

Report to the Cabinet Member for Economy and Corporate Resources

March 2021

Procurement of additional resources to deliver the Business Management Solution

Report by the Director of Finance and Support Services

Electoral divisions: All

Summary

Cabinet Member decision [ECR01 19-20](#) approved the commencement of a procurement process in November 2019 for services to deliver a replacement business management system for the Council. Since the project commenced a number of changes have occurred that have adversely impacted the resourcing of the project including the impact on support services resources to deal with responding to the pandemic, the repurposing of the Transformation Portfolio Office to support Council improvement programmes and the decision to proceed with an early exit from the outsourced IT services contract. These factors have led to a requirement to procure additional resources to ensure the solution is delivered as planned.

Recommendations

- 1) The Cabinet Member approves the procurement of a data migration solution and additional external resources as detailed in section two of the report which are required to complete the delivery of a replacement business management solution
 - 2) To delegate to the Director of Finance and Support Services the scoping and award of the required contracts.
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Proposal

1 Background and context

1.1 The Council's Smartcore Programme is integral to achieving the Council's priority outcomes, notably "Making best use of resources". As a result of the procurement process initiated after cabinet member decision ECR01 19-20 the Oracle Fusion solution was chosen to replace the existing SAP system, which has reached the end of its useful life. The SmartCore programme provides the opportunity to take advantage of the business benefits that Oracle Fusion can facilitate including:

- Enhanced accessibility and productivity for self-service by managers.

- More timely, relevant and reliable information to underpin decision making.
- Enhanced productivity and efficiency gains from the automation of business processes, which will also have positive climate change impacts.
- Improved business planning, including a single source of information

1.2 The procurement of a business management solution for delivering Oracle Fusion with implementation partner Entserv UK was completed in May 2020 with a total contract value of £2.6m. The project was due for completion in late autumn of 2021.

1.2 Since the project inception the council has been dealing with a number of changes and competing priorities which have diverted resources planned for use in implementing the programme. These include:

- Staff within the corporate Transformation Portfolio Office (TPO) have been focussed on delivering the Children's Improvement Programme, the Fire and Rescue Improvement Programme and establishing work processes to deal with the pandemic such as the community hub and contact tracing.
- Council staff integral to the successful implementation of Oracle Fusion have been dealing with additional work from the pandemic as well as the extended timelines required to complete some work processes due to working remotely.
- The approach to migrating the data from SAP to Oracle Fusion has been reconsidered in light of the decision to end the outsourced IT services contract in the autumn 2021.

As a result of these factors the approach to the required resourcing of the project has been adjusted to ensure the desired business change objectives and secure migration of services can be achieved as originally planned.

2 Proposal details

2.1 Data migration is a complex process which requires expert knowledge of the data structures of both SAP and its replacement Oracle Fusion, ensuring that data is extracted, transformed and loaded in a controlled manner. The original business case had assumed that data migration could have been resourced from within the IT Services contract with Capita. Having considered the approaching contract end and using learning from other authorities who recently changed their business management provider we now propose to procure this expertise as a separate procurement exercise. It is estimated that this will cost approximately £0.95 million.

2.2 Ensuring we have the right skills to deliver the programme is essential to its success. The Council's programme management and business change resources have been deployed elsewhere in the organisation to address current priorities. This means we will need to procure this expertise through a combination of backfilling key staff, interim resources, and consultancy expertise. In addition, our learning has highlighted the importance of drawing on individuals with expertise in Oracle Fusion with local government experience, to capitalise upon the opportunities for automation, self-service and a digital first design approach. It is estimated that programme management and support will cost £0.8 million, alongside change management resources that will cost approximately £0.7 million. This would be supported by backfill of existing WSCC staff, costing approximately £0.4 million, to ensure that knowledge

transfer is achieved successfully and that the design and configuration of Oracle Fusion meet the requirements of the Council.

