

Birmingham City Council

Report to Cabinet

27 June 2023



Subject: Oracle Implementation
Report of: Deborah Cadman, Chief Executive
Relevant Cabinet Member: Cllr Brigid Jones, Member for Finance and Resources
Relevant O &S Chair(s): Cllr Jack Deakin, Chair, Finance and Resources O&S Committee
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Are specific wards affected?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No – All wards affected
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:		
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, state which appendix is exempt, and provide exempt information paragraph number or reason if confidential:		

1 Executive Summary

- 1.1 In April 2022, the Council went live with a new Enterprise Resource Planning (ERP) IT system, Oracle Cloud, to improve its internal functions relating to financial management and human resources.
- 1.2 The switch to Oracle was the first major change in system that the Council had undertaken since 1999. Whilst it is not unusual for the implementation of new

ERP systems to encounter difficulties, the transition to Oracle has proved incredibly challenging.

- 1.3 Whilst there have been some successes, for example the Council has made payments to over half a million suppliers since April 2022 with a value of £2.5 billion using the new system, some critical elements of Oracle are not functioning adequately and this failure has impacted primarily upon the day-to-day operations of Finance and HR. Officers only brought the full extent of these issues to the attention of members in April 2023.
- 1.4 The Council is currently working at pace and has developed a plan which focusses initially upon stabilising the situation and then optimising the implementation of Oracle. However, significant resources will be required to arrive at a position where the system can be fully implemented.
- 1.5 This report seeks approval and delegated authority to spend up to £46.53m to fix urgent issues, and to develop a plan that will deliver the Council's vision for an optimised Oracle. The expectation is that this funding will be required during FY2023/24, although there is a chance that some of this could slip into FY2024/25. A further report to Cabinet, to draw down the required funding to optimise the solution, will follow once the design work has been completed.
- 1.6 The report also seeks approval and delegated authority to approve any new, compliant procurement arrangements that may be required to secure resources to support the Oracle stabilisation and optimisation design work, and to then award work via those procurement arrangements.

2 Recommendations

- 2.1 That Cabinet approves a spend of up to £46.53m to fix urgent issues, and to develop a plan that will deliver the Council's vision for an optimised Oracle system.
- 2.2 That Cabinet approves funding of the £46.53m (as per 2.1) to be utilised from reserves and flexible use of capital receipts. Funding from reserves will be drawn from the delivery plan reserve and through the established governance process be approved by the Invest to Deliver board.
- 2.3 That Cabinet delegates authority to the Director of Adult Social Care (as Oracle SRO (Senior Responsible Officer)) or their delegate, in consultation with the Cabinet Member for Finance and Resources, the City Solicitor or their delegate, and the Chief Finance Officer or their delegate, to spend the £46.53m (as per 2.1) to fix urgent issues, and to develop a plan that will deliver the Council's vision for an optimised Oracle system.
- 2.4 That Cabinet delegates authority to the Director of Adult Social Care (as Oracle SRO), in consultation with the Cabinet Member for Finance and Resources, the Assistant Director Procurement, the City Solicitor, and the Chief Finance Officer to approve any new, compliant procurement arrangements required to secure resources to support the Oracle stabilisation and optimisation design work.

- 2.5 That Cabinet delegates authority to the Director of Social Care (as Oracle SRO), in conjunction with the Cabinet Member for Finance and Resources, the Assistant Director Procurement or their delegate, the Chief Finance Officer or their delegate, and the City Solicitor or their delegate, to approve the selection of successful bidder(s) where a compliant procurement is undertaken, and also delegates approval of any subsequent call offs or work packages including the execution of the necessary contractual documentation to give effect to this outcome.
- 2.6 That Cabinet authorises the City Solicitor to negotiate, execute, complete, and seal all relevant documents necessary to give effect to the above recommended decisions.
- 2.7 That Cabinet agrees the Oracle programme will report regularly to the Finance and Resources O&S Committee and to Cabinet, providing an update on progress and the latest financial position. Frequency of reporting to the Finance and Resources O&S Committee to be agreed with the Chair of the Finance and Resources O&S Committee and the Leader of the Council. Frequency of reporting to Cabinet to be agreed by the Leader of the Council.

