# Resources Overview & Scrutiny Committee

**1B ERP Programme**

Becky Hellard (Senior Responsible Owner)
James Couper (Programme Director)

# Summary

At the March Cabinet sign off of the revised business case, the 1B programme committed to providing regular progress reporting to ensure oversight of the programme timeline and budget, as well as visibility of the 1B programme at key moments in time. This update is the first of those and has three parts:

### Background information
Provides Committee Members with:
- The vision for the 1B programme
- An overview of the business case with the projected costs and benefits
- An update on the commitments we made at the March Cabinet
- A glimpse of how Oracle Fusion will look for BCC staff

### Regular progress reporting
Sets out the regular report the 1B ERP programme will provide to update on progress, these will include:
- Updates on overall delivery status: 1B ERP Programme Dashboard
- Update on the timeline to monitor Milestone plan
- Programme budget position and forecast

### Programme 'deep-dive'
The 'deep-dive' will focus on:
- 1B Delivery Plan – in the form of the Plan on a Page with the critical path to an April '22 Go-Live
- 1B Risk Register – in the form of an extract of highest rated risks and issues
- The outcomes from out latest data migration cycle

# BACKGROUND

# The 1B Vision: supporting Council ambitions

- In July 2019 the Council selected *Oracle Cloud a*s its preferred ERP software to support every day financial, HR and procurement processes, replacing SAP Voyager and People Solutions.  This programme is called 1B because it will enable one single data set across the Council.

- Target operating model developments across the Council are embedded in 1B to enable the digital, financial and workforce agenda.

**1B**

**Programme Vision:**
To make a positive difference every day, enabled by modern finance, procurement and HR solutions.

**Standardised ways of working**

Transforming our services by leveraging technology, adopting standard processes and delivering smarter ways of working.

**User friendly self service**

Keeping customer needs at the heart of our services, through delivery of a more user-friendly experience and better support for everyone.

**Empowered decision making**

Enabling managers to make effective decisions for their service areas by improving information and providing meaningful reports.

# The 1B Business Case: the headlines

- Senior Responsible Officer for 1B is Becky Hellard
- Final Business Case and a **new Go Live date of April 2022** approved at Cabinet 16 March 2021
- The Council has defined a Modernisation Programme that seeks to invest in its capacity and leadership and invest in the changes it needs to make. The 1B Programme now sits within the New Type of Organisation portfolio alongside the Customer Services and New Ways of Working Programmes.

## Benefits vs Drawbacks

131 vs 50

## Percentage by Service Area

Benefits have been identified across all services impacted by the programme, and these broadly fit into our three Change Themes

Finance 40%

HR 35%

Procure to pay 25%

## Strategic Case for 1B

- Working smarter to improve integration between services/functions
- Increased commissioning skills and commercial skills
- Agile and flexible working to support a modern workplace
- Innovative and entrepreneurial
- Achieving more with less
- Improved digital and IT capability
- Make better use of customer insight and business intelligence to empower informed decision making at all levels and enable us to deploy all our resources appropriately
- Working in partnership and working with others to collaborate more as a 'One Council'
- Empowering citizens, preventing need

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# Revised business case costs and benefits (financial)

**Costs**

The overall cost of the implementation phase of the programme have risen from an estimated £19.965m at the time of the original Full Business Case to a latest estimate of **£38.685m.**

The key reasons for this increase are:

- Delay in the go-live date from December 2020 to April 2022 and therefore the additional running costs of the programme as a result of the implementation complexities.

- The subsequent costs of extended need for the existing ERP solution (SAP) and associated infrastructure and support staff until it can be decommissioned.

- Additional essential functionality identified during the design phase, which has been robustly challenged by a Business Design Authority, but the validity of the requirement has been validated.

- Retention and archiving of existing data records essential for business operations.

**Financial benefits**

- The Revised FBC extends over a 12-year period (2019/20 to 2030/31) and recognises that as the organisational changes in culture, processes and procedures, from the wider ERP programme, become embedded, it will realise longer term benefits beyond the life of the new IT system and the initial seven-year contract period.

