



KPMG LLP

Advisory

One Snowhill
Snowhill Queensway
Birmingham
B4 6GH

United Kingdom

Tel +44 (0)7920 237855

Tel +44 (0) 7920 535626

paul.diamond@kpmg.co.uk

malcolm.g.harding@kpmg.co.uk

Private & confidential

Tony Mc Ardle
Chief Executive
Lincolnshire County Council
Newland
LINCOLN, LN1 1YL

10th November 2016

Dear Tony

Review of Agresso ERP System Implementation and Management of the Serco Contract

In accordance with the terms of reference set out in our engagement letter dated 15 August 2016, as updated by our Variation Letter dated 12 September 2016 (together our 'engagement letter'), we enclose our discussion draft report following our review of the Agresso ERP system implementation and management of the Serco contract. This report has been prepared solely in connection with and for use in accordance with the terms of our engagement letter dated 15 August 2016 and our variation letter dated 12 September 2016.

The scope of our work set out in our engagement letter is attached as Appendix 6 of to the report. This details the scope of our discussions and enquiries. The important notice overleaf should be read in conjunction with this letter.

Our report is for the benefit and information only of those Parties who have accepted the terms and conditions of our engagement letter, and should not be copied, referred to or disclosed, in whole or in part, without our prior written consent, except as specifically permitted in our engagement letter. To the fullest extent permitted by law, we will not accept responsibility or liability to any other party (including the Council's legal or other professional advisers) in respect of our work or the report.

Yours Sincerely

KPMG LLP

Important Notice

This document has been prepared in accordance with our contract letter dated 15 August 2016, as amended by our Variation Letter dated 12 September 2016. It is subject to the terms and conditions of that contract.

Our on-site work commenced on 17 August 2016. This draft report takes account of on-site fieldwork performed up to 3 September 2016 and subsequent follow up work to 4 November 2016. We have not undertaken to update our report for events or circumstances arising after that date.

Our report is for the benefit and information of the addressees only and should not be copied, referred to or disclosed, in whole or in part, without our prior written consent, except as specifically permitted in our engagement letter. The scope of work for this report, included in Appendix 6, has been agreed by the addressee and, to the fullest extent permitted by law, we will not accept responsibility or liability to any other party (including the Council's legal and other professional advisers) in respect of our work or the report.

KPMG wish you to be aware that the work it carried out for Lincolnshire County Council was performed to meet specific terms of reference agreed with the Council and that there were particular features determined for the purposes of the engagement and the needs of the Council at the time. The report should not therefore be regarded as suitable for use by any other person or for any other purpose. Should you choose to rely on the report you do so at your own risk. KPMG will accordingly accept no responsibility or liability in respect of it to persons other than addressees of the report.

We have not verified the reliability or accuracy of any information obtained in the course of our work, other than in the limited circumstances set out in the Engagement Letter.

The Council, Serco and Unit 4 have been given the opportunity to comment on the points made in this Report and have endeavoured to respond to most of the key points within it.

The report includes some points that are not agreed by all parties, but are supported by the documentary evidence that we have obtained.

Nothing in this report constitutes a valuation or legal advice.

This Report is not suitable to be relied on by any party wishing to acquire rights against KPMG LLP (other than the Beneficiaries) for any purpose or in any context.

Any party other than the Beneficiaries that obtains access to this Report or a copy (under the Freedom of Information Act 2000 or otherwise) and chooses to rely on this Report (or any part of it) does so at its own risk. To the fullest extent permitted by law, KPMG LLP do not assume any responsibility and will not accept any liability in respect of this Report to any party other than the Beneficiaries.

Please note:

- Serco as referenced in this report are the entity Serco Ltd
- Mouchel as referenced in this report are the entity Mouchel Parkman Ltd
- Unit 4 as referenced in this report are the entity Unit4 Business Software Ltd

Lincolnshire County Council

Review of Agresso ERP system implementation and Management of the Serco Contract

KPMG LLP

10th November 2016

This report contains 61 Pages

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1 Executive summary

Introduction

KPMG were engaged to review the Agresso ERP system implementation; and the processes that led up to the appointment of Serco as Lincolnshire County Council's ("the Council") corporate support services provider, and subsequent management of the contract that emerged.

Scope and approach

Our work was designed to enable learning points to be drawn from the review which should enable the Council to improve the letting and managing processes relating to future outsourcing contracts for Corporate Services (including HR, Payroll and Customer Services) more effectively.

We carried out an independent review of the selection of Serco who proposed the Agresso ERP system with Unit 4 as their implementation partner as part of their solution to deliver corporate support services to the Council. The Terms of Reference agreed by the Council's Audit Committee on 20 June 2016; together with the Public Services Audit Appointments (PSAA) letter dated 8 August 2016; and the engagement letter between the Council and KPMG dated 15 August 2016; and subsequent variation letter dated 12 September 2016 are included in appendices to the report.

We interviewed a significant number of individuals relating to the above, including: Council officers; staff from schools; and staff from both Serco, Unit 4, and their contractors. It is important to note that a number of individuals who were involved in the above programme were unavailable for interview as they have since left their respective organisations. We were also provided a number of documents relating to this programme.

Details of interviewees, and documents reviewed are set out in the appendices to the report.

The Council asked KPMG to review the process as follows:

- 1 Specification and tendering processes operated by the Council including:
 - How operational and commercial risks were assessed, allocated, managed or mitigated;
 - Whether the way in which the services were packaged added to the risk profile of the project;
 - Whether there were any constraints, specific requirements, or a lack of clarity in the documentation or communications between the parties that contributed to the issues identified by the Council in respect of Serco's delivery of services under this contract, particularly in relation to the Agresso implementation.
- 2 Evaluation of the bidders and contracts by the Council:
 - Processes and criteria for long and shortlisting bidders;
 - Whether the Council's evaluation of the risks could have identified any potential factors in Serco's bid that would have required further due diligence, namely the credentials and qualifications of Serco as a supplier and manager of an implementation partner, and veracity of the bid document;

- The extent to which the risks associated with transferring a service between external suppliers were adequately assessed by and through the evaluation process.
- 3 Management of the implementation by the Council and associated contract:
- Would it have been possible to identify indications of potential failure before the services commencement date of the contract i.e. key implementation risks;
 - Whether the governance, project management and leadership of the contract since commencement has contributed to, or been appropriate to manage the risks of, and prevent or mitigate the effects of poor performance;
 - Whether increased contract management resources by the Council would have improved contract management.
- 4 Serco's performance in delivering the contract to the Council and the implementation of Agresso:
- Review Serco's operational performance of the services and the implementation of Agresso, including management of Unit 4;
 - Review the Council's support to the implementation of Agresso.

The report is written as a post implementation review of the Council's programme and is not suitable to be used for any other purpose. Please note it was not within the scope of our review to assess: the capability; knowledge; or skills of individuals involved in this programme from Serco or Unit 4; in relation to the Agresso product being implemented.

Key findings

The key findings arising from our review are set out below:

The contract between Lincolnshire County Council and Serco required Serco to deliver specified IMT, People Management, Finance and Customer Service Centre services to the Council to a specified standard. Serco have not achieved that standard and have been in breach of contract since April 1st 2015. Implementation of Agresso was Serco's contractual obligation and they have taken responsibility for the failure to fulfil that obligation and are actively working to put this right. Improvements have been and continue to be made, including upgrading the product so that the required functionality is available.

The structure of the procurement was, from the evidence available, not a cause of the implementation issues encountered; excepting the possible inclusion of a 12 month timetable for implementation.

Serco had undertaken contractually to implement Agresso and be in a position to take on services on 1 April 2015. Serco were responsible for project management of the implementation process. In the Council's view they felt they were entitled to expect that a contractor of Serco's size and experience would deliver on their contractual obligations. There is clearly scope for disagreement about the extent to which a purchaser should incur costs in replicating project management resource and disciplines to ensure a contractor fulfils its obligations. Nevertheless if more project assurance resource had been available to monitor that the Agresso project and the wider transition to Serco service delivery were being appropriately managed by Serco, then issues would have been identified at an earlier stage and more effective pressure may have been applied to Serco earlier in the process.

The responsibility for Council governance for the programme was held by the Chief Information and Commissioning Officer who had other responsibilities including for other strands of the FDSS programme. The Council did take steps to appoint a Programme Manager role to work on the project alongside Serco project staff, although KPMG did obtain information that this role was not as effective as the Council may have envisaged. An Agresso Project Board met fortnightly during the programme to monitor progress and more frequently at key decision-points including go live.

It is clear that the Council had achieved a robust degree of risk transfer within the contract and that Serco were ultimately responsible for the delivery of the services and took the commercial risk of a failure to implement Agresso successfully. At the same time the project carried with it significant reputational risk and risk to the Council's own operations.

Our review identified a number of weaknesses in system implementation and resourcing. The Council and Serco did not have sufficient capable or knowledgeable resource in relation to the Agresso product. Serco did not have time to up skill its staff due to the tight timetable; exacerbated by access to information; the complexity of processes; lack of access to Mouchel staff; and low numbers of experienced staff transferring from Mouchel. Unit 4 stated that they did have sufficient and capable and knowledgeable resources and delivered these in line with contractual arrangements, using the Assisted Build Methodology; although this is not agreed by Serco. Also, that demand for resources was greater than set out in the contract due to lack of customer side resources, be that Serco or the Council.

In relation to data migration it is evident that the controls to ensure data was migrated completely, accurately with integrity was not carried out effectively by all parties, in terms of sign off at each stage. Serco stated to KPMG that pension's data continues to cause challenges as core information was not evident in the migration, requiring ongoing work to ensure payments are made correctly.

The Agresso system went live with a number of key issues not being fully addressed, as follows:

- the resourcing limitations of Serco;
- ensuring there was a workable contingency arrangement in place;
- ensuring sufficient and successful parallel running of payroll and testing of the system configuration and controls took place;
- formal sign off of the data migration and data load to Agresso;
- monitoring of Serco performance against their overall project plan and the failure to meet project milestones.

The decision to go live cannot be separated from the steps taken or not taken to put in place a contingency plan. Full documentary evidence regarding the decisions made on contingency planning were not available, which is a critical one that all parties should have discussed in detail, and we would have expected the Council to have insisted on. Serco stated to KPMG that Mouchel and SAP could have been utilised as a contingency arrangement. Also the Council had made it clear that not to deliver the services from 1 April 2015 (with or without Agresso) was not an option. Serco accept that they were too compliant and should have challenged the Council further on these issues.

Serco senior staff have commented to KPMG that they have been surprised by the extent of the Agresso ERP system issues and difficulties experienced after go live in April 2015. Even if SAP, rather than Agresso had been used to run the April 2015 payroll that does not mean that problems with that payroll and subsequent payrolls would have been avoided.

