
Performance and Finance Scrutiny Committee

18 April 2024

Additional funding and procurement of services to support the implementation of the business management systems to replace SAP

Report by Director of Law and Assurance

Summary

The Council's business management system (SAP) needs to be replaced to maintain and improve critical activities, including the payment of staff and suppliers, debt recovery and income collection, financial management information and statutory accounting, procurement of goods and services and HR administrative functions.

A contract was awarded in June 2020 for the implementation of a new business management system, Oracle Fusion. The Performance and Finance Scrutiny Committee agreed to include scrutiny of the project in its work programme, given its scale, resource implications and importance to the Council's business. An urgent decision in July 2022 (OKD12 22-23) for a variation of contract terms was scrutinised by the Committee and committee members also received informal updates on the programme in June and September 2023.

The programme was paused in the autumn of 2023 to enable a comprehensive review of options for its future delivery. It is now proposed that a refreshed programme to implement Oracle Fusion should commence. This will be with a new set of suppliers for delivery and will require additional funding. The details of the proposal, for approval by the Cabinet Member for Support Services and Economic Development, are set out in the attached draft decision report.

Focus for scrutiny

The Committee is asked to scrutinise the proposal set out in the report attached at Appendix 1 and provide any comments for the Cabinet Member for consideration as part of the decision-making process. Areas for scrutiny include:

- (1) Output from the recent comprehensive review, including how lessons learned will enable an effective and timely implementation.
- (2) The basis for the additional resource requirements, how these will be met and how risks of any future project overspend will be minimised.
- (3) How well risks associated with the programme have been assessed and are to be managed to ensure a successful implementation.
- (4) The robustness of proposals to ensure the Council carries out the necessary realignment of its processes and ways of working, including supporting knowledge transfer to Council teams and cultural and behavioural change.

- (5) What benefits will be realised through implementation of the new system and how will its use be optimised, including plans for performance monitoring.
- (6) What staff engagement and training is included within the implementation plan.
- (7) Whether the Committee could add value by carrying out further scrutiny of this programme in future, and if so, what would be the most appropriate stage to do this.

The Chairman will summarise the output of the debate for consideration by the Committee.

Details

The background and context to this item for scrutiny are set out in the attached report (listed below), including resource and risk implications, Equality, Human Rights, Social Value, Sustainability and Crime and Disorder Reduction Assessments.

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Appendices

Appendix 1 - Draft Decision Report: Additional funding and procurement of services to support the implementation of the business management systems to replace SAP

Background papers

None