

KEY DECISION

Report Title: Revised arrangements for implementation of the Enterprise Resource Planning (ERP) solution – ORACLE.

Date: 20 March 2024

Decision Maker	Leadership Team
Reporting Officer	Mike Curtis Executive Director of Resources and S151 Officer
Key Decision number	KD1009102
Access to information	Public
Wards	All

1. EXECUTIVE SUMMARY

- 1.1 The Leadership Team are being asked to agree a number of recommendations needed to ensure the successful implementation of the Oracle ERP (HR, Payroll and Finance) solution including a change to the implementation timescale (Go Live date), resourcing requirements and contractual arrangements.
- 1.2 The purpose of this paper is to provide Leadership Team with an update on the status of the Oracle Programme (referred to as the Programme in this report) with a specific focus on the Go Live date.

2. RECOMMENDATIONS

The Leadership Team is recommended:

- 2.1 To note the risk associated with the current 'Go Live' date of October 2024 and the mitigating factors proposed to manage this risk and enable delivery of a successful programme.
- 2.2 To agree to the new April 2025 'Go Live' date for the reasons detailed in this report.
- 2.3 To agree to extend and vary the existing contract between the Council and Bramble Hub Ltd for the provision of Business Integrator Services for a term of up to 31 March 2025, and for the additional cost of up to £154,250 excluding VAT.
- 2.4 To agree to extend and vary the existing contract between the Council and Version 1 Solutions Ltd, for the provision of System Integrator Services for a

term of up to 30 June 2025, and for the additional cost of up to £1,129,126 excluding VAT.

- 2.5 To agree to enter into a direct call off from the Oracle ERP Cloud Implementation - Digital Marketplace (a CCS framework) for additional and new work with Version 1 Solutions Ltd for a period of 15 months up to 30 June 2025, with a total value of up to £1,079,514 excluding VAT.
- 2.6 To agree to extend the current arrangement with Hampshire County Council for the provision of the IBC service from 1 October 2024 to 31 March 2025, at a cost of £1.2m excluding VAT.
- 2.7 Delegate authority to the Executive Director of Resources following consultation with the Chief Solicitor and Monitoring Officer to approve and finalise the terms of the necessary agreements as set out in this paragraph 2..
- 2.8 To agree the additional internal resource requirements associated with moving the Go Live date, totalling £1.5m.
- 2.9 To agree to vary the existing contract with Insight Direct (UK) Limited for the purchase of additional Oracle licences at a cost of up to £800k excluding VAT.
- 2.10 To agree to reduce the programme contingency by £900k to £600k.
- 2.11 To agree that the additional costs of £1.924m as detailed in section 8 of this report associated with the revised programme timetable are funded from reserves, and note that the contingency budget of £600k be earmarked as a reasonable and prudent allocation for utilisation should it be required.
- 2.12 To note that all of the variations detailed above total more than the additional budget requirement of £1.924m as the additional costs are compared to the actual contracts in place while the increase in budget required is compared to the original business case. When contracts were originally let not all of the original budget was fully utilised.

3. REASONS FOR DECISION

- 3.1 Towards the end of 2023 as the programme workstreams were mobilising it became increasingly apparent to officers and Partners that the Programme 'Go Live' date of October 2024 was no longer viable due to a number of additional complexities that were unknown at the start of the programme and which have become apparent as the programme has got underway. This report contains the recommendations to ensure the Programme gets back on track and is delivered safely and successfully.
- 3.2 One of the significant risks that is greater than originally envisaged is the complexity of a partner exiting the Hampshire County Council (HCC) partnership. As RBKC is the first partner to exit the HCC arrangement we are finding ourselves developing and designing a solution with HCC colleagues for the first time which has proved more challenging and resource intensive

than originally envisaged as the extraction of data held in the HCC SAP system is very complex.