- 2.3 Existing agency recruitment options are being utilised to recruit resources where practical. The combined requirement to deliver expertise in Oracle Fusion and change management within a local government setting has led to the conclusion that it is best provided through consultancy support to ensure we have the appropriate resources available at the right time in the programme life cycle.
- 2.4 The procurement of an implementation partner and solution to replace the existing SAP system was completed in May 2020. Mobilisation of this was hampered by the impact of the Covid-19 pandemic, in particular in the capacity of staff to support the delivery of a complex programme of works and in the timescale in which implementation can be achieved. This has impacted upon the timescale for the delivery of the programme overall, extending it to the Spring of 2022 from the original completion date of December 2021. It is estimated that the extension of SAP support required as a consequence of the extension of the implementation timescale will cost approximately £0.30 million.
- 2.5 It is proposed that the allocation of funds to secure the various additional resources and meet the extended time line as set out above be confirmed and that the authority to scope the detail of the resources to be secured and the letting of appropriate contracts be delegated to the Director of Finance and Support Services.

3 Other options considered (and reasons for not proposing)

- 3.1 Current efforts to recruit appropriate resources with skills in change management, Oracle Fusion and local government from in house resources or current contractual arrangements have not produced the required capacity and, without a change in approach, the ability to deliver the planned business management solution by March 2021 would be severely compromised. The alternative would be to pause the programme whilst additional resources become available but this approach is not recommended as it is uncertain that such resources would be available in any event. The Council requires the business management replacement soon.

4 Consultation, engagement and advice

- 4.1 A review of the implementation programme was undertaken in December and January this year to help inform the actions required to ensure a successful implementation of the programme enabling to council to deliver the business change benefits envisaged at the beginning of the programme. This review utilised the learning of other authorities who have recently implemented a new business management system. That review has led to the proposals in this report.
- 4.2 The Executive Leadership Team have been consulted on the approach to delivering the required resources and are supportive of the approach.

5 Finance

5.1 The budgets associated with the proposed procurements are set out below. As stated above the resourcing of the programme delivery, change management and backfill of posts will be met through interim resources and consultancy support.

| | |
|--------------------|-------|
| Data Migration | £950k |
| Programme Delivery | £800k |
| Change Management | £700k |
| Backfill of Posts | £400k |

5.2 The budget for the project is set below. These costs will be met through the service transformation budget or through capital flexibilities if appropriate.

| | £m |
|--|------|
| Programme Delivery | 0.80 |
| Backfill for WSCC staff | 0.40 |
| Change Management | 0.70 |
| Data Migration | 0.95 |
| Additional SAP support | 0.30 |
| Implementation & Licencing (as per partnership agreement procured in 2020) | 2.60 |
| Contingency Funding | 1.25 |
| Total | 7.00 |

5.3 The effect of the proposal:

- (a) **How the proposal represents good value** – these services will be procured competitively in the external marketplace and the procurement will be designed and implemented so as to achieve best value.
- (b) **Future savings/efficiencies being delivered** – the successful implementation of the SmartCore programme will deliver efficiencies through automation, self-service and improved business processes. The associated savings will be identified as the project progresses and included as part of the budget process. Failure to allocate the additional resources and to ensure the solution is achieved will prevent these outcomes.

6 Risk implications and mitigations

| Risk | Mitigating Action (in place or planned) |
|--------------------------------|--|
| Timescale of Delivery Extended | <ul style="list-style-type: none"> • Project plans have been completely reset including the critical pathway. • Governance arrangements have been reviewed and strengthened. |

| Risk | Mitigating Action (in place or planned) |
|---|---|
| Ineffective Data Migration | <ul style="list-style-type: none"> • Procurement of data migration expertise will be complemented by additional capacity within the programme team to support specification and testing. |
| Failure to deliver improved business processes and efficiencies | <ul style="list-style-type: none"> • Procurement of change management expertise that will provide insight into opportunities from Oracle Fusion, alongside best practice insight from other local authority implementations. |

7 Policy alignment and compliance

- 7.1 The delivery of the SmartCore programme supports the delivery of the West Sussex Reset Plan, specifically making best use of resources.

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Appendices

None

Background papers

None