

Birmingham City Council

Report to Cabinet

12 December 2023



Subject: ORACLE PROGRAMME UPDATE

Report of: Deborah Cadman, Chief Executive

Relevant Cabinet Member: Cllr Brigid Jones, Finance and Resources

Relevant O &S Chair(s): Cllr Jack Deakin, Finance and Resources

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Are specific wards affected?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If yes, name(s) of ward(s):		
Is this a key decision?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, add Forward Plan Reference: 012148/2023		
Is the decision eligible for call-in?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, provide exempt information paragraph number or reason if confidential: Appendixes.		

1. Executive Summary

- 1.1. The purpose of this report is to update Cabinet on the progress of the work being undertaken on the Oracle Programme and to seek agreement to the plan to conclude current remediation activities. A second report will follow in January 2024 that will detail the Council's plans for the reimplementation of the Oracle system.

- 1.2. The work undertaken to date has identified that there are key, foundational elements of the current Oracle implementation that prevents the system functioning properly leading to significant security, auditability, and compliance issues. Consultation with external experts has highlighted that in order to fully address these issues reimplementation will be required. On the basis of these findings, the programme has undertaken a review of the remediation activities that have been ongoing since the Cabinet June 2023 report, to assess what can now reasonably be achieved in the current instance.
- 1.3. The initiation of this phase of work was to address the most urgent risks and to help stabilise the system for the relevant operational services. It is important to note that the conclusion of this phase of work will not make the Council fully safe and fully compliant, therefore the priority should be to move towards a broader reimplementation plan that helps to achieve this. The proposals in this paper are designed to ensure that resource and investment is quickly and safely diverted to best address the balance of risks that remain. The scope of the work, as defined in this report, has been agreed with Officers as required to enable them to 'live with' the current system and ongoing defect management ahead of a final solution being delivered.
- 1.4. The cost of the remaining technical work as defined in Annex C is £815,517, which can be covered within the funding envelope approved within the June 2023 Cabinet report. The target date for completion of this phase of work is the 30 April 2024.
- 1.5. The report also describes the programme's plan to address the current and increasingly urgent issue with the failed Bank Reconciliation System (BRS).

2. Recommendations

That Cabinet: -

- 2.1. Notes the headline findings from the initial planning of the optimisation phase which frames the rationale and approach to concluding the current phase of 'safe and compliant' activities.
- 2.2. agrees the plan to conclude the current phase of activity known as the 'safe and compliant' phase, based on the scope of work detailed in **Appendix C** of this report being delivered.
- 2.3. notes the cost for the conclusion of this phase, which can be funded from the FY23/24 programme budget approved by Cabinet in June 2023.
- 2.4. notes the planned approach to address the current Bank Reconciliation System (BRS) issues and the options to implement an Income Management system as a replacement for the current BRS system and a key component of the final, optimised solution.
- 2.5. agrees that the delegated authority authorised in the June 2023 Cabinet Report to approve any new, compliant procurement arrangements required to secure

resources to support the Oracle stabilisation and optimisation design work, still stands.

3. Background

- 3.1. In June 2023, a report was approved by Cabinet which set out the challenges being encountered in the day-to-day operations of Finance and HR, as a result of the implementation of a new Enterprise Resource Planning (ERP) IT system, Oracle Fusion (Oracle). The key challenges being faced at the time were the lack of the Council’s ability to formally ‘close’ its accounts for the year 2022/23; an impact on the provision of finance and HR services to schools; as well as a number of People Services issues related to recruitment, data management and monitoring processes to update renewals of Disclosure and Barring Service (DBS) checks.
- 3.2. Based on the above scale and impact of the issues, Cabinet agreed a spend of up to £46.53m, which included up to £35.084m in FY23/24 to fix urgent issues, and to develop a plan that will deliver the Council’s vision for an optimised Oracle system. The June 2023 report set out two phases of work that would be initiated on this basis:

Safe & Compliant	Optimisation
Urgent work to ensure the council continues to be able to discharge its statutory, legal, contractual and policy obligations	Implementing a refreshed version of the Council's original vision for Oracle, which adopts rather than adapts Oracle. Successful delivery will involve supporting staff to review and revise business processes that deliver efficiencies and improved productivity across the organisation.

- 3.3. Governance arrangements were stood up, as set out in the June 2023 report, with the immediate priority on stabilising the current implementation. The crisis response governance based on the Gold and Silver Command worked well in helping to grip live issues and provide a route for escalating and making decisions.
- 3.4. Alongside the Gold/Silver Command structure, a Design Authority was also stood up to oversee the development of a plan to ensure the Council optimises the value of its Oracle investment. The Design Authority set out a three phased approach to developing and implementing an optimised solution and this comprised a 12-week solution design phase; followed by a detailed design phase and implementation.
- 3.5. It was proposed in the June 2023 Cabinet Report that the outcome of the initial planning phase for optimisation would be reported back to Cabinet by the end of 2023. This would set out the timeline and funding required to deliver this phase of work. However, as a result of recent events, including the Council issuing a Section

114 notice in September 2023, and the subsequent arrival of Commissioners in Birmingham the following month, work is being done at pace to sense check and refine the options which will now be brought to Cabinet in January 2024.

- 3.6. In the meantime, this report sets out some of the key headline findings from the planning undertaken so far for the optimisation phase, which has helped to inform and define an end point (as well as associated cost) for concluding the current set of remedial activities, as part of the path towards an optimised solution.

4. Approach

4.1. Optimisation – solution design overview

4.1.1. As set out above, a separate report will be presented to Cabinet in January 2024 that will provide a recommended approach and timeline towards delivering an optimised solution. However there has been some initial work and findings that is important to set out as this will help frame the rationale and timings for concluding what has been defined as the ‘safe and complaint’ phase.

4.1.2. From the outset of the solution design phase, senior officers within the Council, endorsed by the Design Authority, have agreed the key objectives of the optimisation phase are to:

- Adopt a more standard approach of the Oracle Fusion solution, with minimal customisation and appropriate configuration.
- Align the Council’s business processes with the capabilities of Oracle Fusion, so that operational efficiencies are realised.

4.1.3. Oracle Consulting were onboarded as part of the solution design phase to assess whether standard cloud functionality can align to the Council’s business processes and to what extent this can be delivered within the current Oracle implementation.

4.1.4. The key details of their findings will be set out in the subsequent report to Cabinet however relevant to the conclusion of this current phase is the report’s core finding that there are foundational elements of the current implementation that prevent the system functioning properly and these need to be revisited. Examples include the Chart of Accounts, which defines the Council’s financial structure within the Oracle system to support accurate recording of financial transactions; and Segregation of Duties, which is used to support proper access control and support auditing.

