Agresso (Unit4 Business World) Implementation

To:	**LGSS Joint Committee**
Meeting Date:	**28 March 2018**
From:	**LGSS Director of Business Services, Systems and Change**
Electoral division(s):	**All.**
Purpose:	**To update Joint Committee on the progress of the programme to implement the Agresso (Unit4 Business World) ERP system**
Recommendation:	**That Joint Committee note progress on the implementation of the Agresso (Unit4 Business World) ERP system**

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1. BACKGROUND

1.1 Joint Committee received an update in relation to this programme on 24th November 2017, highlighting an improving situation, with progress being made following the re-planning activity undertaken. The overall status of the programme had been reduced from red to amber.

1.2 Cambridgeshire and Northamptonshire county councils (CCC and NCC) signed off the business case for the replacement of their shared ERP (Enterprise Resource Planning – large scale business system integrating HR, Payroll and Finance) Oracle system in May 2015, followed by a procurement process and planned implementation for April 2017. During the second half of 2015 LGSS began working on a joint business case for an extended shared service with Milton Keynes Council (MKC). MKC were also in the process of considering their options to replace their old SAP system which was out of support from July 2017. It was jointly agreed between the three Councils that there are major business benefits from a common ERP systems implementation, so the project was expanded to include the ERP systems for all three councils which included an updated ERP business case delivering £9.86m of cumulative savings over 7 years (excluding the £4.2m of shared services saving benefits from the jointly agreed business case for all three councils resulting from MKC joining). In addition, the replacement of SAP afforded MKC additional savings within their retained budgets. At the time and despite the additional complexity of adding a third Council and a SAP system migration requirement, it was agreed to still re-plan and resource but to try hold the original 'Go-Live' date of April 2017 (which was primarily driven to help mitigate the July 2017 MKC SAP out-of-support service constraints at that time).

1.3 Over the past two years a number of factors contributed to make the original April 2017 'Go- Live' date become progressively unrealistic. With MKC joining the ERP Gold programme and factoring in their SAP replacement requirements into the programme since October 2015, it is clear that the project was made more complex than originally envisaged and subsequently put additional pressures on LGSS Business Systems development resources. Implementing across three partners has been a greater challenge given the need to migrate three legacy data sets from two very different legacy ERP systems (i.e. SAP for MKC and Oracle for CCC and NCC). This was somewhat exacerbated by the lack of any inherited, in-house SAP expertise from MKC which necessitated LGSS to seek alternative external SAP support for MKC as a more cost effective interim arrangement for MKC. In addition, the ERP project has had to accommodate unforeseen major changes in Northamptonshire County Council's organisation for its newly formed federated vehicles, and this has added very significant new demands onto the existing LGSS ERP 'business as usual' resources. In CCC the already stretched LGSS IT resources had to be prioritised during late 2016 / early 2017 to stabilise core IT Infrastructure problems affecting all existing CCC systems and services during the October 2016 to April 2017 period.

1.4 There has also been some change to the scope of the project since its inception, which although limited did place an additional burden on delivery and cost for an already very aggressive original go-live of April 2017, which when all taken together with hindsight was perhaps too challenging to have held the original April 2017 go live date for so long.

1.5 On 24th November, the Joint Committee received a further update on progress with the programme, a revised cost forecast and the findings of an external review by Agilisys to

provide assurance on the achievability of the revised delivery plan. Following that meeting, an update was provided by email to Joint Committee members on 14th December, which included a report from the new Senior Programme Manager. The report outlined the outcome of a major review of the revised programme plan. The plan, supporting the April 2018 delivery date, was endorsed by the Programme Manager and approved by the December meeting of the ERP Programme Board.

2   CURRENT PROGRAMME UPDATE

2.1   The latest programme highlight report reflects an improving situation from the previous update, showing progress being made with both data migration and test phase completion. The overall status of the programme has been moved from amber to green.