Serco in any event simply did not have the trained and experienced staff, particularly in the critical payroll control and payment functions, or the business processes in place to have achieved compliance with the requirements of the contract whether Agresso or SAP had been used largely due to experienced staff not transferring from Mouchel, or recruited from the marketplace. This is the single most fundamental issue affecting all subsequent payroll runs. Serco did not effectively address this issue until autumn 2015 when it recruited a suitably experienced Payroll Control Manager.

There has been extensive dialogue between the parties from April 2015 to date, and the Council stated that Serco have worked hard to improve the services provided. Unfortunately there have been a number of timescale slippages against deadlines set. A plan is currently in place to resolve the remaining issues, however, there is no agreed timeline between the Council and Serco as to when the ongoing Agresso ERP issues will be fully resolved. Serco have stated that there is now a project to implement an upgrade to Agresso that will provide some of the required functionality eg Commitment Accounting.

2 Key Findings

2.1 Options Appraisal and Procurement

2.1.1 Options Appraisal and Procurement Strategy

A comprehensive rationale for the proposed scope of the procurement is outlined in the Options Appraisal document that forms Appendix A to the Executive Report of 18 December 2012. It contains an assessment of the bundling of Information Management Technology (IMT), People Management, Finance, Payroll and HR Services, with Customer Service Centre (CSC) services included but as an optional addition, to be enacted at the Council's discretion.

The understanding that some simpler products and services can be procured through existing frameworks is a useful driver in determining the scope of the main procurement, with the Options Appraisal document appropriately considering factors such as the optimum number of contracts to be managed (see Options Appraisal section 7.4), the procurement routes to be used and the findings of market testing. The supplier engagement undertaken across bidder days (see Options Appraisal section 3.2) with feedback recorded is used to reasonably influence the structure of the procurement but not unduly so and certainly not to any individual supplier's advantage.

Ultimately there is a subjective element to determining the optimum structure, with various valid ways to proceed. The conceptual arguments around single contracts versus the benefits of dis-aggregation is a live debate with no single answer. In this case, reasoned arguments backed with evidence have led to the bundling of the services available in a realistic and achievable way that bears scrutiny.

The procurement routes available have similarly been clearly outlined and considered (including incorporation of OGC guidance on the presumption against use of Negotiated procedure), with a logical conclusion reached. There is acknowledgement (section 7.3) that the Competitive Dialogue procedure involves a high level of costs on both sides, while correctly noting that only in specific circumstances should this be used (complex procurements where requirements are not straightforward for the Authority to define). The decision to proceed with a Competitive Dialogue is a valid one in this circumstance, while the milestones outlined in the Executive overview allocate a reasonable amount of time for the process to run its course.

The timescales themselves are based on the desire for a 12 month transition period, which is ambitious for such an implementation, but one which Serco, and other bidders agreed to. There is a common mistake of public sector authorities failing to grasp how long the business case, tendering and transition process can take, meaning a need for (often illegal) extensions – so there is a commendable level of planning in having the documentation at this stage by December 2012, when the Mouchel contract did not expire until March 2015.

Section 8 in the Options Appraisal document deals with the transition (along with contract management) and acknowledges that it “will be time consuming

and difficult. It will require dedicated resource.” There was an awareness at this early stage about certain shortfalls, for example exit plans from Mouchel, but there was ample time available to remedy this.

The Executive Report cites the legal review it received while a Scrutiny report also broadly looks favourably on the documentation with all issues identified responded to. There is nothing to contradict that view.

Please note that as part of KPMG’s external audit work for 2103/14, a high level review of procurement process was carried out. The results of our work were as follows:

We reviewed the arrangements and documentation used by the Authority for the selection of a provider, and the use of the OJEU Competitive Dialogue process. We provided feedback to officers on this piece of work and did not raise any significant issues. Based on the documentation that we have been provided with, the process had been clearly communicated to all parties and had been followed appropriately. We note that in the completed stages of the short-listing process, no challenges were received from any unsuccessful bidders.

2.2 Procurement and Requirements

2.2.1 Overview

The Council’s requirements were communicated to all potential bidders via the Suppliers’ Day held in September 2012 (a supplier engagement workshop). The Information Pack provided to bidders outlined the intention to procure ‘a new way of delivering support services’, the reasons and the potential scope and value for the contract(s) arising. There was also reference to a Prior Information Notice (PIN) published in August 2012, where it was stated that the contract(s) could potentially be extended to Lincolnshire’s 7 District Councils and other public sector bodies. In summary, the business reasons listed included:

- To achieve savings during the period of the contract;
- To provide customer driven services that are proactive (future focussed) and adaptable to change and to support the Council’s general transformation programme;
- The outsourcing partnership with Mouchel (formally HBS) which commenced in April 2000 and extended in February 2009 was ‘coming to an end’ in March 2015. Services supported included: IT, Finance, HR, property, management consultancy and catering.

The purpose of the workshop was to enable the Council to outline its position and request feedback from potential suppliers as to how the procurement could provide the Council with ‘value for money’. Section 5 of the pack also included details of 7 service areas which might potentially form part of the procurement. The supplier engagement workshop was an appropriate method for exploring the market before taking decisions on how to package the services. The results of the workshop were appropriately analysed and used to inform the options appraisal referred to in section 2.1 above. The other 3 service areas became the subject of separate procurements in accordance with that options appraisal. The reasons for the move from 7 services discussed with the market to the 4 which were included in the eventual procurement were set out in the options appraisal.

In June 2013, the Council's Programme Office produced 'Schedule 2: Council Specification' which provided requirements for the 4 services ultimately awarded to Serco.

2.2.2 Procurement Approach Review

The Procurement Process was managed by Procurement Lincolnshire (*a shared service partnership between local authorities in Lincolnshire*) which is hosted by the Council. Our review of the specification and tendering processes operated by the Council, along with the evaluation of bidders and tenders by the Council, returned no major issues.

There was a clear, documented and thorough document set that underpinned the full procurement cycle from scoping decisions through to procurement strategy, bidder communications, evaluation strategy and the report of the outcomes of the tender process. This gives a high level of confidence that the processes followed in the tender were both compliant with legislation and also well-designed to obtain value for money for the Council.

Neither the structure of the procurement nor the way the evaluation was conducted was, from the evidence available, a cause of the implementation issues encountered.

2.2.3 Evaluation Process

A Competitive Dialogue process was used in the procurement, with down-selection occurring at each of the following stages:

Pre-qualification Questionnaire (PQQ) – best 8 bidders identified were as follows:

1. Agilisys
2. Avarto
3. BT
4. G4S
5. IBM
6. Liberata and Fujitsu
7. Mouchel and SCC
8. Serco

Invitation to Submit Outline Solution (ISOS) – maximum 4 bidders to go through.

Invitation to Submit Detailed Solution (ISDS) – top 2 bidders.

The requirements of the procurement process were clearly and comprehensively set out in a 'Procurement Pack' incorporating Descriptive Document, Pre-Qualification Questionnaire (PQQ), Invitation to Participate in Dialogue (ITPD)

and Invitation to Submit Outline Solution (ISOS) which avoided the pitfalls of many public sector tenders.

The evaluation criteria are clear and published in advance. They correctly distinguish between the PQQ being 'backwards-facing', judging previous experience and supplier suitability, and the subsequent stages being 'forward-looking', based around the specific solution being proposed in relation to this tender. There is a link made between evaluation criteria and questions being answered, meaning bidders can be clear on where to present relevant information.

The plan in section 1.2.17 to proceed to Dialogue with 3 or potentially 4 bidders is a very sensible approach that mitigates the risk of the process being overly burdensome in terms of resource. The fact that this is published should give suppliers confidence that they will not be one of 5 or more companies still involved, with reduced chance of success and elongated tender duration (all the while incurring costs).

Key dates in section 1.1 are realistic, especially when underpinned by the named resource detailed in section 1.3.1. This is more transparent than commonly seen, with usually just a couple of commercial contacts and perhaps the project's senior responsible officer (SRO) personally named. Most importantly though is the realisation that for a competitive dialogue process there is a need for a high level of resource to be involved, which does seem to have been appropriately addressed judging by the team size and structure.

The specification is not obviously written with one supplier in mind, which can be a hallmark of a procurement being run with the intention of selecting a specific firm.

The 4th March 2014 report to the Executive outlines the process steps and outcome of the tender process, with Serco scoring highest in the competition. The procurement stages undertaken were in line with the expectations set out in the Procurement Pack, with the number of bidders consistent with the desire to take 3 through to ISDS stage and the Call for Final Tender being issued to the top 2.

In terms of scoring, Serco scored higher than Agilisys by a clear margin overall. This included a higher mark being awarded in the main services section of the procurement for Transition (section 1.2, Table 1).

There was a further value for money benchmark check undertaken, demonstrated with their bid subsequently also being deemed more economically advantageous to an in-sourced option. This is outlined in Section 12 of Appendix 5 (commercially sensitive) to the Executive document, with the calculation being (in 12.2) that the Serco option would offer greater savings in comparison, with further benefits in the delivery approach.

It should be noted that the bids were subject to an "open book accounting" review, and the Council did look at the detail of the bid and raised a number of questions. No questions were raised regarding costs included by the bidders for contingency planning.

Serco's issues with the Ministry of Justice (MoJ) review into the electronic tagging contracts is noted in Section 18.2 onwards of the report to the Executive and has been considered in the recommendation of the contract being awarded to Serco. For this to affect this tender, as this external issue does not affect their solution, the judgement would have to be that it potentially invalidated the disclosures it made in the PQQ, meaning they could be deemed an unfit supplier to bid for the services. However 18.11 explicitly states that this was considered, with their response being revisited in January 2014. It was adjudged by the Council that "no new concerns have arisen." With that, and given the background of Serco continuing to win work elsewhere in government, the Council deemed that it could not discount Serco from the process. To do so would not have aligned with the Council's compliance processes.

The report, validated by the internal legal team, does not demonstrate any fundamental errors in structuring or the conduct of the tendering process.

The Council had no implementation contract with Unit 4. Unit 4 was the sub-contractor of Serco to assist with the implementation of Agresso for the Council.

2.2.4 The Agresso Solution and Site Visits

The Council indicated in its procurement documents that it wanted a new or improved ERP system and did not specify a particular ERP such as Agresso. The Chief Commercial Officer has confirmed to KPMG that in the dialogue the Council made it clear they were agnostic about the type of software to be used so long as it met the requirements of the Council and the service provider ran the services on it. The Council said they were prepared to consider an improved version of SAP and let the bidders know that earlier work with Mouchel (prior to the procurement) established that Agresso met the Council's needs.

Serco have indicated that their impression from dialogue and supplier meetings was that the Council were confident that Agresso would meet its requirements and less confident that an enhanced SAP would meet its business needs. Serco has stated that due to its lack of Agresso implementation at the time, its preferred option would have been an improved version of SAP, however Serco bid and contracted to deliver Agresso.

We have reviewed evidence of site visits carried out by Council staff. The Chief Commercial Officer has confirmed to KPMG that whilst Council staff carried out some site visits prior to the contract award, the focus of the site visits was on services across the board, as opposed to just the ERP system in use.

