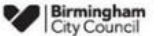# Audit Committee – 28th June 2023
ORACLE UPDATE

Meena Kishinani, Interim Transformation Director

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Recap on key things discussed in May

- While some aspects of the system are working there are areas that are not, key examples being:
  - Finance: pressure on year end processes
  - People Services: key process gaps and underlying technology problems impact key processes such as pay progression and DBS checks
  - Schools: relationships becoming strained as core functional activity and timescales are not being met, including finalising their accounts.
- Governance arrangements
- Programme phasing: safe & compliant, stabilisation & optimisation

Overview of progress to-date

Ultimately, it is important to get control quickly with the right capacity, capabilities, and approach to communications.

01 Control

Bring all activities into a single plan, with clear and resourced structures for delivery and governance.

02 Capacity

Rapidly build the capacity required to provide technical support, programme and project management support, and communications and engagement - recognising the impact on existing business as usual resources.

03 Capabilities

Ensure that the right functional representation exists across HR, Finance, IT, Audit and Procurement, and is balanced with the right technical Oracle expertise.

04 Communication

Communication to, and engagement with, key staff and stakeholders must be prioritised and aligned to the delivery of the plan.

01 Control

Progress Review:

- Single programme, reporting mechanism and plan established to deliver 'Safe and Compliant' across Finance, People Services, Internal Audit, Procurement and Technology.

- Gold, Silver and Bronze command structure set up on a weekly cycle to allow rapid identification, prioritisation and execution of resolutions

- Two Member Boards, Finance and Governance set up and run on a weekly basis.

- New Design Authority created to enforce 'adopt not adapt' and good practice technical decision making.

- Audit Logging for priority rules to be turned on mid-July. Risk Management Cloud functionality forecast to be operational by end August.

02 Capacity

Rapidly build the capacity required to provide technical support, programme and project management support, and communications and engagement - recognising the impact on existing business as usual resources.

Progress Review:

- Interim funding secured and procurement routes determined to provide capacity.

- 12 additional resources added to Finance posting backlog working on clearing the 2022/23 transactions.

- 6 additional resources focussed on reducing immediate risks in People Services.

- Additional resources in DTS (Digital & Technology Services) to support the technical aspects of the programme.

- Additional PMO team members have been appointed to help manage overall programme delivery

- Additional roles will also be required to support the longer term Oracle Optimisation activity

- Cabinet Paper approved at June Cabinet (subject to call in) provides longer-term resourcing and funding arrangements.

03 Capabilities

Progress Update:

- Functional Sponsor and Functional Lead/Project Manager now allocated for every function: Finance, People Services, Internal Audit, Procurement and Technology

- Oracle experience has been prioritised in recruiting posts, this will continue to be seeded within the organisation.   The Oracle optimisation work will be internally led but will utilise external subject matter experts to support key decisions and planning about retiring the problematic customisations and reverting as much as possible to 'vanilla' (uncustomised) Oracle.

- Will need to focus on Business Change capacity and capability.

- Additional training and testing capability still required.

Communication to, and engagement with, key staff and stakeholders must be prioritised and aligned to the delivery of the plan.

Progress Update:

- Schools communication is key given the Finance and HR service provided to schools has not been fit for purpose. Regular workshops and communication updates are being provided during the accounts closedown process, supplemented by letters to schools around reassurance, internal audit and service charge discounts.

- Engagement workshop events have been held with both the programme team and the entire Finance function which have proved helpful through increasing understanding and focus on delivering Oracle stabilisation.

- Further staff engagement and communication activities are in the pipeline.

- 2x Schools Relationship Managers appointed to help improve communications with schools.

Schools relationship managers

Karen Davies
Primary Lead
Chair of Governors, Barr View
Primary School

Chris Etheridge
Secondary Lead
Headteacher, Kings Heath Boys School

Are a key interface with schools. Remit is to make certain that School's needs are prioritised and that regular two-way communication is in place. Will work closely with BCC colleagues and will attend schools' fora on a regular basis. Both well known to many schools.

The relationship managers have already attended primary and secondary forum, School Forum and the Governor training day.

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Safe & Compliant update: Finance

Finance update

- Out turn
- Accounts production

MTFP refresh timeline

Activity	Date
Quarter One Update on MTFP assumptions, budget position to Cabinet	25 July 2023 (to CLT on 27 June for review)
Quarter Two Update on MTFP assumptions, budget position to Cabinet	10 October 2023
Engagement on resource prioritisation	Mid October – December 2023
Scrutiny of budget development proposals	November/December 2023
Provisional Local Government Settlement	Mid December 2023 (TBC)
Cabinet – setting of council tax and business rate tax base	16 January 2024
Final Local Government Settlement	January/February 2024 (TBC)
Cabinet consideration of the 2023/24 budget and Financial Plan	13 February 2024
Full Council approval of 2023/24 budget and setting of Council tax	28 February 2024

Schools 2022/23 Accounts Closedown Update

Cheque Book Schools

- **54** year-end returns expected, **54** year-end returns received

- Returns are taking longer to clear than in a usual year. Up to eight hours per return.