4.1.5. Addressing these foundational issues, which relate to the underlying architecture of the system, whilst in a live operating environment is not recommended by experts (including Oracle Consulting) that BCC have consulted. To attempt this would be extremely challenging at best, highly disruptive and result in a solution which would still not enable the Council to complete its statutory duty or meet its compliance obligations.

- 4.1.6. In addition, analysis shows that it is not cost-effective to attempt to fix the failed Bank Reconciliation System (BRS).
- 4.1.7. The findings of the solution design work show that delivery of an optimised solution will require re-implementation, and this has brought into sharp focus that it is simply not cost effective or practical to fix all of the known functional, process and technical issues in the current solution. Therefore, investment needs to be minimised to technical requirements that enable relevant services to 'live with' a semi-functional solution that can support minimum viable business-as-usual operations, whilst investment is diverted at pace to developing and implementing the plan to deliver a functioning ERP solution.
- 4.1.8. This paper describes the outstanding set of technical fixes that will be delivered as part of the current phase of the programme. This set of essential technical fixes will not address all the outstanding issues and so additional operational workarounds will be required to help close the gap, minimise risks, manage consequences and stabilise the current situation. The section below sets out the likely timescale that the workarounds will be required for, and the work being done to assess the costs that will need to be factored in the Council's February 2024 budget.
- 4.2. Defining the scope of the current 'safe & compliant' / essential fixes phase and concluding this work
- 4.2.1. Since the June 2023 report, progress has been made in addressing key issues identified by colleagues in key service areas, Finance, People Services, Procurement, Audit & Risk and DTS (Digital & Technology Services). As part of progressing towards a more stabilised environment, the following areas of progress have been made:
- Unallocated cash for FY22/23 is now materially resolved, with Finance teams working on the out-turn. Focus is also on clearing the FY23/24 unallocated cash backlog and steady progress is being made.
 - Monitoring of key elements, including equal pay, gender ethnicity pay gap, and DBS is now technically supported, as a number of People Service reports can be produced. This has helped to improve delivery and reduce risk.
 - The Oracle Risk Management Cloud module went live 1st Sept 2023. This is a tool that enables the Council to identify potential access and security vulnerabilities within the system so remedial action can be taken.
- 4.2.2. Whilst the primary responsibility of the Design Authority has been to develop the plan towards optimisation, part of the Authority's responsibility has been to also oversee the 'safe & compliant' backlog of activities so that it can assure that tactical solutions are being delivered against a set of design criteria that aim to simplify, reduce cost, and smooth the path to the future optimised design as far as possible.

- 4.2.3. A key challenge has been that the list of known issues identified in May / June 2023 was not finite. Often, fixing one issue has unlocked the next step in a process, which then highlights new issues that need fixing. One example of this is the process of producing the FY22/23 financial outturn. The teams have only recently been able to undertake and complete every stage of the outturn production process.
- 4.2.4. Based on our latest view regarding key limitations in the current system, the Council's current financial situation and the need to clearly define the scope of the outstanding 'safe & compliant' work, a further review was undertaken with Services during October and November 2023.
- 4.2.5. **Appendix C** details the remaining technical changes that are considered essential and cost-effective to enable the core services (Finance, People Services, Procurement, Audit & Risk) to deliver their core (ERP-related) business outcomes. **Appendix C** also then identifies any residual gaps / risks and where manual workarounds will be used to address them.
- 4.2.6. The aim is to identify the combination of essential technical fixes and operational, manual workarounds where the Council believes it can achieve an acceptable and stable operational state.
- 4.2.7. The costs to deliver the outstanding, essential technical fixes as described in **Appendix C** is within the budget approved by Cabinet in the June 2023 Cabinet Report. Section 9, Financial Implications, provides further details on the costs.
- 4.2.8. The target date for the completion of all the technical fixes listed in **Appendix C** is 30 April 2024. We will work with the team (especially Finance) to prioritise fixes that help to better prepare the Council for the start of the new Financial Year. A detailed plan to track progress is being developed and that will be reported fortnightly to the Oracle Programme Board and the Oracle Member Oversight Board.
- 4.2.9. The manual workarounds that will be required in addition to the essential fixes will be factored into the Council's FY24/25 budget, which is due to be presented to Cabinet in February 2024 and these additional operational costs are not covered in this report. It is possible that the some of these workarounds may be required for 18 – 24 months, while the optimisation phase is defined and delivered.
- 4.2.10. Work on the optimised solution will continue in parallel, and the aim is for a Cabinet Paper describing the final solution to be presented to Cabinet, also in January 2024.
- 4.3. Addressing the Bank Reconciliation System (BRS)
- 4.3.1. As outlined earlier in the report, our understanding of the current Oracle implementation has improved, and has identified areas of the system where there is limited value in implementing short-term fixes.

- 4.3.2. One example is the existing Bank Reconciliation System (BRS), a custom-built tool that posts entries from Bank Statements into the Ledger in Oracle Fusion. Current estimates are that 60% of the 30,000 monthly transactions are posted successfully. The remaining 40% require manual intervention to resolve. This 40% is a mixture of items posted incorrectly and items that the system is unable to automatically post to the ledger. The aspiration for the original Safe & Compliant phase was to fix BRS, however it is not considered cost-effective to fix (even considering the increased staff cost of dealing with the issues). In addition, a custom-built tool like BRS do not align with the Council's principles for an optimised Oracle solution.
- 4.3.3. BRS has impacted the production of the financial outturn for FY22/23; it will impact the production of the financial outturn for FY23/24; and it continues to impact the production of monthly budget reports for cost centre managers.
- 4.3.4. Having established that fixing BRS was not an option, the programme has been considering a number of alternate options. The high-level options appraisal is provided in **Appendix D** and outlines the following 4 options:
1. Continue with, and fix, the existing BRS solution.
 2. Use Oracle Fusion.
 3. Use an Income Management system from a 3rd party supplier.
 4. Build an in-house system.
- 4.3.5. Based on our investigations to-date, the currently preferred option is to use an Income Management system from a 3rd party provider. The Income Management system sits between Oracle, the Council's banking provider's system and other key Council systems (e.g., the Council Tax system), to process and record transactions in Oracle.
- 4.3.6. The use of Income Management systems is common within the Local Authority sector, especially with Collection Authorities (those that processes Council Tax and Business Rates transactions) like Birmingham, where transaction volumes are typically higher.
- 4.3.7. While the aim is to adopt the vanilla Oracle solution wherever possible, when discussing this option with Oracle Consulting, they have confirmed that "*Oracle has previously integrated with third-party [Income Management] solutions, and from the workshops with BCC it appears that the appropriate course of action is for BCC to establish an income management solution that can be integrated with Oracle Cloud ERP*".
- 4.3.8. The Income Management solution will (based on current thinking) form part of the optimised solution with a detailed plan included in the subsequent Oracle report planned for January 2024. However, due to the current issues with BRS, the programme will accelerate work in this area ahead of January Cabinet.

