

City of London Corporation Committee Report

Committee(s): Finance Committee – For Information Corporate Services Committee – For Information Digital Services Committee – For Information	Dated: 29 April 2025 7 May 2025 15 May 2025
Subject: Quarterly Programme Sapphire (ERP) Update Report – Q4 2024/25	Public report: For Information
This proposal: • delivers Corporate Plan 2024-29 outcomes • provides statutory duties • provides business enabling functions	Providing Excellent Services
Does this proposal require extra revenue and/or capital spending?	No
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:	Caroline Al-Beyerty, Chamberlain
Report author:	Simon Gray, Chamberlain’s Department

Summary

The Programme has made good progress and is tracking to both plan and budget. The first go live milestone (the Learning Management System) has been achieved and the remaining Wave 1 deliverable are progressing well.

The scale and complexity of the programme requires additional risk mitigation for Wave 2 (HR & Payroll) and Wave 3 (Finance). There has been no change in the plan and the focus is on taking proactive steps to mitigate any delivery risks. All risks are being managed at Programme Board level.

The principle of “Adopt not Adapt” is being maintained and there have been minimal changes proposed. A quality assurance partner (SAP) has been appointed to provide additional confidence and help drive the transformation work.

Recommendation(s)

Members are asked to:

- Note the report.

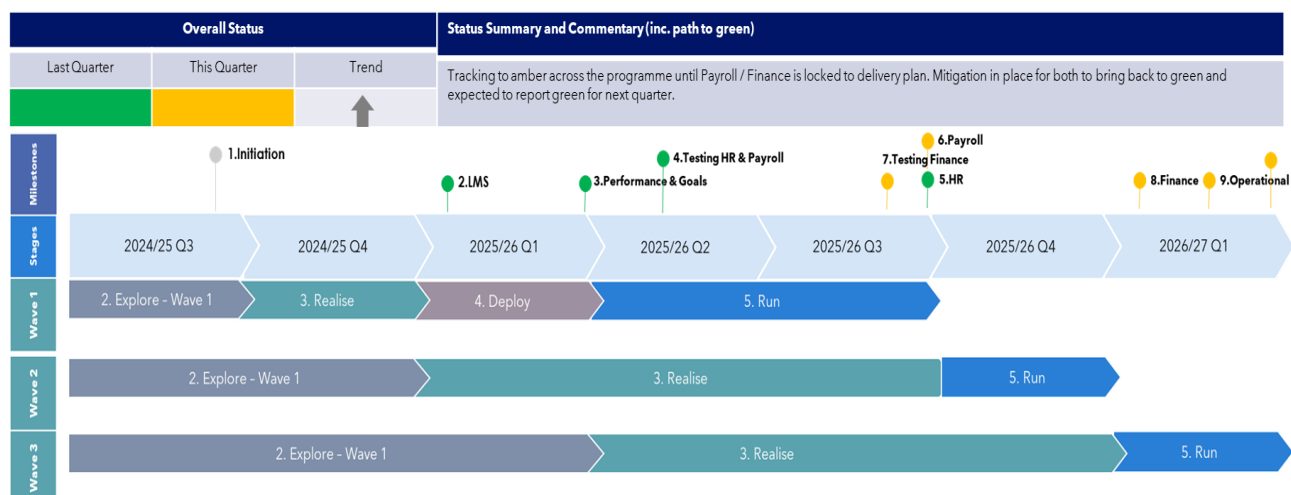
Main Report

Background

1. The Programme Sapphire - 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.
2. The new ERP Solution will modernise the technology we rely upon to deliver back-office services aligning our services with organisational excellence.
3. 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.
4. The change workstream will be key to driving the success of the programme over and above the technology, this is driven by the 'adopt not adapt' principle.
5. The Programme is delivering in 3 waves (see Appendix 3 for further details):

Wave 1	Leaning Management System (April 2025) Performance & Goals (May 2025) Recruitment (June 2025)	Q1 2025/26
Wave 2	Core HR & Payroll	Q3 2025/26
Wave 3	Finance & Budget Management / Forecasting	Q1 2026/27

Current Position



6. Significant progress has been made in strengthening the Programme Team through a combination of internal appointments and external recruitment. Across the programme no critical roles are currently outstanding. The high-level structure

can be viewed in Appendix 1. Additional recruitment will be linked to the programme phases.