- 3.3 Continuing with an October 2024 go live date will be exposing the Council to a number of significant high profile risks, include the potential that suppliers, staff and vulnerable residents do not receive payments on time and therefore it was deemed necessary to undertake a review of the risks associated with the planned Go Live date of October 2024 and develop a mitigating plan to de-risk the programme and ensure a successful delivery, which included identifying options for a revised go live date. The revised Go Live date remains within expected timescales for a large scale transformation project of this nature.
- 3.4 A workshop was held on the 8th of January 2024 attended by all partners (Version 1 – the System Integrator, Socitm (a sub-contractor under the contract) -the Business Integrator, Hampshire County Council – the current system provider, Oracle – the new system provider and the Council Programme Team). Lengthy discussions took place and all options were discussed and challenged to ensure the recommended option is the right and deliverable one.
- 3.5 The outcome and recommendation from the workshop is to delay the Go Live date from October 2024 to the 1st April 2025, with all attendees of the workshop agreeing that October 2024 is no longer a safe deliverable option for the authority and will be exposing it to a high level of avoidable risk that could if not mitigated be reputationally damaging for a council that is currently committed to becoming the best, and that this proposal was much more manageable and would enable these significant risks to be managed and mitigated.
- 3.6 The recommendation to revise the Go Live is a one and only opportunity for RBKC. HCC have been clear that they are unable to accommodate a further extension and April 2025 is considered to be the right date and now the right time to request this change so the necessary planning and implementation schedules can be developed and put in place in a carefully managed manner. Revising deadlines earlier in a programme is easier to manage than last minute changes which are often implemented in a rush and not well managed. This request should give confidence and assurance that the programme is being well managed and with robust arrangements for reviewing programme risks leading to appropriate mitigations being planned and delivered.
- 3.7 This report provides a revised cost summary highlighting the differential from the original business case to the revised cost estimates. It also includes an update on the engagement with HCC on data extraction requirements that have now been baselined and agreed and further discussions on Data Retention.

4. BACKGROUND

- 4.1 The Oracle Programme was approved by Leadership in February 2023 following a decision in May 2022 to commission a two-stage options appraisal, which was led by PwC and involved a high level review to assess the impact and costs of remaining with the current provider HCC or moving to another ERP system. It included a Soft Market testing exercise along with the development of a business case.
- 4.2 Following the decision by Leadership in February 2023 formal notice was served on HCC to exit the Joint Working Agreement and procure a new ERP system via the Kent Commercial Services (Y20011) Software Products and Associated Services Framework.
- 4.3 What followed was a comprehensive process to procure, appoint and mobilise Partners in the form of a Systems Integrator (Version 1) and Business Integrator (Bramble Hub Ltd and sub-contractor, Socitm Advisory Limited) who commenced in July 2023, an experienced Programme Manager was on boarded in late August 2023 following an intense recruitment exercise.
- 4.4 With a scheduled to Go Live in October 2024 this was always considered to be a very ambitious timetable which was driven by the need to provide a formal termination notice to HCC by the end of February in the year before the intention of RBKC to leave the shared service arrangements that were contracted via a Joint Working Arrangement (JWA). The formal notice was given in February 2023 by RBKC and allowed for full-service provisioning by HCC up to termination on the 30 September 2024.
- 4.5 The programme delivery dates and the associated risk profile at February 2023 were primarily dependent on data from the SAP system to meet the key milestones in the programme plan. During the first six months of the programme, it has become clear that data extraction was more complex than initially anticipated and that RBKC and HCC would be unable to meet the required timelines which in turn has forced this proposed rephrasing of the programme.

5. OPTIONS, ANALYSIS AND PROPOSALS

- 5.1 The programme team (RBKC, Version 1 and Socitm) prepared a number of options as detailed below to safely deliver the programme and presented these to a wider stakeholder group including HCC and Oracle at the workshop in January 2024. Each option was reviewed with regard to the capacity and capability of RBKC and HCC to successfully deliver to the key dates and the risk to ongoing services which the council needs to provide to external parties, colleagues and residents.
- 5.2 The proposed revised Go Live option of April 2025 was unanimously endorsed by all parties as the one which most appropriately addressed the need for continuity of services without exposing the council to unnecessary risk and would enable a safe programme delivery. This is "Option 3" in

paragraph 5.10.3 below and would result in the new system going Live in April 2025 (6 months later than originally planned).