5. Consultation

- 5.1. The Council has consulted with Oracle, Gartner, PwC and many other organisations, including those that have implemented ERP solutions, to learn from their experience to support the Council and this programme. KPMG have also been working closely with finance and have helped to inform the work to date.
- 5.2. The Council is also working closely with the External Auditor, Audit Committee and with the Finance & Resources Overview & Scrutiny Committee.
- 5.3. The Director for Children and Families has been leading the Council's engagement with schools, including the Schools Forum and the Head Teacher network.
- 5.4. Officers from Finance, People Services, Corporate Procurement and Legal Services have been consulted on the content of this report.
- 5.5. The Oracle Member Oversight Board chaired by the Leader of the Council and attended by the Deputy Leader of the Council, the Cabinet Member for Finance and Resources and the Cabinet Member for Digital, Culture, Heritage & Tourism has been briefed on the report. Further briefings are planned with the Chair of the Finance and Resources O&S Committee, the Leader of the Conservative Group, the Leader of the Liberal Democrat Group and the Leader of the Green Party Group.

6. Risk Management

- 6.1. The Oracle implementation programme continues to maintain a detailed Risk Register to ensure programme risks are mitigated. This is reviewed and updated regularly, with key risks reviewed at the Oracle Programme Board and at the Oracle Member Oversight Board.
- 6.2. The Council's strategic risk register has also been updated to reflect the Oracle programme.
- 6.3. The key risks relating to the specific work defined in this report are:
 - That the work identified as in scope requires more cost and/or time to complete.
 - That additional issues are identified that extend the scope, and this increases the cost and/or time to complete.

The proposed mitigation of both these key risks is the inclusion of contingency in both the cost and timescales stated in this report.

- 6.4. There will remain residual risk in the relevant services after the technical work in **Appendix C** has been delivered and services are identifying where additional resources and controls are required to help to mitigate these.

7. Compliance Issues:

8. Legal Implications

- 8.1. The Council is under a duty under Section 3 of the Local Government Act 1999 to make arrangements to secure continuous improvement in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. The Council has a duty under Section 135 of the Local Government Act 1972 to make standing orders for the supply of goods and services or the execution of works.
- 8.2. The City Council will carry out this work under the General Powers of Competence Section 1 of the Localism Act 2011.

9. Financial Implications

- 9.1. The Oracle Implementation Cabinet Report approved by Cabinet in June 2023 provided an updated financial position for the programme. The June 2023 also secured approval to spend up to **£35.08m** for Safe & Compliant and Solution Design work in FY23/24.
- 9.2. The forecast cost of delivering the technical fixes detailed in this report is **£815,517**. This includes the cost of technical fixes that are already in flight, as at 14 November 2023. This figure includes a 30% contingency to help mitigate the risk of cost increases with identified fixes. This figure also includes an additional £75,000 contingency that has been set aside for additional fixes that may be identified where there is a strong business case, e.g., where the investment could reduce the operational overhead.
- 9.3. This spend is able to be contained within the approved amounts of £35.08m for 23/24 allocated above.

	2023/24			
	Year to date cost, latest forecast at end October 2023 (£'m)	Year to date cost, previous Cabinet report forecast, to end October 2023 (£'m)	Year to date variance, latest to Cabinet forecast (£'m)	Full Year Cabinet Paper forecast (£'m)
General Programme Costs	1.913	3.582	1.669	5.542
Digital and Technology Services	6.222	8.298	2.076	16.461
Finance	5.760	3.577	(2.182)	4.099
People Services	0.645	1.779	1.134	3.047
Procurement	0	0.087	0.087	0.088
Contingency/Other	-	2.924	2.924	5.847
Oracle Spend	14.539	20.247	5.708	35.084

- 9.4. Due to the residual risk that remains before re-implementation, it is likely that additional operational resources will be required and so the forecast programme costs for FY23/24 will increase further.

10. Procurement Implications (if required)

10.1. The view is that the previous delegation approved in the June 2023 report still stands.

11. Public Sector Equality Duty

11.1. No adverse impacts were identified. See **Appendix B**

12. Appendices

12.1. These are as follows:

- **Appendix A** – Equality Act 2010
- **Appendix B** – Equality Impact Assessment
- **Appendix C** – Safe and Compliant Scope
- **Appendix D** – BRS resolution options
- **Appendix E** - Environment and Sustainability Assessment

13. Background Documents

13.1. Cabinet Report: [Oracle Full Business Case, July 2019](#)

13.2. Cabinet Report: [Oracle Revised Business Case, March 2021](#)

13.3. Cabinet Report: [Oracle Implementation, June 2023](#)

Equality Act 2010

The Executive must have due regard to the public sector equality duty when considering Council reports for decision.

The public sector equality duty is as follows:

1	The Council must, in the exercise of its functions, have due regard to the need to: <ul style="list-style-type: none">(a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by the Equality Act;(b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;(c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
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2	<p>Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:</p> <ul style="list-style-type: none"> (a) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic; (b) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it; (c) encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
3	<p>The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.</p>
4	<p>Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:</p> <ul style="list-style-type: none"> (a) tackle prejudice, and (b) promote understanding.
5	<p>The relevant protected characteristics are:</p> <ul style="list-style-type: none"> (a) Marriage & civil partnership (b) Age (c) Disability (d) Gender reassignment (e) Pregnancy and maternity (f) Race (g) Religion or belief (h) Sex (i) Sexual orientation

Appendix B – Equality Impact Assessment

As the nature of the work has not changed in relation to EIA from that described in the June 2023 Oracle Implementation Cabinet Report, a copy of the draft EIA from the June 2023 report is included below.

