
Report to Performance & Finance Scrutiny Committee

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Implementing Oracle Update

Report by

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Development

Summary

The Committee has previously considered reports on plans for the implementation of Oracle Fusion. This will replace the Council's business management system (SAP) to ensure the ongoing provision of support for the Council's core activities such as Human Resources, Payroll, Finance and Procurement.

This report provides an update on the Programme to date with particular emphasis on:

- i. Budget position and current spend
- ii. Timeline position
- iii. Social value delivery
- iv. Review of Programme Risks

Focus for Scrutiny

The Committee is asked to review the progress report on the Oracle Fusion Programme in accordance with its request for assurance. Particular attention is requested in relation to meeting programme milestones and budget allocation.

The Committee will wish to focus on seeking assurance that the implementation activity is proceeding as planned, being monitored and that action is being taken to resolve any identified risks. A detailed review of the risks as identified in the Business Case submitted in May 2024 has been provided in this report for the Committee to assess.

Proposal

1 Background and context

- 1.1 The Council's current Enterprise Resource Management system (SAP) needs to be replaced in order to maintain and improve many of the Council's core activities. Previous decisions approved the implementation of a new Enterprise Resource Management system, Oracle Fusion Cloud.

1.2 The overall timeline for the programme was reviewed in accordance with the Programme’s Governance Structure and baselined by the Programme Board on 10th December 2024.

2 Delivery of Programme Milestones

2.1 The overall timeline for the programme has been reviewed in accordance with the Programme’s Governance Structure and baselined by the Programme Board. It will be used to measure the programme’s progress moving forward.

2.2 Go-live dates are staggered in order to manage timelines and key milestones, allowing finance and procurement systems to be embedded before Human Resources and payroll go-live.

Key Milestones	Indicative Milestone	Date
	Delivery of detailed agreed Implementation plan (Complete)	29 Nov 2024
	Design Phase Completion (Finance and Procurement)	31 January 2025
	Configuration Completion (Finance and Procurement)	July 2025
	Design Phase Completion (Human Resources and Payroll)	31 March 2025
	User Acceptance Testing (and other Testing) (Finance and Procurement)	November 2025
	Configuration Completion (Human Resources and Payroll)	October 2025
	Data Migration (Cutover) (Finance and Procurement)	December 2025
	Go live (Finance and Procurement)	January 2026
	Hypercare (Finance and Procurement)	April 2025
	User Acceptance Testing (and other Testing) (Human Resources and Payroll)	February 2026
	Data Migration (Cutover) (Human Resources and Payroll)	April 2026
	Go live (Human Resources and Payroll)	April 2026
	Hypercare (Human Resources and Payroll)	June 2026
End of Project Report	July 2026	

- 2.3 The Programme has delivered the Design phase for Finance and Procurement modules in line with the approved timeline. The Configuration phase has begun in this area and is progressing in line with the plan.
- 2.4 The Programme is currently on track to deliver the Design phase for Human Resources and Payroll in line with the approved timeline.
- 2.5 On commencement of the Programme, an internal audit schedule was discussed and agreed. This will see an audit programme delivered as specific milestones of the programme are delivered. Two Internal Audit Reports on Procurement and Governance are due for completion in late February and will be reported at the next meeting.

3 Finance

- 3.1 The current approved budget for the programme is £27.048 m.
- 3.2 Costs are profiled against cutover dates of December 2025 for Finance and Procurement, and April 2026 for Payroll and Human Resources, with sufficient post implementation support of up to 6 months.
- 3.3 Contingency has been set at 15% (£4m) of the total approved budget to cover uncertainty in estimates and potential for risk of delay.
- 3.4 The Programme is currently forecast to deliver against the approved budget. The financial year profile of the approved budget has been realigned to the stage payment milestones agreed in the commercial discussions and the actual spend against resources.
- 3.5 This has resulted in the current profile of spend outlined.
- 3.6 The current profile of spend compared to the business case is set out in the table below. Spend to the end of January totalled £1.1m and relates to the cost of internal resources working on the project during the year. The remaining £3.1m of expenditure expected to be incurred in the final two months of the year relates to milestone payments due to the System Integrator for early milestones agreed in January but not yet paid and Oracle and SAP licencing costs still to be charged to the project.