- Over the life of the FBC there is a forecast gross ERP system saving of **£10.918m.**

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# Non-Financial Benefits

As we have been designing our future ways of working, we have identified benefits and drawbacks/disbenefits associated with adopting our new cloud solution. All of the non financial benefits identified are categorised into 'types' (tangible/intangible), and by our level of confidence that they will be realised i.e. if they are definite, expected or anticipated. Below is a snapshot of our headlines at this moment in time. Benefits will continue to be identified, and tracked for the lifetime of the programme, and beyond. A waterfall review of the original FBC Benefits vs Implementation is included as Appendix B.

## Number of Benefits

During review of As-Is and To-Be processes, and the impact assessment of our future ways of working, we have identified a total of **131** benefits which are detailed in our Benefits Realisation Plan

## Percentage by Service Area

Benefits have been identified across all services impacted by the programme, and these broadly fit into our three Change Themes

Finance
40%

HR
35%

Procure to pay
25%

## Tangible Vs Intangible

119 vs 12
91% vs 9%

## Benefits vs Drawbacks

131 vs 50

## Change and Benefit Themes

**Standard Ways of Working**

**User Friendly Service**

**Empowered Decision Making**

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# Update on our Cabinet commitments

At the March Cabinet, the ERP Programme recommended the following risk mitigating actions to support the revised Programme timeline and cost increase going forward, some of these had already been implemented and below is an update on the remaining items:

| What we said we'd do | What we've done |
|---|---|
| A Programme Director with proven track record has been appointed to plan and drive the programme to completion and manage key partners, stakeholders and dependencies. | Programme Director has been in place since mid Jan '21 |
| The revised Programme Plan, Programme Team and associated costs have been validated to ensure that the revised Go-Live date is planned and baselined appropriately and continually monitored. | A baseline plan is in place and progress against a set of agreed milestones is reported to 1B Steering Committee and Resources Oversight & Scrutiny Committee |
| Enhanced scrutiny and review from members of the Executive will ensure that the Programme Director remains committed to provide regular updates to the Overview and Scrutiny Committee to ensure that the timelines and costs remain within the agreed parameters. | <ul><li>A deep dive focusing on delivery plan and risk in June</li><li>Regular monthly reporting arrangement agreed</li><li>The next deep dive will focus on User Adoption</li></ul> |
| The ERP Programme to have an allocated contingency budget that is controlled by and under the guidance of the Steering Committee and the Capital Board. | <ul><li>A contingency budget of £1.3m has been established</li><li>All cost considerations will be signed off by the 1B Steering Committee</li></ul> |
| Revised governance, monitoring and updates at the defined stages within the programme to assure Senior Stakeholders that the programme remains on track. | Changes to the programme governance has established more control of time and cost and is bringing a one team approach |
| Clear commercial strategy applied across all sub-contracts and suppliers. | Commercial cost extensions with partners are substantially resolved in line with the budget allocations and a robust commercial reporting and governance process is in place |