3 Background

- 3.1 In April 2022, the Council went live with a new Enterprise Resource Planning (ERP) IT system, Oracle Cloud, to improve its internal functions relating to financial management and human resources.
- 3.2 The switch to Oracle was the first major change in system that the Council had undertaken since 1999. Whilst it is not unusual for the implementation of new ERP systems to encounter difficulties, the transition to Oracle has proved incredibly challenging.
- 3.3 The Council had planned to adopt the Oracle system, changing its existing business processes and upskilling staff to support its implementation. This is what Members gave Officers approval for through Cabinet papers in July 2019 and March 2021. However, Officers evolved the approach towards adapting the system - meaning that Oracle was customised to meet the Council's existing business processes. This shift in emphasis (from adoption to adaptation) has severely impacted upon the Council's ability to properly implement the Oracle system. Arrangements for an independent review focussing upon what lessons can be learnt from this process are underway.
- 3.4 Whilst there have been some successes, for example the Council has made payments to over half a million suppliers since April 2022 with a value of £2.5 billion using the new system, some critical elements of Oracle are not functioning adequately, and this failure has impacted upon the day-to-day operations of Finance and HR.
- 3.5 From a finance perspective, a key issue relates to the Council's Bank Reconciliation System. This has meant that a significant number of transactions

(payments to and from the organisation) are having to be manually allocated to accounts rather than automatically via the Oracle system. This is creating a backlog. Whilst this is a serious administrative issue, it is not impacting upon the level of cash available to the Council to make payments. However, it is impacting upon the Council's ability to formally 'close' its accounts for the year 2022/23. The Council is working closely with its External Auditors in this regard with the goal to close its accounts by the end of August.

- 3.6 The Bank Reconciliation System issues have also caused challenges for those schools that utilise council provided services for Finance and HR. The Council is working with these schools to try and resolve their concerns as soon as possible.
- 3.7 From the HR side there have been issues identified related to recruitment, data management and monitoring processes to update renewals of DBS checks. Manual processes have been put in place to work towards resolving these issues, with the priority being staff working with Children & Vulnerable Adults.
- 3.8 The Council is currently working at pace and has developed a plan which focusses initially upon stabilising the situation and then optimising the implementation of Oracle. The plan is split into these two key phases. The Safe & Compliant phase is focussed on stabilisation, addressing the urgent issues to ensure the Council can continue to fulfil its statutory, legal, contractual and policy obligations. The Optimisation phase will then develop and deliver on the Council's vision for the Oracle system, which will be a key enabler in delivering more efficient and focussed services to citizens.
- 3.9 Significant resources will be required to arrive at a position where the system can be fully implemented, and we estimate that the final costs of this will be in the region of £100m. Whilst this further investment is substantial, the proper functioning of Oracle, and its role in Financial and People management is crucial to an organisation of BCC's size and complexity with a gross revenue budget of £3.4 billion per annum.
- 3.10 In March 2023, the Council engaged experts at consultancy firm PwC to work alongside our internal teams, to support it in identifying the exact nature of the issues and what was required to fix them. The outcome of this review is reflected in the recommended option proposed in this report.
- 3.11 In addition to addressing the urgent issues, to ensure the Council can fulfil its statutory, legal, contractual and policy obligations, work is required to revisit the original vision for Oracle, and to develop a medium to long-term plan that delivers on the 'adopt not adapt' mandate that Cabinet set for Oracle and to realise the associated benefits.

4 Options considered

- 4.1 Given the need to address a number of areas of immediate concern with the current operation alongside developing a longer-term plan, only one option is considered to be viable. That is a *twin track* option, where there is a focus on

addressing the urgent issues (for example, the closure of the FY2022/23 financial accounts, and putting in place enhanced processes to update renewals of Disclosure and Barring Service (DBS) checks to meet statutory and policy obligations), whilst also refreshing the vision for Oracle and developing a plan that delivers it.

