schools being away for their summer break.

The ESC participated with a DBS compliance audit in July. The outcome was on the whole good with issues being identified over the use of the combined children's and adult barred lists. This has resulted in the ESC scrutinising the use of these checks this has resulted in a number of these checks being deleted. The ESC has also established a new process for setting up what checks can be accessed utilising the checking mechanism made available on the Gov.Uk website.

8.12 The recruitment team processed 594 adverts in Q2, the trend of posting more adverts for LCC than NCC continued throughout this quarter. The number of new appointments processed was 775. Q2 saw the trend of having to add applications decline with 200 less applications requiring to be added manually.

8.13 In Q2 work started on setting up the job boards on ORC (Oracle recruitment cloud) that would allow all LCC and NCC job adverts to be placed on 'Find a Job' and 'Forces Families'. This proved to be quite a difficult task and work is ongoing.

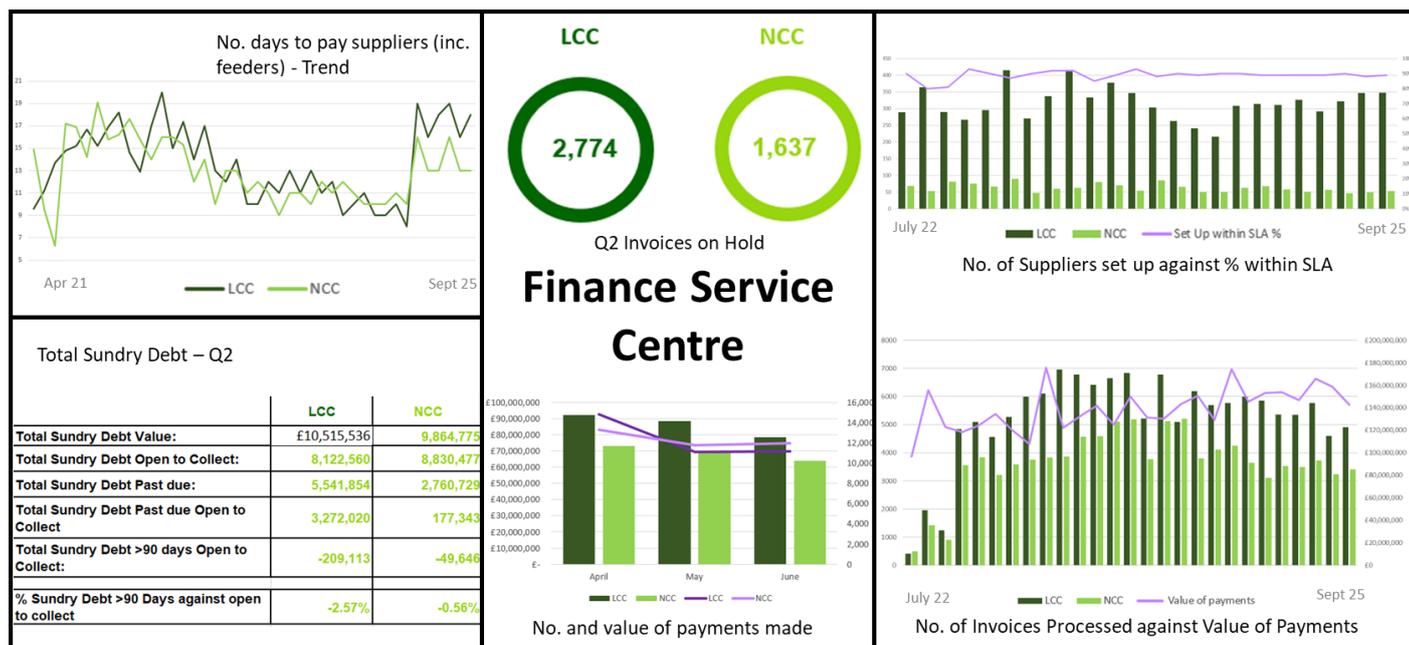
8.14 In Q2, the Development team continued to support the wider ESC teams with ad hoc systems issues that continued to occur. Some of these issues had been caused by the fallout from the adoption of seeded absence and some were retro issues that appeared to have no explanation. The ESC has continued to work with Mastek to resolve these issues.

