Oracle Implementation Update

Audit Committee Sub-Group

24/06/2024

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High-level activities since last update

- CMT agreed to a phased approach for Oracle on 29 May and the programme is therefore working through the full delivery and cost implications of implementing that decision
- Process of revisiting previous decisions where useful based on the findings of the review and learning from other local authorities such as the review of the expense payment decision
- Stand up of support model workstream
- Decision on schools has been revisited and decided to move to self-service model for schools – therefore have stood up a schools engagement workstream
- Programme re-launch session with the programme team
- Re-establishment of programme activity and governance

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Relaunch principles

Built from review recommendations

Adopt not adapt approach and a programme of organisational, not just programme team, activity. Changes in working practices are therefore required such as:

- Implement self-service for expenses, payslips, timesheets and absence
- Create a hierarchy in the system to support workflows
- Schools use Oracle self-service
- Users can access via their personal device if required
- Use Oracle HR Helpdesk for logging 1st and 2nd line tickets, outsource 3rd line support
- Extensive communications and engagement to support necessary changes in organisational working practices

Where an adopt approach is absolutely not possible for a small cohort of people, an alternative delivery method will be found for those individuals rather than customising the system for all.

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Why do a phased delivery

The original business case and subsequent implementation plan was largely focussed on time and milestone achievement due to the commercial nature of the contract with Infosys and the previous end of SAP support being 2024. As such the implementation was largely aimed to implement at speed with minimal disruption and therefore minimal change to the organisational processes.

With the recent contract re-negotiation with Infosys to a time and materials basis, and SAP extending their system support until 2027, the programme can now concentrate on landing a better, more cost effective and more resilient solution rather than a quick replacement. This means that the implementation and processes can be rolled out in phases when ready with exact timings for later phases (at this stage) being less critical.

There are many reasons to do this, including:

- Ability to noticeably 'bank' progress and build from here rather than resetting
- Lower complexity – all modules do not need to be ready at the same time
- Easier user adoption – users can adopt processes as they are released rather than all at once
- Easier support transition – support tickets are phased over a longer period and not all at a 'big bang'
- Potential cost saving - removing programme resources when their element is complete and transition into BAU activity.
- Costs spread over two financial years
- Greater time to work up the detail for the later, more complex phases without holding the programme up

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Programme delivery phases

This gives us something to show for the investment to date rather than waiting for big bang.

- Phase 1, get EPM (Enterprise Performance Management) live, first of 3 phases of roll out.

- Phase 2, Finance & HR dependant processes.

- Phase 3, Remaining HR plus Payroll processes.

This method would start to show some good news with the Oracle product. It also spreads the cost and the peaks in support queries that are likely to result from any go live.

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Programme delivery phases

1. **EPM** (Enterprise Performance Management) – rolled out in three releases expected in Q3 2024/2025:

   a. Workforce Planning and Revenue Monitoring – go live now being targeted for first week of September with user training to be provided the week prior and week after. User engagement has started.

   b. Capital

   c. Budgeting and Virements

   Only finance team members are affected (125 users) so no organisational wide comms is therefore planned.

2. **Finance and related HR elements** – early indications are that the system could be ready with these processes to go live late in 2024 but is dependent on some outstanding decisions.

   c. 1,500 users would be affected and some ramping up of comms and engagement would therefore be required.

3. **Payroll** – the payroll processes could be run in parallel between SAP and Oracle. This parallel running would allow confidence to be gained in the Oracle system using up to date data and transactions. Expectation from the current workstream sponsor is that there is still considerable effort required before Payroll could be ready to go live, reflecting the complexity of this area.

   All users affected – substantial organisational comms and engagement required.

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Phase 1 EPM

There is greater clarity over this first phase of EPM as it is the least complex and the chronology is as follows:

Finish solution design and build
- By 28th June: all calculation scripts completed
- 1st July – 12th July: data load processes will be built
- 8th July – 12th July: user interface will be built
- 11th July - commence Data Migration 1 ahead of testing phases
- Show and tell sessions to take place with Key Stakeholders to introduce them to the system and ensure all requirements are being met
- Report requirements gathering completion and beginning report development

Testing and training
- 10th July – 30th July: System Integrated Testing (SIT) preparation and execution
- 15th July – 30th August: User Acceptance Testing (UAT) preparation and execution
- End user training throughout August and September (working around the holiday period)
- 4th September: Go-live of workforce and planning

By which point detailed plans will be in place for the remaining two elements of EPM which will then be delivered in order.