- 4.2 The *do-nothing* option is not considered a viable option given the current situation, as a fully functioning ERP (Enterprise Resource Planning) system is vital to the operation of the Council.
- 4.3 Similarly, the *design first* option, where all effort is focussed on the design of the end solution without any remedial work being delivered in the interim, is not considered a viable option, as it would mean that Council would fail to meet statutory and legal obligations, for example, being unable to close the financial accounts for FY2022/23.
- 4.4 There is a risk with the recommended *twin track* option, that some of the effort expended in fixing immediate issues could be ‘wasted’ if the final design takes the solution in a different direction. For example, immediate work to fix an existing interface to support the FY2022/23 year end close could be ‘wasted’ if that interface is not then a component of the final solution design. In some situations, the urgency and level of risk will outweigh the risk of ‘wasted’ effort. To manage this risk, a Design Authority has been setup and has developed a set of design principles that will be used to assess the Safe & Compliant work and ensure the ‘wasted’ effort is minimised.
- 4.5 The recommended option is outlined in more detail in the following section.

5 Recommended option

- 5.1 The recommended option splits the work into two distinct phases, as outlined in the table below.

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.

- 5.2 The Safe & Compliant phase will focus on the urgent work required to ensure the Council can continue to fulfil its statutory, legal, contractual and policy obligations. More details of the work in scope for this phase are provided below.
- 5.3 The Optimisation phase will consist of both technical, system configuration work and business change activity, in line with the adopt not adapt vision for Oracle.

The first stage of the Optimisation work is the Solution Design, which will agree a refreshed vision for Oracle and then develop a plan to deliver it.

- 5.4 Once the Optimisation delivery plan is agreed, the Optimisation phase will take over from the Safe & Compliant phase, with any outstanding Safe and Compliant activities being subsumed into the Optimisation plan, where applicable.
- 5.5 The Solution Design element of the Optimisation phase will run in parallel with the Safe & Compliant phase and is expected to take between 3-6 months to deliver an agreed Optimisation plan.
- 5.6 The timeline below shows the relationship between the Safe & Compliant phase and the Optimisation phase, where the Safe & Compliant phase will merge into the Optimisation phase once the Solution Design is completed.

Activity	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24
Safe & Compliant										
Solution Design										
Optimisation										

5.7 The 2 phases of work are described in more detail in the following sections.

5.8 Safe & Compliant

- 5.8.1 The focus of the Safe & Compliant phase is to complete the urgent work required to ensure the Council continues to be able to discharge its statutory, legal, contractual and policy obligations. Examples include:
 - Providing key reports and additional capacity to support the closure of the financial accounts for FY2022/23 by 31 August 2023.
 - Developing key reports and providing additional capacity to support the updating of DBS check renewals.
- 5.8.2 The work is a combination of technical fixes and manual interventions (supported by suitable professional oversight and internal controls), the latter being required to address shortcomings in the current solution. In many cases, delivery of Safe & Compliant outcomes will require a combination of technical and manual work.
- 5.8.3 Using the example of the closure of the FY2022/23 financial accounts, the bulk of the effort associated with delivery is manual staff effort to ensure the finance records are correct, but there will be some technical work involved in support the work the team are doing, for example to write reports to provide data to the teams on the ground.

- 5.8.4 Appendix C provides details of the current Safe & Compliant backlog. The work has been grouped into outcome areas, and for each one there may be a number of individual technical fixes or changes involved.
- 5.8.5 The focus of the Safe & Compliant phase is to address urgent issues. As discussed in Section 4, the urgent nature of the work creates a risk that some of the effort will be 'wasted' in that it may not align with the Optimisation plan, once produced. To minimise this risk, the Design Authority is reviewing the list in Appendix C against a set of agreed criteria to ensure the right work is being undertaken. The Design Authority will continue to review the Safe & Compliant work items throughout the Safe & Compliant phase to ensure the right work is being done in the right order.