Serco didn't have any Agresso systems in use at the time of the site visits.

The site visits undertaken were Peterborough Council who were using Oracle ERP system at the time of the site visit and Hertfordshire who were using SAP ERP system. Our discussions with the HR Workstream Lead identified some limited HR and payroll functionality was seen during site visits to South Wales Police and to Cranfield University, which were not Serco sites.

The Council had previously reviewed Agresso as a possible replacement for SAP prior to the CSS procurement with the assistance of Mouchel who also undertook some assessments, and the Council undertook further assurance work. We were informed that as a result of the Mouchel work, the Council was comfortable with

Agresso as a solution for their ERP needs, along with the additional assurances provided by Serco (and Agilisys and BT) during dialogue and within their bid documentation. All bidders were confident of their abilities to implement Agresso and that it would meet the Council's needs. The Chief Commercial Officer provided KPMG with a copy of the detailed business case dated February 2013 completed by Mouchel and the due diligence work included a visit to Warwickshire County Council. The main finding from the detailed business case was that migration away from SAP was possible and achievable over a 12 to 18 month period.

Agilisys, BT and Serco offered Agresso as the ERP solution, possibly based on the fact that the Council had reviewed it previously, but the Council did not stipulate its usage in any way. The liability for choosing, implementing and running the ERP solution was entirely with the bidders.

Site visits can be a useful means of the purchasing authority gaining confidence in the viability and feasibility of the solution being proposed, but they have to be treated with caution from the point of view of evaluation within a procurement process given their uncontrolled nature and the difficulty of establishing equal treatment between bidders. For these reasons we were advised that the site visits carried out by the Council for this contract were not scored, and as such were not part of the formal evaluation process.

2.3 Negotiations and Contract Terms

2.4.1 General

The Council's intention was to issue a contract notice at the beginning of 2013 and commence a one year transition period from March 2014 to the end of March 2015 (end of the Mouchel contract). This was achieved with the contract being signed in March 2014.

The contract is worth £70 million over a five year period. The agreed contract is for 5 years plus 2 years, plus 2 years, with the Council having the option of whether to proceed with the last 4 years. The Council can terminate the contract in the event of (amongst other things) breach of the contract by Serco and can terminate without proof of breach if it compensates Serco in accordance with compensation provisions that are in line with market norms.

The contract contains a service credit regime under which the Council is entitled to make deductions from payments for non-performance. Given the present situation, the Council has taken the full amount of the service credits each month from the start of the contract. Service credits have been taken for a failure to meet performance standards in April 2015 and in each month since this date. In competitive dialogue Serco stated that they advised the Council 12 months was very challenging but they did contract for 12 months based on the Council meeting its obligations in Schedule 4, and the local government template being effective, and with the right resource.

The contract is in two phases. In the transition phase (April 2014 to March 2015) Serco were responsible for undertaking certain transformation services which

include the implementation of Agresso. Payments for these services are made against the achievements of certain milestones.

As of 1 April 2015, Serco were obliged to take over delivery of the four operational services. The price the Council paid for the services was based on Serco's assessment of the costs of delivering those services by means of their preferred operating model. Serco's position was that this was also based on the Council meeting its contractual obligations in Schedule 4 of the contract. This model reflected new ways of operating following the performance of the transformation services, their restructuring of the workforce and their changes to business processes. The risk of carrying out transformation, restructuring the workforce, and changing business processes so as to be able to deliver the services from 1 April 2015 in accordance with the contract lies with Serco. If they failed to do so they are liable under the contract for service credits for failures in performance of the services (as referred to above) and to indemnify the Council against the costs the Council incurred as a result of the transformation services (including the implementation of Agresso) not being completed in accordance with the milestones laid down in the contract.

Serco's position is that during dialogue Serco and Unit 4 stated that a 12 month implementation was extremely tight. Serco believed that it was required to implement in 12 months as its view was that a longer implementation would have materially impacted evaluation of their bid. These timescales didn't allow any slippage to be included in the plan.

The Council's position is that the issue of the 12 month ERP transformation period was raised in dialogue and that Serco (and Agilisys and BT) agreed this was achievable. In any event, Serco did contract to carry out the work for the Council over the 12 month period (Agilisys were also prepared to contract to do so). The Council stated that if Serco had told the Council that Unit 4 /Serco did not recommend doing this in 12 months and could have explained why this was the case the Council would have extended the timetable.

Whilst this 12 month period was accepted by both parties, our discussions with a number of senior Council and Serco staff did confirm this timeframe impacted on the overall success of project delivery and the situations that occurred leading up to go live, and post go live. At the same time it is important to note the Council's concerns regarding the levels of Serco and Unit 4 resourcing referred to later contributed to the pressure on the timescale. Serco also expressed concern at the levels of Mouchel resource made available.

The contract at Clause 4 requires Serco to undertake or procure the provision of the Transformation Services and deliver the Services in accordance with their ERP Transformation Plan. All matters relating to the Agresso implementation and operation are Serco's responsibility under the contract unless schedule 4 (Council Responsibilities) provided otherwise.

The Council's obligations in the contract in relation to Agresso implementation are listed in Schedule 4 including (but not limited to):

- (i) To provide Council staff and to arrange the provision of Mouchel staff to fulfil the Council's roles and duties under the ERP Transformational Plan. These are set out on page 43 of the ERP Transformational Plan and Appendix 2 at page 101. There are also

references to Serco and Unit 4 resources to be deployed at table 4 on page 42. Unit 4 stated that whilst they contributed to the Project Plan, this was a Serco document which has not been viewed by Unit 4;

- (ii) Attendance by relevant Council and Mouchel staff at the design workshops and expeditious decision from the Council;
- (iii) Adoption of local government templates unless they don't meet the Council's business requirements; and
- (iv) Data cleansing

The Council in its procurement looked to transfer risks to the supplier. All of the final bidders including Serco pushed back on elements of this. Whilst it is possible to transfer significant risks to a supplier it is not possible to transfer the Council's reputational risk.

3 Programme and Project Governance

During the period of the Agresso ERP Project implementation there were two programmes running. The Future Delivery of Support Services (FDSS), programme was the overall programme initiated to oversee the future delivery of those services previously carried out by Mouchel which included the Serco contract. The programme for the procurement and then implementation of what became the Serco contract was called the Corporate Support Services (CSS) programme.

Detailed analysis of other project management documentation such as the overall project plan, resourcing plans, cutover plans, etc were not reviewed.

We were provided with a number of documents relating to FDSS and CSS programme and project governance; the Corporate Support Services contract was entered into with Serco in March 2014. We were also provided with a number of different organisation charts that set out the FDSS Programme design and governance for the period April 2014 to March 2015, including terms of reference, sponsorship, programme leads and reporting lines.

It was the CSS Transition and Transformation Board which was accountable within the Council for the delivery of the programme of change (transition and transformation) required by the CSS contract during 2014/15. Its remit included agreeing project plans, signing off deliverables, monitoring progress against plan, managing resources, budget, risks and providing a point of escalation.

Four Project Boards, one for each transformation stream (ie. Agresso, IMT and CSC and Transition (People and Services) reported to the CSS Transition and Transformation Board. The CSS Transition and Transformation Board met monthly and was chaired by the Programme Director with joint attendance from the Council and Serco. We were informed that other partners such as Unit 4 and Mouchel attended by invitation. The Project Boards were the senior forum within the Council for the development of key products. Serco senior staff stated to KPMG they were surprised at the level and frequency of project governance meetings which resulted in the same staff discussing same issues in different boards. So some staff in Serco had issues with the quantity and repetition of project governance which at times detracted from service delivery. We could not find evidence that this concern had been raised with the Council.

We were informed that the initial Council sponsor for the project was the Executive Director of Resources and Community Safety. This role was transferred to the Chief Information and Commissioning Officer after the contract procurement was completed during 2014. Our discussions identified the person with overall responsibility for the Council's co-ordination of project implementation was the Chief Information and Commissioning Officer. We understand this was not a full time role due to other Council duties including duties relating to the wider FDSS Programme. The role of Council Programme Manager was advertised internally within the Council and the successful candidate, a finance team leader was recruited to work on the project.

The Council's Service Leads each for their respective areas worked alongside the Chief Information and Commissioning Officer. They were the County Finance Officer, Head of HR, and Chief Technical Officer along with other team members.

We have reviewed a number of papers from various project governance boards, the most significant being the minutes of the series of meetings which met to decide whether or not to go live on the 31st March 2015, 1st April 2015, 2nd April 2015, 7th April 2015 and 16th April 2015.

From early February 2015 to mid-April 2015 issues reported to the Audit Committee and Informal Executive and Corporate Management Board (CMB) stated “there were some issues being experienced by the Agresso Project; and that these issues were being dealt with and would not impact on the planned go live date of April 1st 2015”.

We reviewed the minutes of the CMB from October 2014 to 19th July 2015. For the CMB, there was high level summary information provided on the Agresso ERP Project and Serco, however, it did not outline the significant difficulties that were occurring from early 2015 onwards or the decision not to extend the maintenance agreement with SAP. We identified there was no reference to the Council agreeing not to extend its maintenance agreement with SAP and Mouchel beyond March 31st 2015.

It also appears that the relatively high turnover of senior Serco staff, also presented challenges to the governance of the project. Whilst project staff from the Council appeared to remain quite stable in the 12 months leading up to project implementation, our discussions identified changes to Serco staff, including senior staff. Serco stated that some of the changes made were at the request of the Council. We were made aware of a number of difficult conversations and tensions building between Council and Serco senior staff. The Chief Information and Commissioning Officer and other Council staff stated to KPMG that they had concerns regarding Serco's resourcing levels on ERP implementation. There were a number of reports presented to the Audit Committee and other Agresso Project highlight reports produced by the Audit and Risk Manager during the course of the project. We also identified further emails sent by the Audit and Risk Manager to senior project leads during the course of the project, and in particular during the 4 months leading up to go live in April 2015.

We would have expected to see the Council providing sufficient challenge and holding Serco to account at all times during the project to ensure the Council managed its interests and risks, specifically its reputational risk. For example ensuring that a Contingency plan was in place, and that sufficient capable resources were in place to deliver a configured Agresso ERP with data that enabled, for example, correct payroll and accounts payable payments to be made from Go Live onwards.

The Council did not utilise the services of a third party independent advisor that could have provided officers and Members with impartial advice regarding progress and any developing issues and risks relating to the Agresso ERP Project.

3.1 Implementation and Resourcing

The Council have stated that system build was not discussed in the initial dialogue between the Council and Serco. The Chief Commercial Officer stated that no contract documentation between the Council and Serco referred to “assisted build”.

Nevertheless, Council project staff stated to KPMG that the implementation model actually adopted was the “assisted build” approach, where the client undertakes the build of the system with consultancy support. Unit 4 produced a build plan for others to build against and set tasks for the team to complete and help fix any problems.