5.3 The combined team, including the Senior Responsible Officer (SRO) and Programme Sponsor believe that this proposed option best balances the business risks with the safe delivery of a successful programme.

5.4 Key risks include:-

- The ability to transfer cleansed data from HCC to RBKC, this has now been largely mitigated and the first data transfer has been successfully completed.
- Finance and Payroll year end including the End of Year Audit of Accounts.
- Potentially two sets of elections in 2024 and the capacity and capability of HCC to meet the key RBKC programme deadlines alongside their own internal deadlines and related resource availability for their SAP4Hanna upgrade project.
- Along with the ability of RBKC as a whole to embrace and adopt a whole scale change programme that will enhance working practices and enable managers and staff to own their data and self-serve many more functions including HR functions, supplier purchase orders and payment approvals along with access to data to enable management dashboards and monitoring data to be readily available.

5.5 The recommended programme extension to April 2025 has a significant uplift in both effort and costs which can be divided into three core areas:

- **Extension:** Resources required to extend the programme timeline by six months
- **Change:** Resources required to deliver additional requirements not included in the additional scope of the programme e.g. Finance Helpdesk
- **Risk Mitigation:** Resources required to mitigate keys risks on the programme, particularly in the area of data migration (both RBKC and HCC capacity and capability), validation and acceptance testing, environment and release management, programme governance and extended Hypercare on the new system and processes.

5.6 Also, since the approval to implement Oracle by Leadership Team in February 2023, Oracle have announced a new mandatory front-end product called 'Redwood'. All Oracle clients will be required to implement Redwood in early 2025. This was unknown to RBKC at the time of the Leadership Team approval in February 2023 and will require a fundamental rework of any system implemented ahead of being rolled out.

- 5.7 Redwood is Oracle's name for its next generation user experience, it will enable a state of the art user experience across all devices and is a collective re invention of how Oracle customers will interact with the technology. One of the key features of the Redwood design philosophy is efficiency, meaning that users can move around the system easily and efficiently with visuals and icons that are designed to enhance the experience.
- 5.8 Going Live ahead of a major known upgrade is considered to be incredibly risky, costly and disruptive and will have a major impact on user experience and adoption along with a substantive additional programme costs for exercising the change. We are very conscious that Oracle is a significant change programme for the whole of RBKC and a key element of a successful implementation is the end user experience. To introduce a system and then a significant upgrade a few months later will not provide the best experience to Council staff who have already in the past had to adopt a number of challenging ERP systems with varying levels of success.
- 5.9 As a consequence of the workshop conducted on the 8 January 2024 which considered four different Go Live delivery options. It is recommended that the programme Go Live date is moved from October 2024 to 1 April 2025 and is a Big Bang Go Live with all elements of the system commencing at the same time.

- 5.10 The four options explored were as follows:

5.10.1 Option 1 - December 2024 Big Bang - This option is not recommended.

This is a two month extension to the original Go Live date of October 2024 and was not considered to be a long enough period of time to complete the necessary data migration and transformation, testing and parallel running of payroll and the training of RBKC staff.

It is also just ahead of the mandatory Redwood product rollout for all Oracle Customers and would therefore require the Council to undertake a separate Redwood implementation whilst still in a period of post system go live – known as hyper care. As detailed above a change to the system so soon after the initial Go Live will not provide the best experience for users who will just be getting to grips with the new system. User experience is very important to a successful adoption of any new system and a known, avoidable upgrade so early on is not considered to be best practice.

Current expectations are for the Government to announce a General Election towards the end of 2024 and a number of key Programme Staff from HR, Finance and Digital Services will be heavily involved in the Election meaning that their time will be diverted from the Programme and therefore disrupting the delivery of the programme's critical path activities including testing, parallel payroll running and training of staff for a Go Live in December 2024.

5.10.2 Option 2 - February 2025 Big Bang – This option is not recommended.

This date is very close to the end of the financial year and having data spread over two systems (10 months and 2 months) is not recommended from both a HR and finance perspective. At the end of the financial year the number of transactions completed increases as staff book remaining annual leave, and suppliers input invoices for payment. A new system at this time will slow down the capacity at which information can be recorded and will likely result in an increased volume of accruals needing to be created, resulting in a potential delay to payments to suppliers, staff and vulnerable residents.