# WHAT WILL ORACLE FUSION LOOK LIKE

# Look and Feel Mockup: selected by Council employees
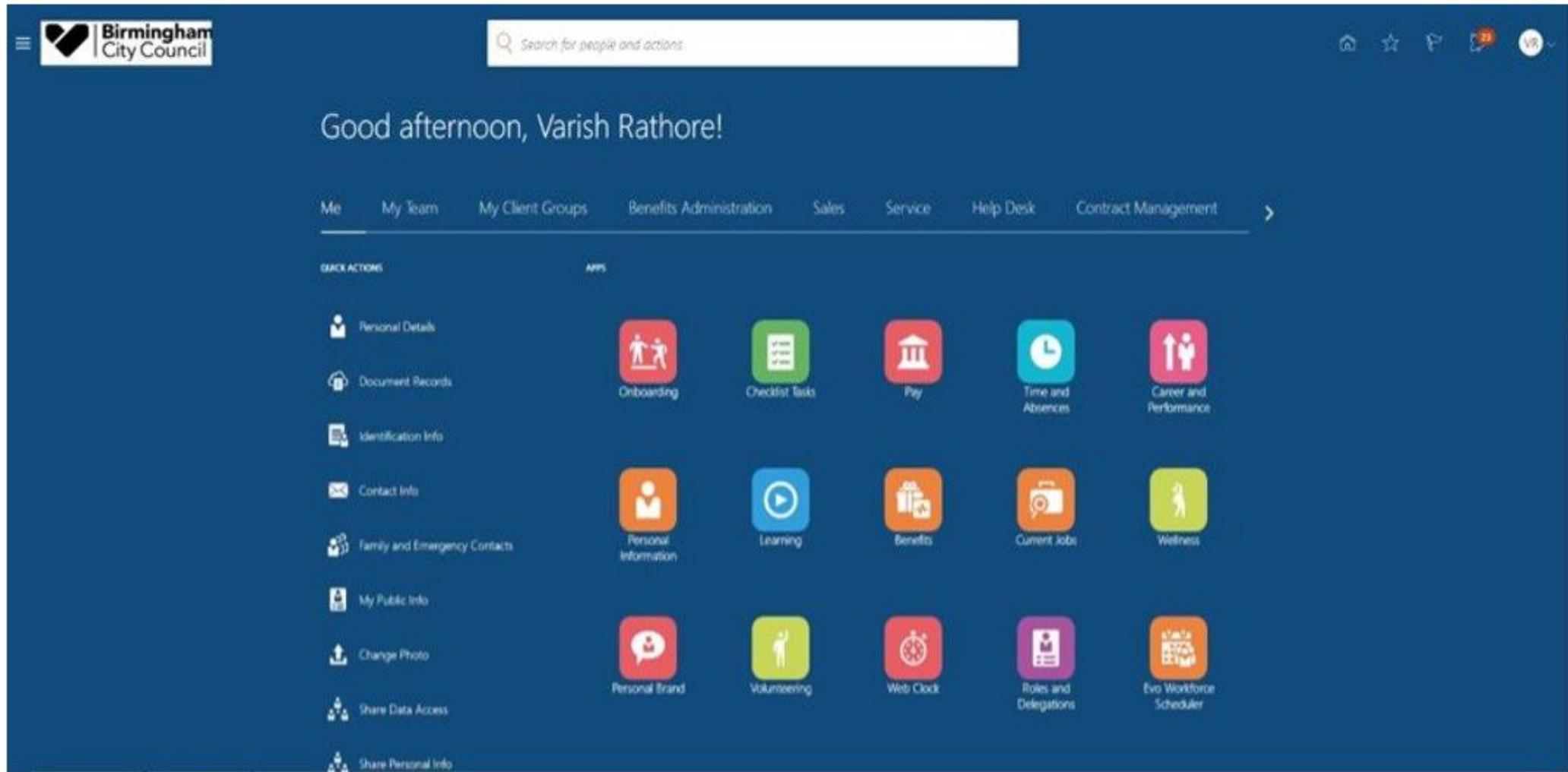
# Navigating Time & Absence

**Current Time Card**

Open your current time card.

**Existing Time Cards**

Access all of your time cards.

**Add Absence**

Request an absence and submit for approval

**Absence Balance**

Review current plan balances and absences taken or requested

**Existing Absences**

View, change or withdraw existing absence requests

**Calendar**

View your shifts, absences, and public holidays.