	23-24	24-25	25-26	26-27	27-28	Total
	£'000	£'000	£'000	£'000	£000	£'000
Original Profile	180	10,492	9,160	6,826	390	27,048
Current Profile	0	4,202	14,888	7,566	390	27,048
Variation	-180	-6,288	5,728	740	0	0

- 3.7 It is still expected that the total budget will be sufficient to deliver the project and the variation in profile is due to the alignment with the milestone plan provided by the successful Implementation Partner

(Infosys Ltd) and the associated internal resources required to support that plan.

4 Social Value deliverables

4.1 Infosys and the County Council share a strong sense of social responsibility. Infosys are working with the County Council to plan how each of the 7 commitments will be delivered and where the Council can facilitate delivery such as using access to existing networks or aligning with existing activity and policies.

4.2 A summary of commitments and emerging activity is shown below:

High Level Social Value Activities	Emerging Delivery Plan	Current Delivery status
Mental health and wellbeing communications	Oracle Programme-wide communications around issues of resilience, maintaining good health etc	In Planning
Digital Skills Workshops	Supplier to partner with a digital accessibility charity to provide support sessions to individuals facing challenges with online access in West Sussex	In Planning
Online Training sessions on Mental/Physical health and wellbeing	Oracle Programme-wide remote support for supporting health and well-being such as mindfulness, yoga and counselling sessions	In Planning
Lifelong Learning via Infosys's Springboard platform	Cascade of access to Learning Management System to local communities in West Sussex	In Delivery
Health and Wellbeing Seminars	Oracle Programme-wide support incorporated into in-person Programme team meetings	In Delivery
Provide work interview trials	Supplied-led on-site engagement with young people to look at entry/preparation to the workplace and job coaching support for the technology sector	In Design
Job Coaching		

4.3 Reporting and feedback will form part of the monthly governance meetings and updates will be provided to this Committee as part of the regular reports.

5 Risk implications and mitigations

- 5.1 As part of the programme governance a regular risk review is in place to review the list of risks identified as part of the business case as described in May 2024.
- 5.2 With the recent developments in regard to Local Government Devolution, the programme will consider the inclusion in the risk log of an appropriate risk that ensures that as detail becomes clearer appropriate mitigation action is considered. At this stage it is suffice to say that a modern back office system must be flexible enough to deal with both internal and external organisational changes as needed.
- 5.3 The Programme will continue to report to the Committee as these risks are identified and addressed.

Risk	Mitigating Action (in place or planned)
Unrealistic timetable	Detailed replanning exercise was undertaken to ensure that the timetable for the programme implementation is realistic and underpinned by appropriate, supporting strategies such as data migration and payroll validation, and that it is appropriately resourced, as per the programme resource plan.
Loss of legacy data and non-compliance with regulatory data retention requirements.	Commissioning archiving and storage activity (by retention schedule) for circa 20 years of SAP data as part of the programme.
Impact of delays on organisational view of programme and ability to effect business change to realise programme benefits	Empowering difficult conversations with stakeholders, getting senior buy-in from the outset and sharing responsibility across Executive Leadership Team for cascading communications and engagement, the use of a staff 'advocate' community. Lead with brave, safe and timely decision making, supported by appropriate knowledge before making decisions and ensure that key decisions are communicated to appropriate audiences.
Supporting technical infrastructure is not in place.	Align the scope of all components in a Solution design document, budget and procure required components.
Standalone systems proliferate thereby undermining programme.	Allow in very limited circumstances and not where functionality exists in core product. Assessment criteria set out and decision made through programme governance.