- Target to complete work by the end of Summer Term, with letters sent to each school for their sign off of:

    - their cumulative balance position;

    - or where they have historic issues/queries to sign off their in-year position, with further work to follow on their historic issues/queries.

Non-Cheque Book & EPA Schools

- **162** year-end returns expected, **150** year-end returns received (includes 65 nil returns). Reasons known and being worked on for **12** with no return.

- Production of weekly reconciliation files failed, end of March 2023. Fix has been prioritised.

- Once resolved and files circulated, Schools (and Schools Financial Services staff) need time to work through and update year-end returns if required.

- Estimate is completion of the above by beginning of the Autumn Term, with closure of schools accounts in September, subject to system issues being resolved.

- Working with final accounts team on options to enable their work to progress, one being to process the returns received to date, close, then process subsequent manual adjustments that are material to schools but not to BCC.

- Important to allow adequate time to distribute files and update returns – focus on allowing enough time for schools.

Safe & Compliant update: People Services

People Services

- Pay Progression:
    - Delivered successfully in May using manual workarounds
    - Automated solution in June, with some manual adjustments
    - Fully automated upload is planned for July.

- Recruitment:
    - Backlog addressed, proposal to address pinch points & bottlenecks being reviewed. Further improvement work planned to start 3 July.
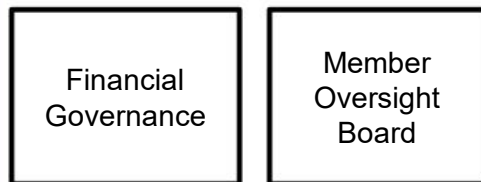
- DBS & Right to Remain

Governance

Oracle Response Governance Structure

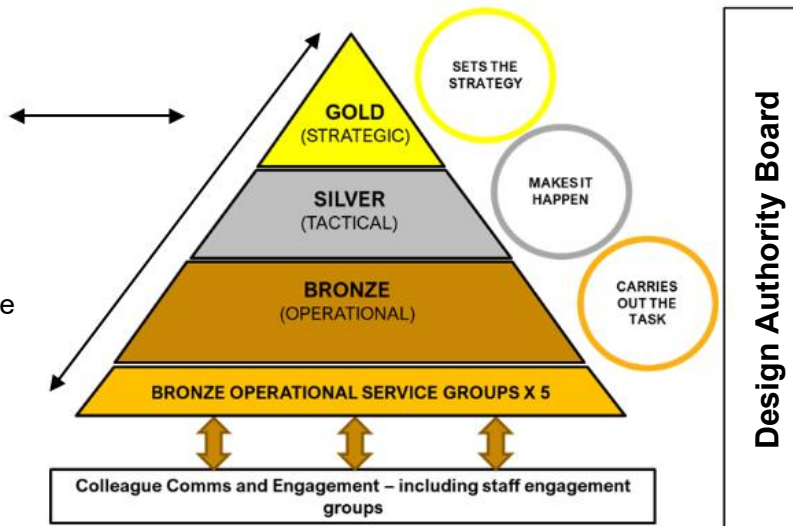## Member Oversight Boards

Financial Governance	Member Oversight Board

Member Boards supported by:
- Ian O'Donnell, independent Finance Expert
- Jonathan House, Oracle Technical Expert

Officer Boards

SETS THE STRATEGY

GOLD (STRATEGIC)

MAKES IT HAPPEN

SILVER (TACTICAL)

BRONZE (OPERATIONAL)

CARRIES OUT THE TASK

BRONZE OPERATIONAL SERVICE GROUPS X 5

Colleague Comms and Engagement – including staff engagement groups

Design Authority Board

Gold: Sets the strategy for the programme and receives progress updates.

Oracle Programme Governance: This board is parallel to the Gold Board, and takes place after Gold meets to provide Members with an update on progress.

Financial Governance: This board provides Members with oversight of financial governance and council finances.