7. The overall budget forecast is unchanged at £19m with no use of Costed Risk Provision (£8.6m). Appendix 4 provides a breakdown of the budget. Variances in actual vs forecast is related to actual spend being slower due to:
 - Spend with System Integrator being weighted towards end of programme linked to milestones / outcomes vs original forecast which was based on expected burn rate.
 - Programme Team ramp-aligned to phased delivery plan / controls on backfill budget.
8. Progress against the plan is currently logged as Amber with the following status updates:

Wave 1 Update

9. Progress is Green with the programme on track / delivering against the plan:

Module	Progress Update																												
Leaning Management System (April 2025)	- The Learning Management module had a soft go-live on 01/04 to a limited number of users and is now available to all users from the 07/04 - A train-the-trainer approach was used for the Learning team, with end user training being supported by quick guides / videos - A full User Acceptance Testing (UAT) was completed for the product prior to go live and all issues either resolved or a mitigation in place as shown below in readiness for cut-over. - Delivery was achieved to plan and cost.<table><tr><th>Metric</th><th>Phase 1</th><th>Phase 2</th><th>Total</th></tr><tr><td>Total Tasks Tested</td><td>420</td><td>312</td><td>732</td></tr><tr><td>Issues Reported</td><td>29</td><td>22</td><td>51</td></tr><tr><td>Issues Resolved</td><td>24</td><td>18</td><td>42</td></tr><tr><td>Known Issues (Still Open – SAP Aware)</td><td>5</td><td>4</td><td>9</td></tr><tr><td>Success Rate (Tasks with no issues)</td><td>93.10%</td><td>92.90%</td><td>93.00%</td></tr><tr><td>Issue Resolution Rate (Resolved)</td><td>82.80%</td><td>81.80%</td><td>82.40%</td></tr></table>	Metric	Phase 1	Phase 2	Total	Total Tasks Tested	420	312	732	Issues Reported	29	22	51	Issues Resolved	24	18	42	Known Issues (Still Open – SAP Aware)	5	4	9	Success Rate (Tasks with no issues)	93.10%	92.90%	93.00%	Issue Resolution Rate (Resolved)	82.80%	81.80%	82.40%
Metric	Phase 1	Phase 2	Total																										
Total Tasks Tested	420	312	732																										
Issues Reported	29	22	51																										
Issues Resolved	24	18	42																										
Known Issues (Still Open – SAP Aware)	5	4	9																										
Success Rate (Tasks with no issues)	93.10%	92.90%	93.00%																										
Issue Resolution Rate (Resolved)	82.80%	81.80%	82.40%																										
Performance & Goals (May 2025)	- Completed System Integration Testing and UAT will be completed in April in preparation for planned go live on the 19th of May. - A train-the-trainer approach will be used for the Performance Team, with end user training being supported by quick guides / videos but being intuitive in nature. - Delivery is forecast as on time and budget.																												
Recruitment (June 2025)	Recruitment will progress through System Integration Testing, User Acceptance Testing in preparation for planned go-live in June. Existing recruitment will complete in the existing system meaning the solution will work in parallel to ensure current campaigns are not disrupted. Delivery is on time and budget.																												

	Recruitment will have a more extensive training support given the relative complexity and need to embed process changes – supported by guides and videos
--	--

10. The Digital workstream had a strong quarter supporting the data migration of the Learning Management solution and resolving issues with single sign-on across the institutions. This was welcomed by staff compared to the multi-factor authentication process required by the existing HR solution and was part of a wider Digital Services Team initiative to make life simpler for colleagues across the Corporation.

11. The Change Management work stream has supported the creation of the Change Champions with Future Ambition 18 with over 50 volunteers identified across the organisation.

