CHESHIRE EAST COUNCIL
CHESHIRE WEST & CHESTER COUNCIL

SHARED SERVICES JOINT COMMITTEE

Date of Meeting:	18 May 2018
Report of:	Dominic Oakeshott, Best4Business Programme Director, Cheshire Shared Services
Subject/Title:	Finance & HR System Replacement ("Best4Business") Programme

1.0 Report Summary

1.1 The purpose of this report is to update Members on the progress being made in implementing a replacement HR and Finance system for the Councils and their partners.

2.0 Decisions Requested

Members are asked to:

2.1 Note the current programme status, including the positive progress made in resolving outstanding build activities, the commencement of User Acceptance Testing, and the pausing of other programme activities to allow focus on testing readiness;

2.2 Note the continued business change and engagement activities which are underway to ensure the Councils and partner organisations are aware of and prepared for the forthcoming system change;

2.3 Endorse the proposed extension to the planned go-live date to 1 October, with a further contingency of one month beyond this date being allowed for; and

2.4 Note that funding of £600,000 to meet potential additional costs of this extension has been identified by each Council from existing resources, subject to required formal approvals.

3.0 Reasons for Recommendations

3.1 To enable Members to review and comment on progress made in implementing the future Finance and HR systems and processes for the Councils and their partners.

4.0 Report Background

4.1 At the May 2016 meeting of this Committee, Members approved a programme of work to procure a new system or solution to replace the existing Finance and HR system. Both Councils' Cabinet meetings approved a recommendation in July 2017 to award a contract to Agilisys for the implementation of the Unit 4 Business World

system. This report provides an update to the Committee regarding progress toward completion of this activity.

5.0   Programme status

5.1   At the last meeting of this Committee the programme reported that the major milestone "build complete" was conditionally signed off on 29th March. A number of outstanding elements of the build required further work at that point, including for example financial forecasting, employee recruitment, supplier invoice scanning and payment, online staff management processes for use by line managers, purging of redundant data, and secure access to the externally-hosted application for all users.

5.2   The programme is now targeting 31st May 2018 for completion of the activities required to demonstrate that the build is complete in these outstanding areas. Positive progress has been made in a number of areas since the last report to this Committee. For example, the Councils working in conjunction with Agilisys and the system supplier Unit4 have agreed on an approach to securing access to the solution which we believe will mitigate the majority of the risks identified in April 2018 in respect of system security. Some smaller issues remain in terms of access to the system from mobile devices, and work continues to identify a solution to these requirements in particular. Progress with the other areas is also continuing, although as noted below the focus of the last two weeks has been on the readiness for testing and as we enter into this work activity will resume on other aspects of the programme such as requiring sign off of the remaining build activity.

5.3   The programme team have spent the first part of May focussing on readiness to move into User Acceptance Testing (UAT), to ensure that sufficient preparation has taken place in respect of i) confirming the business scenarios which need to be tested and the individual steps needed as part of testing that scenario, ii) ensuring sufficient data is held within the system to allow those scenarios to be tested, and iii) securing appropriate resources from within the two Councils to carry out the required testing.

5.4   As a result of this focussed activity, the B4B Programme Board has provided approval for the team to move into the UAT phase, beginning from the 14th May. This will be managed on a staged basis, with some areas of the system being ready to test (in respect of scenarios, data and resources) as early as possible during the week commencing 14th May, while others have determined that a short additional period of preparation (for example to finalise test scripts or to ensure all required data is available and prepared) will be undertaken before testing begins a number of days later. A prerequisite to this approach is confirmation that the Council are able to successfully establish a connection from our ICT network to Unit 4's data centre, which at the time of the writing of this report remains work in progress. A full progress update will be reported to the Committee at its meeting.

5.5   Due to this focus of Programme resources on UAT readiness, activity on other aspects of the programme has been deliberately paused. For example, "knowledge transfer" system support training sessions, cutover planning, and benefits realisation activities have all paused to allow a focus on the launch of UAT, which is a major milestone on the overall critical path leading to the go-live date.

6.0 Business engagement / change readiness

6.1   Practical briefings on high level system functionality have been given to both Councils' Corporate Leadership Team meetings, and to the senior leadership team / wider leadership team groups in both Councils. In total, 140 senior managers have now been to engagement sessions. Feedback from these sessions has been very positive.

6.2   A schools focus group, with attendees from a full range of schools, has met twice and produced a paper on the eradication of non-compliant purchasing processes currently in use. This paper will be circulated to all schools shortly.

6.3   The programme now has over 240 "change advocates" from all levels and departments across the two Councils, Council companies, and schools. 140 of these advocates attended the first engagement session in March.

6.4   To date over 75 staff members have been provided with UAT readiness training, in preparation for the start of the UAT activities.

6.5   The first change readiness report has been completed, which includes the results of a staff survey, and will be published shortly. Actions are already underway to address the recommendations arising from the first readiness report. The readiness assessment process will be repeated a number of times through the life of the programme.

6.6   As noted above, work which had begun on validating the business process savings set out in the business case has been paused to free up capacity to focus on delivery activities, to allow UAT to begin as soon as possible and to reduce overall pressure on the target go live date. Work will continue in the near future and whilst the focus will remain on the savings detailed within the overall business case approved by the two Cabinet meetings in July 2017, through the process of business change the additional savings across the wider user community will be noted and reported back to the two Councils and the other partner users.

7.0 Programme timeline

7.1   At the last meeting of this Committee, Members approved the recommendation to carry out a review of the project plan, to validate the emerging and indicative requirement for a two month extension, which was noted in the previous Best4Business update report.

7.2   The Programme on behalf of the two Councils have submitted a formal change request to Agilisys, asking for an assessment of the impact of extending the programme by up to two months in order to mitigate a number of identified risks and issues.