5.9 Optimisation

- 5.9.1 The current Oracle solution has been heavily customised, which is out of line with the original vision for Oracle that Cabinet and CLT originally approved in July 2019. In a number of cases, the Oracle solution has been customised (adapted) to reflect the previous SAP processes, rather than the associated business process being reviewed and updated. Not only has this increased the complexity of the solution, but opportunities to review and improve the associated business process were missed.
- 5.9.2 The aim is to get back to a situation where the Council adopts rather than adapts Oracle. This will mean changes to the Oracle system (for example turning off many of the existing customisations and extensions) and a significant investment in business change, including providing support and training to staff.
- 5.9.3 The Council's vision for Oracle remains one where the system supports staff to deliver efficiency and productivity improvements across the Council, and ultimately to improve the services we provide to citizens.
- 5.9.4 In order to achieve this, it is vital that there is a shared, agreed view on how the Oracle system will support this end goal. From this a delivery plan can then be developed.
- 5.9.5 Much of the original vision for Oracle, as outlined in the original Cabinet Report, remains valid. However, it is important that the original vision is reviewed and refreshed to reflect the Council's Digital Strategy 2022-25 and the broader Council vision.
- 5.9.6 The Solution Design work is expected to be a 3 - 6 month piece of work. The review will look at each functional area (module) of the Oracle solution and come up with a design that minimises the customisation required. In many cases this is likely to require changes to the Council's business processes and in some cases policies. It is important to note that, as shown in the timeline in

5.6 (above) the Safe & Compliant work will continue in parallel with the Solution Design.

5.9.7 A key input into the Solution Design work will be examples of best practice from other organisations (including, but not limited to Local Authorities).

5.9.8 The Solution Design work will be led by the Council's Digital & Technology Services (DTS) division and overseen by the Oracle Design Authority Board supported by external specialists where required.

5.9.9 Once the Solution Design is agreed, an updated delivery plan will be developed. This plan will incorporate any outstanding work from the Safe & Compliant phase. The Optimisation delivery plan will have two key areas of work:

- Technical, systems integration work that will required to revert to a more 'out of the box' Oracle solution.
- Business change work required to support and embed business processes changes and support the adoption of a more 'out of the box' Oracle solution.

5.10 Savings / Benefits

5.10.1 In March 2021, Cabinet approved the revised business case for the Oracle programme. The revised business case outlined a number of benefits (financial and non-financial) that would be delivered by the programme.

5.10.2 Due to the issues that have been encountered, many of those benefits have not yet been realised. A key element of the Solution Design work (the first part of the Optimisation phase) will be to review and revise the benefits for the programme.

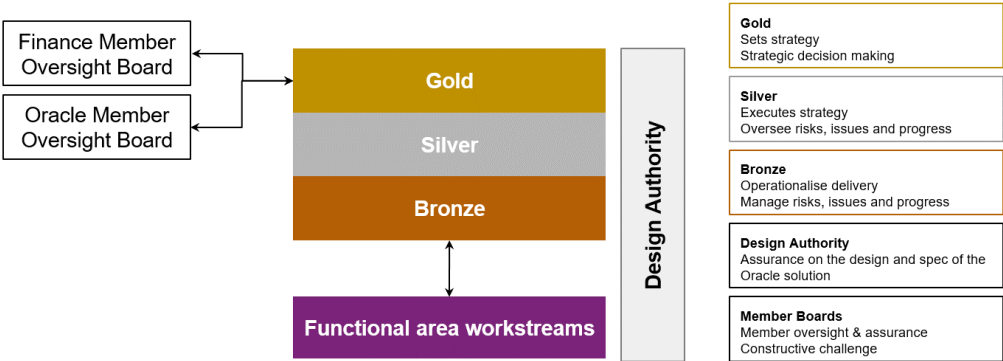
5.11 Progress reporting

5.11.1 To provide Cabinet with visibility and assurance it is proposed that the programme reports on progress, including the financial position, to the Finances and Resources O&S Committee, with the frequency of reporting to be agreed with the Leader of the Council and the Chair of the Finance and Resources O&S Committee. The Audit Committee will also be regularly updated at intervals to be agreed with the Chair of the Audit Committee.