2.2   The 'Payroll Parallel Run' (PPR) testing of the system successfully completed its second phase tests during February and phase 3 commenced within the production environment (the system environment which will be used when live) on 7th March. This is a genuine parallel test of the March payrolls being run in SAP and Oracle for all organisations and successful completion will enable sign off of the new payroll system, allowing the April payrolls to run from the new system.

2.3   Despite previous challenging and unsuccessful data migration deliveries there is now confidence in the data migration approach and process which has been successfully proven for the December User Acceptance Testing (UAT) phases, Re-Test and Regression Test phases in January and February and in preparation of the Payroll Parallel Run in January, February and March. At the time of writing this report, the programme is on plan for completion of the migration of all data in to the live environment in preparation for both go live and for the third and final Payroll Parallel Run phase (PPR3) which commenced to plan on 7th March.

2.4   An upgrade of the ERP system (Milestone 6) has been successfully tested and installed in the production environment.

2.5   The fourth User Acceptance Test phase (UAT4) successfully completed its exit criteria which was formally agreed at the Programme Board in January. The Re-Test phase (testing the resolution of priority 1 and most critical priority 2 defects, as agreed by the Business Work Stream Leads at the UAT4 exit sign off) completed to plan in February. At the time of writing this report, the Regression Test phase had completed to plan but with 13 resolved defects requiring re-testing. The re-testing will be undertaken from 7th March within the system test environment with the expectation that formal exit criteria will be met from this phase.

2.6   A separate detailed plan to cover the move from the legacy systems to the new systems ('cut over') is in place and has commenced. Cut over effectively commenced in February with the migration of HR and payroll data into the live environment for the Payroll Parallel Run (PPR3) phase. Over the course of the next month, key milestones will be delivered enabling the Programme Board to approve the final 'Go-Live' decision following successful completion of PPR3 and formal testing success criteria. Although a phased approach is being taken for cut over, 'Go-Live' for most of our user community is expected from 3rd April 2018.

2.7 To support our users getting ready to use the new system, since January 2018, 31 articles have been published through 'ERP Gold Latest' which is accessible to all employees across the partner organisations and is regularly promoted through each organisation's corporate communications channels. There have been well over 5,000 views since the first week of January and almost 16,000 views since it was first published in March 2017. On a weekly basis, staff updates are provided to each organisation's communications teams for publication through their internal communications channels covering key messages from each business area – Accounts Payable, Accounts Receivable, Finance and HR – plus key deadline dates and important updates from the programme. Also included are weekly updates to the 300 ERP Gold Network members across all our partner organisations who will help to support their teams when ERP Gold is live.

2.8 34 demonstration sessions for ERP Gold Network members across CCC, MKC and NCC, reaching 223 attendees have been undertaken during January and February. There has also been targeted engagement of users who will use ERP Gold differently, led by business areas (Accounts Payable, Accounts Receivable, Finance and HR) plus targeted engagement of managers via HR Business Partners and targeted engagement of budget holders via Finance Business Partners.

2.9 There have been 'face to face' classroom training courses delivered to LGSS back office users by an external training provider. 61 courses were delivered to 432 delegates across Finance, AR, AP, HR Advisory, HR Transactions and Payroll teams between July and October 2017. Refresh training for those users is being undertaken by work stream in March ready for 'Go Live'. A blended range of online 'bite size' training resources, hosted on the LGSS iLearn system, are now accessible to all users. Resources include: reference guides supplied by the external training provider and finalised to match our system by work stream leads; eLearning modules; screencasts to show how the system works; and 'quick card' summaries of key processes. Suggested learning sessions have now been launched, based upon the principles that 'bite size' learning is timed at 3-15 minutes and users will only complete the relevant modules to their role. The iLearn system is available 24/7 and via any internet connection, so that it can be accessed at the convenience of the user.

3   COST FORECAST

3.1 The previously revised forecast cost of the programme was agreed by the three partner authorities and it is currently expected that the programme will deliver within that revised budget.