Serco have stated that that the implementation had always been an assisted build. Serco also stated that the contract between the Council and Serco wasn't clear on this point. Serco states that resource plans in the contract were based on an assisted build but acknowledge that the resources required from all parties were far greater than envisaged.

The concept of assisted build was according to Unit 4 was introduced as a key part of its contract with Serco. Unit 4 stated that the dialogue pre contract between Unit4 and Serco

was extensive and based on possible combined working between Serco and Unit4 on multiple projects. Combining Serco business and ERP capability with Unit4 Agresso product to offer alternative to SAP and Oracle in Public Sector (in similar way in which Unit4 had formed partner relations with other organisations). Unit4 understood Serco had wealth of ICT and ERP experience (albeit with SAP / Oracle and not Agresso) and hence principle was that Serco would utilise this experienced resource and cross train in Agresso ERP to build an independent Serco capability. Initial projects were seen as great opportunity to gain direct Agresso project experience. In this context Assisted Build was highly appropriate and attractive approach for Serco in its delivery for the Council.

The view of Unit4, is that in practice Serco did not mobilise the team expected (both number and with previous ERP experience) and as a consequence did not acquire the Agresso expertise required. Serco stated that UNIT 4 were slow to mobilise, didn't resource as per requirements and that training was not effective.

Unit4 have also stated that:

- The concept of Assisted Build was not unique to Serco or this contract. It was the method used for delivering many projects in UK Public Sector (and elsewhere).
- Unit4 did previously discuss this method with Mouchel and the Council before this tender with (we understand) inclusions in the Mouchel report to the Council in 2012 / 2013.
- The methodology was included in presentations to the Council team as part of this tender process.

Unit4 was always clear with Serco (both in presales proposals and in the agreed contract) as to their expectations of Serco and the resources Unit4 would be providing and on what basis.

Unit 4 stated to KPMG that at the bidder's day on 21 May 2013 (which was just for the bidders), the concept of assisted build was discussed with all potential bidders. This was the assumption on which the implementation was predicated and the assumption on which the Unit 4 project team worked. The contract between Serco and Unit 4 does state this was an assisted build (Assisted Implementation Approach).

The County Finance Officer stated to KPMG "there were benefits to the Council of adopting this approach where those individuals from the client doing the assisted build are those who are primarily responsible for the ongoing operation of the system when live. In particular, high levels of knowledge and skill transfer takes place between the software suppliers and Council staff leading to better understanding of the system and reduced reliance on the supplier in the longer term." In this case Serco not the Council were responsible for the operation of accounts payable (AP), sales to cash, HR and payroll.

Our discussions with the Council workstream leads identified the model adopted was on the assisted build approach with initial workshops held in May 2014. These were based on different work streams with Council leads in the areas of P2P and AP, record to report, HR payroll, sales to cash and capital/projects. Council staff provided capacity and working alongside Unit 4 and Serco staff. The implementation was based on the Council being aligned to the processes contained to the template. If the Council were unable to do this then changes would be required.

Our discussions identified that the Council were dependent on Serco and Unit 4 to build Agresso and there were resourcing issues.

We were also informed that the standard “out of the box” local government templates in areas such as purchase to pay and accounts payable did not work in the way they were envisaged and needed rebuilding. The initial system installation did not match the template solution design document. Furthermore, the template when functional did not support all the necessary activity which needed to be delivered by Serco on behalf of the Council. For example, the template did not provide effectively for non-invoice payments processing, therefore this required a significant amendment of the template. That said the Council believed that 80% of its activities would be covered by the templates and were satisfied that overall this was achieved.

It was the view of a number of Council staff we interviewed that Serco staff had failed to map out new processes to match the new system and had not understood the significant system changes to the way payroll and payments needed to be made.

Serco stated the following in response to the above:

- mapping of processes to the new system was part of the design phase.
- design documentation was produced following the design alignment workshops which were signed off by all parties. In hindsight the design documentation were not detailed enough so that gaps in the local government template were not identified until late in the project.
- the design documents were agreed by the parties but during the build phase Serco came across scenarios which meant that Serco had to build lower level solutions. The template was at a higher level and there were processes that were exceptions to the template but had not been identified in the design phase. Processes in the system were mapped however working procedures weren't in place when the system went live. This was due to lack of Mouchel staff as Serco was reliant on the Mouchel staff to go through the processes. Serco didn't have the depth of people to test as it needed the Mouchel staff. The areas that suffered were HR Payroll and AP which were heavily reliant on Mouchel staff. *It should be noted that the Unit4 Project Manager would question this statement as during the build phase of the project Serco (in Unit4's view) did not in his view have people with the required expertise to do such lower level builds. Also Unit4 were not aware of this work and stated that they did more of the build work than originally envisaged due to Serco not being able to provide the level of resource expertise required.* This point is not agreed by Serco.

The Mouchel Head of Financial Services who now works for Serco stated to KPMG that “Serco had not had any experience of using Agresso previously, and it was also clear that Unit 4 had not worked with local authorities of the size and scale of Lincolnshire previously. These elements plus only confirming that 200+ schools would also be utilising the payroll services being implemented approximately four months before go live meant that the implementation would be incredibly challenging as the schools payroll requirements can be quite complex”.

Unit 4 stated that there had previously been multiple Agresso implementations in UK Local Government (circa one hundred) that included work with Local Authorities of varying size and scale. Examples of County and/or Unitary Councils of scale include: Warwickshire CC, Wolverhampton, Redcar, Dudley, and Bristol. There were also further large implementations in progress by Agilisys at Edinburgh City, Renfrewshire, Scottish Borders and others.

Serco have stated that both Edinburgh City and Scottish Borders are not live and therefore not relevant to the implementation. Also, that Serco's understanding is Edinburgh City is at

least 10 months behind plan. Serco's view is that at the time of the implementation Agresso had not been implemented on the scale of that was required in Lincolnshire.

We were informed by the Chief Information and Commissioning Officer, County Finance Manager and other Council Service Leads that they were concerned that Serco were not adequately resourcing and engaging with the transition and transformation, were not sufficiently aware of the Agresso build, and were not preparing themselves for service take-on. On each occasion these concerns were raised Serco provided assurances to the Council.

We have reviewed an email exchange between the Chief Information and Commissioning Officer and two very senior members of Serco staff on 24th January 2015 in which the Serco staff assured the Chief Information and Commissioning Officer that they were confident they would deliver the services from 1st April 2015. It was also clear in an email that Serco not taking on service delivery from 1 April 2015 was not an option for the Council. These emails outlined the difficulties that were being experienced at that time. After this date to go live at the end of March 2015, we have not seen any further evidence of escalation of issues and concerns raised by the Council and we were informed by the Chief Information and Commissioning Officer they were carried out orally. The key issue is that no contingency arrangements were in place.

It was stated that on a number of occasions Council staff requested Serco to recruit more staff to assist in these areas of work, however, the Council stated the requests were not fulfilled. Our discussions identified this resulted in Council staff carrying out a higher level of activity than planned and committing more resource to the implementation than was originally envisaged in the contract.

Unit4 also stated that it was also making representations to Serco regarding insufficient resources being allocated to the project. A deficiency that meant Unit4 was being asked to provide significantly greater resource levels than were originally envisaged in the Serco / Unit4 contract. Serco have stated that there were issues with Unit4 resourcing.

Serco does not agree that requests were not fulfilled. Serco has stated that it provided far more resource than anticipated in the contract. Recruitment for the specialised resources required was very difficult in the area as the specialist resources were not available. Resource issues were also compounded by the lack of specialist staff transferring from Mouchel to Serco. Serco acknowledges that the resource provided wasn't always effective.

If the Council considered that the resourcing was insufficient to deliver on the 12 month timescale, we would have expected to see a detailed review of milestones, and potentially discussions regarding a re-planning exercise, with all staff leaving site until these matters had been resolved.

In Serco's view Unit 4 were overstretched at that time due to other client commitments including Tri Borough, Wolverhampton, and Peterborough Council client work.

Unit4 have stated that they delivered the resource in line with the agreed Unit4 and Serco contract. Unit4 also commented that in period before go-live the Unit4 Project Manager also had dialogue with the Serco Director at the time regarding offer for further Unit4 assistance – the Serco Director made the call that he didn't feel he needed any more Unit4 support.

Serco did not have sufficient capable or knowledgeable resource (Agresso product); and did not have time to up skill its staff due to the tight timetable; exacerbated by access to information and the complexity of processes.

3.2 Data Migration

Schedule 4 of the contract states that the Council is responsible for performing all agreed data cleansing of the existing data and shall provide the data required for migration to Serco. We understand from the Chief Commercial Officer that the Council arrangements for fulfilling this requirement was to make a request to Mouchel to undertake this work. Mouchel were responsible for all aspects of the SAP system and due to this were best placed to carry out the data extraction from SAP. We understand the request was accepted and fulfilled by Mouchel; we are unaware of the scope of work carried out and any additional costs incurred by the Council.

The Council HR Lead identified that there were SAP data quality issues prior to migration to Agresso. Serco senior staff stated to KPMG that "it was not Serco's role to carry out data cleansing, and it should have been carried out by either Mouchel or the Council, however, this work was not carried out". A senior member of Serco stated to KPMG that "areas of data migration were dependent on the Council, however, it was left to Serco staff to deal with the data migration work and the poor quality data provided".

In our discussions the Council accepts the data cleansing required prior to extraction from SAP was its responsibility. But the Council denies this activity was not carried out and Mouchel provided assurances to the Council that data cleansing had been carried out. Serco needed then to transform the migrated data so it would work in a different system and it may be that Serco failed to do this effectively. It is of note that payroll and payments data in SAP had been used to pay Council staff and suppliers up to and including March 2015 without major incident.

It is Serco's position that data quality issues arose from the failure to cleanse the data which was the Council's responsibility.

The ERP Transformational Plan (page 72) submitted by Serco stated the data warehouse will be used as an integral part of the data migration process from SAP to Agresso. We understand this was not possible due to the data warehouse solution not being fully completed by Serco. As an alternative solution Serco wrote data transformation scripts which we understand led to delays, as well as being more prone to error. The data warehouse would have given Serco much more capability in terms of processing power, transformation tools and utilities to make the process easier and more reliable with methods for checking accuracy of information that aren't as possible in the processes they used.

Serco's position is that factually the above is correct however this wouldn't have had an impact of what was needed to be done regarding data transformation and timings.

During data migration a decision was made to carry out the loading of user profiles without sufficient levels of testing due to time pressures in the project. We were unable to identify who made this decision, however, we are aware this resulted in a significant number of users having wider access rights than required and the reported 'data breach' identified by many of the staff that KPMG interviewed. The Council's Information Governance Team carried out a full investigation of this data breach and produced a formal report. We were also informed that both Serco and Unit 4 did not have the resources to address the data breach issues promptly; and support was provided by Council IT staff, a fact that is disputed by Serco and Unit 4.