5.11.2 It is also proposed that the programme also reports on progress, including the financial position, to Cabinet, with the frequency of reporting to be agreed with the Leader of the Council.

5.12 Governance

5.12.1 The diagram below shows the governance arrangements that have been put in place to ensure robust management of the programme and to provide assurance to members.



6 Consultation

- 6.1 The Council has consulted Oracle, PwC, and KPMG, and has also commissioned Ian O'Donnell (an independent, local government finance expert) to support the Council and this programme.
- 6.2 The Council is also working closely with External Audit, the Audit Committee and with the Finance & Resources Scrutiny Committee.
- 6.3 The Director for Children and Families has been leading the Council's engagement with schools, including the Schools Forum and the Head Teacher network.
- 6.4 Officers from Finance, People Services, Corporate Procurement and Legal Services have been consulted on the contents of this report.
- 6.5 The Leader of the Council, the Deputy Leader of the Council and the Cabinet Member for Finance and Resources have had an initial briefing on this 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.

7 Risk Management

- 7.1 The Oracle implementation programme maintains a detailed Risk Register to ensure operational risks are mitigated. This is reviewed and updated regularly. Key risks relating to this Cabinet Report are included in Appendix D.
- 7.2 The Council's strategic risk register has also been updated to reflect the Oracle programme.

8 Compliance Issues:

8.1 The recommended decisions are consistent with the 2022 Corporate Performance and Delivery Plan:

- A Bold Best in Class Council – ensuring a balanced and sustainable medium-term financial plan.
- A Bold Best in Class Council – having an efficient and effective Finance and HR system is vital to delivering the City Council’s priorities, plans and strategies.

8.2 The recommended decisions are consistent with the Council’s Digital Strategy 2022-25:

- Theme: Giving our Council teams the right digital tools to do their jobs
- Theme: Building the best technology and infrastructure to support Council services.

8.3 Birmingham Business Charter for Social Responsibility (BBC4SR)

8.3.1 Compliance with the BBC4SR will be a mandatory requirement for all selected delivery partners and will form part of the conditions of associated contracts. Partners will need to produce an action plan with commitments proportionate to the value of this contract. These actions will be monitored and managed during the period of the contract. It should be noted that the action plans will be reviewed annually during the life of the contract to ensure targets remain current and viable.

8.4 Legal Implications

8.4.1 Under Section 1 of the Localism Act 2011, the Council has the power to enter into the arrangements set out in this report, which are within the remit and limits of the general power of competence Section 2 and 4 of the Localism Act 2011.

8.4.2 There are no legal implications directly arising from this report, however legal advice will be required at various stages throughout the delivery of this project.

8.5 Financial Implications

8.5.1 The following table provides the updated financial position for the programme.

Description	Cost (£m)		
	Pre-23/24	23/24	TOTAL
Previously approved budget (March 21)	£39.97		£39.97
Forecast spend (s&c + solution design)	£11.44	£29.24	£40.68
Contingency (@20% of 23/24)		£5.85	£5.85
TOTAL	£51.41	£35.08	£86.49
New funding for which approval is sought (row 2 + 3)			£46.53