8.15 In Q2, the Development Team worked on the following:

- Implementing EPM/ Assure programme. This has been well received and will support the delivery of more accurate payrolls. August was the first month Assure was used rather than the seeded reports that are provided by Fusion. The focus on this is to now understand what else this system can help the ESC interrogate.
- Delivering accurate KPI's to support the account meetings and the operational delivery within the ESC.
- Ongoing work was completed on the legacy issue of reducing balance elements.
- Working closely with the business development team, any historic school/NCH personalisation's were removed from the Managers Self Service screens.

After much discussion with Mastek, Teachers Pensions and the management team, the decision was made to delay the implementation of Seeded Teachers Pension Scheme and MCR until after the pay award had been implemented. This work will now commence in February 2025.

9 Service Performance - Finance Service Centre (FSC)



- 9.1 In Q2, the FSC processed a total of 25,647 invoices – 15,274 for LCC and 10,373 for NCC. With a total 74,312 payments with a value of £467m. In addition, 1,165 new suppliers were set up with 89% completed within SLA. As of the end of September there were 4,411 supplier invoices on hold with a total value of £22.5m. If items awaiting coding are removed, the number of genuine holds stand at 1,869 with a value of £15m (£9.8 m for LCC and £5m for NCC). These invoices are regularly communicated and escalated for action with the service areas to expedite resolution. Trade suppliers were paid within the statutory 30 days from receipt of a valid invoice.
- 9.2 The benchmark for debt collection is the percentage of clean debt over 90 days old. Clean debt is open debt with no known reason for non-payment. The target is 1% for both NCC and LCC. This value is currently sitting in a negative value for both Councils, which reassures partners that aged debt levels open to collect remain low. A Negative balance occurs when the level of credit notes due to customers and or overpayments made on the account outweigh the value of debt outstanding. Regular reviews take place to reconcile and or refund any monies due back to customers.
- 9.3 Work has started to configure and design the paperless Direct Debit interface forms and bank verification, the FSC hopes that this project will be completed in Jan 2025.

This project will deliver multiple efficiencies, as well as improve the customer experience.

9.4 Following the promotion of Suzana Lugonja to FSC Service Manager, there will be a new Collections and AR Manager starting in Jan 25.

9.5 There has been a noticeable improvement in service area engagement, particularly in LCC. The FSC is now in regular attendance at the LCC process improvement and compliance boards, working collaboratively with LCC to ensure that continuous improvement and compliance are kept at the forefront of focus. The FSC appreciates that such boards are still in a developmental state at NCC but has received assurance that the FSC's engagement with these workstreams will be requested.

10 FSC Best Value Review

10.1 The best value review aimed to inform stakeholders about the current state and future direction of the Finance Service Centre. The 67-page review report (included at Appendix A) covers key areas including performance, productivity, effectiveness, and potential improvements.

10.2 The review evaluates the Finance Service Centre's operations, focusing on its ability to deliver financial services efficiently and effectively with a focus on continuous improvement. It assesses both quantitative and qualitative aspects of performance, productivity, and overall effectiveness. The review includes the following sections;

- **Service Summary** – an overview of financial services provided and key statistics and metrics
- **Duties and Responsibilities** – although statutory duties and legal responsibilities sit with the Partners councils, a list of some functions the FSC supports under these requirements are provided
- **Strategic Objectives and Policy Framework** – the FSC is a 'back office' transactional service that underpins the delivery of council services and supports their strategic objectives. Below are some of the strategic objectives stated in each council's Strategic Plan that the FSC contribute to.
- **Service Information and Current Effectiveness** – an appraisal of the FSC's structure, budget, service plan, key performance measures (KPI's) and processes and their effectiveness
- **Team descriptions** – an overview of the Accounts Payable and Accounts Receivables services and their current effectiveness
- **Approach to service improvement** – the ways in which the FSC engages with our stakeholders to manage performance and continuous improvement of services provided.
- **Comparison** – the aim for this section was to benchmark ourselves against similar Public Sector service providers or Private Sector businesses. Despite reaching out to CIPFA, Shared Services Outsourcing Network and other providers, comparisons were not able to be made or, in the example of the SSON, cost \$10k p.a. to access.
- **Consultation** – an outline of the communication and consultation the FSC uses or accesses to run the service.

