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| <b>Committee(s):</b><br>Bridge House Estates Board – For decision<br>Finance Committee – For decision<br>Digital Services Committee – For decision<br>City of London Police Authority Board – For decision<br>Corporate Services Committee – For decision<br>Operational Property and Projects Sub Committee– For decision | <b>Dated:</b><br>15/05/2023<br>16/05/2023<br>24/05/2023<br>24/05/2023<br>31/05/2023<br>05/06/2023 |
| <b>Subject:</b> Member Governance Enterprise Resource Planning (ERP) Delivery  | <b>Public</b>   |
| <b>Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?</b>  | 7 & 9   |
| <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 Decision</b>   |
| <b>Report author:</b> Sonia Virdee, Financial Services Director  |   |

### Summary

The Corporation is in the process of procuring an Enterprise Resource Planning (ERP) solution replacing back-office systems for Finance, HR, Payroll and Procurement. A significant programme which seeks to not just replace the IT systems but support the corporate and cultural transformation priorities to drive outcomes under the new Target Operating Model.

This ERP programme is cross cutting and sits across 6 Committees/Boards and under the current governance process approval will be required at each gateway from all 6 Committees/Boards. To maintain speed and momentum on the ERP programme, plus avoid any delays from the current process, this paper sets out the recommendations to appoint a lead committee, and to continue with the Member Steering Group.

### Recommendation(s)

- Members are asked to endorse and approve Digital Services Committee as the lead committee for the Enterprise Resource Planning (ERP) solution.
- Members are asked to endorse the continuation of the ERP Member Steering Group, comprising of members from each Committee/Board for strategic oversight of the responsibilities undertaken by the ERP Project Board.
- Members of the Bridge House Estates Board are asked to endorse and approve - approvals in respect of the project are delegated to the Managing Director of Bridge House Estates (BHE), in consultation with the Chair and Deputy Chair of that Board, who will take account of the decisions taken by the lead decision-making committee and representations from the Member Steering Group.

## Main Report

### Background

1. In the summer of 2021, Members agreed to appoint a Member Steering Group to provide a strategic steer and oversight of the ERP Project Board. This informal Board was comprised of Members of those Committees identified as 'service committees' in the context of the City of London Corporation's projects procedure. This included the Finance Committee, Establishment Committee (now Corporate Services), Projects Sub-Committee (now Operational Property and Projects Sub-Committee), Digital Services Sub-Committee (now a Grand Committee) and the City of London Police Authority Board. Following the formation of the Bridge House Estates Board, it was further recommended a member from BHE Board also formed part of the Member Steering Group.
2. In April 2023, the Enterprise Resource Planning (ERP) solution Gateway 3 paper was presented to the Finance Committee and Operational Property and Project Sub Committee (OPPSC), it was highlighted by the Town Clerk's Department that this level of delegation to a Working Party was not valid, and decisions would need to be sought from each Committee/Board.
3. Upon consideration of the Gateway 3 paper, the Finance Committee and OPPSC did not think it prudent for the ERP programme's decisions to be reported to all six committees and supported a proposal that a report be brought forward outlining options to streamline the governance. One of the options briefly discussed at the meeting was identifying a lead committee that would be responsible for acting as the 'service committee', in the process of decision making in line with the current Projects Procedure.

### Current Position

4. The City of London [Projects Procedure](#) dictates how the City Corporation's projects are managed and have their own specific governance framework (as referred to within the Court of Common Council's Standing Orders 50(2))
5. Amongst other things, the Procedure sets out the role of OPPSC and the role of the 'service committee' in relation to various committee level project approvals. Whilst this is not currently definition of a 'service committee', in practice they are those committees who are responsible, under their terms of reference, for defining the operational requirement of the project and/or are responsible for the budget(s).
6. In the case of the ERP, there are five committees, in addition to OPPSC, which are feeding into the project scope and/or are responsible for funding the work. These are:
  - Finance Committee
  - Digital Services Committee
  - City of London Police Authority Board
  - Corporate Services Committee

