

Birmingham City Council

Report to Cabinet

14th May 2024



Subject: Oracle Reimplementation

Commissioner Review

The failed Oracle Fusion Implementation is one of the key focus areas of the intervention and a key factor in the loss of financial control. Furthermore, the opportunities to achieve operational efficiencies through deployment of system driven, standard best practice was also not achieved in the first implementation. The successful re-implementation of Oracle Fusion for in scope Finance, HR and Procurement functions and the deployment of a sector recognised standard IMS (Income Management System) are critical to BCC's short term financial recovery and longer-term sustainability.

Commissioners believe the painful conclusion that a re-implementation of Oracle Fusion is required, and the selection and implementation of standard IMS used elsewhere in the sector is the correct conclusion of this Cabinet paper.

The Programme Approach

The programme approach to build a working “prototype” as a design model to prove the system processes can operate and support BCC operations is appropriate as it provides a tangible vehicle to engage Finance, Procurement and HR in the system build. This “build”, when signed off, is then the template to develop a scaled-up version of the system for full testing, data migration and implementation. This approach allows for clear “stage gates” to be introduced where further investment will be requested eg at the start of full system build.

Resourcing

Though BCC has made progress in acquiring Oracle Fusion experienced resource, further experienced resource is absolutely essential. Commissioners are very concerned as to whether the Council can/will dedicate the necessary levels of internal resource to the programme. For example, to confirm requirements, assess the prototype functionality and fully test the system.

There must be absolute commitment to correctly resourcing the programme. There must be a fully resource programme plan in place and resource ready to be mobilised when the programme commences.

Risk Mitigation and Governance

There have been several reviews of the previous Oracle Fusion and IMS implementation that have clearly identified lessons to be learnt. Commissioners expect BCC to adopt these learnings and reasonably mitigate risk in all aspects of the programme to contribute to its success.

Commissioners expect a comprehensive risks and issues register to be maintained and effectively used to mitigate risk and address issues to successfully deliver the programme.

The original implementation suffered from poor, ineffective governance of change control and clear, accurate programme reporting. Commissioners want to see the correct governance and reporting deployed. However, BCC must balance the need for governance and reporting with allowing the programme to “get on and deliver the system”.

Business Process Change

The Oracle Fusion implementation is not only a technology project it also requires business process change and developing the capabilities of BCC colleagues to use the new technology and processes. The adoption of any new system challenges legacy/current ways of working in any organisation. BCC’s drift to an “adapt” approach significantly contributed to the issues with the initial implementation. Commissioners believe that “adopting” standard system best practice will be a major challenge for BCC and seek assurances that a) adoption of standard Oracle is the fundamental process design principle, b) investment in BCC colleague communications, training and involvement is made and c) effective change control and a strong design authority is deployed.

IMS

Implementation of a new, standard IMS package solution will run in parallel to the Oracle Fusion programme. This is not ideal and does introduce management and technology complexity however a rapid implementation of a correctly working IMS will deliver operational benefits earlier and greater control of incoming revenue streams at a crucial time.

Commissioners believe this is a pivotal moment for BCC to grasp the opportunity to standardise its processes, lay the foundation for operational efficiencies, improve performance and add to the culture change that is required to build a council fit for Birmingham now and in the future. As a result, Commissioners expect full commitment from the Officers leadership team(s) to support the programmes design principles, approach, scope and plan from mobilisation to implementation.