This option is also not recommended due to both HCC and Oracle delivering patch releases at the same time, with the latter being Redwood. Meaning that resources will be diverted to these upgrades and not available to fully focus on our Go Live requirements putting additional pressure on the project team and risk to the authority, with this being the first and a significant upgrade on the new solution which will require significant testing and the unknown impact on key business processes including paying contractors, residents (e.g. direct payments) and staff being unknown this is not a recommended option.

5.10.3 Option 3 - April 2025 Big Bang – **This is the recommended option.**

This is considered to be the least risky and safest option for the Council to overcome the issues referred to in this paper including the transfer of data from HCC and the implementation of Oracle Redwood from commencement of the programme.

This project is the first off boarding of a partner from HCC and the extraction of data has been considerably more challenging than expected at the time of writing the Business case and Programme approval in February 2023, with HCC, the Council and our partners all experiencing new and unforeseen challenges that were unknown at the start of this programme. The six month extension of the HCC arrangement and the implementation of the Oracle programme is considered the necessary time to successfully complete a safe implementation with minimal risk to the Council.

April is also a new financial year and will enable a clear cut off from one system to another and the introduction of a new system meaning financial reporting and tax years are aligned to financial years.

This extended time will allow sufficient testing of the new system and therefore minimise the risk of disruption to services, staff, residents and partners at Go Live.

5.10.4 Option 4 - December 2024 – a phased approach – This option is not recommended.

This option would enable Payroll Parallel running in both the current system SAP and Oracle for testing purposes while still using SAP only as the actual payment system until April 2025.

This would allow a greater level of payroll testing but is not favoured by HCC due to their perceived issues of having multiple RBKC queries to resolve on payroll alignment between SAP and Oracle. This against a backdrop of them having their own SAP upgrade project being launched in first quarter of 2025 and their stated limited resource availability to support RBKC.

This date is also just before the new Oracle solution Redwood would go live and therefore Redwood would need to be implemented after this date and as stated above this is not recommended as an option for the Council due to the additional resources required to implement the upgrade and the impact on user experience.

- 5.11 The option to do nothing and remain with the original Go Live date of October 2024 was also discussed and for the reasons detailed in this paper considered too risky and no longer a safe viable option and is not recommended by the Programme Sponsor, SRO or Programme Manager due to the level of risk the Council would be being exposed to.
- 5.12 HCC colleagues have been actively involved in the development of the options listed above and the revised proposed Go Live date has been discussed in principle at the joint HCC / RBKC Board meeting where HCC colleagues including their Deputy Chief Executive and Director of Operations has indicated that they should be able to accommodate, subject to the Strategic Direction Board's approval, the extension of services to cover the new RBKC recommended April 2025 Go Live date. RBKC's Programme Sponsor will need to formally make a request to HCC for this extension of service provision following the decision by Leadership Team on the 20th of March 2024.
- 5.13 A Go Live Date of April 2025 will have an impact on the financial year end for RBKC and the creation of the statutory Accounts, this is however considered to be less risky and more manageable than an October 2024 Go Live date.
- 5.14 HCC have now confirmed in a formal correspondence from their Deputy Chief Executive and Director of Corporate Resources on the 22 February 2024 following a number of conversations and requests that they will not allow RBKC colleagues access to the SAP system post financial year end in March 2025 and that the 2024/25 accounts will have to be closed in Oracle using the data that will have been transferred to RBKC.
- 5.15 HCC have stated a number of reasons for their decision as follows:

The move of the go live date will already create resource pressure within the HCC team, stating it will impact on some of their earlier S4/HANA work and at a time when they will have their own year-end pressures. HCC have also confirmed that as RBKC will no longer be part of the partnership access post year end would create contractual complexities and risk to their licencing model.