<p>Target Operating Model (TOM) structure not designed and implemented in time impacts resources and programme team's ability to deliver programme.</p>	<p>Work on the Target Operating Model to be initiated and encompass all factors of people, process, systems and governance to enable a change to happen adopting new technology and associated ways of working.</p> <p>Work on design assurance has been undertaken to identify the delivery success factors. The Target Operating Model principles and design required to support the Enterprise Resource Planning delivery has been planned to align with the technical delivery plan. The Target Operating Model delivery will align with the testing activity.</p>
<p>SAP system availability post Go-Live to perform business critical activities may result in a loss of vital Council services, if SAP isn't available as a back-up should there be any issues with Oracle Fusion Go-Live. Supplier Relationship Management (Procurement) goes out of support on 31/12/25 at which point the risk profile increases.</p>	<p>Separate project underway to ensure continued service of other SAP aligned applications, hardware and solutions to at least 2027, to ensure continuation of SAP whilst Oracle is implemented. This is covered in the business case for West Sussex County Council IT SAP Hosting.</p> <p>In the event that the timeline is not met, an interim solution will be needed and a contingency for this is included in the contingency budget.</p>
<p>Benefits case for the programme may not be fully understood or properly measured. Change management does not focus on adopt not adapt methodology and people side of business change and user adoption not realised.</p>	<p>Training by an external provider will support this effort.</p> <p>A benefits management strategy is underway. This will include a plan to gather and baseline data to monitor progress against specified Key Performance Indicators. This will be reported to senior management.</p>
<p>Data migration is managed in an uncollaborative way which leads to delays / issues with data.</p>	<p>Detailed data migration strategy agreed between the System Implementor, the County Council and any third-party provider.</p> <p>Adequately resource data cleansing (on current applications) to enable this work to progress, incorporate data migration plans into the revised business plan.</p>
<p>Silo working within the programme could lead to a disjointed approach, inefficient working and missed opportunities.</p>	<p>Creating a programme team culture of "One project, One team, One Goal", use of communication channels to promote inter-workstream sharing, the introduction of the revised governance model, defining the team's ways of working going forward.</p>

Loss of customers (schools, districts, boroughs) as “adopt not adapt” principle is unwelcome or unable to provide for their needs	<p>Service offering to be made clear and communicated to customers.</p> <p>Programme plan to include engagement with customers before and throughout implementation.</p> <p>Training to be provided for users to enable use of the service.</p>
Third party providers do not have sufficient resource to deliver integrations on time. Risk profile is higher for some integrations (e.g. Bromcom, Fire)	<p>Commercial team to engage suppliers early to ensure they are ready to commit resource when necessary.</p> <p>Some flexibility is built in to plan for if integrations cannot be made on time.</p>

6 Policy alignment and compliance

- 6.1 Our Council Plan – Replacing current systems aligns to Priority 4: Making the best use of resources. A new system would put users at the centre and improve functionality. It also aligns with Priority 2: A sustainable and prosperous economy. Upgrading the digital infrastructure of the Council mirrors the outcome the Council wants to achieve for the wider community. It will help support innovation inside the Council and better support staff on their training and development journeys.
- 6.2 Legal implications – The Council will enter into a services contract using terms and conditions, approved by Legal Services and compliant with Standing Orders on Procurement and Contracts.
- 6.3 Equality duty and human rights assessment – The new Enterprise Resource Planning system will be developed with the assistance of an equality impact assessment as part of the benefits realisation plan.
- 6.4 Protecting the environment – This programme aims to change Council ways of working to reduce travel, reduce use of natural resources (e.g. paper), reduce the impact on the environment (CO2 emissions) and increase productivity.
- 6.5 Crime and disorder – There are no implications for crime and disorder.
- 6.6 Public health – There are no public health implications.
- 6.7 Social value – The procurement plans and programme arrangements are aligned to the Council’s Social Value policy.

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Background papers

None