# Submitting a request for Annual Leave



*Employee makes leave request*

*Notification sent to Manager*

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# 1B PROGRAMME UPDATE

# 1B Programme Dashboard
## June 2021

| | |
|---|---|
| **SRO:** | Becky Hellard |
| **Prog Director:** | James Couper |

**Overall RAG (May)**

**Overall RAG (June)** →

## 3 Month Forward Plan

| March 21 | Apr 21 | May 21 | June 21 | July 21 |
|---|---|---|---|---|

- Gold System build
- DM1B
- DM2
- Caveats Closeout
- System Testing
- Payroll Testing
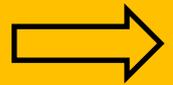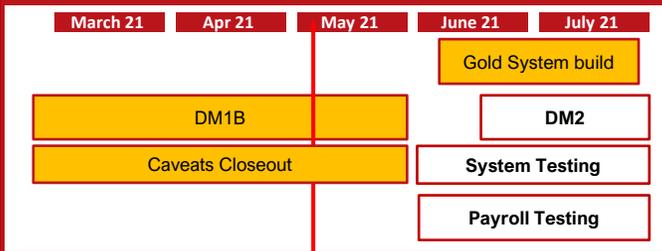
## Completion percentage

**52%**

## Programme controls
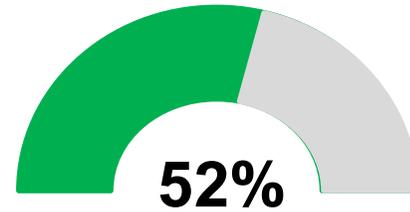
| Programme controls | Previous RAG | Current RAG |
|---|---|---|
| Time | Amber | Amber |
| Costs | Green | Green |
| Resources | Green | Amber |
| Benefits | Green | Green |

| | Red | Amber | Green |
|---|---|---|---|
| **Previous** | 1 | 5 | 7 |
| **Current** | 1 | 3 | 9 |

| Workstream | Previous RAG | Current RAG |
|---|---|---|
| Inbound and Outbound Integrations | Red | → Red |
| Reporting | Amber | → Amber |
| Data Migration | Amber | → Amber |
| Build & Config | Amber | → Amber |
| P2P | Amber | ↗ Green |
| Commercial & Procurement | Amber | ↗ Green |
| HR & Schools HR | Amber | → Green |
| Finance | Amber | → Green |
| Service Transition | Green | → Green |
| Testing | Green | → Green |
| Business Change | Green | → Green |
| Infrastructure & SAP Business Continuity | Green | → Green |
| Architecture | Green | → Green |

## Summary Update

- Programme is amber due to the increasing integration related issues impacting the agreement of requirements and approach to delivery and the need to identify resources to support the report activity and to progress the development. Discussions are progressing to support the identification of the appropriate technical expertise.

- Outside of these specific issues planned programme scope and activity is on track. Outstanding design caveats are close to being closed.

- The current data migration has reached its conclusion and defect resolution required for the next exercise has begun.

- Adoption activity in the form of communication and briefings across DMTs has begun.
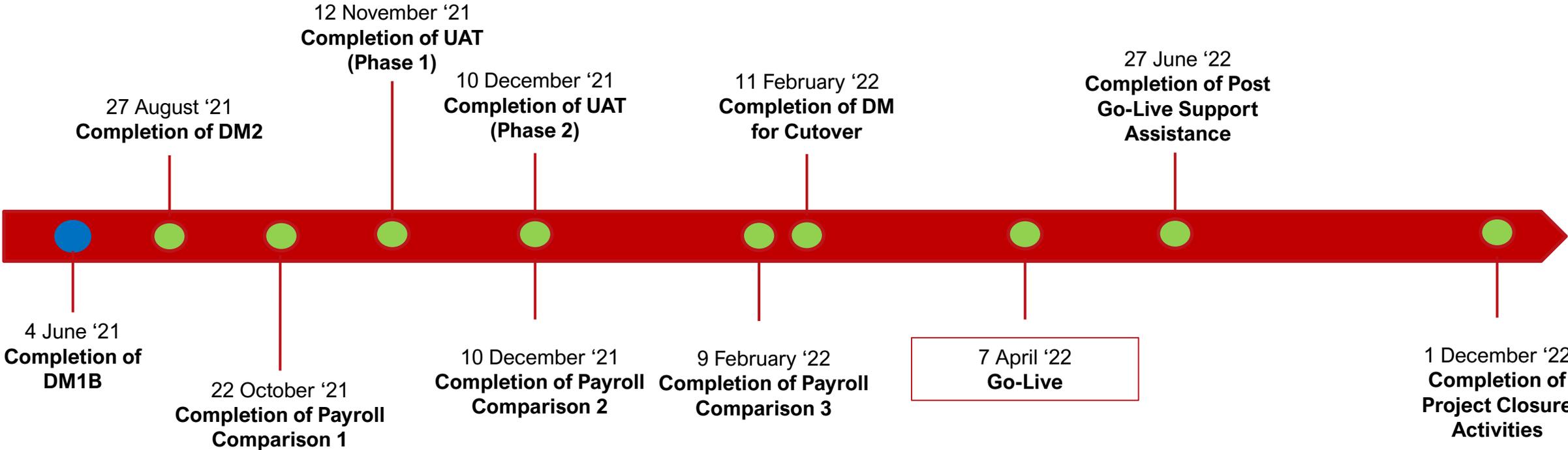
## Return to Green Plan