A report of the project's data migration arrangements produced by the Audit and Risk Manager identified there had been insufficient checks upon the completeness, integrity and accuracy of this data. We were also informed that there were data quality and user management issues with regards to Finance and HR Payroll respectively. KPMG could find

no evidence of a formal sign-off of the data migration by the Council in relation to payroll data.

It is clear that the controls to ensure data was migrated completely, accurately with integrity was not carried out effectively by all parties, in terms of sign off at each stage. Serco stated to KPMG that pension's data continues to cause challenges as core information was not evident in the migration, requiring ongoing work to ensure payments are made correctly.

3.3 Contingency Options

April 1st 2015 was the planned date for the commencement of the Agresso ERP services by Serco and was a key date for the project. Included in the ERP Transformation Plan (page 81) it was outlined that Serco's choice of contingency was SAP in the event that the Agresso system was not ready by the 1st April 2015. The contract recognises this at clauses 4 and 6 and places an obligation on Serco to implement Agresso and to keep the Council informed of progress against the ERP Transformational Plan and the milestones (clauses 4.2-4.4, 4.5, 6.1, 6.5). The Council had contractual remedies if Serco failed to implement the Agresso system by the 1st April 2015. The plan also states the Council will make available its SAP arrangements at Serco's request (clause 8.5).

Our discussions identified that for SAP the contractual arrangements were between Mouchel and SAP, in the sense that Mouchel held the licence and maintenance agreements with SAP and the Council had the right to benefit from use of the system. However, the Council had no direct contractual relationship with SAP. The Mouchel and SAP agreement ran for a period from January to December as opposed to April to March, and therefore could not be extended for any period less than a complete year. Serco stated that it was their understanding from communications with the Council that the SAP maintenance agreement ran until June 2015 and therefore would have still been in place up to June 2015. The Council do not agree with this statement. The key issue is that Contingency was clearly not discussed in detail between the parties to a point where there was clarity as to whether using SAP was a viable option post April if needed. Also that the licence would have been in place until June 2015 but categorically not the maintenance agreement as explained above.

As a result Mouchel had to make a decision by the end of September 2014 whether to extend the SAP maintenance agreement to cover the year 1st January 2015 to 31st December 2015. It should be noted that the licence agreement (i.e. the right to use the SAP product) was not affected as the licence was perpetual. Therefore it was available to Council finance staff to carry out end of year accounts work and Serco's understanding was that the Council had made arrangements with Mouchel to enable the Council to continue to use the SAP system to do year end accounts up to June 2015. There was no such ability to use SAP payroll without extending the maintenance arrangements.

Our discussions with the County Finance Officer identified that in September 2014, the Council did not agree to meet the cost of Mouchel extending the SAP maintenance agreement which would have been at very significant cost (a high end six figure sum), and therefore this was cancelled. We understand the Council did seek and received assurances from Mouchel that this SAP maintenance agreement could be renewed at any point provided that the annual fee was paid.

The contractual requirements between the Council and Serco meant that Serco could have requested the SAP contingency to be implemented in late 2014 or early 2015, if they were experiencing issues and delays with the Agresso Project implementation. This would have enabled the April payroll in particular to be run in SAP. Council officers informed us that Serco were asked whether they wished to implement the SAP contingency plan. However,

Serco chose not to implement this option. From that date the Council did not continually escalate the non decision of Serco to activate a possible contingency plan. The Council state that this was due to Serco's ongoing assurances as to their readiness though concerns continued to be raised verbally by the Council.

There is no email or other documentary evidence available from the Council or from Serco to support this key decision making process. KPMG has not been provided with any formal evidence of the decision not to meet the cost of the Mouchel SAP maintenance agreement and the governance body that approved the decision. We are aware the SAP system has been available from April 1 2015 to date as a read only system.

By Serco taking a decision not to request the Council to renew its SAP maintenance contract, it removed any effective contingency plan that may have been utilised to continue to use SAP operationally as a fall back if the Agresso ERP Project ran into difficulties and the planned implementation date of April 1st 2015 was not going to be achieved.

The contract between the Council and Serco gave Serco an opportunity to require the Council to put in place the SAP maintenance arrangement. Serco never served that notice though they were asked. Had they done so then an agreement with SAP for maintenance could have been put in place. Our subsequent discussions identified that even if SAP had been available, Serco staff would not have been able to run the payroll in April 2015 and beyond this date, if required, due to the lack of Mouchel staff transferring to Serco.

The project was implemented to a very tight timeline and despite problems with go live, as identified in this report Serco still proceeded with a big bang approach required under the contract and agreed by the Council) despite modules being staggered over a couple of weeks.. We have seen Agresso Project Board meeting minutes from February to April 2015 where Serco staff provided assurances that a big bang approach was the best approach.

In summary, Serco stated that Mouchel and SAP could have been utilised as a contingency arrangement. The Council contends that other contingencies were available but the lack of SAP maintenance meant that SAP could not be used to run payroll. Also the Council had made it clear that not to go live with services was not an option. Serco accept that they were too compliant and should have challenged the Council further on these issues. The Council's position is that service delivery from 1 April 2015 was a contractual obligation on Serco and it was for Serco to put in place any necessary contingency to enable the services from that date.

3.4 System Go Live

We held discussions with staff from the Council and Serco in relation to the period leading up to the system go live decision. In the period from January to mid-April 2015, there were a number of issues identified that could impact on the readiness to go live, as follows:

- We noted an exchange of emails between the Chief Information and Commissioning Officer and Serco senior staff on January 24th 2015 where issues were raised over poor performance by Serco, missing of project milestones, the failure to manage Agresso environments as required, and absence of robust contingency planning. These were responded to by Serco staff with an acknowledgement of the failures.
- However, since the exchange of emails on 24th January 2015 we cannot find any further documentary evidence of the direct escalation of issues as the go-live date became closer, and how the Council were trying to hold Serco to account for the delivery of this project though we are advised that this was done verbally. We did note from meeting minutes of the Agresso ERP Project Board in March 2015 that Serco stated that going live was the right thing to do which was agreed by the Council. The reasons given were as follows:
 - there would potentially be less errors with Agresso and easier to fix;
 - SAP had not had year-end patches applied and there will be problems if the payroll is re-ran using SAP. In effect starters would have to be paid manually, leavers may be paid, and changes in tax and NI would not be reflected.
- In our discussions with the Chief Information and Commissioning Officer and other senior Council staff it was acknowledged that the Agresso system had gone live with some payroll testing to be completed in early April 2015 ahead of the payroll run at the end of the month. Serco advised that the required testing could be completed in the time available ahead of the April payroll. Unit 4 stated that testing was running 'to the wire', however they would not advocate going live without assurance that payroll had been effectively tested.
- Our review of the red RAG ratings presented to the Agresso Project Board in March 2015 did identify item CSSP R207, 'failure of payroll parallel run to conclude satisfactorily will result in alternative plan' but the mitigation action recorded 'as much effort as possible is being applied to ensure success of payroll parallel run'. At this stage, it was less than a week to go before the go live date of April 1st 2015.
- The information provided by Serco on 25th March included a payroll update with a list of tasks completed successfully with a status of 'yes' shown with a green RAG rating. Alternatively other tasks were recorded with a status of 'no' and shown in red. The latter revealed problems with the 'payroll balanced' tasks and general ledger postings were also shown with a red RAG rating. An examination of the 'red risks' table provided by Serco on 25th March 2015 identified some significant problems for example item CSSP 1040, 'lack of a change control process for changes made to the Agresso system environments' with mitigation stated as 'corrective measures applied, a request will be made to the ERP Board to close this item'.
- In an email to the Chief Information and Commissioning Officer and the County Finance Officer dated February 25 2015, the Audit and Risk Manager stated, "*we currently cannot give any assurance around the projects ability to deliver on April 1 2015. Key areas where attention should be drawn were no confidence that the payroll system will have been sufficiently tested to enable go live in April. A lot of*

work is required in 3 of the 4 payrolls. User acceptance testing was working to extremely tight timelines and was in danger of not being fully completed". The Audit and Risk Manager also stated "that the project needs to start working on contingency arrangements, particularly around payroll. The system needs to be ready (fit for purpose) before approval is given by the Board to go live. Currently Internal Audit is not able to give the Board assurance that this is so to support an informed decision to go live".

- A report by the Audit and Risk Manager in February 2015 identified that only limited checks had been carried out on data migration and assurance could not be provided that these figures agree back to SAP or that all the records required have been extracted from SAP for the majority of the data sets listed. The report also highlighted issues over finance and HR payroll testing carried out to date. It was also reported that requirements for the Council schools were not dealt with sufficiently.
- A number of risks with red RAG ratings concerning training were reported to the Project Board during the period leading up to implementation. CSSP_R141, 'capacity and bandwidth of remote Council locations may not be able to support required traffic and usage for training'. Also CSSP_R180 'if additional accounts payable resource is required for BAU then they won't be available to be trained'. The impact of these was articulated as 'unable to deliver training to affected staff' and 'staff are not sufficiently trained to operate on 1st April 2015' respectively. At the time it was not clear how many staff were impacted by these issues. Also our interviews identified that due to the increasing workloads of the Training Lead, supporting training materials had not been completed due to other work commitments such as co-ordinating activities. Time and resourcing issues meant user feedback on training was not positive. KPMG were informed that the version of Agresso used for training purposes was an older version, and not the version that was implemented.
- We were also informed during our interviews that between December 2014 and go live in April 2015, testing cycles had not been completed. Any testing issues were logged to a system called Mantis. We did not review the level of testing errors encountered, however, we are aware that Internal Audit staff did review the scope of testing carried out and reported on the absence of successful test results. We understand that there was ongoing discussions on testing and resolution of issues at daily project team meetings and information on testing completion were presented to the Project Board in reports made by Council workstream leads and the Serco Project Manager.
- In an Agresso Project Board meeting held on 26th March 2015 the Audit and Risk Manager presented a view that Internal Audit could not give go-live assurance over payroll as it was unable to carry out detailed systems audit work (because system wasn't ready to be reviewed), the three planned parallel runs had failed and overall the testing carried out was poor.

The decision to go live with the system was taken however in a series of decision-point meetings on 31st March, 1st April, 2nd April and 7th April 2015. In each of these meetings the workstream leads from the Council identified any outstanding issues and whether they were sufficiently serious to prevent system go-live. The Chief Technology Officer of the Council was also present together with their opposite number from Serco and the Serco Partnership Manager. The final decision whether to go live was taken by the Chief Information and Commissioning Officer based on the evidence and assurances provided by Service Leads and Serco.

In the meeting held on 31st March 2015 the evidence was that HR was ready to proceed, Payroll had until week commencing 13 April to reach a decision but Finance needed a little longer. This meeting involved the County Finance Manager and a member of Internal Audit who was acting as a control consultant to the programme. They confirmed that there was reasonable assurance regarding the system (with the exception of Payroll), subject to caveats discussed in the meeting. There was now satisfactory assurance regarding the data migration and master data (again with the exception of Payroll) as the workstream leads were acting on the recommendations of the earlier internal audit report on data migration by undertaking reconciliations and keeping records of their checks. Both were satisfied with the proposal to proceed subject to the caveats identified in the meeting. The difficulty however was the lack of core workflow in Finance.