Title of proposed EIA	Oracle Implementation
Reference No	EQUA1147
EA is in support of	New Strategy
Review Frequency	Annually
Date of first review	24/11/2023
Directorate	Council Management
Division	
Service Area	All Service Areas
Responsible Officer(s)	Claire Brett
Quality Control Officer(s)	Gemma Malhi
Accountable Officer(s)	Atrin Conway
Purpose of proposal	To support the successful implementation of Oracle within and across the Council. Focusing on two key phases of: 1. Safe and Compliant / urgent stabilisation – urgent work to ensure the council can meet statutory and legal obligations 2. Optimisation Supported by the utilisation of approved BCC frameworks to secure key resources.
Data sources	Relevant reports/strategies
Please include any other sources of data	Experience and lessons learned from Oracle Implementation to date.
Initial impact assessment	
Protected characteristic: Age	Service Users / Stakeholders; Employees
Age details:	It is assessed at this stage that there is no impact on age. Typically, Oracle will be utilised by a range of people in various age groups. Age will not be a criterion for using a particular resource from the approved contract(s). Neither will it impact either way on age groups of employees involved in using Oracle.

	<p>Specialist support recruited through this implementation to work alongside existing staff should support development and upskilling so that could be an indirect positive impact.</p>
Protected characteristic: Disability	<p>Service Users / Stakeholders; Employees</p>
Disability details:	<p>It is assessed at this stage that there is no impact on disability. Typically, Oracle will be utilised by a range of people in the Council who may have disabilities. Suppliers / resources working on the implementation may also have a range of disabilities.</p> <p>As disability confident employer we might want to ensure that as part of any new procurement arrangements we setup no one is impacted negatively and people with disabilities can supply work through these contracts should they wish. Access and reasonable adjustments will need to be adhered to and considered / implemented where necessary.</p> <p>Specialist support recruited through this implementation to work alongside existing staff should support development and upskilling so that could be an indirect positive impact.</p>
Protected characteristic: Gender	<p>Service Users / Stakeholders; Employees</p>
Gender details:	<p>It is assessed at this stage that there is no impact. Typically, a range of people from a range of genders will be involved in the implementation of Oracle. Furthermore, suppliers will recruit and be able to provide a range of people to support in terms of resources.</p> <p>Gender will not be a criterion for using a particular resource from the contract. Neither will it impact either way on gender groups of employees involved in working on the implementation.</p> <p>Specialist support recruited through this implementation to work alongside existing staff should support development and upskilling so that could be an indirect positive impact.</p>

Protected characteristics: Gender Reassignment	Service Users / Stakeholders; Employees
Gender reassignment details:	It is assessed at this stage that there is no impact. Specialist support recruited through this implementation to work alongside existing staff should support development and upskilling so that could be an indirect positive impact.
Protected characteristics: Marriage and Civil Partnership	Service Users / Stakeholders; Employees
Marriage and civil partnership details:	It is assessed at this stage that there is no impact. Specialist support recruited through this implementation to work alongside existing staff should support development and upskilling so that could be an indirect positive impact.
Protected characteristics: Pregnancy and Maternity	Service Users / Stakeholders; Employees
Pregnancy and maternity details:	It is assessed at this stage that there is no impact. Neither will it impact either way on particular employees should they be pregnant or on maternity leave/ returning from maternity leave. Specialist support recruited through this implementation to work alongside existing staff should support development and upskilling so that could be an indirect positive impact.
Protected characteristics: Race	Service Users / Stakeholders; Employees
Race details:	It is assessed at this stage that there is no impact. Race will not be a criterion for using a particular resource. Neither will it impact either way on particular groups of employees involved in working with the partners. Specialist support recruited through this implementation to work alongside existing staff should support development and upskilling so that could be an indirect positive impact.
Protected characteristics: Religion or Beliefs	Service Users / Stakeholders; Employees
Religion or beliefs details:	It is assessed at this stage that there is no impact.

	Specialist support recruited through this implementation to work alongside existing staff should support development and upskilling so that could be an indirect positive impact.
Protected characteristics: Sexual Orientation	Service Users / Stakeholders; Employees
Sexual orientation details:	It is assessed at this stage that there is no impact. Specialist support recruited through this implementation to work alongside existing staff should support development and upskilling so that could be an indirect positive impact.
Socio-economic impacts:	It is assessed at this time to have no direct impact. Specialist support recruited through this implementation to work alongside existing staff should support development and upskilling so that could be an indirect positive impact. Recruiting staff living close to Birmingham may also be a positive impact. Documentation will need to outline any social value delivered by any of the work undertaken and demonstrate that this has been considered in terms of providers and supply chain.
Please indicate any actions arising from completing this screening exercise	Essential need for regular review of EIA and due regard to potential impacts from contracts and ensuring social value and other terms are agreed that support the Council's EBEB Action plan and other policies such as disability confident employer etc
Please indicate whether a full impact assessment is recommended	No, it is not recommended
What data has been collected to facilitate the assessment of this policy/ proposal?	Corporate Plan, Transformation Monitoring Report, Oracle Lessons Learned. Anecdotal information about skills gaps, capacity within existing teams and infrastructure to support implementation appropriately. The amount of specialist external support already provided and required moving forwards.
Consultation analysis	

Adverse impact on any people with protected characteristics	None assessed at this time but this will be reviewed
Could the policy/proposal be modified to reduce or eliminate any adverse impact?	Yes, through contract terms with suppliers, Social Value targets within the contract life and through adherence of suppliers to BCC Council Policies.
How will the effect(s) of this policy/proposal on equality be monitored?	Through regular contract meetings and benefits management of implementation
What data is required in the future?	
Are there any adverse impacts on any particular group(s)	No
If yes, please explain your reasons for going ahead	
Initial equality impact assessment of your proposal	
Consulted People or Groups	
Informed People or Groups	
Summary and evidence of findings from your EIA	No particular negative impacts have been assessed at this time but to ensure that none arise from issues discussed in the assessment - regular EIA reviews will be undertaken, and this will be fed back into the officers undertaking the implementation and contract arrangements.
Submit to the Quality Control Officer for reviewing?	26 May 2023
Quality Control Officer comments	Pending
Decision by Quality Control Officer	Pending
Submit draft to Accountable Officer?	

Decision by Accountable Officer	
Date approved / rejected by the Accountable Officer	
Reasons for approval or rejection	

Appendix C – Updated safe & compliant scope: essential fixes.

The tables in this Appendix set out the work that will be delivered to conclude this phase of work. The work the programme will deliver is detailed in the ‘technical fix’ column. The final column sets out the residual risk and identifies the mitigation activities proposed by the operational services, which they will continue to manage.

