

# Cheshire East Council Cheshire West & Chester Council

## Shared Services Joint Committee

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<b>Date of Meeting:</b>	25 March 2022
<b>Report of:</b>	Jane Burns, Executive Director Corporate Services, Cheshire East Council  Mark Wynn, Chief Operating Officer, Cheshire West & Chester Council
<b>Subject/Title:</b>	Best4Business Update

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### 1.0 Report Summary

- 1.1 The purpose of this report is to update Members on the latest position with regard to implementation of the replacement HR and Finance system for the Councils and their partners. The report provides an update on progress since the meeting of this committee in January 2022.
- 1.2 The report provides an update to Members of the Committee on the following key areas:
  - Update on developments following the second programme go live;
  - Update on a post go-live transition plan which will lead to and support programme closure;
  - Update on the proposed approach for the planned Lessons Learned review of the programme later in 2022.

### 2.0 Decisions Requested

That Members:

- 2.1 Note the continuing activities leading to programme closure and exit from hypercare;
- 2.2 Note the “transition to business as usual” plan; and
- 2.3 Note the proposed approach to the ‘lessons Learned’ programme review.

### 3.0 Reasons for Recommendations

- 3.1 This paper provides information to the Committee Members to enable them to review the status of the delivery of a replacement Finance and HR system for both Councils.

## 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 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 Unit4 ERP system.
- 4.2 In November 2019 (Cheshire West & Chester) and December 2019 (Cheshire East), each Council's Cabinet approved recommendations relating to the Best4Business programme. This Committee was provided with an update regarding the scope and phasing of the programme, the revised programme governance arrangements, the procurement of external advisors, future arrangements for Member oversight of the programme and the scope of revised commercial arrangements with Agilisys.
- 4.3 Delegated authority was also given to senior officers to finalise negotiations and agree variations to the contract with Agilisys, and to update the Inter-Authority Agreement.
- 4.4 This Committee have received reports during 2021, on 19 February, 11 June, 23 July (held as an informal Committee), 24 September, 26 November, and also on 21 January 2022, reporting successful implementation of the remaining elements of the new solution.
- 4.5 This report provides an update to members of this Committee on progress in the implementation of these decisions, with a particular focus on progress post go-live and the terms of reference for the planned Lessons Learned programme review.

## 5.0 Programme Update

### Technical programme closure and post go live operations

- 5.1 At previous meetings of this Committee, members have been presented with a summary of the key programme plan dates for the implementation of the Unit4 ERP solution. Remaining milestone dates relating to the post implementation phase of the programme, and their current status, are as follows:

Milestone Activity	Outcomes	Target Completion	Progress Update
"Hypercare"	<ul style="list-style-type: none"><li>Hypercare is a period of heightened support from the programme team to ensure any go live issues are resolved at pace</li><li>The support team gradually take over the day-to-day support</li></ul>	December 2021 / January 2022	<ul style="list-style-type: none"><li>Extended to March 2022</li></ul>
Programme Closure	<ul style="list-style-type: none"><li>A post implementation review following the second go-live is undertaken</li><li>All programme artefacts and documents are stored securely for future use and programme team are stood down</li></ul>	April 2022	<ul style="list-style-type: none"><li>Underway</li></ul>

5.2 As previously reported, the key outcomes which will be delivered in order to achieve technical programme closure are:

Activity	Status
Finalise reconciliation and adjustment activity for December payroll.	Complete
All staff to be paid from Unit4 ERP for December payroll.	Complete
Support the upgraded system in “hypercare” mode until it is assessed as ready to move into “business as usual” – expected to take until into the new year, and with a formal hypercare exit decision required.	Review of hypercare exit criteria by Programme Board on 27 January 2022 – decision taken to extend hypercare period to end of March 2022 (see below).
Programme management support resources from Ameo, and software delivery resources from Agilisys, cease involvement and leave the programme team.	Resources required from Ameo and Agilisys to support programme closure to the end of March 2022 have been approved by Programme Board, with appropriate contractual arrangements in place. External resources will cease involvement with the programme at this point.
Most seconded Council employees who have formed part of the programme team return to their substantive roles within the Councils.	Transfer of the majority of the programme team back to business as usual roles has been achieved, with a small group of staff remaining to support the support team’s activities during hypercare.

### Hypercare

5.3 As noted above, the Programme Board made a decision at their meeting on 27 January 2022 to extend the period of “hypercare” (enhanced support arrangements) until the end of March 2022. This was in recognition of:

- The number of remaining defects requiring resolution following the launch of the HR and Payroll functionality in late 2021 (while noting that overall progress in resolving defects and incidents is very positive);
- The normal annual complex roadmap of system developments, upgrades and fixes in place leading up to the financial year end in March 2022;
- The continuing arrangement with our external programme management advisors Ameo for provision of system experts or “solution architects” to assist with developments and fixes until the end of March 2022; and
- The continuing secondment arrangements for a group of staff over and above the core Governance & Support team to underpin the activities listed above.

