Agenda Item No: 5

OPERATIONAL UPDATE – ERP GOLD

To:	**LGSS JOINT COMMITTEE**
Meeting Date:	**28th February, 2019**
From:	**Steve Day, Acting Director of IT Services**
Purpose:	**To provide an operational update to the Joint Committee on the ERP Gold system**
Recommendation:	**The Joint Committee is asked to note this report**

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1. BACKGROUND

1.1 ERP Gold is the integrated LGSS system used by all LGSS partners to underpin their finance, purchasing, accounts payable, accounts receivable, HR and payroll processes. The software, supplied and supported by Unit4, is called Unit4 Business World (commonly known as Agresso, the software's previous name).

1.2 Joint Committee received a verbal update at their previous meeting, as well as a more detailed presentation and discussion on the system at the Joint Committee and Joint Scrutiny Working Group on 1st November 2018.

2. BUSINESS CASE

2.1 The business case for implementation of ERP Gold identified cashable savings from moving the hosting of the replacement system in-house and the licensing of the new ERP system.

2.2 The final part of the full revenue budget reductions totalling £1.1m per annum for Cambridgeshire and Northamptonshire County Councils and £370k per annum for Milton Keynes Council were delivered in the current financial year 2018/19. It is expected that the projected cumulative savings to the three councils over 7 years of £9.86m will be met in full. This does not include any service specific savings enabled by the implementation of ERP Gold.

3. POST GO-LIVE

3.1 As might be expected of any significant implementation project of this complexity and scale, a number of challenges have been experienced since go-live in April 2018 – both with the system itself and the operational services which rely upon it.

3.2 A specific improvement programme, to which additional resources were dedicated, completed in November 2018 and resolved the priority issues identified by each of the operational areas. Two material deliverables remain outstanding and are currently underway: (i) the resolution of a technical issue preventing the roll-out of a solution to access ERP Gold from outside the partner organisations' IT networks and (ii) increase the reach of self-service functionality; and the redesign of the payroll build for the calculation of back pay which will improve automation and resolve current challenges in this process which are being worked around.

3.3 A project to update the software is currently underway and in the final user testing phase. This is progressing well and scheduled to complete on time in March 2019. It's usual for a full upgrade of the software to take place each year, and

accordingly this will be required during 2019. An early upgrade of the software was tested in a development environment of the system, but a small number of specific issues were identified which will need to be resolved before the upgrade is re-tested. It was therefore agreed that the more straightforward update be completed first, in order to ensure continued software support and statutory compliance.

4.   SYSTEM PERFORMANCE

4.1   Serious performance issues were experienced in the summer of 2018 which caused disruption to users of the system.

4.2   A range of investigation work was undertaken and a number of issues and potential causes were identified and resolved or changed, including hardware, software and network connectivity.

4.3   An underlying software database issue was identified and a workaround put in place to prevent this from affecting system performance. The problem remains under investigation to seek a permanent resolution, but in the meantime has not recurred to impact on system performance

4.4   Other specific improvements identified during this work remain underway, however there have been no recent reports by users of issues with general system performance. In order to support this, a performance baselining exercise is currently being undertaken to measure system performance in specific circumstances, across all three partner IT networks. This will help to identify any continuing performance concerns and opportunities for further improvement work.

4.5   There has been one major incident recorded which affected system access for users from the Northamptonshire and Milton Keynes IT networks in February 2019. This was resolved within the same morning. As is usual in such circumstances, a Major Incident Review was completed to ensure that the cause was identified along with any lessons learned to avoid a recurrence.

5.   VOLUMES & KEY PERFORMANCE INDICATORS

5.1   ERP Gold is a key operational system supporting business processes for the three partner authorities. During the first six months of its operation to the end of October 2018:

- 9,969 users validated for self-service access

- 21,000 individuals were paid through monthly payrolls on 25,000 employment

records

- 31,000 Purchase Orders were raised (£751m in value)

- 782,000 invoices were paid (£1.23bn in value)

- 288,000) AR invoices were raised (£330m in value)

- Budget monitoring reports were run more than 2,900 times by 430 users across

the three partners

5.2   In common with other LGSS services, the LGSS Business Systems team in LGSS who support ERP Gold measure key performance indicators (KPIs) which are reported regularly to the partner organisations. These specifically relate to the incidents raised and change requests made in relation to the systems they support and the time taken to respond to these.