Finance

In Finance, this current phase of rework has focused on essential technical fixes to the system, in the following areas:

1. Paying suppliers on time and correctly
2. Paying our people and maintaining a statutorily compliant payroll system
3. Collecting debt
4. Producing a 22/23 outturn

This leaves inherent risks until the system is reimplemented. Prior to reimplementation, the plan to help mitigate these risks is through enhanced manual workarounds and controls to support, that will focus on the following areas:

1. Moving towards achieving an unqualified audit – there is a risk of qualification that remains for FY22/23 audit due to poor in year systems controls during the year.
2. Producing a monthly budget monitor – due to complexity of manual process and the significant volumes of manual postings and error corrections due to BRS it will be challenging to produce a monthly outturn to reasonable timescales and levels of accuracy in the short term.
3. Reducing risk of theft and fraud due to poor system segregation of duties controls, the highly manual processes and the lack of fully documented processes and associated controls.

The table below outlines the key areas of focus and identifies those areas where additional technical fixes are required and in scope for Finance and for the remainder of this phase.

High Level Outcome	Key output	Current situation / limitations	Technical fixes to be delivered by the programme	Residual risk mitigation
<p>Collecting debt. Essential business requirement achieved, with some technology enabled improvement needed.</p>	<p>Interim solution target for traded debt outstanding over 90 days at 65%</p>	<p>Performance is now stabilising but can improve.</p> <p>The functionality for collecting debt needs improvement.</p> <p>We need to implement Dunning Letters (debt chasing letters) and improve debtor reporting in Oracle</p>	<p>There are 12 technical fixes required to support the delivery of this outcome.</p> <p>These include implementing Dunning (debt recovery letters), more effective Accounts Receivable reporting to improve our abilities to monitor and collect debt, and automated Direct Debit receipting to reduce manual effort.</p>	<p>Accounts receivable activity is impacted by BRS posting issues and the high volumes of unallocated cash preventing accurate debtor reporting to chase for debts.</p> <p>We have a team of temporary resources needed for manual workarounds to allocate cash and that will need to remain in place until the solution is optimised.</p> <p>We will not be fully safe and compliant in this area until the Income Management system to replace BRS is live and the optimisation phase is complete.</p>
<p>Ensuring we pay our suppliers accurately and on time, and provide any associated statutory reporting accurately and to deadlines</p>	<p>Interim solution target for percentage of supplier invoices paid on time 60%</p>	<p>Our performance in paying suppliers on time has stabilised at improved levels over SAP.</p> <p>The functionality needs improvement for certain payment types.</p>	<p>There are 3 technical fixes required to support the delivery of this outcome.</p> <p>These changes will:</p> <ul style="list-style-type: none"> • Help resolution of issues with one time supplier payment approvals 	<p>Manual work arounds are in place and a team of temporary transaction processors has been in place since Sept 22. These resources will be needed until the system optimisation phase is completed.</p>

(e.g. VAT reporting) Essential business requirement achieved, subject to remaining backlog fixes.			<ul style="list-style-type: none"> • Create a supplier interface feeder file • Deliver a report to enable reconciliation of supplier balances 	
Paying our people and maintaining a statutorily compliant payroll system Essential business requirement achieved, subject to remaining backlog fixes	Resolve known payroll errors and statutory reporting issues caused by system	The majority of payroll issues are resolved. Some issues remain to correct errors in statutory reporting. Some payroll accuracy issues are outstanding.	<p>There are 10 technical fixes required to support the delivery of this outcome.</p> <p>Key technical fixes outstanding relate to.</p> <ul style="list-style-type: none"> • Issues producing P45 • Resolving specific payroll accuracy issues • Improved recording of some key data fields • Improved reporting • Holiday pay calculation 	Additional resources have been required and high levels of overtime have been worked in this area to maintain a reasonable service. This will need to continue until the solution is optimised.
Produce FY22/23 outturn.	Produce a financial position for FY22/23	A draft provisional outturn has been produced and is now being reviewed	No further technical fixes proposed ahead of optimisation.	<p>Inherent risks remain to the quality of the outturn due to.</p> <ul style="list-style-type: none"> • The volume of manual processes cleared in short timescales.

<p>Essential business requirement achieved, with inherent risks remaining until optimisation delivered.</p>				<ul style="list-style-type: none"> • The number of errors made by BRS that have needed identifying and correcting manually. • Poor quality system and manual controls in place during the year • Challenges with the performance of the financial reporting solutions available in Oracle • The s151 officer will need to form an opinion on the assurances that can be given on the accuracy of outturn
<p>Producing a monthly budget monitor.</p> <p>Essential business requirement not currently being achieved.</p>	<p>To implement a reasonable interim solution to provide a budget monitor.</p> <p>This will be very challenging due to systems issues; a significant manual solution and compromised output is likely to be needed until the technology optimisation</p>	<p>Currently no monthly budget monitor has been produced since go live.</p> <p>An Oracle Actuals to Budget report has been produced.</p> <p>The volumes of manual postings and error correction needed, and caused by BRS will make it challenging to produce a budget monitor to a reasonable monthly timetable. The bank reconciliation for FY22/23 has been performed manually.</p> <p>We do not have a viable solution for producing a monthly bank reconciliation</p>	<p>Some fixes are needed to improve the ledger accuracy.</p> <p>There are 14 technical fixes required to support the delivery of this outcome.</p> <p>The main technology issues include:</p> <ul style="list-style-type: none"> • Fixing remaining interface issues • Outstanding reporting needs 	<p>Our ability to produce a timely and accurate budget monitor is severely impacted by the BRS solution and the very high level of manual postings and corrections that need to be made. This will not be resolved until the system is reimplemented.</p> <p>Producing a monthly budget monitor is a key control that our auditors will look for provide assurance in the accuracy of the yearly outturn figures presented to them.</p> <p>The Oracle bank reconciliation is failing and due to the volume of transactions flowing through the general ledger, it will be very challenging to produce a timely monthly bank reconciliation, until an optimised Income Management solution is delivered.</p> <p>The volume of manual postings also presents an inherent risk of manual error and backlogs</p>

	phase is delivered	due to the very high levels of postings that need to be reconciled		<p>accumulating, which will remain until BRS is replaced with an Income Management solution.</p> <p>During FY23/24 backlogs in suspense and control accounts have accumulated that now need to be reviewed and cleared before a budget monitor can be produced. Operational resourcing needs and timescales to clear FY23/24 backlogs and produce a budget monitor for P9 are being assessed.</p>
<p>Managing risk of theft and Fraud</p> <p>High inherent risks will remain until we deliver an optimised technology solution</p>	Develop a controls framework to mitigate the risk of theft and fraud	<p>There are risks of theft and fraud in the current solution environment due to:</p> <ul style="list-style-type: none"> • User access rights, and segregation of duties issues in Oracle • Poor design of journal approval workflows in the system • The level of manual postings that need to be made in the system 	There is 1 technical fix outstanding for this this outcome to improve timesheet approvals for project resources.	<p>We will not be safe and complaint in this area until an optimised technology solution that addresses inherent systems controls issues in the current solution is delivered.</p> <p>The interim objective will be to mitigate the risks through the following measures that need to be implemented:</p> <ul style="list-style-type: none"> • Additional manual controls and checks will need to be implemented to provide assurance that risk of theft and fraud is reduced. • An assurance and control framework has been developed and processes and manual controls, will now need to be assessed against this framework. • A process lead has been appointed to deploy the controls framework. • Processes and procedures will be implemented in priority areas of risk identified as the controls framework is deployed. • Contingency technology funding should be set aside for any improvements that can be made