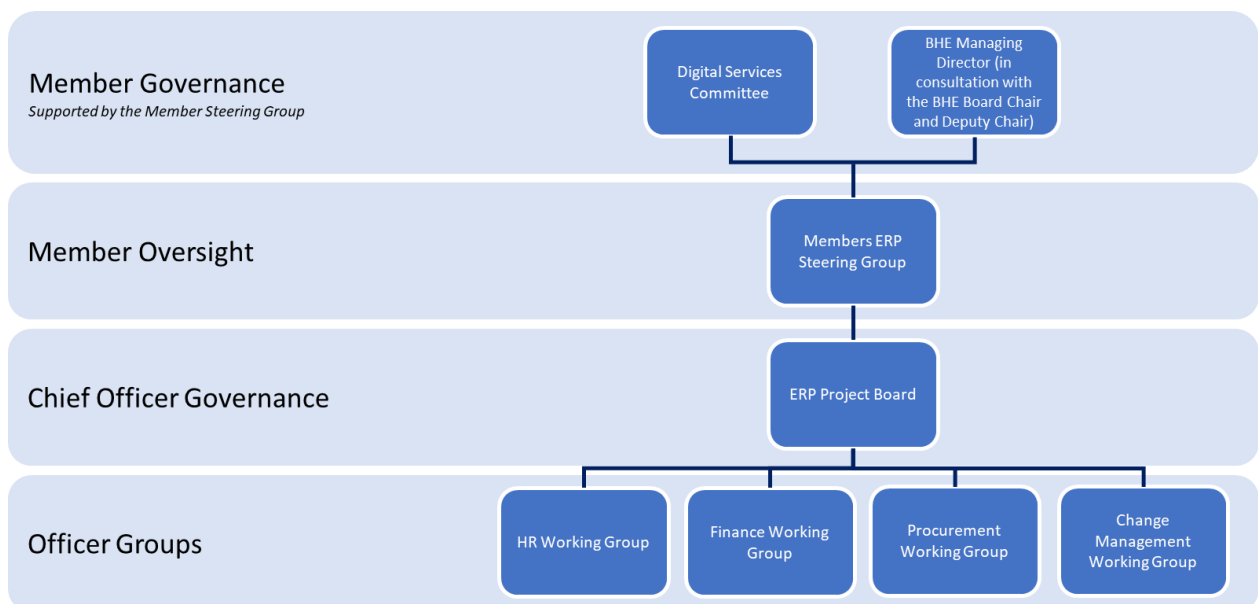
- Bridge House Estates Board
7. This means that all five 'service' committees need to formally consider and approve the Gateway Reports.
  8. In context, the Enterprise Resource Planning (ERP) solution Gateway 3 paper was approved by the Operational Property and Project Sub-Committee and Finance Committee in April 2023. The Gateway 3 paper now also needs to be considered by Bridge House Estates Board on 15 May 2023 together with remaining committees (Corporate Services Committee, Police Authority Board and Digital Services Committee) for which decisions under urgency procedure are being pursued with the Town Clerk in consultation with the various Chairs and Deputy Chairs.
  9. This position is clearly undesirable. It can add several months to decision making processes and causes confusion over the role of each committee, particularly if there is disagreement between them. In the interest of good governance and cost savings it was agreed at Finance Committee and OPPSC that a full report outlining options for a more streamlined, agile approach for ERP Governance be brought back to all relevant committees for final consideration and, if required, to the Court of Common Council.

## **Proposal**

10. As the ERP solution cuts across a number of committees, it is proposed that the Digital Services Committee is empowered as the lead decision-making committee for the delivery of the Enterprise Resource Planning (ERP) solution. The Digital Services Committee will receive regular project updates throughout the ERP project.
11. Noting that the Bridge House Estates Board is responsible for discharging all the functions of the City of London Corporation as the charity Trustee, except where they have been expressly reserved to the Court of Common Council, that Board is separately asked to consider an appropriate provision for progressing approvals on behalf of BHE. With BHE funding representing a contribution of around 5% of the total project costs, it is proposed that future BHE Board approvals in respect of the project are delegated to the Managing Director of BHE, in consultation with the Chair and Deputy Chair of that Board, who will take account of the decisions taken by the lead decision-making committee and representations from the Member Steering Group, with appropriate reporting to the BHE Board on the exercise of this delegated authority.
12. In addition, it is proposed a Member Steering group is continued with appropriate representation from the following stakeholder committees:
  - Bridge House Estates Board
  - City of London Police Authority Board
  - Corporate Services Committee
  - Digital Services Committee
  - Finance Committee
  - Operational Property and Projects Sub Committee

13. The Member Steering Group, will provide the Officer Project Board to draw upon Member guidance and knowledge throughout the delivery of the ERP solution. The Member Steering Group will focus on the business transformation deliverable of the ERP solution. The Member Steering Group will provide a less formal setting to question, challenge and highlight potential risks, challenges or opportunities for the project.
14. Recommendations from the Member Steering Group will be presented to the Digital Services Committee and Managing Director of BHE to take formal decisions (where required) on behalf of all the other Committees/Boards and receive regular project updates. This approach is proposed to ensure sufficient Member oversight on the delivery of the programme, management of the budget envelope and receiving the appropriate scrutiny not only in terms of business transformation but also an IT solution.
15. With this recommendation, Gateway Papers for approval under the project procedures will only be presented to:
- The Digital Services Committee as the lead committee
  - The Managing Director of BHE, in consultation with the Chair and Deputy Chair of that Board; and
  - OPPSC.
16. Note that the City Corporation's Procurement code will apply, (with any procurement contracts above £2m requiring approval from OPPSC and Finance Committee as appropriate).

Chart 1: Proposed decision-making structure



## **Conclusion**

17. To conclude, it is proposed that the Digital Services Committee, is appointed as a grand committee, and lead decision-making body to provide additional scrutiny and challenge to ensure the effective delivery of a new ERP solution.
18. Where BHE Board is responsible for discharging all the functions of the City of London Corporation as the charity Trustee (except where they have been expressly reserved to the Court of Common Council), to delegate authority to the Managing Director of BHE in consultation with the Chair and Deputy Chair of BHE Board on decisions in respect of this project.
19. The continuation of the ERP Member Steering Group continues to provide strategic oversight of responsibilities undertaken by the ERP Project Board and make recommendations to the Digital Services Committee.

## **Appendices**

- None

## **Background Papers**

Member Governance of the ERP Project Delivery – June 2021

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