The Chief Information and Commissioning Officer stated “there were too many serious issues to be resolved before it was decided to go fully live on April 1st 2015. The system we have is a long way off the system the Council was sold. For payroll we will not know for sure until April 13th but we have a fighting chance”.

In a further decision point meeting of the Agresso Project Board held on 1st April 2015, a number of further issues had arisen and it was decided that there was insufficient assurance to go live on 1st April. The matter would be reconsidered at 8.30 am on the 2nd April. The ideal would be to go live later on 2nd April with a fall-back of 7th April after the Easter weekend.

A decision-point meeting of the Board held on 2nd April 2015 confirmed a go live at midday on 2nd April 2015, although the Council HR and Payroll Workstream Lead identified some HR payroll issues emerged on 1st April 2015 that required resolution by Unit 4. However, due to a further go live issues and difficulties on 2nd April 2015, the system was taken down again on 2nd April and a further meeting was held on 7th April 2015.

The decision-point meeting on 7th April learnt of the steps taken over the weekend to ensure data integrity and were assured by Serco's IT lead that there were four small pieces of work to complete that morning. As there had been no changes to the functionality that had been signed off as sufficient to go live on 2nd April, the decision was taken to go live on that day.

A decision to go live with an IT system is not dependent on that system working perfectly in all respects. There comes a point with any system implementation where it is legitimate for the project to conclude that the system should be moved into live operation and outstanding issues addressed in that environment rather than to keep that system in the test environment further.

3.5 Payroll Go Live

In a further decision point meeting held on 16th April 2015, consideration was given to whether to proceed with the April payroll run in Agresso. The Council HR Lead stated “that the overall opinion was to go ahead with the Agresso payroll run”. Meeting minutes stated “it won't be perfect but it is the least worst option. The risks associated with running the March BACS file were far greater than running with Agresso”. The County Finance Officer agreed with this view. The Chief Information and Commissioning Officer asked “what exactly is the level and the nature of the risks”. The overall conclusion of the meeting was recorded as “it will be by the skin of our teeth, but it is the least worst option”. A decision was minuted with the Chief Information and Commissioning Officer stating “go ahead with the Agresso payroll”, and Mike Russell and Derek Irvine from Serco were assigned as the points of escalation.

The payroll data within the SAP system will have been out of date and in particular will not have included tax changes taking effect in April 2015. In those circumstances using the last BACs run made in SAP will inevitably have led to a high number of staff being

incorrectly paid. If the accuracy of the data within Agresso at this point was sufficient to enable a significant proportion of staff to be paid correctly then it would be a reasonable judgment to proceed with the payroll in Agresso.

A number of payroll staff from Mouchel were not made available before and during the go live period in April 2015. Our discussions identified that from the ten payroll staff working for Mouchel at that time, Serco were expecting these staff to transfer to them as part of TUPE arrangements. What occurred was only two staff were actually transferred to Serco with the result being that Serco had a significant payroll staff shortage and a demanding payroll operational schedule to address in April 2015, and the following months. As a result Serco were put on notice to recruit suitably experienced and qualified payroll staff at short notice to address this issue which they failed to do due to a lack of specialist resources in the local area. We understand that payroll staff shortages after implementation had a significant impact on payroll operations, which Serco stated were later rectified.

The evidence from the Council is that these staff shortages included the Control Team due to failure to transfer from Mouchel no officer with experience in this area was transferred who were responsible for making all third party payments. Problems were exacerbated by inadequate configuration and a lack of experienced staff within the Corporate and Schools HR Admin and Payroll teams.

3.6 Systems and Services from April 1 2015

The contract required Serco to deliver the services from April 1st 2015 whether or not Agresso was available to do so and placed the risk of not doing so on Serco. Whether Serco were ready to take on the services was a matter for Serco. In fact there is a significant amount of evidence that Serco were not ready to perform the services, as follows:

- their failure to engage effectively in the build of the system had left them with a deficient understanding of the way the system worked;
- their failure in some cases to put in place suitable business processes to reflect the change in the IT system they would be using;
- their inability in some cases to recruit suitably experienced and skilled staff particularly in the areas of payments and payroll; and
- to challenge the Council on changes to business processes including the need for approximately 1000 payroll codes.

KPMG reviewed evidence that showed the Council was aware of some of these concerns and raised them with Serco during the periods before and after system go live.

The Council's Service Leads involved in the build of Agresso voiced their concerns on a regular basis that Serco were not providing, or making available through their sub-contractors, sufficient resources to enable the build to meet project timetables. These issues were raised on a regular basis with the Serco staff responsible for managing the project. Serco also raised concerns regarding the availability of Mouchel staff.

At the decision-point meeting on 31 March 2015 the Serco representative was asked whether they were happy to accept the risks of taking on the delivery of the services if the Agresso system went live and he confirmed that this was the case. Whilst the system went live it did not lead Serco to address sufficiently the wider resourcing and business process issues with the result that Serco were not ready to take on services on 1 April 2015.

This is evident from a reference in a Serco statement prepared for the press in December 2015 to Serco having boosted its management team in Lincoln; recruited 12

additional payroll staff to deal with enquiries including a new Payroll Manager; recruited additional staff within finance and HR administration; and engaged 10 consultants to review and manage enhancement and service improvement programmes for both payroll and accounts payable indicating the shortfall in resourcing that had been in place up to that point.

In February 2016 Serco requested that payroll verification work was carried out by PwC having first been requested by the Council in October 2015. This work included a walkthrough of each payroll and each transaction type to understand the payrolls and system sufficiently to develop a testing schedule. We understand this work has yet to be fully completed.

The Council state that whilst payroll has improved significantly, some payroll and pensions issues remain for Serco to resolve to ensure the integrity of the service. We have identified that there are no current MI/BI reporting analysis and proactive investigations available to the Serco to resolve all suspected current payroll and pension errors. The Council still has to rely on employees making contact to report potential errors made. However, Serco has now agreed to proactively test 1% of the payroll each month as part of an assurance process.

In addition, the relationship with Mouchel between the end of the contract leading up to the changeover of services was also challenging. Mouchel were not able to make sufficient resource available to contribute effectively to the Agresso implementation. The Serco Solutions Director did advise KPMG that Serco did raise issues over the lack of access to Mouchel with the Council in September 2014. This included the lack of providing key information they required and in their view this had the potential of jeopardising the progress of the Agresso Project.

The Serco Solutions Director stated to KPMG that it was very important from the outset that a close relationship was built between Serco and the Council. It was recognised there were difficulties prior to Agresso implementation in accessing Mouchel payroll resources. Serco advertised for additional Payroll resources in August 2014 to support the implementation. There was an expectation to have 10 members of staff to run HR payroll but were only two transferred to Serco as part of the TUPE arrangement.

4 Summary of findings

4.1 Options Appraisal and Procurement

- 1 The contract between Lincolnshire County Council and Serco required Serco to deliver specified IMT, People Management, Finance and Customer Service Centre services to the Council to a specified standard. Serco have not achieved that standard and have been in breach of contract since April 1st 2015.
- 2 As part of the same contract Serco undertook to implement the Agresso ERP system and to deliver the specified services using Agresso. The functionality of Agresso would also be made available to the Council.
- 3 Agresso has still not been satisfactorily implemented. Implementation was Serco's contractual obligation and they have taken responsibility for the failure to fulfil that obligation and are actively working to put this right. Improvements have been and continue to be made.
- 4 The packaging of the contract was well thought out and the appointment of Serco followed an open, transparent and objective procurement process fully compliant with the Council's legal obligations. Concerns about Serco's recent reputation were addressed to the extent that they could be within the parameters of such a process.
- 5 The structure of the procurement was, from the evidence available, not a cause of the implementation issues encountered; excepting the possible inclusion of a 12 month timetable for implementation.

4.2 Evaluation

- 1 The evaluation process, was also not a cause of the issues encountered, although we would highlight the following points which should have been addressed:
 - Apart from the visit to Warwickshire at the time of the Mouchel business case, site visits were not carried out at local authorities of a similar size where bidders had already gone live with the ERP Agresso software being offered because none of the bidders had implemented Agresso ERP before at a County Council or Unitary Authority. The Council relied upon Serco having Unit 4 as their implementation sub-contractor whose software it was, and also that Serco had experience of large scale programmes of this type with other ERP systems. .
 - KPMG accept that Serco included in their bid a twelve month transformation period, Mouchel' s business case was for Agresso with Unit4 but for an 18 month implementation. We would have expected to have seen an 18 to 24 month period for the package of services being contracted for, in accordance with the statements made to the bidders by Unit 4 at the supplier's event day.
 - The Agresso local government templates did not cover all processes e.g. non-invoice payments. The Council were also aware there were no templates for Payroll, so significant work would have been needed in this area to configure Agresso in a local government environment. Not least due to the need to include multiple roles and employments.

4.3 Programme and Project Management

4.3.1 Governance

Serco had undertaken contractually to implement Agresso and be in a position to take on services on 1 April 2015. Serco were responsible for project management of the implementation process. In the Council's view they felt they were entitled to expect that a contractor of Serco's size and experience would deliver on their contractual obligations without the Council needing to implement at cost to itself a full client side programme capable of checking their every move. The Council's governance arrangements reflected this fundamental fact.

There is clearly scope for disagreement about the extent to which a purchaser should incur costs in replicating project management resource and disciplines to ensure a contractor fulfils its obligations. Nevertheless if more project assurance resource had been available to monitor that the Agresso project and the wider transition to Serco service delivery were being appropriately managed by Serco, then issues would have been identified at an earlier stage and more effective pressure may have been applied to Serco earlier in the process.

This, would have come at a cost to the Council that in their view was difficult to justify allowing for financial pressures. With the benefit of hindsight it may be that the Council had too much confidence in Serco's (and its subcontractors) ability to follow through on its assurances because of its size and experience.

In terms of programme governance the ultimate responsibility fell on the Chief Information and Commissioning Officer who had other responsibilities including for other strands of the FDSS programme. The Council did take steps to appoint a Programme Manager role to work on the project alongside Serco project staff, although KPMG did obtain evidence that the role was referred to as a Project Relationship Manager by interviewees as the project delivery commenced. The Council's Service Leads also took lead roles in ensuring that their service needs were met. An Agresso Project Board met fortnightly during the programme to monitor progress and more frequently at key decision-points including go live.

In the Council's view the links between the Agresso project governance and the wider FDSS governance were rational and clear with the Serco implementation forming a strand of the wider programme. Links to the Council's senior officer and member structures were less formal with issues of concern being raised as appropriate with CMB and senior elected members. Members of CMB and the Leader of the Council were made aware that there may be issues with April's payroll and that it may be necessary to re-run March's payroll prior to the go live decision being made. There were in the Council's view no other potential issues with Agresso because service leads were satisfied that the risk of go live was low and that outstanding actions could be mitigated, or were not necessary for go live.