- 5.16 HCC have however confirmed that ensuring RBKC achieve a smooth and timely offboarding will be their main priority, and work is now underway to focus on a smooth and seamless off boarding Plan which will need to include input and engagement from Grant Thornton the Council's external Auditors as this approach will require additional assurance from them.
- 5.17 Closing the accounts in Oracle is definitely possible but not the Council's preferred option as this will be the first-time officers will have used the live system. While this option is considered higher risk and will need to be carefully managed by all relevant partners (HCC, the Council and our Auditors Grant Thornton) we do have twelve months to plan and HCC have committed to supporting a smooth transition with us. Additional external audit costs will be incurred, together with potential delays to the Statutory Publication of the Accounts and the annual external audit but the council has no choice as SAP via HCC is not an option and so we must work to minimise risks over the next twelve months.
- 5.18 It must also be noted that although we will not have direct access to SAP data post 31 March 2025 officers from both the Council and HCC are committed to working together to deliver a successful set of accounts and that we now have a good working relationship and management coordination between RBKC and HCC with significant improvements in relationships since December 2023.
- 5.19 A further point to note is that the first data cycle of extraction for Oracle Cloud aligned to the final timetable for design of the scripts and process for the release of extracts was completed by the end of February 2024. A further four data migration cycles are planned during the programme timeline through to Go Live (to ensure that the data transferred to Oracle is of high quality) and we have a baseline plan agreed with HCC for these future iterations of data extractions from SAP.
- 5.20 We have also been given an informal positive response from HCC to our request to accommodate RBKC using their services for Data Retention for a 12-month period post April 2025. A formal request will be made after the presentation of this report to Leadership Team.

6. CONSULTATION AND COMMUNITY ENGAGEMENT

- 6.1 As detailed above there have been a variety of engagement exercises to date with partners directly involved in the programme and nominated department leads along with representatives from Westminster City Council and Hammersmith and Fulham Council as shared service staff will need to use Oracle for RBKC work.
- 6.2 There is a dedicated communications lead for the project supported by our systems integrator and they are developing and will shortly start the delivery of a comprehensive communications and change programme to ensure all staff are well prepared for the new system.

- 6.3 As we get nearer to the Go Live date there will also be a comprehensive suite of engagement with suppliers and partners to ensure a smooth transition is in place for payments.

7. LEGAL IMPLICATIONS

Joint Working Agreement

- 7.1 Section 1 of the Localism Act 2011 provides the Council with a general power of competence and as such allows it to enter into the JWA. The Council may directly engage with Hampshire County Council via Regulation 12(7) of the Public Contracts Regulations 2015 (PCR) which permits the Council to enter into a shared services arrangement with other public bodies provided that certain conditions are satisfied.
- 7.2 The Council served notice in accordance with the termination provisions of the JWA. The agreement does not specify a route to extend the termination notice, but this may be done on agreement of the parties.
- 7.3 If the recommendation is approved to extend the JWA, the Council will need to agree with Hampshire County Council the extension of the notice period to exit from the JWA. Legal services can support in the drafting of any necessary legal documentation in line with the delegation set out in paragraph 2.7.

Business Integrator Services Contract

- 7.4 The contract with Bramble Hub Ltd will need to be extended and varied to meet the new go live date. The value of the contract will increase by £154,250 (£185,100 incl. VAT) to £1,871,650. The increase in the contract value is covered by Regulation 72(1) f and 72(5) which permits modifications where the value is below the threshold for services of £214,904 (incl. VAT) and 10% of the original contract value provided that the modification does not alter the overall value of the contract. It is considered that the modification does not alter the overall value of the contract as there are no new services being sought, the delivery of the services has been amended to reflect the new expiry date on 31 March 2025 with no services being provided beyond go live.
- 7.5 Legal services can assist with drafting of the necessary variation.

Version 1 Extension

- 7.6 This contract (original contract value £2.26 million (excl. VAT)) is required to be extended up until 30 June 2025 to meet the new go live date and handover period. The extended term has an additional cost of £1,129,926 (excl. VAT). Where a contract is modified it must meet the requirements of Regulation 72 of the PCR in order to be lawful.
- 7.7 The increase in contract value is permitted by Regulation 72(1)(b) on the basis that it meets the following test:
- 7.8 The additional services are necessary due to the delay on Go live.