1. Re-planning of DM2 completed (June '21)

2. Reporting catalogue and plan for development in place (June '21)

3. Integrations specifications complete and development plan agreed (end of June '21)

| Management Support Required | R | At risk | A | On target | G |
|---|---|---|---|---|---|

| Improving | ↗ | Worsening | ↘ | Stable | → |

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# 1B ERP Milestone Plan

| Orchestrate | Prepare | Transition | Closure |
|---|---|---|---|

**12 November '21**
**Completion of UAT (Phase 1)**

**10 December '21**
**Completion of UAT (Phase 2)**

**11 February '22**
**Completion of DM for Cutover**

**27 June '22**
**Completion of Post Go-Live Support Assistance**

**27 August '21**
**Completion of DM2**

**4 June '21**
**Completion of DM1B**

**22 October '21**
**Completion of Payroll Comparison 1**

**10 December '21**
**Completion of Payroll Comparison 2**

**9 February '22**
**Completion of Payroll Comparison 3**

**7 April '22**
**Go-Live**

**1 December '22**
**Completion of Project Closure Activities**

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# Programme Budget position

| Activities | Total |
|---|---|
| **Resources** | |
| PMO | £ 4,229,162 |
| ITDS | £ 2,107,275 |
| BCT | £ 475,000 |
| **Providers** | |
| SOCITM | £ 1,162,300 |
| **Egress** | |
| Extension | £ 952,000 |
| **Evosys/Insight** | |
| CCN | £ 55,350 |
| Extension | £ 2,146,000 |
| **SAP** | £ 1,216,000 |
| **Licences** | |
| Oracle Fusion | £ 2,432,433 |
| Evoys Workforce Scheduler | £ - |
| OTL | £ 192,683 |
| PS Live | £ 16,500 |

| Activities | Total |
|---|---|
| **BDA** | £ 3,418,625 |
| **Other** | |
| Training | £ - |
| Procurement | £ - |
| Audit | £ - |
| Backfilling staff | £ 1,350,000 |
| Miscellaneous | £ 10,000 |
| **Totals** | **£ 19,763,328** |
| **Contingency** | £ 236,672 |
| **Total Requested in MTFS** | **£ 20,000,000** |

**Reserves**

| | |
|---|---|
| 19/20 Contribution | £ 1,450,255 |
| 20/21 Contrbution | £ 1,920,844 |
| **Total** | **£ 3,371,099** |

# 1B PROGRAMME 'DEEP-DIVE'

# 1B Approach to planning & Risk Management

## Update since March Cabinet

### Programme plan
- 1B Programme committed to providing this Committee with oversight of our programme timeline.
- A new approach to planning has been adopted with 3 level of plan held and bi-weekly updates against delivery and planning of forward look.
- A Programme Delivery Group has been established to drive delivery of the programme plan and managing dependencies.
- For this update we will use the plan on a page.