5.3   The KPIs are summarised in the table below, along with the equivalent from the previous financial year – noting that comparison is not complete, being in relation only to the systems supported for CCC and NCC (equivalent statistics not available for MKC) and during a period of system change freeze. The summary demonstrates that despite very significant increases in volumes, performance levels within this team are recovering well from the impact of the go-live period and we are confident that this will continue to improve through the remainder of the year.

	2017/18	2018/19 (Half year)
Volume of ERP incidents resolved	1,206	3,689
Volume of ERP change requests	193	296
KPI performance: incident response	99.2 % (Green)	Q1 – 84.6% (Red) Q2 – 88.9% (Amber)

5.4   The reporting of these KPIs, alongside those of other LGSS services, will be reviewed as part of the work on the LGSS Performance Framework.

6.   GOVERNANCE & FUTURE DEVELOPMENT

6.1   A revised governance structure has been agreed and is in place, which replaces the ERP Gold Programme Board that oversaw the implementation project. The group meets monthly and has a terms of reference which includes the oversight of the future development roadmap for ERP Gold.

A diagram of the board's membership and relationship to the overall governance structure of LGSS is shown below.

A key priority of this board is to validate a baseline of the future development

roadmap and portfolio of improvement projects in relation to ERP Gold.
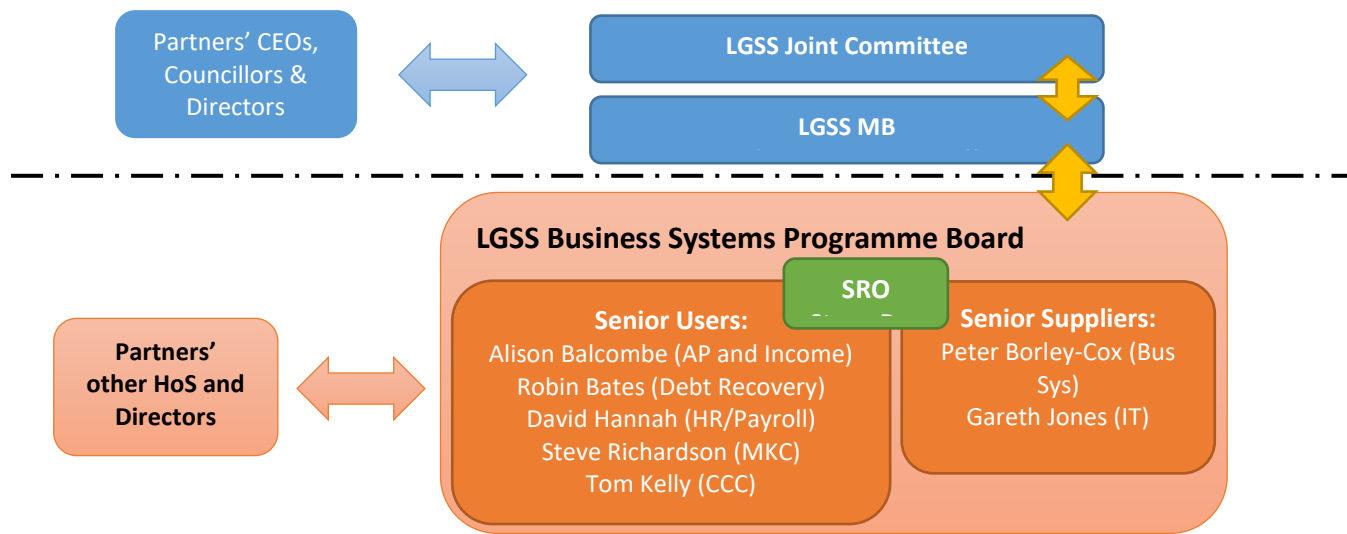
7. SIGNIFICANT IMPLICATIONS

As an update, this report is for information only and does not have any significant implications under the sub-headings below:

Implications	Officer Clearance
Have the resource implications been cleared by Finance?	Not applicable
Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the LGSS Head of Procurement?	Not applicable
Has the impact on statutory, legal and risk implications been cleared by LGSS Law?	Not applicable
Have any engagement and communication implications been cleared by Communications?	Not applicable