- **Compete** – an assessment against eight approaches to providing services to which we class ourselves as **DIWO** - do it with others e.g. shared services/ partnerships with local authorities. Alternative approaches include **DIY** - do it yourself, **BIY** - buy it yourself and **STOP**.
- **Challenge** – we have been discussing where possible with key stakeholders for their comments on our findings. This section can be completed following final discussions with our Council Sponsors and Members.
- **Service Recommendations, Implementation and Monitoring** – a list of improvements recommended by EMSS. This section can be completed following final discussions with our Council Sponsors and Members.

10.3 Key Information

- Budget of £1.3 million and has been stable state since 2021/22, operating at its lowest FTE since we have recorded staffing numbers.
- Staffing of 34 FTE (83% of budget) with low absence and turnover.
- Customer tickets: 6000 – 7000 per month (including customer contacts, system generated tickets and auto close tickets) or an average of 6339 over period analysed.
- 97% Customer queries resolved within 5 day Service Level Agreement (95% for all tickets over period analysed)
- Processes: 345 different processes performed.
- Suppliers: 25,000 suppliers managed.
- Invoices: 10,000 received per month.
- Payments: 22,000 to 30,000 payments processed per month, totalling £131 million.
- Invoice Payments on Hold: £34.5 million across both councils.
- Invoices in Dispute: £2.5 million across both councils.
- Supplier Management: 400 new or amended suppliers per month.
- Dunning Letters: 32,000 sent annually.
- Direct Debits: 3,500 processed per month.

10.4 Challenges

The FSC faces several challenges that impact its ability to deliver efficient and effective services. Here are some of the key challenges:

- I. **System Downtime:** Occasional downtimes of the ERP and other critical systems can disrupt workflow and reduce overall productivity.
- II. **Training Gaps:** Inadequate training on new technologies and processes can lead to underutilization of available tools and hinder staff performance.
- III. **Resource Allocation:** Inefficient allocation of resources sometimes results in bottlenecks and delays in service delivery.
- IV. **Change Management:** Resistance to change among staff can slow the adoption of new processes and technologies, impacting overall efficiency.

- V. **Financial Constraints:** Budget limitations can restrict the ability to invest in new technologies and training programs, which are essential for continuous improvement.
- VI. **Compliance and Regulatory Requirements:** Keeping up with evolving legal and regulatory requirements, such as data protection laws and financial regulations, can be challenging and resource-intensive.
- VII. **Stakeholder Expectations:** Meeting the high expectations of stakeholders for quality and value-for-money services requires continuous improvement and innovation.
- VIII. **Technological Advancements:** Rapid advancements in technology necessitate ongoing investment and adaptation, which can be difficult to manage within existing budgets and resource constraints.
- IX. **Data Security:** Ensuring the security and privacy of sensitive financial and personal data is a constant challenge, especially with increasing cyber threats.
- X. **Integration of Systems:** Achieving seamless integration between different financial and HR systems to ensure accurate and efficient data flow can be complex and time-consuming.

10.5 Addressing these challenges requires strategic planning, investment in technology and training, effective change management, and a commitment to continuous improvement. By tackling these issues head-on, EMSS can enhance its service delivery and better meet the needs of its stakeholders.

10.6 Recommendations

- **System Integration:** upgrade and integrate financial systems to ensure seamless data flow and accuracy.
- **Enhanced Collaboration:** Strengthen partnerships with other local authorities and public sector organizations to share best practices and resources.
- **Technological Advancements:** Invest in cutting-edge technologies such as artificial intelligence and machine learning to further automate processes and enhance service delivery.
- **Expansion of Services:** Explore opportunities to expand the range of services offered to include additional transactional and advisory services.
- **Continuous Improvement:** maintain a culture of continuous improvement through regular training, feedback, and performance reviews to ensure high standards of service.
- **Automation:** continue to investigate opportunities for processes that can implement Robotic Process Automation (RPA) for routine financial tasks
- **Sustainability Initiatives:** Implement green practices and technologies to reduce the environmental impact of operations.