- 7.9 The contractor cannot be changed for the technical reason that it has already has the expertise and knowledge from working with RBKC on ERP by providing design, set up, testing, and validation of the Oracle system. It would not be possible to change contractors at this point due to the work already completed.
- 7.10 A change in contractor would cause significant inconvenience as the work already undertaken would need to be redone or verified, and this would cause a substantial duplication of cost in the additional work.
- 7.11 The additional spend is under 50% of the original contract value.
- 7.12 A modification notice must be published.
- 7.13 Any changes to the contract terms should be made by way of a deed of variation which Legal services can assist with drafting.

Version 1 New Call-Off Contract

- 7.14 The recommendation is for a new contract with Version 1 to be awarded following a compliant direct award call-off from the G Cloud 13 framework for a period until 30 June 2025. The value of the new contract is £1,079,514 excl VAT.
- 7.15 The Council is identified in the tender notice as a permissible user of the framework and is therefore lawfully able to award contracts under it. The framework permits direct awards.
- 7.16 To ensure compliance with Reg 33(6) of the PCR, the Council must ensure that the call-off contract is based on the terms laid down in the framework agreement, and in no way is the Council permitted to make any substantial changes to those terms.
- 7.17 Legal services can assist with the preparation of the new call-off contract.

Oracle Licences

- 7.18 The Council has a call-off contract with Insight for the provision of Oracle licenses via the Kent Commercial Services Framework. The contract was awarded for a value of up to £4.6m. The value and number of licences was based on a business case. Following further due diligence, the Council's requirement is for an additional spend of up to £800,000 on Oracle licences.
- 7.19 If the Council agrees to modify the contract with Insight the modification must meet the requirements of Regulation 72 of the PCR in order to be lawful.
- 7.20 The increase in contract value is permitted by Regulation 72(1)(b) on the basis that it meets the following test:
1. The additional services are necessary due to the delay on Go live.

2. The contractor cannot be changed for the technical reason that it has already provided a significant number of licences which connect to underlying support and maintenance issues (for example quarterly patches). It is not feasible for this to be provided by different providers.
3. A change in contractor would cause a substantial duplication of cost in having to deal with two contractors for the two sets of licences.
4. The additional spend is under 50% of the original contract value.
5. A modification notice must be published.

7.21 The contract requires that variations are made via a Change Control Notice. Legal services may assist in the review of the Change Control Notice.

8. FINANCIAL, PROPERTY AND ANY OTHER RESOURCES IMPLICATIONS

8.1 The recommendation to revise the programme Go Live date has been made following a comprehensive and rigorous review of the programme timetable and associated risks. The original Programme Go Live date is now considered to be unachievable and the Programme is rated at RED. Failure to amend the timetable will be putting the Council at a significant risk both reputationally and operationally and officers feel that the safest option is to revise the Go Live to the 1st of April 2025 for the reasons detailed in this report.

8.2 A change to the timetable has been carefully considered and is being recommended as a safe viable option for the Council. The financial implications have been fully challenged and officers want to assure elected Members that this recommendation is being made following a significant challenge and review process and the financial values in this report have been rigorously challenged to ensure they are accurate. RBKC will continue to provide ongoing challenge to our partners at their monthly review meetings, based on each line item of their cost models to ensure they deliver value for money to the Council.

8.3 The costs that we are presenting in this report are based on a worst-case position and have been modelled to ensure all delivery and post Go Live operational risks are minimised and mitigated to achieve success in April 2025.

8.4 The review of the original business case has highlighted a number of key gaps and delivery requirements that were either unknown at the stage of business case modelling or had been omitted by the partner at the time and there is now a need to take these into consideration as part of the recommended move to a Go Live of April 2025. The omissions that are now recognised, are due to a failing of the partner who developed the business case, and are quite significant in nature since they relate to RBKC's ability to manage its operations post Go Live. They include for example underestimation of license requirements; full scope of integrations that had not been defined correctly; new product solutions, in the form of Guided Learning to support Training Delivery; Help Desk servicing for Finance and HR post Go Live that are needed to enhance the experience of staff in being proficient in

using the new system as well as to record issues that will need to be addressed during operational use.