12. The benefits tracking is in place to track Wave 1 deliverables following and will be further expanded in Wave 2 & 3.

Wave 2 Update

13. Progress is Amber (see table below). The plan remains on track, there are risks to delivery being tracked with mitigating work in progress to return to Green. The overall programme status is Green but the following actions are being tracked which has resulted in an amber status:

Module	Progress Update
HR Service Desk (December 2025)	- SAP have decided to sunset their existing product (in 5 years' time) and the Corporation will need to evaluate the alternative product to ensure compliance with requirements. - This issue has been escalated to SAP at the latest executive meeting by the SRO.
Employee Health & Safety (April 2026)	- The workshops are underway in March / April and need to evidence the product meets UK requirements. This is a Wave 3 deliverable. - This issue has been escalated to SAP at the latest executive meeting by the SRO
Payroll (December 2025)	- The plan is being evaluation to ensure that December 2025 is achievable with contingency plans in the event of delays during the parallel run process. - This issue has been escalated to HCL to resolve and mitigation is in place and a draft plan to return to green

14. The Corporation leads are now focused on data collection/ cleansing in preparation for the first data migration wave. Workshops are due to complete in April in readiness for first wave migrations in July 2025.

15. The level of change management / stakeholder management needs to increase significantly with a focus on driving the transformation from the service delivery teams (Finance / HR / DITS).

Wave 3 Update

16. Progress against the overall plan is currently logged as Amber with the following status updates:

- The explore phase was planned to complete by the 31st of March but key decisions over the enterprise structure, chart of accounts and hierarchy were outstanding. This risk was escalated to the Chamberlain and Financial Services Director on 25/02/25. Measures to address this issue include onboarding an Assurance Partner and implementing additional scrutiny and sign-off procedures by the Financial Services Director. Additional support was also offered by SAP was also provided to resolve the issue and a recommendation was made to Programme Board on the 24/03/25 which enabled design work to progress and build work on the HR workstream.
- Resource gaps from the system integration partner (HCL) were escalated on the 07/02/25 on the HCL governance call by the SRO and Financial Services Director and by Board on the 25/02/25
- HCL director committed to provide the resource on the 28/02/25 to the SRO
- Resource provision will continue to be flagged on the monthly review calls with the SRO
- The workstream is currently being re-planned and the expectation is still to deliver for 1st April 2026 once the replan is complete.
- The level of change management / stakeholder management needs to increase significantly with a focus on driving the transformation from the service delivery teams (Finance / DITS).

Procurement Update

17. The Corporation completed a procurement using the G-Cloud framework and appointed EPI-USE as the data migration for SuccessFactors (HR & Payroll) to December 2025. They will bring specific resource and tools to de-risk the Wave 2 delivery plan.
18. Concur, which is the expenses module of SAP, was confirmed in March 2025. This was part of the original procurement scope, but the service / software was not contracted until the programme was ready to commence delivery. The delivery of Concur is direct with SAP rather than the other elements which sit with HCL.
19. The SAP “Preferred Success” services will be used to provide quality assurance on the design of the solution and also to maximise the transformation capabilities of the product with the expansion of new features.

Look ahead – Quarter 2 2025/26

20. The build for Wave 2 (HR and Payroll) to be completed and commencement of System Integration Testing (this will include 3 playback sessions to validate the solution during build and the delivery of data migration to support the testing waves).
21. Explore phase to be completed and build and playback sessions to be delivered (but not completed).
22. Change champions network to be established and training needs analysis (TNA) to support the Wave 2 & 3 delivery plans – See Appendix 2.

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

23. The programme is tracking to plan on deliverables and budget and no use of costed risk. The key principle of adopt not adapt is being adhered to with minimal change. Risk and issues will continue to be monitored / reported with the focus on robust planning for Wave 2 & 3. The levels of change management / stakeholder engagement need to ramp up to support the transformation journey over the next quarter and will be reported on at the next stage report.

Appendices

- Appendix 1 – High Level Structure Chart
- Appendix 2 – Comms and Engagement Roadmap
- Appendix 3 – Project Plan on the page
- Appendix 4 – Budget Update (Non-Public)

Simon Gray

Programme Director, Chamberlain's Department

T: 07557 568016

E: simon.gray@cityoflondon.gov.uk