- **Training:** develop comprehensive training focussed on new technologies and process improvements to 'grow our own' experts reducing the reliance on external providers.
- **Change Management:** implement change through regular communication, training, and support to help staff adapt to new processes, policies and advancing technology

10.7 As such, to support the FSC being able to work more efficiently, the following actions are suggested:

- Redefine the service delivery model for the FSC, in line with the overall Finance Operating model for each Council. Through that process it is appropriate to also confirm the performance measures and targets for inclusion in an updated Service Level Agreement.
- Benchmark the job roles and salaries within the FSC against finance roles teams in the Councils to ensure that they still fit with the overall operating model.
- Develop a transactional finance 'improvement' plan with each Council. Suggested to include the following:
- Review training offer / support. Lack of service area / user engagement is the single biggest blockage in delivering further efficiencies and improvements. The FSC would be happy to deliver user engagement/training sessions, particularly around processes supporting CSE debt, AR disputes, and AP Holds.
- Monitor impact of council's 'No PO, No Pay' policy on the FSC to determine what efficiencies it delivers in the long term. Understanding that in the short term it may result in additional workload managing queries.
- Mandatory 'sign up' to the supplier portal for relevant suppliers
- Review supplier set up to determine any opportunities to reduce errors, resource in FSC.
- Introduce a 'Digital – first' approach to customer service for internal and external customers, directing them to the intranet or website for information in the first instance.
- NCC – implement regular cleanse of suppliers
- LCC – implement monthly email burst to service areas, to include, invoices on hold
- Agree process to regularly cleanse and cancel aged invoices that are not in dispute and have no open credit notes
- Review nature of debt, any opportunities to encourage service areas to implement 'payment up front'
- NCC's use of manual and One Time Payments
- Continue to work with Oracle and Mastek regarding the AR functionality issues, e.g., instalments and dunning letters

The Head of EMSS will develop the above into an action plan to discuss and agree with sponsors moving forward.

10.8 Improvements identified

Over the next 1-2 years, the following projects will be implemented.

- Oracle Analytics - Fusion Analytics Warehouse (FAW)
- Supplier Portal roll out - Phase 2
- FSC LCC Automated Payments phonenumber
- Customer Service training
- In-House Debt Collection - Phases 4
- Improved Performance Reporting
- Customer service quality monitoring
- Oracle Guided Learning
- Caseware replacement
- Advanced Collections Business Case
- Paperless Direct debits

Conclusion

10.9 EMSS has played a crucial role in enabling both councils to meet financial and service delivery challenges. By focusing on efficiency, service quality, and cost reduction, EMSS continues to be a key vehicle for achieving strategic objectives and delivering value to stakeholders. The future improvements and priorities will further enhance the business' ability to adapt to changing needs and continue providing high-quality services.

10.10 However it has not been possible to externally benchmark the FSC's performance against other organisations. The CIPFA Benchmarking Club is no longer operating and there are no other sources of comparable data in any reasonable quantity. There is data available commercially but this is expensive and only contains a small proportion of UK, public sector comparators. There is the option to see if there is a market for such a service within the local government sector and a subsequent business opportunity. It is possible there was useful information from the 2022/23, CIPFA review commissioned by NCC which included FSC services, but this was not shared with partners.

10.11 The Finance Service Centre has demonstrated significant progress in performance, productivity, and effectiveness. However, addressing the identified challenges and implementing the recommended improvements will be crucial for sustaining this momentum and achieving long-term success.

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

11.1 In compiling this report discussions have taken place with the Head of EMSS – Elaine Simpson, EMSS Sponsors - Simone Hines, and Susan Baum Finance Business Partner for EMSS. NCC Sponsor was absent.

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

12.1 None

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

13 **Social value considerations**

13.1 None

14 **Equality Impact Assessment (EIA)**

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

An EIA is not required because the report does not involve changes to staffing or services.

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

15.1 None

16 **Published documents referred to in this report**

16.1 None