- 8.5.2 In March 2021, Cabinet approved a revised business case for the Oracle implementation, and a revised budget of £39.97m. This is shown in Row 1 of the table above. This funding was approved by Cabinet in March 2021 and has been spent in previous financial years. This figure is not included in the funding requested in this report.
- 8.5.3 Row 2 shows the additional cost (**£40.68m**) required to deliver the Safe & Compliant phase, and the Solution Design part of the Optimisation phase.
- 8.5.4 The cost for the Safe & Compliant and Solution Design work, is based on the best information and estimates available at the time this report was produced, as provided by the teams involved. There is a risk that additional costs may be incurred, especially if new issues arise or if issues are found to be more complex and require more effort to address. Given this, a contingency figure of **£5.85m** is included for FY2023/24 (Row 3, in the table above). This is based on 20% of the £29.24m, 23/24 forecast figure.
- 8.5.5 In line with the recommendations in this report, approval to spend any of this contingency would need to be agreed with the Cabinet Member for Finance and Resources and would be included in the regular reporting to Cabinet and the Finance and Resources O&S Committee.
- 8.5.6 The total additional funding requested in this paper is **£46.53m**, the sum of £40.68m (total of Row 2) and £5.85m (total of Row 3).
- 8.5.7 A breakdown of the Safe & Compliant and Solution Design cost is shown in the table below.

Description	FY22/23	FY23/24	Notes
Digital and Technology Services	£9,758,749	£16,161,403	Includes the Council's DTS team and the delivery partners that will deliver the system change required for Safe & Compliant. Also includes the Oracle Licence costs.
General Programme Costs	£345,500	£5,542,163	Includes the core programme delivery & communications team, the Governance Review, Legal costs, and the Business Change resources to deliver Safe & Compliant.
Finance	£669,551	£4,098,557	The majority of the cost is additional staff (including delivery partners) to support delivery of the Safe & Compliant work.
People Services (HR)	£639,647	£3,046,914	Additional resources to support delivery of the Safe & Compliant work, including resources with experience of project management, pre-employment processes, recruitment and testing/analytics. Includes support for BCT and Schools, alongside internal Council services.
Procurement, Audit & Risk	£28,702	£387,500	Includes work on Oracle Risk Cloud, and additional staff to support the delivery of Safe & Compliant. The majority of technical resources required to support the Safe & Compliant work for Procurement and Audit & Risk is included in the DTS costs, above.
TOTAL	£11,442,148	£29,236,537	

- 8.5.8 The cost to deliver the Optimisation phase will be confirmed once the Solution Design work has been completed and the final delivery plan agreed. The funding required to deliver the Optimisation phase will be requested via a separate, future Cabinet Report, expected at the end of 2023.
- 8.5.9 It is important to note, that if the £46.53m requested in this report is not approved then further work on Safe & Compliant will be at risk and the Council will continue to incur higher costs associated with the additional staff required to undertake manual processes, which represents a significant risk to the Council.
- 8.5.10 The reason for requesting approval for the full £46.53m in this report is that the Programme Team, led by the Oracle SRO, will need to be able to commission work quickly (using compliant procurement routes) and the timescales for getting approval via Cabinet could impact this, thus increasing the risk to the Council, including increasing the risk to the delivery of the accounts by 31st August 2023. However, the need for Cabinet to be assured on spend and progress is reflected in both the inclusion of the Lead Cabinet Member for Finance and Resources in the delegation requests, and in the proposed progress reporting arrangements, see Section 5.11.
- 8.5.11 Some of the £46.53m requested in this report is already included in Service budgets. The remainder of the funding requested will be funded from the delivery plan reserves and subject to the established governance and approval. The Council will assess whether expenditure can be capitalised and funded from capital receipts on a case-by-case basis.