				<p>to the current system controls where there is a reasonable business case.</p> <ul style="list-style-type: none"> • Additional resources may be required to implement additional controls and checks where risks are identified.
<p>Achieving an unqualified audit</p> <p>High inherent risk until the optimised technology solution is delivered</p>	<p>Meeting External Auditor deadlines to publish accounts that will meet audit requirements for satisfactory controls and assurance</p>	<p>Technology issues have been resolved to provide the reporting needs to produce an outturn.</p> <p>However, issues with system controls (particularly fundamental issues with the system access and security) will create risks of audit qualification until the optimisation phase is delivered.</p> <p>The volume of manual postings and corrections required due to BRS issues also present significant risk until BRS is replaced with an Income Management System</p>	<p>The technical fixes required to reduce the risks of failure in this area will not be delivered until the system is optimised to address the following:</p> <ul style="list-style-type: none"> • Replacement of BRS with an Income Management Solution. • Restructuring of the chart of accounts and enterprise structures. • Rebuilding of the user access rights and security model. 	<p>There will be residual risk of audit qualification until the system is optimised / reimplemented.</p> <p>During the interim period, whilst we await a new solution, we will need to mitigate these risks with:</p> <ul style="list-style-type: none"> • Additional manual workarounds and controls • Potential further technology fixes as yet not identified that will reduce the level of manual activity and process risk. • Other controls such as monthly budget monitor, managing systems access controls and a more robust controls framework over the manual controls, described in the sections above are needed to support further mitigation of this risk. <p>There will be a risk of audit qualification for both FY 22/23 and FY23/24 accounts due to the inherent risks that we will not be able to fully mitigate until the solution is optimised.</p> <p>The auditors are currently reviewing the control environment and are yet to decide their approach to the FY22/23. To fully mitigate the risk of audit qualification until the optimised solution is delivered, we will need a large manual work around</p>

				solution to be developed and implemented. This will take time and cost to implement. This needs to be balanced against acceptable risk, cost and time that the manual solution will be required.
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People Services

High Level Outcome	Key output	Current situation / limitations	Technical fixes to be delivered by the programme	Residual risk mitigation
<p>All employees are paid on time and correctly.</p> <p>HCM Framework model: Compensation</p>	<p>Holiday pay is calculated correctly for employees on Term Time Only contracts who have worked overtime or are in receipt of any other contractual allowances.</p>	<p>Any Term Time Only employees who have worked overtime or been in receipt of allowances have not currently had their holiday pay paid accurately.</p> <p>There could therefore potentially be a further budget pressure and we are also in breach of contract and unlawful deduction of wages status.</p> <p>Grievances have started to be received so we have employee relations issues.</p>	<p>A technical fix is proposed that will automate the process of applying the BCC School Term Dates to all relevant staff records in Oracle. This automated process can then be run annually once the new term dates have been agreed.</p>	<p>No manual workarounds currently in place.</p> <p>Any potential mitigation would require the development of reports to identify people who have received allowances or overtime followed by a very complex calculation as to what holiday pay, they should receive. This would be more complex/costly than implementing the identified solution.</p>
<p>All employees are paid on time and correctly.</p> <p>HCM Framework model: Compensation</p>	<p>Ensure allowances are reviewed and updated when employees move between roles.</p>	<p>Currently, there is no automatic process to flag to the new Manager that an employee who is moving to a new role has allowances that need to be reviewed to ensure they are applicable to the employee's new role.</p> <p>We are reliant on the employee to notify us if they are in receipt of any allowances, they are not eligible for.</p> <p>If the allowances aren't correct this can lead to staff being overpaid.</p>	<p>A technical fix is proposed that will automatically flag to manager and / or People Services where allowances are applicable so they can be stopped at source when an employee moves from one role to another.</p>	<p>People Services staff are responsible for validating allowances, however only Payroll team can view employee allowances in Oracle.</p>

<p>Compliance with managing absence policy and statutory absence legislation.</p> <p>All employees are paid on time and correctly.</p> <p>HCM Framework model: Managing Absence</p>	<p>Accurately report all instances of sickness absence for BCC, BCT and Schools.</p> <p>Compliance with the managing absence policy and statutory absence and paying employees in line with their contractual sickness entitlement.</p>	<p>A decision was taken during the original Oracle implementation for the Oracle Absence module not to be used for sickness absence recording and for absence to be recorded in Payroll.</p> <p>It is not currently possible for People Services staff to accurately review and analyse absence data held in Oracle, to ensure as an organisation we are managing staff absence correctly and in line with policy and supporting employees.</p> <p>Currently, we are reliant on individual Line Managers managing absence in line with policy.</p> <p>The risk is that Line Managers are not managing absence in line with policy, which could lead to staff not being supported correctly and associated employee relations issues.</p> <p>Where staff are absent for longer, due a lack of appropriate absence management, the Council will incur increased costs for interim resources to cover the absentee employee.</p>	<p>A technical fix is proposed that will provide a series of reports that can then be used by People Services staff to review and analyse absence information to ensure compliance with policy and legislation and to ensure the right support is being provided to staff and Line Managers.</p>	<p>The Employee Relations team are doing what they can currently but the data / reports are not accurate.</p>