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Phase 2

- Phase 2 Finance and HR
  - Clarity on later phases still being provided due to certain decisions still needing to be made (referred to later on). The benefit of a staggered approach is that it gives the time to work this through without holding things up.
  - Target to close all Phase 2 design decisions by the end of June 2024
  - Complete an environment build and data migration throughout July into August.
  - Testing could start mid/late August, duration required for testing likely to be 3-4 months which could allow a 2024 Go Live
  - Training and comms to run in parallel

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Phase 3

- Payroll and Self-Service processes such as Expenses, Timesheets, Payslips, Absence
    - Absence and open defect regression testing
    - Complete change controls and defect resolution from absence regression testing and other pay effecting change
    - A full data migration - likely duration around 2 months.
    - User Acceptance Testing
    - Changes to the system configuration such as Redwood (New Oracle user screens).
    - Test pay affecting changes using staged scenarios
    - End to end testing
    - Data Migration for Parallel Payroll Running (PPR)
    - PPR – comparison of SAP vs Oracle payroll calculations (minimum 2 monthly payroll comparison)
    - Cut over
    - Go live
    - Hypercare – 3 months
    - Training & comms to run in parallel

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The next few weeks

- Key decisions that would have a material impact on timeline need to be made. These include:

  – Agreement required on the amount of data to migrate to the Oracle system. The decision is complexity vs ease of access to historical data.

  – Cost Centre approval approach – a decision is required as to how approvals are made in the system, Oracle is designed to use an establishment (organisational structure) for logistical workflow. Currently ESCC do not keep this.

  – Login methods – the use of mobile devices needs to be agreed for users without a council laptop such as 'hard to reach' users and all schools users. Without allowing personal device access an alternative solution for those users will need to be offered either as technology or paper. This introduces complexity, deviates from the 'Adopt' methodology and will extend time and cost.

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Business Engagement & Comms

- With the potential changes to end user processes with the introduction of self-service, the programme needs to increase engagement with the programme teams, the business and the external organisations that use our services such as schools, academies, and East Sussex Fire and Rescue Services. The engagement team will be tasked via various forums to provide programme updates, system and process demonstrations (as-is and to-be), persona case studies, supporting documentation and materials to give all parties as early sight as possible of the future processes and impact to them.

- They will also communicate requests that will support an easier go live such as asking in advance for people to check and their cleanse their personal data, confirm expected annual leave balances and confirm team line management structures. To support this the programme will:

  - Use existing comms channels and meetings
  - Rebrand to Oracle rather than MBOS
  - Will reconsider role of Oracle Advocates
  - Deliver key messages around 'adopt not adapt' and understanding where working practices may need to change and how the programme can support with that. Engagement will also be to understand whether there are genuine and unavoidable reasons why an adopt approach would not work and whether any mitigations or concessions to the adopt approach need to be made

- Engagement will be supported by professional training where required, user journeys and personas, quick cards, demonstration videos and guided learning as well as by senior level support for key messages and decisions.

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Key messages

These include:

- Newer, more modern system
- No choice but to implement – the alternative is to keep SAP which is going out of system support in 2027 and will then be a high risk of falling over with no functionality being available (e.g. not being able to pay people at all)
- Other benefits of Oracle
  - streamlined everyday actions (can make staffing changes directly in the system, removing redundant payment options e.g. only 2% of payments are by giro slips the rest are by BACS)
  - everyone can self-serve (staff will be able to make their own updates for things like change of address, expenses etc)
  - has built in AI capability if we do not adapt the system too much
- Refer to project as Oracle and move away from MBOS
- Oracle is a robust system used successfully by other local authorities, including other County Councils
- System implementations are inherently complex (because software vendors don't always consider all the requirements specific to local authorities) and we may encounter teething problems. Staff training and engagement are vital and the programme is set up to provide support
- This will include at go live where we are bound to encounter some issues, even with the greatest level of preparedness. In these instances, the programme commits to being available to support and rectify issues promptly and will ask that staff are understanding and respectful/patient
- It will mean some difference in ways of working but the programme will help staff through it
- Phased implementation

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On-going risks:

Continued confidence in Oracle as the system solution.
- There is a risk that the delay to go-live creates a challenge in the wider organisation to the acceptance of Oracle as the solution which impacts take up and willingness to engage with the solution post go-live. This can be mitigated by a continued comms focus on our drive for quality and not time but also by ensuring commitment to the desired way forward following the independent assessment.

Financial risk
- Future costs will need to be considered alongside other council pressures through the RPPR process and MTFP but that they will also need to be considered alongside the financial and reputational implications of not incurring them.

Overall delivery viability and effective post implementation support
- There is a risk that with organisational process changes that people won't culturally be willing to adopt the new working practices. Employees will have to ensure items such as timesheets and expenses are submitted into the system ahead of cut off dates. Managers will have the responsibility of ensuring processes like new starters, changes to posts, timesheets and expenses are approved. The impact of not doing these submissions and approvals could impact pay for themselves and particularly their direct reports as well as other organisational impacts. Detailed engagement and training plans will be produced but organisational buy in will be required to ensure adoption.

Reputation - press and member attention
- There is a risk that the delay in go-live is perceived as being a negative reason and impacts ESCC's external reputation, rather than a positive focus on learning from other implementations and maintaining a quality focus as opposed to go-live driven by time. This can be mitigated to some extent by careful communication though it is exacerbated by other risks noted here, in particular the cost/challenging financial context risk.

Legacy System
- Our SAP version goes out of support in 2027. At this point updates such as mandatory statutory changes could stop, leaving the council unable to successfully process payroll and report tax accurately and open to fines from HMRC as well as other financial and reputational damage. This could also leave the council open to ransom charges in the short term with a full system replacement the only option.

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