

<b>Committee(s)</b>	<b>Dated:</b>
Finance Committee – for decision Police Authority Board – for decision Projects Sub Committee – for decision Establishment Committee – for decision Digital Services Sub Committee – for decision	15 <sup>th</sup> June 2021 22 <sup>nd</sup> June 2021 23 <sup>rd</sup> June 2021 23 <sup>rd</sup> June 2021 23 <sup>rd</sup> July 2021
<b>Subject:</b> Member Governance of the ERP Project Delivery	<b>Public</b>
<b>Does this proposal require extra revenue and/or capital spending?</b>	<b>N</b>
<b>If so, how much?</b>	<b>N/A</b>
<b>What is the source of Funding?</b>	<b>N/A</b>
<b>Has this Funding Source been agreed with the Chamberlain's Department?</b>	<b>N/A</b>
<b>Report of:</b> Chamberlain	<b>For Information</b>
<b>Report author:</b> Sonia Virdee – Chamberlain's Department	

### Summary

To ensure an effective delivery of the Enterprise Resource Planning (ERP) Solution (including the financial system) for the City of London Corporation, it is proposed that a Member Steering Group is established with representation from the following stakeholder committees:

- Finance
- Police
- Establishment
- Digital Services Sub
- Projects Sub

Where decisions as are needed from Finance Committee, these may be delegated to the Member Steering Group to ensure timely implementation. Member oversight provides a level of scrutiny for the relevant Committees in an efficient and timely manner.

Coinciding with the implementation of the Target Operating Model, the effective delivery of the ERP Solution creates the opportunity to increase collaboration and efficiencies across the corporation; change entrenched practice and remove bottlenecks. It will also provide timely and accurate information for Member decision making and create a central hub for corporation financial and staffing information.

## **Recommendation(s)**

Members are asked to approve the governance approach of the ERP Solution.

## **Main Report**

### **Background**

1. The 2020/21 Capital Programme included an Enterprise Resource Planning (ERP) solution as a replacement of the financial, HR and payroll business applications. The ERP Solution aims to deliver a consolidated and integrated platform across the Financial, HR and Payroll functions. In support of the Target Operating Model (TOM), the implementation of an ERP solution is a key enabling tool that efficiently and effectively paves the way to a shared service approach across the Corporation.
2. Drawing upon the key lessons learned from the previous Oracle (Finance system) upgrade in 2016, it is evident that the Governance of the programme was insufficient at the time. This oversight led to downfalls with programme delivery, business engagement and change management. In consideration of this the proposal included in this report address and plans the first steps to mitigate any risks of the same/new issues arising, by establishing a Member Steering Group in addition to a Project Board to oversee and challenge the programme in a timely manner. As well as giving access to swift decision making to keep the momentum going without causing any delays.

### **Current Position**

3. Following the approval of the New Financial System and ERP Project Gateway 2 Document, the project has progressed into the 'define' phase in preparation for procurement of the new ERP system. A Project Board chaired by the Chamberlain has been established to oversee the delivery of the ERP Project from design to procurement and throughout delivery and implementation.
4. The objectives of the Project Board are to provide a strategic steer for the project, approve the activities of the ERP Programme, address any escalations or significant risks arising and oversee the efforts of the teams and groups delivering the programme. The Project Board is established with representatives from HR, Finance, IT, Procurement, COLP and representatives from the delivery team.
5. During the kick-off meeting of the ERP Solution Project Board, it was recommended that a Member Steering Group should be established to give oversight and steer to the Project Board. Suggested Members for this group include the Chairmen or their nominated person of the following committees:
  - Finance Committee
  - Establishment Committee
  - Projects Sub Committee
  - Digital Services Sub Committee
  - Police Authority Board

6. As the ERP solution crosses over a few Committees, it is recommended the Member Steering Group are empowered to take decisions on behalf of the Committees. Where a Finance Committee decision is needed this may be delegated to the Steering Group to ensure the smooth transition of the ERP solution and avoid any delays. Update to other Committee's will be for information only.
7. With the Oracle replacement being a key driver of the ERP solution, plus delegation for approval to the Finance Committee, it is recommended the Member Steering Group is chaired by the Chairman of the Finance Committee.
8. The nominated members are the Member counterparts of the key stakeholders impacted by the delivery of the ERP Project; it aligns with the representatives that are on the project board to ensure there is equal representation of HR, Finance, IT, Procurement, COLP and the Project team.
9. It is proposed that the Member Steering Group will meet monthly (or as a required) to provide scrutiny of the delivery of the project, the oversight of the responsibilities undertaken by the Project Board, the efforts of the Tender Working group and future programme and delivery functions. More details of the responsibilities of the Group are detailed in appendix 1; the draft Terms of Reference of the Member Steering group that will be considered at the first meeting of the group pending the approval of this report.
10. The Group allows Officers to draw upon the knowledge and guidance of Members representing these committees in a less formal setting. In addition to monthly meetings, the Member Steering Group will be provided with regular highlight reports with the chance to raise any potential risks, opportunities or questions on the activities or decisions in a timely manner.
11. Gateway Papers will continue to be presented to the Committee Cycle for approval.

