

<b>Committee(s):</b> Digital Services Committee – For Information Corporate Services Committee – For Information Finance Committee – For Information	<b>Dated:</b> 5 September 2024 11 September 2024 24 September 2024
<b>Subject:</b> Enterprise Resource Planning (ERP) Programme Update Report	<b>Public</b>
<b>Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?</b>	Providing Excellent Services
<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> Chief People Officer & The Chamberlain	<b>For Information</b>
<b>Report author:</b> Simon Gray, Chamberlain’s Department	

### Summary

This report updates the advancements in the Enterprise Resource Planning (ERP) Programme.

The City of London Corporation is undertaking a major project to transform its systems with an ERP solution, which will take over the duties from the current legacy systems; namely City People (Midland i-Trent) for HR & Payroll, and Oracle R12 for strategic as well as operational finance functions. This new ERP system will update and improve the technology used to provide our essential behind-the-scenes services.

The ERP Programme has achieved significant milestones in the last 3 months including the completion of the procurement exercise for the System Integrator Partner, recruited to HR roles within the programme team.

### Recommendation(s)

Members are asked to note the report.

### Main Report

#### Background

1. The City of London Corporation has embarked on implementing an Enterprise Resourcing Planning (ERP) System that will replace the ageing Finance, HR, Payroll and Procurement systems.

2. The same core back-office systems have been utilised 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.

### **System Integrator (SI) Procurement Update**

3. The Initiation to Tender (ITT) phase of the SI procurement was published in April to the eligible suppliers, with a submission deadline of the of May 2024. Throughout June, 38 officers undertook the evaluation process of the responses of three bidders. Following moderation of individual scores, interviews with suppliers were carried out to finalise the scores for each supplier's bid. The outcome of the procurement process was then presented to the Project Board, Member Steering Group, Digital Services Committee and Court of Common Council for approval.
4. Following the approval of the preferred bidder status of Bidder B, the suppliers have been notified and following the standstill period, final contract negotiations will be conducted throughout August with an anticipated contract start date of Early September.

### **Programme Update**

5. The project aims to finish the agreed scope by April 2026. Human Resources (HR) will be implemented in phases, starting with Recruitment and Performance Management, while Finance is scheduled for a single deployment. This plan will proceed upon endorsement by the chosen System Integrator.
6. The programme is focused on the readiness checks prior to the commencement of the programme with the SI partner. Readiness checks include:
  - i. Programme resourcing (see HR and Finance sections) and external recruitment for specialist skills
  - ii. Appointing a partner to perform a data health check
  - iii. Establishing the change strategy
  - iv. Launching early programme comms to prepare the organisation
7. In preparation of the onboarding on the System Integration partner in September, key stakeholders in the programme are participating in the rebranding initiative for the programme. The goal is to infuse new energy into the project and foster greater engagement by choosing a name that resonates and captures the essence of our mission. Results of the re-naming and rebranding of the programme will be presented to the project board in September for approval.

### **HR Update**

8. The terms of reference and membership of the HR Project Board have been agreed and regular meetings have commenced.
9. Over the summer an internal recruitment campaign for HR programme roles was conducted. Seven candidates have been appointed to roles and HR Architect was

appointed to by an external applicant. Two roles remain vacant, with a plan in place is to readvertise the roles internally and/or externally. Following the internal appointments, conversations on backfill requirements are ongoing to ensure delivery of business as usual responsibilities.

### **Finance Team Update**

10. The position of Finance Architect has been assigned to, with all higher-level finance positions reporting to the Finance Lead. In contrast to the HR roles, the majority of the finance positions have been earmarked by current post holders who will pivot into the program.

### **Technical Team Update**

11. The fundamental technical team is assembled and prepared to start work on the program. Recruitment for the other positions that demand additional SAP technical expertise will be open to both internal and external applicants to ensure we recruit the most qualified individuals for the program.

### **Budget Update**

12. The Digital Services Committee, serving as the Lead Committee in alliance with the Finance Committee, has established a robust framework to ensure diligent monitoring and to affirm that controls over the cost risk provision within the budget. It is recommended that the Chamberlain, as the project SRO has authority to approve the utilisation of up to 10% of the costed risk provision, with the use of above this threshold will require scrutiny by Digital Services Committee and the approval of Finance Committee.

### **Programme Next Steps**

13. We are currently reviewing the options for programme office location to enable co-location of the programme team and the system integrator.

14. The programme plan will be co-developed with the SI as there are some phasing discussions to be agreed.

15. The change and communications strategies to engage with staff are currently being developed and will be presented to the programme board in the Autumn.

### **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** – Digital Services Committee, Finance Committee and Court of Common Council 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.

**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**

The last quarter saw notable advancements in the rollout of the new Enterprise Resource Planning (ERP) system, set to supersede the existing systems for Finance, HR, Payroll, and Procurement. Selection of the System Integrator Partner is finalised, with the project aiming to conclude its planned scope by April 2026. The team is now focusing efforts on preparation tasks, such as staffing, data verification, change planning, and initial programme announcements. Members should acknowledge this report.

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