- 8.5 There are also the additional costs for engaging our Partners, Version 1 as System Integrator and Socitm as Business Integrator, for an extra period of six months. We have new cost proposals from our Partners and that has been shown in the summary cost profile in the table below is considered to be the worst-case position.
- 8.6 To ensure revised costs presented were accurate and realistic RBKC have undertaken negotiation and challenge at scheduled commercial review meetings on the 1 February 2024 (Version 1) and 2 February 2024 (Socitm). There has been a good compromise reached with Version 1 in provisioning additional services within their submission and Socitm have also made a reduction to their cost proposal.
- 8.7 There will also be additional costs incurred in extending the service with HCC for a further 6 months, as well as provision of an archive service solution for twelve months from April 2025.
- 8.8 The table below, provides a breakdown of the Programme Costs with both the original business case costs and the revised costs shown for transparency and completeness. It must be noted that some of the costs in the business case as detailed in this report were estimates or omitted by the business case developer and hence the large variances in some instances.
- 8.9 Table 1 - Original and revised programme budget.

Cost Area	Business Case	Forecast Costs	Variance Forecast v
		Apr-25	Business Case
	£ 000	£ 000	£ 000
Partners- BI, SI, HCC, Oracle	8,015	9,570	1,555
Finance Project Staffing	900	1,223	323
HR Project Staffing	1,080	1,438	358
PMO Project Staffing	0	809	809
Project Term	9,995	13,040	3,045
Finance BAU Annualised Staffing	858	1,046	189
HR BAU Annualised Staffing	647	837	190
DDAT BAU Annualised Staffing	63	63	0
BAU Baseline (2025/26)	1,567	1,946	379
CONTINGENCY	1,500	0	-1,500
TOTAL PROJECT COSTS	13,062	14,986	1,924

- 8.10 The additional costs as a result of this recommendation excluding contingency is £1.924m. With the £600k recommended contingency detailed in paragraph 2.10 the total is £2.524m.
- 8.11 The original business case contained a contingency budget of £1.5m. Given the fundamental review of the Programme costs has just taken place it is not recommended to retain the full contingency amount in this final summation of costs, and we believe it is feasible to reduce the contingency to £600k.
- 8.12 All of the contract variations detailed in this report are greater than the additional budget requirement of £1.924m as the additional costs are compared to the actual contracts in place while the increase in budget required is compared to the original business case. When contracts were originally let not all of the original budget was fully utilised
- 8.13 It is proposed that these additional costs are funded from Reserves.
- 8.14 The current programme level Risk based on an October Go Live date is RED, this reduces to AMBER status based in significant part on the risk being reduced around the fact that we are recommending this revised Go Live date for approval and equally an agreement with HCC for data extract provision and migration.
- 8.15 Even though there is an impact on the timeline to satisfy the critical path implementation plan for the targeted proposal of a Go Live in April 2025, we now have a fully costed revised model depicting worst case position as summarised in this report and the fact that we have a window of opportunity to exercise Go Live up to April 2025 that will greatly diminish the risks and give the opportunity for a successful programme implementation.

9. ENVIRONMENTAL IMPLICATIONS

- 9.1 None.

10. HUMAN RESOURCES IMPLICATIONS

- 10.1 The implementation of Oracle will impact all officers of the Council, with every officer being able to use the system to review their monthly pay slip and book annual leave requests.
- 10.2 More senior officers will have a greater access level and be able to approve payments, undertake HR duties and self-serve budget reports giving them greater control and autonomy.

11. EQUALITIES IMPACT ASSESSMENT AND IMPLICATIONS

- 11.1 An EQIA was completed as part of the Business Case and further Equality Impact assessments will be undertaken as modules of the system are prepared for roll out to the organisation.

12. APPENDICES

12.1 None.

13. SUPPORTING AND BACKGROUND DOCUMENTS

13.1 Leadership Team report, February 2023.

Lisa Taylor
Director of Financial Management

Mandatory clearance process

Cleared by Corporate Finance (LT)

Cleared by Legal Services (KYC/LC)

Cleared by Communications (NPT)