## **Conclusion**

It is proposed a Member Steering Group is formed from the key stakeholders impacted by the delivery of the ERP Project, to provide additional scrutiny and challenge to ensure an effective delivery of a new ERP solution.

It is recommended the Member Steering Group is chaired by the Chairman of the Finance Committee.

It is also recommended the Member Steering Group are empowered to take decisions on behalf of the Committees. Where a Finance Committee decision is needed this may be delegated to the Steering Group to ensure the smooth transition of the ERP solution and avoid any delays. Update to other Committee's will be for information only.

## **Appendices**

- Appendix 1 – Draft Terms of Reference



## ***ERP Member Steering Group Terms of Reference (DRAFT)***

### **Context**

The 2020/21 Capital Programme included an Enterprise Resource Planning (ERP) solution as a replacement of the financial, HR and payroll business applications. The ERP Solution aims to deliver a consolidated and integrated platform across the Financial, HR and Payroll functions. In support of the Target Operating Model (TOM), the implementation of an ERP solution is a key enabling tool that efficiently and effectively paves the way to a shared service approach across the Corporation.

Following activities in 2020, of Softmarket Testing and pain point workshops a tendering route to market and financials have been agreed, enabling the City to mobilise the ERP project. A Project Board has been formed; the board have drawn upon lessons learnt from previous Oracle upgrades and agreed that a Member Steering Group should be established to oversee the delivery of the ERP Programme.

### **Objectives**

The ERP Member Steering Group has been established to provide a strategic oversight of the responsibilities undertaken by the ERP Solution Project Board.

The Member Steering Group's objectives and functions will include the following:

- Overseeing the Project Board's championing of the ERP Programmes
- Providing a strategic steer on the approach, vision and objectives at a senior level.
- Approve key programme deliverables (that are above the responsibilities levels of the Project Board)
- Ensure that the deliverables align with other projects across the Corporation (including the implementation of the Target Operating Model)
- Provide continuous support and direction on the vision and programme delivery.
- Provide or be a point of escalation for significant risk and issues, including cross organisational challenges, difficulties in applying the programme vision in practice, and addressing blockages and barriers as they arise.
- Supporting the ERP Project Board in the management of key deliverables
- Ensuring that business need or opportunity has been identified correctly and is supported by robust information
- That all elements of the programme and the project success criteria are clearly defined and
- The solution is consistent with the Corporate Plan, makes sense commercially and provides best value for money
- Programme independencies are understood and managed. All project risks are identified, owned and mitigation actions managed
- All stakeholders are consulted and appropriate buy-in achieved
- Ensures lessons learnt from previous Oracle implementation are addressed.
- Represent the stakeholder committees in decision making opportunities.

### **Members**

The nominated members are the Member counterparts of the key stakeholders impacted by the delivery of the ERP Project; it aligns with the representatives that are on the project board to ensure there is equal representation of HR, Finance, IT, Procurement, COLP and the Project team.

The Chair of the Member Steering Group

- Chair of Finance Committee

The members of the Project Board will comprise:

- Finance Committee - Deputy Chair (or their nominated delegate)
- Establishment Committee - Chair and Deputy Chair (or their nominated delegates)
- Projects Sub Committee - Chair and Deputy Chair (or their nominated delegates)
- Digital Services Sub Committee - Chair and Deputy Chair (or their nominated delegates)
- Police Authority Board - Chair and Deputy Chair (or their nominated delegates)

Officers:

- Caroline Al-Beyerty (Chamberlain)
- Sonia Virdee (Assistant Director - Strategic Finance - Chamberlains)
- Sean Green (IT Director – Chamberlains)
- Janet Fortune (HR Assistant Director – Town Clerks)
- Nicholas Richmond Smith (Assistant Director Category Management & Sourcing – Chamberlains)
- Michael Edelstein (COLP)
- Project Manager

*\*\*should you wish to assign a deputy in your place, please advise*

### Structure of the Project Board

- Minutes will be taken of the meeting and circulated subsequently.
- The chair will act as a co-ordinator at all meetings. All decisions are made based on a consensus basis.

### Member Steering Group meetings and Updates

- Meetings will be held monthly or more frequently aligning with key milestones however agreed but the frequency of said meetings will be reviewed regularly
- An agenda will be produced and issued to members at least three working days before each meeting.
- Steering Group Members will be invited to contribute items to the agenda if they wish.
- Meeting minutes will be taken and circulated to all participants no later than one week after the meeting.
- The Member Steering Board will exist until the ERP Programme has delivered its objectives or until such time that an alternative governance mechanism is agreed.
- Regular highlight reports will be provided to Members of the Steering Group

### Review

These Terms of Reference will be reviewed every 2 months, or as requested by its members. Next review will take place at the kick off meeting.

Revision Date	Previous Revision Date	Summary of Changes	Changes Marked
Version 1.0			