

**REPORT OF SERVICE DIRECTOR - CUSTOMERS, GOVERNANCE AND
EMPLOYEES****BUSINESS SERVICES CENTRE PROPOSALS FOR DELIVERY OF SAVINGS
FROM 1 APRIL 2019****Purpose of the Report**

1. The purpose of this report is to seek approval from Members to the delivery of further savings effective from 1 April 2019 through the disestablishment of identified vacant posts within the Business Services Centre.

Information**Background**

2. The Business Services Centre (BSC) was established following the implementation of the Business Management System in November 2011.
3. The BSC undertakes transactional HR activity (payroll, contracts of employment, maintenance of HR records, maintenance of organisational structures, recruitment and pre-employment checking); pension administration activity for the Local Government Pension Scheme (LGPS) for Nottinghamshire; accounts payable and accounts receivable (invoice processing, debt recovery and enforcement, income reconciliation); basic treasury management and accounting and clearing house activity. The BSC provides services to all departments of Nottinghamshire County Council, as well as a range of sold services (payroll, recruitment, advertising, disclosure and barring checks).
4. The BSC is also responsible for supporting the day to day operation and maintenance of the Council's integrated Business Management System via the Competency Centre. The Business Management System provides the Council with an integrated HR, Finance and Procurement system from one of the leading providers of such systems, SAP. After over 7 years of operation BMS is now operating in a mature state. All BMS modules operated by the Council have been regularly upgraded in accordance with the supplier's upgrade schedule which means that the system is supported by the suppliers until 2025 or beyond.

Business Services Centre savings programme

5. The Business Services Centre has already delivered efficiency savings of £2.513m over the period 2014-2015 to 2018-2019 through a range of savings and efficiency projects, as detailed in the following table:

Business Support Centre Savings	
Financial Year	Savings
2014-2015	£1m – delivered
2015-2016	£500k – delivered
2016-2017	£349k – delivered
2017-2018	£307k – delivered
2018-2019	£357k – delivered
Total Delivered To Date	£2.513m
2019-2020	£152k – delivered in this report
	£2.665m

6. The BSC savings proposals outlined within this report, in addition to the previous savings, will deliver a total net saving of £2.665m, 57.5% of the 2013-2014 net budget effective from 1 April 2019.

Continuous programme of improvement

7. The BSC has an ongoing programme of continually reviewing and re-designing its end to end business processes, reducing handover points, recycling/pulling data through processes removing the need to rekey data, maximising the use of technology across its transactional teams, for example:
- Continuous programme of reviewing, redesigning and implementing online forms.
 - Further development of the Authority's e-recruitment system to consolidate all activity within one solution including referencing and the production of contracts of employment.
 - Continuing to expand the use of online payment functionality to enable payment of services, removing the requirement to produce an invoice and where possible to reduce or eliminate debt situation occurring.
 - Development of an e-payslip solution to be rolled out to external payroll customers and employees currently in receipt of hard copy payslips.

End to end review of support arrangements

8. Given the level of system maturity of BMS and the in-house technical expertise which has developed since implementation, an end to end review was undertaken to review the support model as a route to deliver savings, ensuring the continued provision of the best possible value for money and improving the overall support arrangements whilst effectively managing risk and without comprising the available system functionality.
9. Phase 1 of the review resulted in an alternative third line support partner being appointed. Rimini Street were selected to deliver this service and the contract commenced in January 2018, as set out in the report to Personnel Committee on 31 January 2018. This contract has provided the Authority with a bespoke support model tailored uniquely to how the Council has implemented the system and provides greater flexibility. Service level agreements are a key

components of this contract and enable the Council to more effectively manage the contract and hold Rimini Street to account if required. This was not possible with the previous supplier.

10. The move to Rimini Street enabled the BSC to re-scope the requirements of the contract for second line support as phase 2 of the review.
11. The BSC, supported by Corporate Procurement, undertook soft market testing to identify the potential options open to the Council. Ultimately two suppliers submitted a bid for the contract. Following review and scoring of the tenders CGI, as set out in the report to Personnel Committee on 3 October 2018, were appointed as the preferred supplier at a reduced cost from the previous contract.
12. Changes in requirements following the implementation of new support contracts and new ways of working, has enabled a further review of internal support requirements. This has enabled the BSC to pro-actively hold vacancies to support the delivery of the 2019-2020 savings. The savings target of £150,000 is delivered through the deletion of the following posts which will actually deliver a saving of £152,372.

Post	FTE
Senior Practitioner Organisational and Position Management	1
BSC Account Manager	1
Competency Centre – Functional Support Officer x 2	2
Total	4

Other Options Considered

13. A range of options have been considered in proposing the delivery of the 2019-2020 savings taking into account the development and maturity of the BMS system as well as the maturity of the Council's shared services model.

Reason for Recommendation

14. The proposed post deletions reflect the next phase of the continuous improvement programme at the BSC together with the fact that BMS has been live for over 7 years and is now operating in a mature state with an appropriate support model which reflects the level of system maturity and in-house technical expertise.

Statutory and Policy Implications

15. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance, finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

Data Protection and Information Governance

16. The recommendations in the report do not directly impact on how employee, customer and vendor data is held or processed.

Financial Implications

17. The BSC's continuous programme of improvements and the end to end review of support arrangements for BMS over delivers the savings of £150,000 required for 2019-2020 by delivering a total saving of £152,372.

Human Resources Implications

18. There are no human resources implications arising from this report as the proposed changes set out in the report relate to vacant posts which have been pro-actively held by the Business Support Centre in support of the delivery of the savings of £150,000 required for 2019-2020.

RECOMMENDATION

It is recommended that Members:

1) Approve the deletion of posts at the BSC as set out in paragraph 12 to deliver a further £152,372 of savings with effect from 1 April 2019.

Marjorie Toward

Service Director – Customers, Governance and Employees

For any enquiries about this report please contact:

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Constitutional Comments (KK 14/01/19)

19. The proposal in this report is within the remit of Personnel Committee.

Financial Comments (SES 08/01/19)

20. The financial implications are set out in paragraph 17 in the report.

Human Resources Comments (JP15/01/19)

21. There are no direct Human Resources implications arising from this report as noted in paragraph 18.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

- Report to Personnel Committee 31 January 2018 – Business Management System Change of Support Partner.
- Report to Personnel Committee 3 October 2018 – Business Management System (BMS) – Contract award for 2nd line support partner as part of the review of external support arrangements for the Council's BMS.

Electoral Division(s) and Member(s) Affected

- All