

CHESHIRE EAST COUNCIL CHESHIRE WEST & CHESTER COUNCIL

REPORT TO: SHARED SERVICES JOINT COMMITTEE

Date of Meeting: 17 June 2022

Report of: Jane Burns, Executive Director Corporate Services, Cheshire East Council

Mark Wynn, Chief Operating Officer, Cheshire West & Chester Council

Subject/Title: Best4Business Technical Programme Closure

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, and the technical closure of the implementation programme. The report provides an update on progress since the meeting of this committee in March 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 and technical closure of the programme;
 - Update on the Lessons Learned review of the programme.

2.0 Decisions Requested

That Members:

- 2.1 Note the continuing activities leading to programme closure and exit from hypercare;
- 2.2 Note the delivery of the “transition to business as usual” plan and the technical programme closure decision; and
- 2.3 Note the progress in delivering 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, 24 September, 26 November, and also on 21 January and 25 March 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 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">Hypercare is a period of heightened support from the programme team to ensure any go live issues are resolved at paceThe support team gradually take over the day-to-day support	December 2021 / January 2022	<ul style="list-style-type: none">Ended in May 2022Some additional internal and external resources retained to support delivery of specific outstanding reports and training to internal support team (see below for further detail)

Milestone Activity	Outcomes	Target Completion	Progress Update
Programme Closure	<ul style="list-style-type: none"> A post implementation review following the second go-live is undertaken All programme artefacts and documents are stored securely for future use and programme team are stood down 	April 2022	<ul style="list-style-type: none"> Ameo post implementation review complete Programme lessons learned review in progress Programme governance handed over to “business as usual” Programme Board decision to approve technical programme closure Complete

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.	<p>Internal support team have taken full lead on provision of day-to-day system support. Post go live “hypercare” period has ceased as at end of May 2022.</p> <p>Additional external support resources engaged to end of July 2022 (see below for further detail).</p>
Programme management support resources from Ameo, and software delivery resources from Agilisys, cease involvement and leave the programme team.	<p>Agilisys programme resources ceased at the end of January 2022. Ongoing support being provided on a “business as usual” basis thereafter.</p> <p>Ameo post go live technical resources extended to end of July 2022 with appropriate officer approvals.</p>
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 from other teams remaining to supplement the core support team’s capacity. Review of “business as usual” support team structure is underway to ensure demand is balanced with capacity.

Hypercare

5.3 As noted above, the period of formal “hypercare” (enhanced support arrangements) ceased at the end of May 2022. However, some additional external support resources have been retained to enhance the internal business as usual support arrangements now in operation. This is in recognition of:

- There are a number of defects requiring resolution following the launch of the HR and Payroll functionality. The overall progress in resolving go-live defects is positive; high priority go-live issues have been resolved, and the remaining defects dating from go-live are managed and prioritised accordingly alongside other operational support issues;
- Feedback from users, in Council services and companies and in schools, has highlighted some challenges bedding in operational business processes in all areas, and ensuring that appropriate system reporting capabilities are available to support end users. We are working hard to resolve these issues and provide additional help and support to users; and
- The continuing arrangement with our external programme management advisors Ameo for provision of system experts or “solution architects” to assist with fixes, developments and internal training; this was extended until the end of July 2022 to provide additional support for development of a number of specific reports and for additional training and knowledge transfer to the internal support team.

5.4 The continuing provision of support from other teams over and above the core Governance & Support team is to underpin the activities listed above.

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

- Business as usual governance arrangements for the joint management of the Unit4 ERP system by both Councils are now in place. The “Performance and Commissioning Group” will meet monthly, and the “Executive Steering Board” will meet quarterly. These bodies replace the former programme governance arrangements which have now ceased, and as part of their terms of reference are responsible for ongoing contract management in relation to the ongoing service provided to the Councils by Agilisys. Each held their first meeting during May 2022.
- Over 150 defects and improvement requests have been delivered since early March, with the assistance of our supplier Agilisys.
- The Governance & Support team successfully managed the testing and launch of the first upgrade of the product since it was launched, moving from release 7.7 to release 7.9. These releases typically take place on a six monthly basis.
- The Governance & Support team alongside other teams continue to provide ongoing support to users of the system, with over 1,700 support tickets resolved since early March, and with over 600 calls to the urgent payroll queries helpline being responded to. Call volumes to this helpline are reducing significantly each month since payroll functionality went live in late 2021.
- Specific support sessions have been provided to schools and academies in relation to reporting functionality in the new system. Ongoing feedback from users continues to be assessed and responded to, with additional forums being established as described in section 5.7 below.