<p>Provide HR Services to Schools, including Multi Academy Trusts (MAT) or a Multi Academy Companies (MAC)</p> <p>HCM Framework model: N/A</p>	<p>Support the Academy Conversion process to move employee data to the new MAT or MAC employer.</p>	<p>Where Schools that purchase HR Services from the Council join a Multi Academy Trust (MAT) or a Multi Academy Company (MAC) on either a voluntary or forced (e.g., inadequate Ofsted outcome) basis the Council is contractually required to provide a conversion process to move data within the Oracle solution from the main Council entity to the relevant MAT or MAC entity. This is because the MAT / MAC become the new employer / HR Provider.</p> <p>The key risks to the Council are:</p> <ol style="list-style-type: none"> 1. Breach of existing service level agreements and contracts if the Service is unable to deliver a conversion process. This could lead to legal challenge, additional, associated financial cost and reputational damage. 2. Potential loss of income of up to £400,000 per annum in recurrent income, which is based on the loss of specific conversation income (about £55k) and also the loss existing and future School's HR income from existing MAT / MAC customers that would have to take their business elsewhere if the Council is unable to convert schools for them. 	<p>The proposed technical fix will develop a process to convert existing school customers to an existing MAT/MAC and to onboard a new school to an existing MAC/MAT that is already a Schools HR customer, so supported by the Council.</p>	<p>A potential manual workaround has been considered but had GDPR implications so was not considered viable.</p>
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Compliant employment contracts HCM Framework model: Core HR	School Manager are giving notice in line with employee contract terms.	Currently there are instances where Schools Managers are not giving sufficient notice to employees in line with the employee's contract. The impact is that contracts have to be temporarily extended to ensure the notice period is sufficient, which creates a financial pressure BCC, BCT and Schools.	A technical fix is proposed that will generate notifications to Schools Managers to highlight contractual actions they need to take, e.g, end of a Fixed Term Contract , Acting Up, sickness triggers, Right To Remain.	Currently manual records are being maintained by each of the 270 Schools we support.
All employees are paid on time and correctly. HCM Framework model: Compensation	Contractual annual leave increases after 5 and 10 years of service are applied for employees on Term Time Only contracts to ensure payment calculations are correct.	There is no mechanism to automatically apply the 5 and 10 annual leave increases to employees on Term Time Only contracts. Where increases are not applied then pay will not be calculated correctly for these employees and they may be paid too little. This impacts the affected staff, has a negative impact on employee relations and puts the Council at risk of legal action, for breach of contract and unlawful deduction of wages. Grievances are now starting to come in.	A technical fix is proposed that will ensure the term time working weeks calculation is accurate in Oracle and reflects the employees correct annual leave entitlement.	There are no manual workarounds in place.

<p>Diversity in the workforce.</p> <p>HCM Framework model: Recruiting</p>	<p>Monitor the diversity of shortlisted candidates.</p>	<p>To ensure we are complying with the Council’s Everyone’s Battle, Everyone’s Business (EBEB) strategy, it is important that we can correctly report on the diversity of the candidates that are shortlisted for interview.</p> <p>It has been identified that the report used to monitor data is including all applicants for each role and not those that were shortlisted. The impact is that a key EBEB statistic is not being calculated correctly.</p>	<p>The proposed fix will correct the report so it performs the correct calculation, using only the shortlisted candidates and not all applicants.</p>	<p>There is no manual workaround because they are all pending workers in Oracle Cloud and we have no access to their diversity characteristics as they are not employees</p>
<p>Pay Equity across the organisation.</p> <p>HCM Framework model: Compensation</p>	<p>Annual review of turnover levels to reduce equal pay risk.</p>	<p>Turnover levels need to be reviewed annually by post by service area to ensure both the Council and BCT do not create any Equal Pay risks for itself i.e., paying a market supplement when there are higher levels of turnover elsewhere not receiving such supplements.</p> <p>Payments like these need to be kept under review to ensure the underlying business reason which justifies them continues to exist. The moment that reason disappears, we are at risk of incurring an equal pay liability.</p>	<p>A technical fix is proposed to develop a report that will used to monitor pay equity across the organisation.</p>	<p>Given the volume of employee records and data that would need to be reviewed and checked it is not possible to do this manually.</p> <p>The proposed report would be used in conjunction with other intelligence, such as market data and exit interviews so it is not a standalone fix.</p>

		Currently there is no report or mechanism to extract information to support this annual review.		
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Internal Audit

High Level Outcome	Key output	Current situation / limitations	Technical fixes to be delivered by the programme	Residual risk mitigation
An adequate and effective internal audit function	Assurance role that contributes to ensuring every user of the system has the correct and appropriate level of access for their role.	<p>Oracle Risk Management Cloud (ORMC) functionality is live and being used by Business areas, DTS and Internal Audit to identify key risk areas within the current Oracle implementation for investigation.</p> <p>Internal Audit will be working alongside Business areas and DTS (Digital Technology Services) colleagues and the technical delivery team to make changes to access rights as part of a risk based assessment approach, to reduce risks, and also to improve ORMC performance.</p>	Work is on-going with DTS and the technical delivery partner. This funding is already in place so is not included in the cost outlined in this paper.	<p>DTS are working with Internal Audit to make changes and improvements, including reviewing to user access rights, to reduce risk.</p> <p>In the interim, additional manual controls will be needed to mitigate the residual risks.</p>
The internal audit team can independently perform audit work in relation to HR & Payroll activities.	Internal Audit team delegated Oracle access and roles	<p>Internal Audit team require specific Oracle access and roles to conduct reviews.</p> <p>Access to HR and Payroll data, is now being rolled out; the Internal Audit team are unable to view payroll transactions or run OTBI reports restricting scope of audit and ability to</p>	Ongoing activity with all 3 roles currently in production and due to be live imminently.	Initial work on the roles has been completed and a phased rollout has commenced.

		complete a full range of proactive fraud data analysis.		
The internal audit team has the required skills to access and utilise Oracle effectively to perform independent audit activities.	Internal Audit Team Training on Oracle	<p>Audit training on the following areas is required:</p> <ul style="list-style-type: none"> • general interrogation of the system and looking up transactions. • extracting data from the system. • Audit Oracle security / technical configuration. 	No technical fixes required.	Training of the team in key areas to be organised. Looking to utilise the KPMG contract
To enhance security & access by improving controls within Oracle Risk Management Cloud	Risk Management Cloud Phase 2 - BCC Rules	<p>There are wide range of controls within Oracle Risk Management Cloud.</p> <p>The initial ORMC rollout focused on an initial priority set of controls. The plan is to expand the current set of controls.</p>	Additional controls to be implemented.	Expansion of the current set of controls
To provide a bi-annual statutory National Fraud	National Fraud Initiative (NFI) Report	In line with the statutory requirement to provide the requested data as part of the biannual public sector wide anti-fraud data matching exercise.	Development of a report.	The team are dependant on the report being developed.

Initiative Report
(NFI)

Currently, BCC is unable to fulfil the requirements of the Cabinet Offices bi-annual National Fraud Initiative since the NFI data extract reports were removed.

The next due date is October 2024 with data needed by August 2024.