8.6 Procurement Implications

- 8.6.1 The expectation is that the majority of resources required to deliver the work outlined in this report will be secured via existing, compliant procurement routes. For individual interim or fixed-term roles the Hays framework will be used, and for delivery partner support and some specialist resources, we expect to use existing procurement frameworks, for example the ESPO and Crown Commercial Services frameworks.
- 8.6.2 While these existing frameworks will often meet the requirements of the programme, it is possible that the programme may need to put in place new, compliant procurement arrangements.
- 8.6.3 One example would be the setting up of a new Neutral Vendor Management Service Provider (MSP) framework to secure resources, consultancy services and delivery partners in support of the Oracle implementation programme. This would follow the same model as the MSP Framework that was setup following Cabinet approval in March 2023, with a specific focus to support the Council's transformation and savings goals. Additional spend against that established MSP framework for these purposes would not be possible due to the level of spend being beyond the terms of the arrangement which has been established as well as being outside of authorisation levels.
- 8.6.4 The key benefit of a Neutral Vendor Management Service Provider (MSP) framework is that new suppliers can be added to the framework to meet specific requirements, which is not something that is possible with traditional frameworks, like ESPO and Crown Commercial Services.
- 8.6.5 The reason for setting up a new MSP framework, rather than simply using the one that Cabinet approved in March 2023, is to ensure clear separation of spend between the two activities going forward. The current MSP framework (approved by Cabinet, March 2023) was specifically put in place to support Transformation and Savings activities. This proposed, new MSP Framework, if approved, would be setup specifically to support the Oracle programme.
- 8.6.6 To enable the programme team to secure resources and delivery partners that may be required in a compliant and efficient way, this paper is requesting delegated authority to setup and award new, compliant procurement arrangements, where required.

8.7 Human Resources Implications

- 8.7.1 All recruitment of additional and/or specialist resource will be carried out in the normal way and within the guidelines of the Recruitment Policy and Terms of Reference with any external 3rd party who will deliver the additional resources.

8.8 Public Sector Equality Duty

- 8.8.1 The requirements of the Constitution Part D, Section 2.9 in respect of the Council's Equal Opportunities Policy will be incorporated into the contracts.
- 8.8.2 The requirements of the Equality Act 2010 will be specifically included in the Contract to comply with, the Act.
- 8.8.3 A relevance test to decide whether the Oracle Implementation has any relevance to the equality duty contained in Section 149 of the Equality Act 2010 of eliminating unfair/unlawful discrimination and to promoting equality and human rights was conducted in May 2023, reference EQUA1147. The formal review is pending, however the submitted, initial assessment (see Appendix B) suggested that this report does not have any adverse impact on the protected groups and characteristics under the Equality Act 2010 and there is no requirement for a full assessment.

9 **Appendices**

9.1 List of Appendixes accompanying this report:

- Appendix A – Equality Act 2010
- Appendix B – Equality Impact Assessment
- Appendix C – Safe & Compliant Scope
- Appendix D – Risk Assessment
- Appendix E – Environment and Sustainability Assessment

10 **Background Documents**

10.1 See Guidance on Background Documents

- Cabinet Report: [Oracle Full Business Case, July 2019](#)
- Cabinet Report: [Oracle Revised Business Case, March 2021](#)
- Cabinet Report: [Establishment of MSP Framework March 2023](#)

11 Appendix A – 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	<p>The Council must, in the exercise of its functions, have due regard to the need to:</p> <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.
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 The relevant protected characteristics are:

- (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

12 Appendix B – Equality Impact Assessment (draft)

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. 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 characteristic: Disability	Service Users / Stakeholders; Employees

	<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>
<p>Disability details:</p>	
<p>Protected characteristic:</p>	<p>Service Users / Stakeholders; Employees</p>
<p>Gender</p>	
	<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>
<p>Gender details:</p>	
<p>Protected characteristics:</p>	<p>Service Users / Stakeholders; Employees</p>
<p>Gender Reassignment</p>	
	<p>It is assessed at this stage that there is no impact.</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>
<p>Gender reassignment details:</p>	
<p>Protected characteristics:</p>	<p>Service Users / Stakeholders; Employees</p>
<p>Marriage and Civil Partnership</p>	
<p>Marriage and civil partnership details:</p>	<p>It is assessed at this stage that there is no impact.</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.
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	

13 Appendix C: Safe & Compliant scope

Completing the 'Safe and Compliant' phase includes delivery of circa 300 technology fixes across finance, people services, procurement, internal audit and relating to the technology platform itself.