Programme Closure and Transition to Business As Usual

5.6 The Programme Board previously 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.

5.7 The transition plan has been delivered to the point where technical programme closure was recommended to the Programme Board. Key outcomes are noted below:

Workstream	Key outcomes
Future Governance	Business as usual governance model approved by both Councils. Governance meetings in diaries for remainder of 2022. First meetings of each tier of governance have been held. Complete.
System Management (stability)	All outstanding go live defects logged in a single place for ongoing monitoring. Business as usual process in place for ongoing prioritisation and escalation of all defects. Go live defects considered relevant to system stability identified, and positive progress reported in resolving these defects, in accordance with priority and impact.
System Management (change)	System development roadmap and work plan in place and being monitored and reported against through established governance. Change management process defined and ready to launch when capacity is available in existing development work plan. Complete.
Knowledge Transfer	Some support team training has been delivered during the hypercare period by Ameo “solution architects” with additional training to be delivered during the extended external support arrangements during June and July 2022. Ongoing.
User Experience	A working group has been established with representatives of schools users. A similar group is being established with Council officer users. This will provide a mechanism for gathering feedback on the system and identifying potential improvements. A cross-organisation User Group has also been established, with representatives from numerous areas of the business including schools, which will receive feedback on the system, issues, potential improvements, and formal requests to make changes to the system. This will report into the formal system governance arrangements noted above.
Communications	Six month post-programme communications plan in place and handover activities to business as usual are in progress. Complete.
Year End	Working group established to focus on and monitor year end related challenges and defects to ensure delivery of year end closure programme ran smoothly. Complete.

5.8 The Best4Business Programme Board met for the final time on 19 April 2022 and received a report setting out delivery of the transition plan as summarised above. On this basis, the recommendation to approve technical programme closure was approved.

6.0 Lessons Learned Update

6.1 As reported in previous reports to this committee, a full “lessons learned” review is being carried out and will be reported to members of this Committee and to the Best4Business Joint Scrutiny Working Group later this year.

6.2 The terms of reference for this review have been discussed with a joint Member group consisting of members of this Committee and of the Joint Scrutiny Working Group. An externally facilitated task group is being established, with dates in late July / early August being explored, to align with Member and officer availability. The report of this task group will respond to the finalised terms of reference, and will represent the final report of the Best4Business programme to this Committee.

7.0 Programme budget update

7.1 No additional programme-related expenditure has been incurred since the previous report to this Committee. A final review of programme expenditure will be carried out and reported as part of the programme “lessons learned” review.

7.2 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.

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 note on 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.

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, has been initiated as part of the "future governance" workstream within the "transition to business as usual" plan, with required changes being managed by each Council's legal team alongside the business as usual support team.

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 have been established as part of the "future governance" workstream within the "transition to business as usual" plan, as noted at section 5.5 above.

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 delivery work packages have been agreed. Additional post go live support resources have been commissioned as noted at section 5.3 above.

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.

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 and being managed through ongoing management activity. Key business as usual risks at the time of reporting include:

Risk	Mitigation
<ul style="list-style-type: none"> Insufficient resources within Governance & Support team to manage support issues and requests for system changes 	<ul style="list-style-type: none"> Temporary structure being operated with additional staff from other teams providing support Permanent structure under review Prioritisation of changes within budget
<ul style="list-style-type: none"> Lack of confidence in new system amongst some users 	<ul style="list-style-type: none"> Volume of support calls reducing month on month indicating this risk is receding

Risk	Mitigation
	<ul style="list-style-type: none"> • User Group established in June 2022 allowing identification and approval of user-driven improvements • Review of support “microsite” content to ensure available guidance is optimised
<ul style="list-style-type: none"> • Dissatisfaction amongst schools / academies users with new solution leading to offboarding to other providers 	<ul style="list-style-type: none"> • Dedicated support sessions to build confidence • Dedicated officers providing support for schools users • Dedicated schools user group established • One-to-one support for individual users where beneficial (including in response to complaints) • Review of schools-specific processes to identify and implement improvements • Commitment to rebuild positive relationships
<ul style="list-style-type: none"> • Delivery of outstanding system reporting capabilities 	<ul style="list-style-type: none"> • External “solution architect” expertise retained during June / July 2022 will focus in part on this issue

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
 Westfields
 Middlewich Road
 Sandbach
 CW11 1HZ*

or:

*Cheshire West & Chester Democratic Services
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