### Risk Management
- After business case approval at the March Cabinet, we reviewed our risk management approach; closing down over 30 open risks and issues.
- These are reviewed bi-weekly and managed through the Programme Delivery Group and Steering Committee as the escalation point.
- 1B programme will provide an extract from the highest rated risks and issues on a quarterly basis.

## Programme plan held at 3 levels



*Plan on a Page*
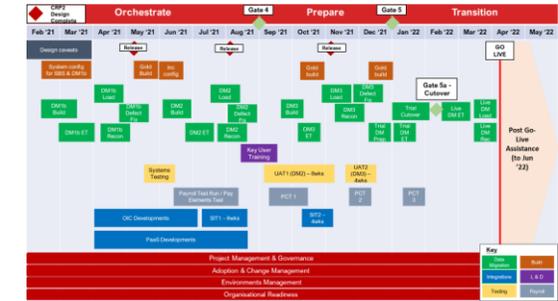
*Swim lanes for each workstream*

*Master MS Project*

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# Risk Update

| Risk description | Cause/Impact | Likelihood/ Impact | Mitigation plan & Update |
|---|---|---|---|
| **High volume of reports requested** There are a high volume of reports requested from BCC to be developed for Go-Live and a limited capacity to achieve this. | **Cause:** Business areas have requested the same reports they currently have without undertaking a rationalisation based on criticality<br><br>**Impact:** Statutory or regulatory reports may not be developed in time for go-live. | VH/VH | 1. A reports rationalisation exercise has been completed reducing the volume of reports.<br>2. The next step will be a prioritisation to ensure statutory and regulatory reports are developed in time for Go-Live (June '21)<br>3. Business Owners will own the process of prioritisation (June '21) |
| **Unmasked data in Oracle Environment** ERP Oracle Cloud Non-Production Test & Dev environments hold Live Data within them which is being accessed by 3rd parties and BCC SMEs. | **Cause:** In order to successfully migrate and reconcile data it is not possible to mask data in some environments.<br><br>**Impact:** This poses a risk of losing control of the environments and the personal data held within them which could lead to ICO fines. | L/VH | 1. SI partners Egress and Evosys have signed DPIAs and apply with strict procedures to control access to environments with live data<br>2. BCC Testing Team controls access to the each environment<br>3. BCC staff must comply with their Employment T&C in relation to data protection |
| **Invoice Scanning** Should the 1B P2P Programme choose a 3rd Party rather than adopt the Oracle capability there is a risk that the delivery of it will not user acceptance testing (UAT) phase. | **Cause:** Oracle have not yet demonstrated their service offering meets the business requirement.<br><br>**Impact:** A full procurement exercise will need to be run risking delivered before testing under UAT. The solution would also incur increased costs to BCC (<£500K) | M/VH | 1. Detailed business requirements have been written<br>2. A Proof of Concept is underway to demonstrate the capabilities of the 2 products to meet business requirement (June '21)<br>3. Procurement strategy in place for both products pending outcomes of PoC |

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# Issue Update

| Issue description | Cause | Severity | Mitigation plan & Update |
|---|---|---|---|
| **Inbound/outbound integrations**<br>There is an Issue that there are known capability and capacity gaps within the inbounds and outbounds integrations workstream. These have come to the surface with the transition of staff which has exposed knowledge and experience gaps in the management and development functions. The impact of this is that an agreed approach, credible plan and the fundamentals needed for delivery at the pace required. | Transition of staff which has exposed knowledge and experience gaps in the management and development functions. The impact of this is that an agreed approach, credible plan and the fundamentals needed for delivery at the pace required. | VH | 1. A Dependency Tracker for Integrations has been created and it contains all issues that have been logged, with the view of obtaining support from the programme to move things forward<br>2. Daily stand-up calls are scheduled with Functional SMEs and Architecture colleagues to get all MD050's and other associated issues resolved that are currently impacting Integration delivery |
| **COVID impact on offshore resources**<br>The delivery from SI partner Evosys technical resources has been impacted due to COVID situation in India. | Due to recent surge in Covid cases in INDIA, Evosys offshore delivery team has been impacted and may cause further delay in the delivery timelines on the technical side. | M | 1. Impact assessment held and currently minimal impact but a watching brief remains<br>2. Evosys increasing on-shore resources to support delivery |