For brevity the detail of these fixes has not been included line by line in this document, but to provide an understanding of their scope they have been grouped as follows:

Business Unit	'Fix Group' name	Outcomes
Finance	Year End Reports	Required to provide additional information out of Oracle to the Finance team to allow closure and production of the year end accounts
Finance	Year End Remediations	Required to correct functionality needed to allow closure and production of the year end accounts.
Finance	BRS Remediations	Required to assist the Finance team in addressing the manual backlog of transactions either not posted to Oracle or posted to the wrong place by the Bank Reconciliation System (BRS) customisation.
Finance / People Services	Payroll Remediations	Required to help ensure payroll is processed correctly and reduce the amount of manual intervention.
People Services	Safe and Compliant Reports	New reports to support compliance with various statutory and policy requirements.
People Services	Safe and Compliant - Schools	Changes required to support fit for purpose HR service to be provided to schools.
People Services	Safe and Compliant – Recruitment / Talent	Changes required to recruitment functionality which are a key pain point to the organisation at present.
Internal Audit	Safe and Compliant Internal Audit	Changes required to support the BCC Internal Audit team in performing internal audit work around Oracle.

Internal Audit, Finance, People Services, Procurement	Segregation of Duties	Changes required by internal and external audits to strengthen controls around whom is able to access which function in Oracle.
Procurement	Safe and Compliant	Changes required to ensure procurement processes are safe and compliant

14 Appendix D: Risk Assessment

Risk No	Risk description	Risk mitigation	Residual / current risk			Additional steps to be taken
			Likelihood	Impact	Prioritisation	
1.	If additional funding for the Oracle Implementation programme is not approved the Council will be left with a sub-optimal ERP solution that will require significant additional resources to undertake manual processes to compensate.	The submission of this Cabinet Report to secure approval for additional funding is the mitigation.	<i>Medium</i>	<i>High</i>	<i>Material</i>	None
2.	There is a risk that additional issues will be identified that will increase costs.	<p>The programme team would need to consider whether the additional costs were justified and make a recommendation to the Design Authority Board.</p> <p>Prioritisation decision may have to be made if the cumulative impact of this risk puts the total programme budget at risk.</p>	<i>Significant</i>	<i>Medium</i>	<i>Material</i>	None
3.	There is a risk of 'wasted' effort when fixing Safe & Compliant issues that may not align with the Council's final vision for Oracle.	<p>The Solution Design work is key to defining and agreeing the Council's vision for Oracle. The sooner that can be agreed the sooner this risk is reduced.</p> <p>In the interim, the Design Authority Board will review and prioritise work packages to further help mitigate this risk.</p>	<i>Significant</i>	<i>Medium</i>	<i>Material</i>	None

Measures of likelihood/ Impact:

Description	Likelihood Description	Impact Description
High	Almost certain, is expected to occur in most circumstances. Greater than 80% chance.	Critical impact on the achievement of objectives and overall performance. Critical opportunity to innovate/improve performance missed/wasted. Huge impact on costs and/or reputation. Very difficult to recover from and possibly requiring a long-term recovery period.
Significant	Likely, will probably occur in most circumstances. 50% - 80% chance.	Major impact on costs and objectives. Substantial opportunity to innovate/improve performance missed/wasted. Serious impact on output and/or quality and reputation. Medium to long term effect and expensive to recover from.
Medium	Possible, might occur at some time. 20% - 50% chance.	Waste of time and resources. Good opportunity to innovate/improve performance missed/wasted. Moderate impact on operational efficiency, output, and quality. Medium term effect which may be expensive to recover from.
Low	Unlikely, but could occur at some time. Less than 20% chance.	Minor loss, delay, inconvenience, or interruption. Opportunity to innovate/make minor improvements to performance missed/wasted. Short to medium term effect.

Key:

Severe	Immediate control improvement to be made to enable business goals to be met and service delivery maintained/improved
Material	Close monitoring to be carried out and cost-effective control improvements sought to ensure service delivery is maintained
Tolerable	Regular review, low-cost control improvements sought if possible

15 Appendix E – Environment and Sustainability Assessment

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.			