Silver: Manages the overall programme as a leadership team - overseeing the risks and issues and mitigations whilst monitoring progress.
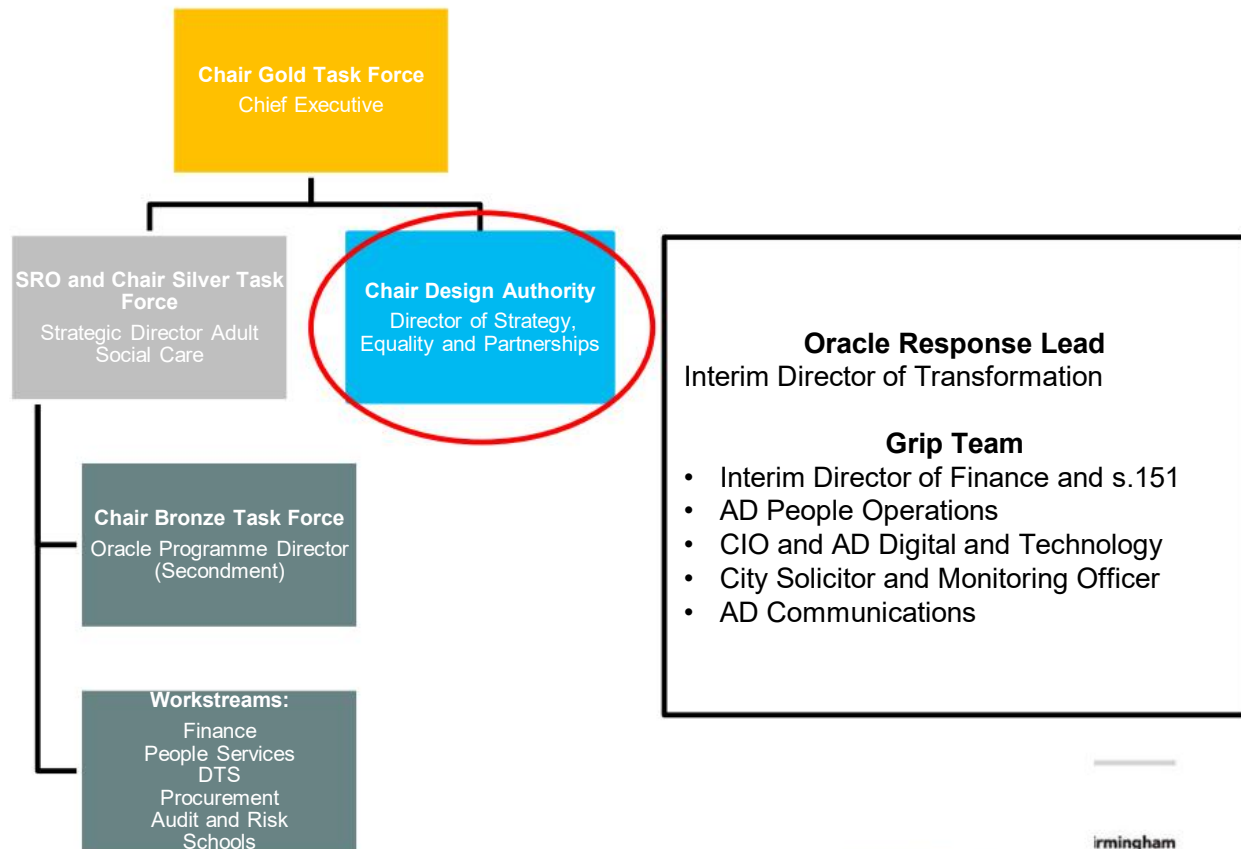
Bronze: Oversees short term priorities and manages risks, issues and progress chaired by the Programme Director.

Bronze Operational Groups: Workstreams for each functional area to deliver changes required. Overseen by a Project Manager & Workstream Lead.

No major changes from last meeting. May Stocktake resulted in some lower-level improvements

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Oracle Programme – Governance Hierarchy

Chair Gold Task Force
Chief Executive

SRO and Chair Silver Task Force
Strategic Director Adult Social Care

Chair Design Authority
Director of Strategy, Equality and Partnerships

Chair Bronze Task Force
Oracle Programme Director (Secondment)

Workstreams:
Finance
People Services
DTS
Procurement
Audit and Risk
Schools

Oracle Response Lead
Interim Director of Transformation

Grip Team
- Interim Director of Finance and s.151
- AD People Operations
- CIO and AD Digital and Technology
- City Solicitor and Monitoring Officer
- AD Communications

Design Authority

Dual Role:

1. Gatekeeper of the Safe & Compliant fixes list – ensure we are working on the right things and minimising the risk of 'wasted' effort.

2. Owns the development of the Solution Design, part of the Optimisation phase.

Phase 1 – safe and compliant criteria

1. To what extent do the changes to Oracle help us achieve safety and compliance
2. How simple are the proposed changes to Oracle? – can we adopt not adapt?
3. Do the changes to Oracle align with likely future design of the system?
4. Are the changes to Oracle good value compared to other options?
5. Are the consequent business changes acceptable?