7.3   At the time of reporting, an initial response to the change request has been provided by Agilisys, which sets out at a high level a revised series of programme milestone dates leading to a go live date of 5 November 2018. Through the discussions surrounding the impact and costs of the change request, Agilisys have highlighted that they believe that an alternative revised timeline is possible, which

would in part seek to mitigate the scale and impact of any required delay to the programme, and which targets a 1 October 2018 go live date.

7.4   The Programme Board at its meeting on 10 May assessed the position in summary discussing the potential consequences and impacts of targeting a 1 October 2018 go live.   The programme, taking on board the complexity of the relationships between its various users and partners, changes to the delivery of requirements that have already been documented in a number of formal change requests and that some elements of the programme are scheduled to be delivered during the testing phase, recommended that full end to end detailed planning activity be now completed aiming to confirm and approve the revised plan and go live date at its next meeting on 24 May 2018.

7.5   The revised target go live date of 1 October 2018 remains challenging and the associated timeline has very little opportunity for flexibility should any unexpected issues arise.   The Programme Board recommend to Members that an additional contingency period of one month should be set aside and budgeted for, in the event that the target go live date of 1 October 2018 becomes unachievable.   This approach does not lessen the programme's determination that a successful go live can be achieved following an extension of one month, with plans and resources unequivocally focussed on this target.

7.6   The Councils and Agilisys have assessed the costs and impacts of the extended period of the programme and continue to negotiate on a number of the more commercial elements and options of the proposal. In order to secure the necessary funding as highlighted by an extended period of operation and taking into account the overall financial costs anticipated by the programme both Councils have identified £600,000 each from their existing revenue resources, subject to required formal approvals. Some of this resource has been possible through underspends resulting from individuals being seconded to the programme but their roles not being formally replaced/backfilled. In addition to the identification of additional funding for the programme, work will continue to explore not only the benefits already detailed within the business case included within the Cabinet reports from July 2017, but the savings and benefits across the full user base. These savings and efficiencies will be reported to the Councils and the other users to allow them to fully understand the wider benefits as part of the programme.

7.7   A full update will be brought to the next meeting of this Committee following the finalisation and approval of the revised project plan targeting a go live date of 1st October 2018.   This will include an update to the programme's financial position including, depending on the outcome of commercial discussions on the cost to the Councils of the proposed programme extension.   In line with the information outlined in the Cabinet reports in July 2017, an update report will also be provided to the Councils' Cabinet meetings in due course.

8.0   Joint Scrutiny Working Group

8.1   A meeting of the Joint Scrutiny Working Group, which has been formed to support the programme during its lifetime, took place on 9 May 2018. Members were given a presentation which provided a comprehensive overview of briefing and engagement activities to date (as described in section 6 above), an update on the

work undertaken to review the programme timeline and target go live date (as described in section 7 above), and a presentation from Internal Audit on the joint assurance work which is being carried out in support of the programme and on behalf of both Councils.

9.0 Next steps

9.1 The programme is now entering into the "test" phase of the plan. Key next steps include:

- Finalisation of the planning exercise to set out the detailed activities required to achieve a go live date of 1st October 2018;
- Confirm the full cost impact to the Councils of an extension to the programme timeline;
- Finalisation and signoff of the outstanding elements of the "build complete" milestone, and the release of the retained element of this milestone payment;
- Agilisys complete any outstanding internal system testing in relation to build elements still in progress;
- UAT activity, for which approval to begin has been provided at the time of reporting, continues – timescales for completion to be confirmed as part of the planning exercise referred to above;
- Ongoing development and testing of interfaces to other system which will integrate with Business World once live;
- Ongoing development and testing of the reports which will be available in Business World once live;
- Development of the cutover plan which will be executed when the Councils agree to migrate activity from the Oracle system to the Business World system;
- Definition of the internal support function which will be required to support Business World once live, with consultation taking place with affected teams; and
- Continuing development of the training materials which will be used to educate the wide range of stakeholders who will use Business World once implemented.

10.0 Wards affected

10.1 None.

11.0 Policy implications

11.1 None.

12.0 Financial Implications

12.1 The budget for this programme has been approved by both Cabinets. Expenditure against the budget is monitored and reported regularly to the Programme Board. A full update will be brought to the next meeting of this Committee.

13.0 Legal Implications

13.1 Each Council has signed a contract with Agilisys. The implementation is being undertaken jointly, with contractual responsibility for the Authority responsibilities being reflected in the Cheshire East contract with Agilisys.

13.2   A comprehensive Inter Authority Agreement has been entered into by both Councils, ensuring that Cheshire West and Chester Council's obligations to the programme are also documented, and ensuring Cheshire East Council are in a position to meet their contractual obligations on behalf of both Councils during the implementation phase.

13.3   Following implementation, each Council's operational services will be managed through their separate contracts with Agilisys.

13.4   The proposed changes to the programme timeline and associated cost impacts are being addressed in contractual terms by the Councils and Agilisys through agreed contract mechanisms. As part of this process the Councils have sought external legal advice from Sharpe Pritchard, who supported the finalisation and award of the Councils' contracts with Agilisys at the conclusion of the procurement process.

14.0 Risk management

14.1   Programme risks are being identified and reported as necessary to the Best4Business Programme Board, through normal programme management mechanisms. The Board escalates any significant risks to the Best4Business Steering Group, as appropriate during the course of the programme.

15.0 Access to Information

15.1   The background papers relating to this report can be inspected by contacting the report writers:

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Background Documents:

Documents are available for inspection at:
Cheshire East Democratic Services
Westfields
Middlewich Road
Sandbach
CW11 1HZ
or:
Cheshire West & Chester Democratic Services
HQ Building,
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