It is clear that the Council had achieved a robust degree of risk transfer within the contract and that Serco were ultimately responsible for the delivery of the services and took the commercial risk of a failure to implement Agresso successfully. At the same time the project carried with it significant reputational risk and risk to the Council's own operations.

Given the fact that the ERP system went live with significant issues the Council's intelligent client function had not been able to resolve the following:

- resourcing limitations of Serco;
- ensuring there was a workable contingency arrangement in place;

- ensuring sufficient testing of the configuration took place;
- ensuring sufficient testing of controls took place and was successful;
- formal sign off of controls throughout the ETL process;
- insistence on re-planning of the programme if there were concerns on the overall progress;
- monitoring of Serco performance against their overall project plan and the failure to meet project milestones should have resulted in further actions;
- Insistence on a re-planning of the programme; or formally asking Serco if they needed an extension to an 18/24 month timetable.

Serco also do not appear to have raised their frustrations with the Council's governance arrangements, and had a discussion how these could work more effectively for both parties.

Serco's view was that the level of governance was onerous.

There was also no independent assurance carried out at any point during the implementation, which would have highlighted any issues with the programme, and produced recommendations to redress these to enable a successful implementation.

4.3.2 Implementation and Resourcing

The implementation of any ERP system is a complex undertaking. Issues of concern were raised by a number of interested parties including the Council's Chief Information and Commissioning Officer and Audit and Risk Manager during the course of the implementation (see below). Nevertheless this did not result in any re-planning exercise which was transparent to the Council to give them assurance that all aspects of the implementation would be addressed.

The Council's service leads involved in the build of Agresso stated they voiced their concerns on a regular basis that Serco were not providing, or making available through their sub-contractors, sufficient resource to enable the build to meet project timetables. These issues were raised on a regular basis with the Serco staff responsible for managing the project. Alongside this there was mounting concern towards the end of the year amongst senior Council staff involved in the implementation that Serco were not making the necessary preparations in terms of recruitment, training and business process design to take on the services on 1 April 2015.

The lack of local government templates for payroll added to the challenges which needed to be overcome.

Serco appeared to have struggled with recruiting payroll resource, but did not ask for assistance in this area. Whilst Serco did redeploy staff working from other contracts such as Peterborough and NCIS, this was not effective in the short term.

4.3.3 Testing and Parallel Running

Our review of evidence and discussions with Council and Serco staff identified a number of weaknesses in testing and failures with parallel running ahead of go live. A number of testing failures as well as payroll parallel runs not being completed successfully were discussed at the regular meetings of the Agresso Project Board. The scope of our work did not extend to a detailed analysis of the reasons why testing and parallel running was not carried out with successful results, however, we understand that audit work in this area was carried out by the Council's internal audit team during the project implementation. We were made aware by a number of staff that the timeline of the project to April 2015 meant

that go live was implemented without an adequate level of successful testing and parallel running being achieved.

4.3.4 Data Migration

The Council agreed with Mouchel to undertake data extraction work.

We have seen evidence of data migration work carried out by I Gate on behalf of Serco (including a number of emails dated very late March 2015), which evidence signed off control totals by all parties for payments and finance related data but not for payroll. In effect there was no assurance that data from one system (which had been used to correctly pay Council staff up until March 2015) has migrated to the new environment; which should have led, at a minimum, to further testing of the data in Agresso.

4.4 Contingency Options

The decision to go live (see below) cannot be separated from the steps taken (or not taken) to put in place a contingency plan. Serco's choice of contingency involved the use of SAP. Such a contingency was dependent on SAP being up to date with changes reflecting tax changes to payroll implemented in April 2015. This in turn was dependent on a maintenance agreement being in place with SAP.

The maintenance agreement put in place by Mouchel had not been renewed by Mouchel at the Council's choice. Although the Council were given assurances that SAP maintenance could be renewed at any time, the Council had contracted to pass the risk to Serco. The use of SAP was made available to Serco as a contingency at their request made in the pre contract dialogue. Although Serco were asked whether they wanted the SAP contingency to be implemented they declined. Our subsequent discussions with senior Council staff identified that even if SAP had been made available to Serco as a contingency option, the staffing issues due to staff not transferring from Mouchel, or being recruited more quickly by Serco at the time, meant it would not have been possible for Serco to run the April 2015 payroll effectively using SAP.

We have been unable to find documentary evidence regarding the decisions made on contingency planning, which is a critical one that all parties should have discussed in detail, and we would have expected the Council to have insisted on.

Had a contingency plan been in place the decision to carry out the April payroll using Agresso may not have been taken. Although SAP had been identified by Serco as their preferred contingency the cost of its use could in retrospect be seen to render it more theoretical than practical as a fall-back. Although other possible contingencies can be envisaged (such as the use of a third party bureau service) there is no evidence that Serco ever identified an alternative. With hindsight the Council could have pushed Serco to identify a further contingency after they declined to pursue the SAP option.

4.5 System Go Live

Some concerns remained right up to the point at which it was decided the system should go live on 7th April 2015. However, at that point the Council's senior officers fulfilling the role of Service Leads who had detailed knowledge of the system and its implementation were satisfied that with the exception of payroll the issues affecting the system were not sufficiently significant to prevent Agresso moving to the live environment.

The decision-making process on system go live itself evidences the right consideration being given to relevant issues with the involvement of the key Council personnel. The decision to go live does not require a system to be fully working in all respects and the

judgment that the system should go live was a judgment for the Council which it reached through an appropriate methodology. It should also be noted that this was a decision regarding the state of the system and not a decision about Serco's preparedness to deliver the services using the system.

4.6 Payroll Go Live

The decision to go live in the use of Agresso to run the April 2015 payroll was made in a similar way. In this case, however, the service lead was less satisfied as to the compliance of the system and the decision is openly based on use of Agresso being the least worst option at the time. This was a reasonable judgment for the Council to make given that the alternative was to re-run a previous months payroll which by that time would be out of date with changes in tax, leavers and starters

It is important to note, however, that even if SAP, rather than Agresso had been used to run the April 2015 payroll that does not mean that problems with that payroll would have been avoided. Serco in any event simply did not have the trained and experienced staff, particularly in the critical payroll control and payment functions, or the business processes in place to have achieved compliance with the requirements of the contract whether Agresso or SAP had been used. This is the single most fundamental issue affecting all subsequent payrolls. Serco did not address this issue until autumn 2015 when it recruited a suitably experienced Payroll Control Manager.

4.7 Systems and Services from April 1 2015

The core ERP service was not available in the form contracted for due to problems with:

- Data quality (due to problems with the data migration and loading to Agresso);
- Configuration of ERP, in line with processes per Local Government templates. (The system required more resource than had been anticipated due to the complexity of the Council's business operations; and this should have been picked up during the evaluation process and site visits. Ideally checks should have been carried out on the extent of configuration for a local authority County Council environment together with the need for customisation of the product in relation to processes specific to the Councils business environment). Alternatively there wasn't sufficient challenge to change the Councils processes to align with the core functionality of Agresso.
- There has been extensive dialogue between the parties from April 2015 to date, and the Council have stated that Serco have worked hard to improve the services provided. Unfortunately there have been a number of timescale slippages against deadlines. A plan is currently in place to resolve the remaining issues.

The Council is also still awaiting detailed system design documentation from Serco.

5 Recommendations

Below we have set out the key recommendations; these should assist the Council with the management of future outsourcing contracts for Corporate Services more effectively.

Programme and project governance

1. The Council should continue to maintain an intelligent client function for any major programme where there is an element of outsourcing, using a defined programme and project methodology. In doing so:
 - a. Sufficient resources need to be deployed; and
 - b. A key learning point is that even where risk is transferred to the supplier the client needs to be in a position to hold them to account for their actions and performance. In order to do this the client side needs to be aware of progress, and issues, and being appropriately resourced to act to intercede where necessary.
2. The Council should continue to use Programme Boards as part of its governance for major procurement:
 - a. It was and is appropriate to meet at least monthly or more frequently when the project enters critical phases;
 - b. There were, and will continue to be, needs for clear reporting and escalation processes in place which ensure all relevant parties are involved or informed or progress. Consideration should be given to more detailed reporting being provided to CMB on critical decisions including: need for contingency arrangements; go live decision; issues relating to supplier/subcontractor e.g. capability of resources; potential for extension of implementation period;
 - c. Formal meeting minutes were and should be produced after each meeting, and they should always be distributed to attendees and appropriate Council senior staff; which can take the format of action and decision logs. This should ensure that any significant issues that affect projects are fully communicated and addressed by senior management;
 - d. That these Boards are also seen as an effective use of resources and a sound forum for decision making by the supplier and its sub-contractor(s).
3. The Council should continue to put in place a dedicated programme manager to lead and co-ordinate the Council's side of any future programmes. This person should have the necessary skills and experience to provide adequate challenge to any 3rd party supplier and its staff working alongside to deliver a project. This should enable the Council to ensure their contractual delivery, and risks are looked after at all times.
4. The Council should consider in future whether to utilise the services of an external supplier to carry out Independent programme assurance at key points during the lifecycle of the procurement through to go live and post implementation review. This would enable the Council to gain assurance at key points, or alternatively be

cognisant of issues which need to be addressed, together with advice from suitably experienced providers.

Tender Evaluation (refers to findings in 2.2)

5. When carrying out site visits for future outsourcing contracts the Council should where possible ensure that the sites visited include: the application software and versions being offered; a supplier site where they have been responsible for the same package of delivery of services; and preferably the same implementation timescale.
6. The Council should consider how it might manage its reputational risk even where all other risks have been transferred to the supplier.
7. There needs to be challenge in relation to timescales provided by suppliers in terms of their realistic achievability. Research should be carried out using organisations such as Gartner or Forrester to assist in this process.
8. Where suppliers offer specific implementation toolkits such as 'Local Government Templates' these should be reviewed for existence and validity.

Contingency Arrangements

9. For future outsourcing projects there should always be an enforceable contingency plan in place to fall back on in the event of go live problems. Consideration should be given as to whether the contingency provides good value which is proportionate to the risk and consequence of failure and the cost of the contingency. This should be explored as part of the forensic analysis of the Open Book accounting during the evaluation process.

Data Migration, Parallel Running and Testing

10. For future ICT projects the Council needs to ensure it has adequate arrangements in place for data migration. For ICT outsourcing contracts, the Council needs to ensure that 3rd parties carry out all contractual obligations relating to data extraction, transformation and data load, and ensure it has adequate arrangements for the formal sign off of the data migration process; specifically the use of control totals for quantitative data:
11. The Council should work closely with any supplier to ensure it has adequate information on testing and parallel running work being carried out and the subsequent results. It is important that the client side has visibility of the quality and comprehensive coverage of this work to ensure data transferred: is confidential; has integrity; and is complete. There should normally be at least two clear parallel runs carried out, and the results formally signed off. We would also expect to see evidence of individual sign offs for discrete areas of testing including: functional; technical; regression etc.
12. For future ICT outsourcing projects, the Council should ensure there are adequate change control mechanisms in place throughout all stages of the project.
13. Although Serco accepted an implementation period of 12 months, future procurements of this scale should allow 18 to 24 months for transition.