Assess High/Medium/Low: where High is best

Specific Design Principles per Phase

Phase 1 Safe & Compliant
Objective: Close 22/23 and comply with legislative and statutory requirements

Address immediate needs
Prioritise addressing the immediate organisational needs with a strong emphasis on compliance and the continuity of mission-critical activities.

Leverage the current environment
Utilise the existing environment to expedite the mitigation of immediate organisational risks and minimize the need for extensive architectural changes.

Phase 2 Tactical Stabilisation
Objective: Make targeted tactical changes to maintain service operations and mitigate 23/24 year-end risks

Focus on the service stabilisation
Mitigate medium-term operational risks by implementing targeted tactical changes that enable and ensure service adequacy while minimising any compromise to strategic objectives.

Configuration Over Customisation
Whenever feasible, embrace recommended best practice approaches and adapt our processes to align with common industry standards, practices, and the capabilities offered by Oracle Cloud.

Phase 3 Reset & Optimise
Objective: Achieve the long-term Strategic Oracle Fusion vision and objective of the Council

Adopt rather than adapt
Revise our business processes and workflows to embrace a vanilla cloud implementation that shifts towards standard processes aligned with BCC's strategic objectives and enables the desired long term organisational outcomes

Configuration Over Customisation
Embrace and implement recommended best practice approaches, adapting our processes to align with common industry standards, practices, and the capabilities. Prioritise adoption to fully utilise the capabilities provided by the Oracle Cloud platform.

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Cabinet Report

- Approved (subject to call in) at Cabinet yesterday (27 June)
- Requesting funding (and delegated authority) for 2 elements:
    - Safe and Compliant work
    - Solution Design (first stage of Optimisation)
- Also requesting delegated authority to put in place additional procurement frameworks as required
- Proposes reporting to Finance & Resources O&S Committee and Cabinet – frequency to be agreed

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Programme Phasing
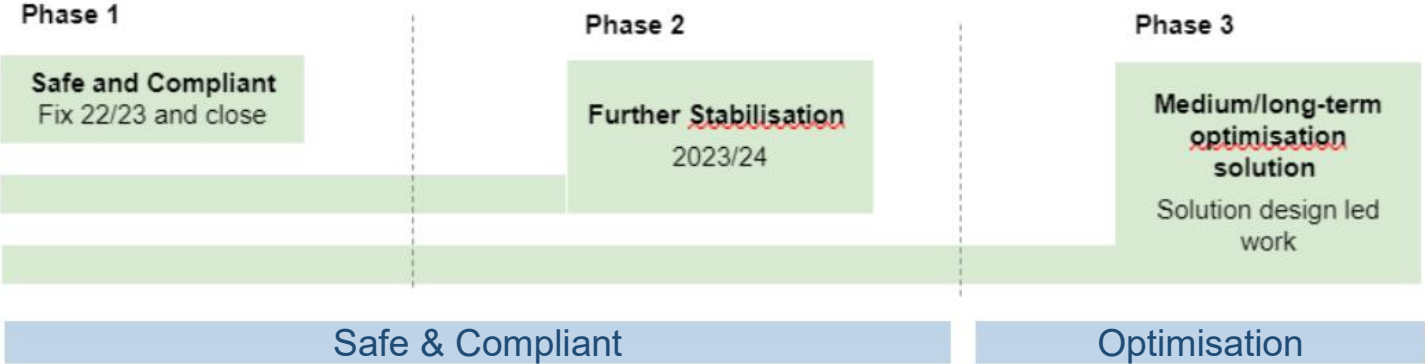
Oracle support

- Oracle are the supplier of the software that BCC has implemented in order to manage our finance and people resources.

- Sessions, led by Oracle team, organised to look at what a good, out of the box implementation looks like.

- Oracle providing introductions to customers live with a non-customised version of Oracle.

- Oracle also providing an Enterprise Architect (to support Design Authority), specific functional experts, and three-month period of Technical Account Management (access to priority support).

Optimisation

- Focus on delivering the original vision for Oracle, as mandated by Cabinet, based on vanilla, out-of-the-box Oracle.
- Will require a review of, and changes to business processes.
- First part is the Solution Design.
- Work will be led by DTS, will involve Oracle and other delivery partners and will be overseen by the Design Authority.
- Will look at other organisations using vanilla Oracle.
- Oracle Workshops taking place today with staff – looking at what vanilla Oracle can do.
- Output will be a Cabinet Paper on proposed solution & optimisation plan.

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Questions?