5.4 The position regarding exit from the “hypercare” phase will be reviewed as part of a wider plan to transition to business as usual, outlined in the following section.

5.5 Highlights from the recent period of time since the complete Unit4 ERP solution went live include:

- The most significant post-go-live system issues relating to payroll (not preventing payroll processing, but impacting efficiency and resource requirements) have been resolved, including ongoing challenges with transfer of payroll data to HMRC;
- Payroll payslips were consequently issued earlier for March 2022 than in previous months since the new system went live;
- A number of specific support sessions have been held or are being established for schools and academies users across both Councils, allowing education-specific queries to be raised and resolved – these arrangements include sessions with small groups of relevant users, specific support sessions with change champions dedicated to schools, and provision of a named contact within Transactional Services for urgent school and academy queries relating to the new system; and
- Generally, the volume of support queries being raised by users of the new system is falling following the HR and Payroll go live in November 2021.

### Programme Closure and Transition to Business As Usual

5.6 Activities leading to technical closure of the programme are set out in the previous section. Our external programme management advisors Ameo have carried out an initial lessons learned review, and produced a programme closure proposal report based on this review, which set out a number of considerations for the Council when moving forward into “business as usual”.

5.7 As part of their review of the programme closure proposal, the Programme Board has approved the development of a “transition to business as usual” plan, to enable a decision to be taken to close the programme safely and with confidence that all priority post-programme issues have been resolved satisfactorily.

5.8 The transition plan consists of a number of workstreams, set out below:

Workstream	Outline Scope
Future Governance	To design and implement the future joint governance arrangements (to include contract management arrangements) for Unit4 ERP.
System Management (stability)	To ensure that there are robust “business as usual” arrangements in place to prioritise and manage any outstanding defects and system functionality which are needed
System Management (change)	To ensure that there are robust “business as usual” arrangements in place to effectively plan, manage and deliver system changes i.e. change requests, new functionality, and system upgrades.
Knowledge Transfer	To ensure that the Governance and Support team have the relevant training, knowledge transfer and system/process documentation to function effectively in a “business as usual” environment once the programme has closed.

Workstream	Outline Scope
User Experience	To define the scope of user experience and identify what “good” looks like for users. Build an action plan around this which improves the user experience and measures improvement.
Communications	To produce an updated Communications Strategy which covers the next 6 months.
Year End	To review support needed for the financial year end at March 2022.

- 5.9 At the time of reporting, the Programme Board are developing delivery plans and supporting resource plans for the workstreams listed above, having due regard for those delivery elements which are highest priority, and agreeing timescales accordingly.
- 5.10 At the time of reporting, the Programme Board have approved a delivery plan for the workstreams listed above, which targets delivery of high priority outcomes for each workstream by Easter 2022, and lower priority items within an agreed timeframe beyond this.
- 5.11 As well as ensuring the arrangements for ongoing support for the new system are robust and agreed by all key stakeholders, delivery of the high priority elements of this transition plan is also structured with the scheduled departure of Ameo programme management and solution architect resources at the end of March in mind. An update on the outcomes of this transition plan will be brought to the next meeting of this Committee.
- 5.12 The “Future Governance” workstream has developed a proposed governance structure which fulfils the Councils’ contractual requirements within our contracts with the system supplier Agilisys, and which will oversee delivery of the “transition to business as usual” plan once Ameo resources depart from the programme.
- 5.13 The governance proposal will also ensure both Councils are appropriately engaged with this new shared governance arrangement, in terms of both strategic input into the delivery strategy for the new solution, and appropriate representation of key user groups in the operational management and support of the system.

## 6.0 Lessons Learned – Terms of Reference

- 6.1 As reported in previous reports to this committee, a full “lessons learned” review will be carried out and reported to members of this Committee and to the Best4Business Joint Scrutiny Working Group later this year. The proposed terms of reference will be signed off by the Joint Scrutiny Working Group. An overview of the likely areas of scope are included in Appendix A to this report.
- 6.2 At present a draft terms of reference is in circulation with members of the Joint Scrutiny Working Group and members of this Committee, with a planned timetable of signing off the terms of reference and subsequently completing the review by the end of July 2020 for onward reporting to Members.