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# Data Migration

**Overview of the data migration approach**

- Data migration integrates data cleansing, data migration and post-migration reconciliations.
- Our most recent cycle completed at the beginning of June and is the first full cycle BCC has undertaken.
- The steps in the process followed are:
  - Extracting the data from SAP
  - Transforming it into a format which Oracle can receive the data
  - Then loading it into the Oracle environment.
  - After which there is a process to reconcile the data to ensure the success of the load activity.
  - During the cycle, defects are recorded and fixed.

- Data Migration is a collaborative process with our two suppliers. Egress complete the extract and transform activity with Evosys loading the data objects. BCC are involved throughout the process particularly reconciling the data.

**Successes of this cycle**

- Of the 80 objects which were loaded, only 5 did not reach our 60% target for load completion.
- Of the items loaded successfully, 59 had such a high load completion they exceed the target for our next cycle of 80%
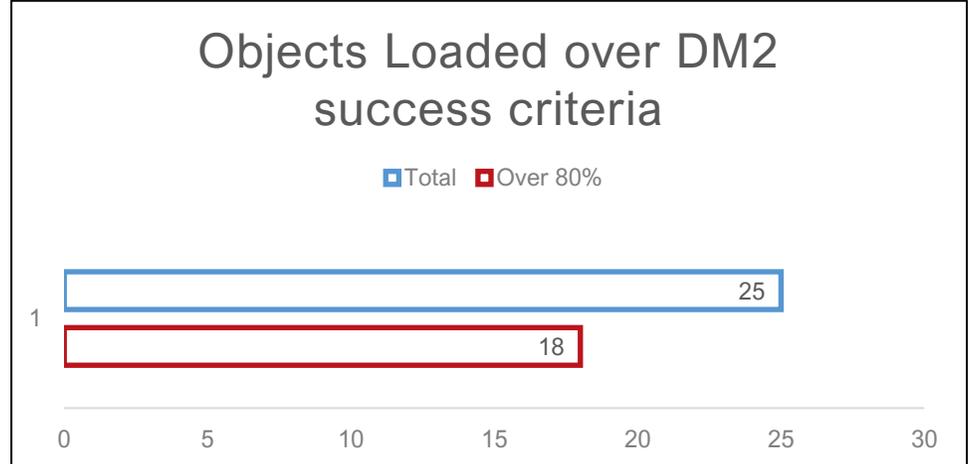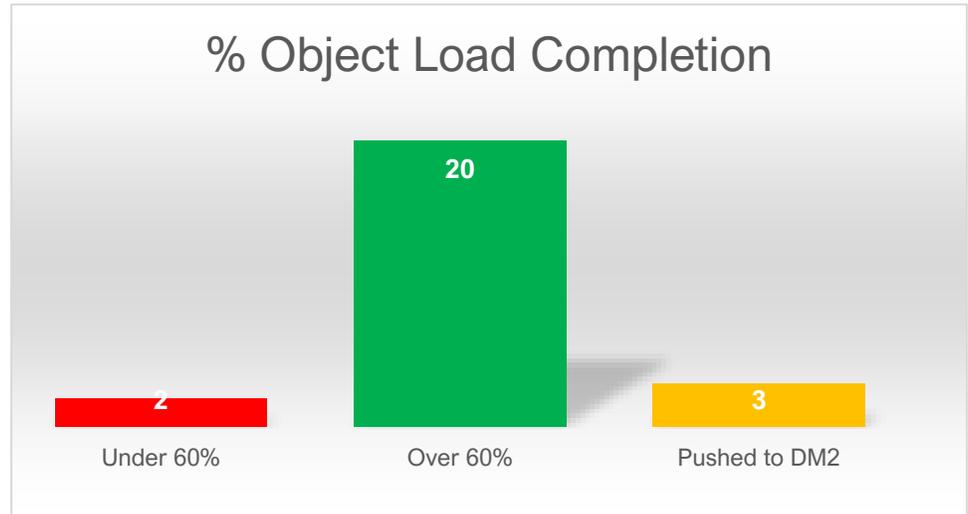
**What next**

