

Committee(s): Finance Committee – For information Corporate Services Committee – For Information	Dated: 20 February 2024 21 February 2024
Subject: Enterprise Resource Planning (ERP) Programme Update Report	Public
Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?	7,9,10
Does this proposal require extra revenue and/or capital spending?	N
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain’s Department?	N/A
Report of: Chief People Officer & The Chamberlain	For Information
Report author: Simon Gray, Chamberlain’s Department	

Summary

The Enterprise Resource Planning (ERP) Programme is the project for the City of London Corporation to replace its current legacy systems; City People (Midland i-Trent) for HR & Payroll and Oracle R12 for both strategic and operational finance. The new ERP Solution will modernise the technology we rely upon to deliver back-office services. A vital component of the new ERP Solution is that it will support the City of London Corporation’s culture change. It will promote and enable self-service for all employees to access their information, provide access to real-time information and enable informed business decisions. There is a notable change workstream factored into the overall programme, this is driven by the ‘adopt not adapt’ principle.

To successfully deliver and implement the ERP Programme, the programme needs to be appropriately resourced. Key roles have been identified and a recruitment campaign will be launched to ensure the correct resources are in place to deliver the successful delivery of the programme. Members should note Finance Committee and Digital Services Committee have since endorsed the budget increase which supports the resources required for the programme for onward approval of Court of Common Council in March.

Recommendation(s)

Members are asked to note the report.

Main Report

Background

1. The City Corporation has used the same core back-office systems for Finance, HR, Payroll and Procurement for over 20 years. The systems are now either out of support (Oracle) or an unsupported platform (City People) which causes the City of Corporation the need to procure third-party support and invest staff time in prolonging their life to deliver critical services.
2. The current HR and Finance systems currently work in isolation and require significant manual interventions or manipulations to support our business-as-usual operations. Creating inefficiencies and impacting data-supported business decision-making.
3. It is agreed that an Enterprise Resourcing Planning (ERP) System will replace the ageing systems. The ERP will deliver a cloud-based integrated Finance and HR solution. Workshops with system users and administrators were undertaken to determine what requirements the City of London Corporation including its Institutions wanted and needed in a new ERP system.
4. A Find a Tender Service (FTS) Restricted Procedure was undertaken to procure the ERP Cloud SaaS Solution, with the Court of Common Council approving the award to the preferred bidder in November 2023.

Current Position

5. The implementation of the new ERP solution will modernise the technology we rely upon and support the Corporation's culture change. The new system will support increased self-service for all staff, giving access to real-time data. Therefore, enabling the streamlining of back-office and optimising resources through efficiencies.

Change Programme

6. An essential component to deliver the successful implementation of the ERP Solution is the change programme. The programme plan includes a significant commitment to change resources throughout the programme's lifespan.
7. The 'adopt not adapt' or "fit to standard" principle refers to the approach by organisations that embrace modern technologies, methodologies, and changes rather than merely modifying the solution to fit with their current ways of working. This principle encourages a proactive and open attitude towards change.
8. The programme resources include:
 - Change Managers - to lead the engagement across the Corporation and focus on the "adopt not adapt" principle.
 - Business Analysts - to focus on the benefits of the to-be model and how we can drive benefits from our existing working practices.

9. The programme will look to establish standard ways of working with minimal variations primarily based on legislative requirements (e.g. City Bridge Foundation and the Corporation's charities have specific statutory finance requirements that differ from the rest of the Corporation), or the specific terms and conditions that staff have in place that must be reflected.
10. The programme has significant sponsorship and visibility across the Corporation with representation from all the relevant Departments and c.72 senior stakeholders identified for input. The programme has set up change engagement meetings with each of the Departments to both inform and listen to current challenges, capture critical success factors and determine the best way to engage with impacted users across the Corporation

Recruitment approach

11. The ERP Programme has identified 65 roles to enable the delivery of the new ERP solution. Many of the roles will be filled with internal resources (where possible). This approach will assist in engaging our key talent on this journey of change and ensure ongoing ownership of the solution within the Corporation through knowledge transfer. Where required, existing roles will be backfilled to ensure business-as-usual service can continue to be delivered.
12. External expertise is required to fill 25 of the programme roles. These roles include Change Leads, Business Analysts, Project Management Officers, Integration Developers, and technical resources aligned to the preferred supplier. The preferred recruitment approach is to appoint successful candidates to fixed-term contracts (FTCs). This approach will support the consistency of resources throughout the lifespan of the programme. The timeframes are shown in Appendix A.
13. The recruitment process will benchmark roles to establish the correct market rate (either interim, permanent or FTC) and commence a recruitment campaign to bring the right talent into the organisation addressing value for money and creating the internal capacity. The standard approval process will be followed with roles over £100k per annum being submitted to CSC and Court of Common Council Approval.
14. All recruitment to the programme will be carried out in line with our Recruitment & Selection policy along with related procedures.

Phased go live

15. The programme is focused on delivering a return on investment by implementing a modular approach to delivery and where possible, avoiding a "big-bang approach" where all functionality goes live simultaneously. The benefits of this approach, particularly for the HR function, provide flexibility around the deployment of desired modules such as performance management and learning and development. It allows the development to be aligned with business needs rather than a technology roadmap.

16. It is to be noted that Core HR, Payroll and Finance functions are required to have an aligned 'Go Live' and are limited in the modular phasing. We will be working with Departments to establish the best phasing for the programme to deliver early value. See Appendix A for an indicative phasing – subject to agreement with the chosen System Integrator.

Corporate & Strategic Implications

Strategic implications - The ERP Programme supports the Corporate Initiatives to deliver brilliant basics and mitigates the risk of unsupported legacy systems.

Financial implications - Finance and Policy and Resources Committees have approved the budget envelope to bring in the relevant resources including backfills.

Resource implications - The requirement of resourcing is detailed in this paper.

Legal implications - All staff resourcing, and employment contracts will comply with statutory requirements and be in line with best practice.

Risk implications - Failure to baseline the programme roles would place a risk on the organisation. Further assurance on resources will be sought upon boarding the System Integrator planned for June 204

Equalities implications - An Equalities Impact Assessment was done initially and is currently being updated and will be brought back for review. This will be routinely updated throughout the life of the programme.

Climate implications - None

Security implications - None (other than standard vetting requirements)

Conclusion

17. The successful implementation of the ERP Solution is tied to the change programme, which plays a pivotal role in supporting the transformative era for the Corporation. Embracing the 'adopt not adapt' principle signifies a proactive stance towards modernisation and encouraging a cultural shift. The ERP Programme's commitment to utilising internal resources and a modular delivery approach gives a strategic emphasis on sustainable ownership, knowledge transfer, and a phased implementation for optimising efficiency. Regular updates on the overall programme will be routinely presented to this committee. This is expected to be no less than Quarterly.

Appendices

Appendix A - Indicative People Phasing

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