Procurement

High Level Outcome	Current situation / limitations	Technical fixes to be delivered by the programme	Manual intervention
<p>Paying suppliers correctly and on time</p>	<p>The iSupplier portal enables the Council's suppliers to self-serve, including monitoring the progress of submitted invoices.</p> <p>Underlying data issues result in Supplier names being wrong in Oracle and contract reminder notices not being sent to the right contract managers, hence being picked up manually as part of BAU.</p> <p>Some work to address these issues is being done by the Procurement team, but they do not have the capacity to address all the issues.</p>	<p>None</p>	<p>An additional resource will be recruited to address the data quality issues.</p>
<p>Paying suppliers correctly and on time</p>	<p>Where invoices are put 'On Hold' due to price mismatches the system sends a notification to the buyer so they can investigate and address the issue.</p> <p>If the buyer fails to act in time the issue should be escalated to the Requisitioner, but instead is currently being escalated to the Buyer's Line Manager.</p>	<p>A technical fix is required to ensure the existing report works correctly.</p>	<p>The manual process is dependent on the monitoring report working correctly.</p>

	<p>Also, where the wrong buyer has been assigned to a contract the escalation goes to the wrong person.</p> <p>Suppliers should be able to use iSupplier to monitor progress of invoices and escalate 'On Hold' issues to their contact, but data issues with iSupplier mean that suppliers may not be able to access iSupplier.</p> <p>A report has been developed that enables the Procurement Team to monitor 'On Hold' invoices and follow up when they have been 'On Hold' for too long. The existing team can support this process but need the report to be fixed to do so (see technical fix).</p>		
<p>Compliance with the Government Transparency code</p>	<p>The Council has an obligation to ensure compliance with the Government Transparency code.</p> <p>Currently there are issues with the monthly Contract Listing Report that means manual intervention is required on the report, including to add fields and remove unwanted columns from the report prior to its distribution prior to distribution of the report.</p>	<p>Changes to the Contract Listing Report are required.</p>	<p>Additional manual effort is required to address issues in the report.</p>

<p>Compliance with the Government Transparency code</p>	<p>Ensuring the Contracts Register is compliant (with necessary data regarding Purchase Orders (POs) and Supplier Information) with legislative requirements.</p> <p>When a new Purchase Order (PO) is created in Oracle it uses data from the most recent contract with that supplier, rather than giving the creator the option to select the correct contract information.</p> <p>If a wrong contract data is used in the PO and this is not picked up there is a risk of associating the spend/ budget / contract value against the wrong contract.</p> <p>Selecting the incorrect supplier/contract also results in a Purchase Order being raised without CPA numbers which is then reported as non-compliant.</p>	<p>Change the Oracle configuration to enable the correct contract to be assigned to a new PO.</p>	<p>Currently manual effort is required to rectify PO issues.</p>
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Appendix D – BRS resolution options appraisal

Given the significant and complex issue experienced due to the failed Bank Reconciliation System, there is an urgent need to find a solution and reduce the current levels of manual intervention. The table overleaf outlines the options that were considered, and the view of the programme is that procuring an income management system is the most viable option. The use of income management systems is common among the sector and this is an option that has been endorsed by Oracle Consulting.

	Continue with existing BRS and Cash Management	Use Oracle only	Use Oracle plus a new Income Management System	Build a new in-house system to replace BRS
Complexity and fit for purpose	High. Living with the current system as a significant cost in additional manual effort. Fixing BRS would involve rewriting much of the bespoke code on a new environment and would need extensive customisation. This is unproven ground and BCC does not currently have the skills to do this.	High. Standard Oracle can only meet some of the BCC business requirements for cash management and therefore manual workarounds will continue to be required.	Medium. Many other local authorities with Oracle and other ERPs already use this approach. Proven off the shelf products exist within the Market, which reduces the complexity and help standardise many of the processes for BCC.	High. This would be a full rewrite of the bespoke code on a new environment. This would be extensive customisation. This is unproven ground and BCC does not currently have the skills to do this.
Alignment to DA principles	Significant conflict with principles. BCC wants to avoid extensive customisation which is what caused much of the previous problems with cash management.	Oracle Consulting agree that their solution alone cannot meet all the business requirements of BCC for cash management. This means long term manual workarounds are likely to be needed.	General alignment. Embraces standard unmodified software and adapts BCC processes to align with common industry standards, and practices. No customization.	Significant conflict with principles. BCC wants to avoid extensive customisation which is what caused much of the previous problems with cash management.
Cost (if known)	Already spent £4m on BRS (£178k additionally paid on costs of fixes). Additional cost likely to be several million pounds	Core module licencing is already covered, but the cost of set up is likely to cost several hundred thousand pounds. A high level of manual workarounds are likely to remain which currently cost £500k/month.	We are confirming costs with suppliers, but we would expect this option to be significantly cheaper than developing a new BRS customisation from scratch or continuing with manual workarounds.	Already spent £4m on BRS (£178k additionally paid on costs of fixes). A new replacement customisation likely to cost several million more.
Risk	High Risk	High Risk	Medium Risk	High Risk

Appendix E - Environment and Sustainability Assessment

As the nature of the work has not changed in relation to ESA from that described in the June 2023 Oracle Implementation Cabinet Report, a copy of the ESA from the June 2023 report is included below.

Project Title: Oracle Implementation				
Department: Finance, People Services, D&TS		Team: Various		Person Responsible for assessment: Derrick Taylor, Principal Carbon Policy Officer
Date of assessment: 01/06/2023		Is it a new or existing proposal? New		
Brief description of the proposal: New programme to complete the implementation of the Oracle ERP solution				
Potential impacts of the policy/development decision/procedure/ on:	Positive Impact	Negative Impact	No Specific Impact	What will the impact be? If the impact is negative, how can it be mitigated, what action will be taken?
Natural Resources- Impact on natural resources including water, soil, air			X	
Energy use and CO ₂ emissions			X	This is a short-term programme, and we will try to minimise the impact of engaging additional staff for which funding is being sought. We expect that majority of additional staff will work remotely but on occasions (probably 1-2 days per week on average) where they need to travel into work, we will actively encourage them to use public transport, and avoid the use of private vehicles.
Impact on local green and open spaces and biodiversity			X	
Use of sustainable products and equipment			X	
Minimising waste			X	

Council plan priority: a city that takes a leading role in tackling climate change			X	
Overall conclusion on the environmental and sustainability impacts of the proposal	As outlined above, if the recommendations in this report are approved, it is likely to have a negative impact on Energy use and CO ₂ emissions, but only for the duration of the programme.			