Our next data migration cycle will begin in July and because of our success in loading the data this time we had increased our target to 95% completion for master data.
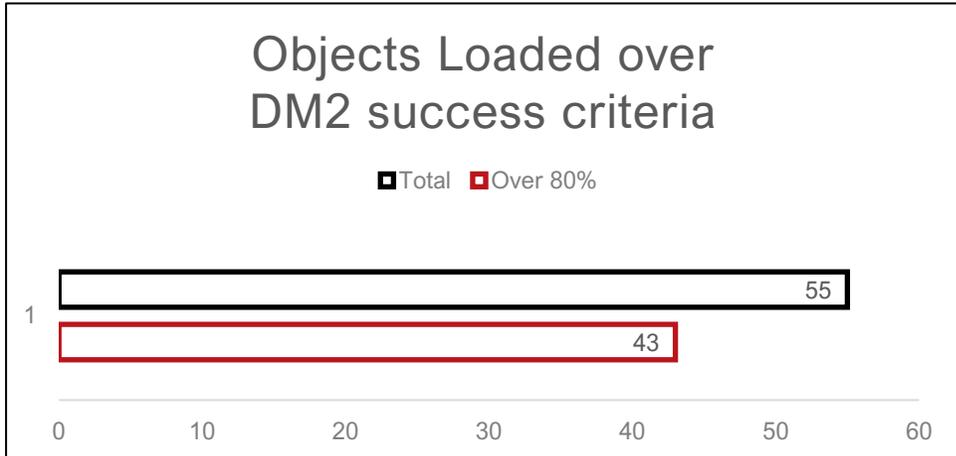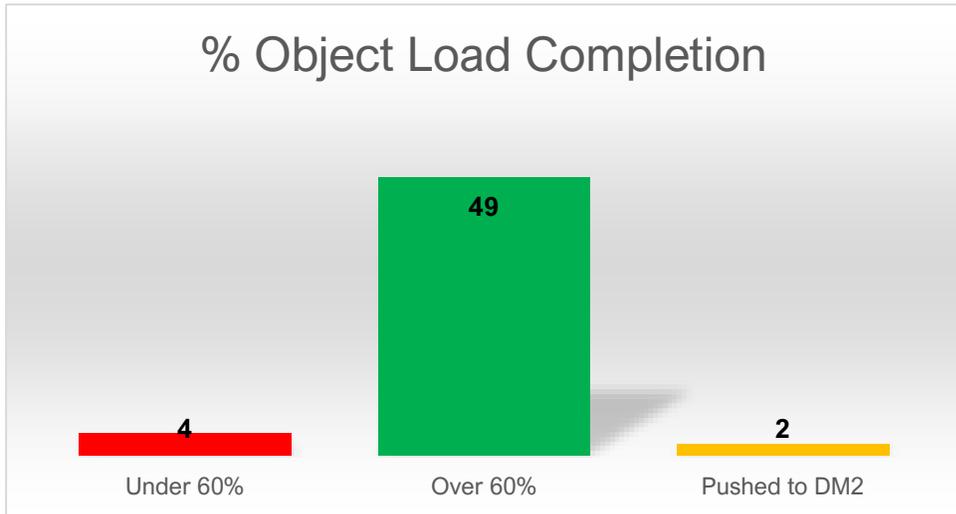
# Summary & Next steps

- The programme contains considerable risk that requires management. Specifically the control of scope and change and areas that are technically complex such as integrations to other applications and data migration

- There has been some slippage of time but this is currently manageable within the April 22 go-live forecast

- The programme will refine the controls processes to ensure that we are focusing on the key risks and issues

- We will continue to provide our regular monthly reporting

- The next deep dive will focus on User Adoption in September around the time we start testing with users.

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