## 7.0 Programme budget update

7.1 Current forecast programme expenditure is as follows – this is unchanged from the previous report to this Committee:

<b>Programme Spend</b>	<b>Financial Year (actual) 20/21 £m</b>	<b>Financial Year (estimated forecast) 21/22 £m</b>	<b>Total forecast £m</b>
Retained element for asset purchase	0.00	0.25	0.25
Estimated payments to software provider	2.44	0.64	3.08
Programme Management costs	2.34	0.84	3.18
Other (including training)	0.35	0.19	0.54
Less: chargeable to COVID	(0.06)	(0.14)	(0.20)
Less: costs charged outside programme	(0.27)	0	(0.27)
<b>Total</b>	<b>4.80</b>	<b>1.78</b>	<b>6.58</b>

7.2 Both Councils have made available funding sufficient to accommodate the overall costs of the programme as outlined above. For Cheshire West & Chester, funds have been set aside in an earmarked reserve as part of the 2020-21 outturn report and approval has been sought as part of mid year reporting to draw an appropriate level of funding down. For Cheshire East, capital funding, which has already been approved to support Core ERP systems during 2021-22, has been identified and will be transferred as necessary to the main B4B programme. Both Councils will continue to fund an equal share of programme costs. Some elements of the cost of the remaining programme relate to COVID-19 challenges and will be charged to appropriate COVID contingency funds. A final review of programme expenditure will be carried out and reported as part of the programme “lessons learned” review.

7.3 There is ongoing dialogue as to the cause of previously reported delays to the programme plan reported in November 2020, and the associated costs between the Councils and the provider. Dialogue is continuing regarding certain charges and additional delays. The programme is looking to resolve these issues as part of overall programme closure.

7.4 Additionally, as reported previously some costs have been incurred within the Councils to support the delivery of this programme. Directors in each Council have agreed to absorb the costs of Council staff within their own budgets, subject to a cost sharing mechanism between the Councils as agreed by this Committee in November 2019. These will be reported to members as part of the regular financial reporting within the Councils.

## 8.0 Wards affected

8.1 The implications of the recommendations in this report are borough-wide for both Councils.

## 9.0 Policy implications

9.1 There are no policy implications arising from the recommendations in this report.

## **10.0 Financial Implications**

10.1 Costs associated with the ongoing hypercare phase of activity and the delivery of the “transition to business as usual” plan are being funded as part of the revenue budget for the Governance & Support team, and will be reported through routine Transactional Services budget outturn reporting. A summary of the programme budget position is provided at section 7.

## **11.0 Legal Implications**

11.1 Each Council entered into a contract with Agilisys for the ERP System. Cheshire East Council are responsible for managing the contract through the implementation phase for both Councils. Each Council has identified an Authority Representative, who will act as the contract manager during the Operational Phase of the contract. The Councils entered into a Deed of Variation with Agilisys to reflect the reset of the programme. Under the Deed of Variation, work packages are agreed with Agilisys, setting out the services to be provided by them and the target price of the relevant resources, which are priced in accordance with the mechanism contained in the Deed of Variation provided that the Councils responsibilities and dependencies are met. No additional programme work packages have been agreed or are expected to be agreed post go-live. The cost of existing works orders is reflected in the budget update at section 7.

11.2 A comprehensive Inter Authority Agreement (IAA) was entered into by both Councils, at the time the original contracts were agreed with Agilisys. The IAA ensures that each Council's obligations to the programme are documented and ensures that Cheshire East Council are in a position to meet their contractual obligations on behalf of both Councils during the implementation phase. The IAA was updated when the Deed of Variation was entered into to reflect the reset of the programme. A further update to reflect the final phasing of the programme and associated costs, and handover to business as usual, will be carried out as part of the scope of the “future governance” workstream within the “transition to business as usual” plan.

11.3 Following implementation, each Council's ongoing operational management of the system will be managed through the separate contracts with Agilisys. Governance arrangements for the management of the contracts with Agilisys are part of the scope of the “future governance” workstream within the “transition to business as usual” plan.

11.4 Cheshire East entered into a contract with programme management advisors Ameo on behalf of both Councils. The costs of the agreement with Ameo are shared equally between the Councils through the IAA. No additional programme management work packages have been agreed or are expected to be agreed post go-live. The cost of existing works orders is reflected in the budget update at section 7.

11.5 Cheshire West & Chester entered into a contract for change management support with Augere Ltd on behalf of both the Councils. The costs of the agreement with Augere are shared equally between the Councils through the IAA. The cost of this contract is reflected in the budget update at section 7.

## **12.0 Risk management**

12.1 The programme risk register has been reviewed and closed, with relevant ongoing risks identified as part of the “transition to business as usual” plan. These risks continue to be reported to the Programme Board and managed as part of delivery of the transition plan.

## **13.0 Access to Information**

13.1 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  
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*or:*

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