Go live arrangements

14. The Council should continue its methodology of having appropriate governance arrangements in place during the go live decision, with all parties being fully aware of the implications of go live.

Services from April 1 2015

15. The experience of service delivery over the last 18 months, has confirmed the importance that the Council has placed on effective management through good governance. The Council needs be in a position, with independent evidence if necessary, to work with its supplier on the following:

- Consistency and capability of supplier staff;
- Quality of deliverables;
- Programming the management of recovery;
- Re-programming the implementation in line with Council's requirements; and
- Data quality and Controls sign off by all parties.

These are areas that will always needs to be addressed in order for ongoing successful delivery of Services.

6 Appendices

6.1 Project Approval Documents and member input

Terms of Reference agreed with Audit Committee on 20 June 2016

Report Reference: **Regulatory and Other Committee**

Open Report on behalf of Richard Wills, Monitoring Officer

Report to:	Audit Committee
Date:	20 June 2016
Subject:	REVIEW OF SERCO CONTRACT

Summary:

The report recommends Terms of Reference for a review of the contract awarded to Serco. A review has been anticipated for a while but the Council resolved at its meeting in May to ask KPMG to undertake the review in accordance with terms of reference approved by the Audit Committee.

Recommendation(s):

To determine the Terms of Reference for KPMG's review of the Serco Contract as indicated at Appendix A, or as amended by the Committee.

To consider whether the Committee may wish to hold special meetings to oversee the Review.

Background

1. The Audit Committee has received regular updates on the progress of Agresso and wider aspects of the contract the County Council has with Serco. It has been accepted for some time that a review would be required. However, officers have advised that in the first instance it was important to ensure that people engaged in commissioning and delivering the contract were allowed to concentrate on improving delivery.
2. At the County Council in May, a motion relating to Serco and the review was proposed by Cllr Parker. An amendment to this motion was proposed by Cllr Hill and this amended was accepted and voted upon.
3. The context for the motion was that the council continued to be concerned and disappointed by the delivery of some services by Serco and the impact this is having on:
 - the citizens of Lincolnshire,
 - our Local Authority schools,
 - organisations we trade with and which supply us with vital services
 - our staff
 - the operations of the County Council.

It is acknowledged that Serco has made progress in improving service delivery and the Council looks forward to this service delivery reaching the contracted standards. While this Council has the contractual right to terminate the contract with Serco, we recognise that it is currently in the Council's best interest to work with Serco while they continue to put the problems right. Serco's continued commitment to rectification, in spite of their financial losses, is valued by this Council.

4. At its meeting on 20 May 2016, the Council resolved:
 - a) to ask the Chief Executive to ensure that the promised review of the procurement and award of the Serco contract and the implementation of Agresso is undertaken at once using the Council's external auditors KPMG; the terms of reference for the review to be agreed by the Audit Committee at its next meeting in June;
 - b) that the review is reported to the Audit Committee at its September meeting;
 - c) to ask the Chief Executive to keep under review progress to improve performance and the options available to the County within the terms of the contract, and to consult as he considers necessary with the Recovery Group.
5. I have been asked, as the Monitoring Officer, to oversee the review on behalf of the chief executive because I have been independent of the contract letting and supervision.
6. The review should be restricted to determining what has happened in the process of specifying the contract, tendering, management and delivery of the contract that emerged. It should enable learning points to be drawn from the review and recommendations that might help the council let future contracts. The review will not

consider how the council may wish to deal with Serco in future, albeit that the outcome of the review may help inform any decisions of that nature.

Conclusion

7. The Council had already indicated that it would undertake a review and the County Council's resolution has provided the impetus for undertaking that now.
8. The Audit Committee is invited to consider the terms of reference that have been drawn up and are presented in Appendix A. It may also wish to consider whether oversight of the review can be managed within its normal calendar of meetings or whether it would like a special meeting to consider an interim report. Full Council meets on 16 September and Audit Committee is scheduled to meet on 26 September.

Consultation

a) Policy Proofing Actions Required

n/a

Appendices

These are listed below and attached at the back of the report	
Appendix A	Proposed Terms of Reference for a review of the Serco Contract.

Background Papers

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

This report was written by Richard Wills, who can be contacted on 01522 553000 or richard.wills@lincolnshire.gov.uk.

Letter of Approval from Public Sector Audit Appointments (PSAA) on 8 August 2016

John Cornett
Director – Public Sector
KPMG LLP
St Nicholas House
31 Park Row
Nottingham
NG1 6FQ

Dear John

Provision of non-audit services to Lincolnshire County Council (“the council”)

Thank you for your letter dated 16 June and for subsequent clarification correspondence and telephone calls relating to a request for approval for KPMG to carry out a limited scope independent review of the processes leading up to the appointment of Serco as financial services provider to the Council and the subsequent management of the contract that emerged.

I have considered your request and I am writing to confirm PSAA’s approval for you to undertake the work up to a maximum value of £50,000.

The firm has confirmed that it is satisfied that its independence as external auditor to Council will not be impaired. In this respect, PSAA notes specifically that the work will be led and undertaken by a team separate for the audit team.

You will appreciate that PSAA must reserve its position on such matters and (although unlikely) may need to appoint a different auditor to carry out any review of the work carried out.

Yours sincerely

Andrew Chappell
Senior Compliance Manager

**Letter of Engagement between Lincolnshire County Council and KPMG
dated 15 August 2016**

Private & Confidential

Tony McArdle
Chief Executive
Lincolnshire County Council
Newland
LINCOLN
LN1 1YL

15 August 2016

Dear Tony

Review of Agresso ERP System Implementation and Serco Contract
Management.

Further to our recent discussion I am writing to confirm the engagement between Lincolnshire County Council ("the Council") and KPMG LLP to deliver services to you in connection with the review of the Agresso ERP system implementation; and the processes that led up to the appointment of Serco as the Council's corporate support services provider, and subsequent management of the contract that emerged.

1 Scope of the Services

The Council are seeking support for an independent review of the selection of Serco who proposed the Agresso ERP system with Unit 4 as their implementation partner as part of their solution to deliver corporate support services to the Council and as described in the Terms of Reference agreed by the Council's Audit Committee on 20 June 2016. This includes the Council asking KPMG to review the process as follows:

- Specification and tendering processes operated by the Council including:
How operational and commercial risks were assessed, allocated, managed, or mitigated;

Whether there were any constraints, specific requirements, or a lack of clarity in the documentation or communications between the parties that contributed

to the issues identified by the Council in respect of Serco's delivery of services under this contract, particularly in relation to Agresso implementation.

- Evaluation of the bidders and contracts by the council:

Processes and criteria for long and shortlisting bidders;

Whether the Councils evaluation of risks could have identified any potential factors in. Serco's bid that would have required further due diligence, namely the credentials/qualifications of Serco as a supplier and manager of an implementation partner, and veracity of the bid document;

The extent to which the risks associated with transferring a service between external suppliers was adequately assessed and addressed by and through the evaluation process.

- Management of the implementation by the Council and associated contract:

Would it have been possible to identify indications of potential failure before the services commencement date of the contract i.e. the key implementation risks;

Whether increased contract management resources by the Council would have improved contract management.

- Serco's performance in delivering the contract to the Council and the implementation of Agresso:

Review Serco's operation performance of the services and the implementation of Agresso, including management of Unit 4;

Review the Council's support to the implementation of Agresso.

Our proposed work will be designed to enable learning points to be drawn from the review which should enable the Council to improve the letting and manage processes relating to future Outsourcing contracts for Corporate Services (including HR, Payroll, and Customer Services) more effectively.

The scope of the proposed work is in relation to the Serco corporate support services contract is set out above and in the agreed terms of reference and in that respect the review will not:

- Recommend how the Council may wish to deal with Serco in the future;

- Seek to make an assessment of whether or not Serco has met its contractual obligation under the contract;
- Address any service delivery failures that have already been identified by the Council;
- The report will be written as a post implementation review of the Council's programme and is not suitable to be used for any future dispute.

I would also like to make you aware that we have been appointed as the external auditors of Serco, however any potential conflicts of interest have been considered and mitigated as part of our internal independence process.

The Council will be required to:

- Provide reasonable availability of senior staff, and stakeholders for interview subject to reasonable notice been given.
- Provide the information required to complete our review in a timely manner.

2 Timetable

We will carry out the work to support the Council from August 17 to 16 September 2016. Specifically we will attend a Special Audit Committee on 6 September 2016 and will be available to attend the Council Meeting on 16 September 2016 if required.

6.2 People interviewed

Lincolnshire County Council

Alex Botten, Procurement Analyst – initially 30 August 2016 and one further date;

Andrew Hancy, Business Support Manager – 31 August 2016;

Adam Davey, HR Payroll Lead – initially 16 September 2016 and one further date;

David Forbes, County Finance Officer – initially 22 August 2016 and one further date;

Debbie Barnes, Director of Children's Services – 18 August 2016;

Fiona Thompson, Service Manager (People) – 31 August 2016;

Helen Edwards, Financial Strategy and External Funding – 30 August 2016;

Jo Ray, Pension Fund Manager – 31 August 2016;

John Gratrack, Assistant Financial Advisor – 1 September 2016;

Judith Hetherington Smith, Chief Information and Commissioning Officer – initially 17 August 2016 and two further dates;

Julie Castledine, Principal Auditor – 17 August 2016;

Louisa Jelly, Payroll Manager – 17 August 2016;

Lucy Pledge, Audit & Risk Manager – 18 August 2016;

Pete Moore, Director of Finance and Public Protection – 30 August 2016;

Richard Wills, Executive Director – 30 August 2016;

Simon Oliver, Chief Technology Officer – initially 17 August 2016 and one further date;

Sophie Reeve, Chief Commercial Officer – initially 17 August 2016 and one further date;

Sue Fletcher, Service Delivery Manager (People) – 18 August 2016;

pd/mgh/C72405

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Document Classification - KPMG Confidential

Tony McArdle, Chief Executive – 17 August 2016;

Tony Warnock, Operations & Finance Advice Manager – 18 August 2016; and

Wendy Henry, OD & Learning Manager – 18 August 2016

Serco

Abi Tierney, Delivery Director – 30 August 2016

Colin Airs – 22 August 2016;

Dave Lester – 31 August 2016;

Ema Lee, Senior Business & Performance Analyst – 22 August 2016;

Gareth Moss, – 1 September 2016 and 3 November 2016;

Victoria Proctor – 3 November 2016;

Fay Shaw – 3 November 2016

Ian Blindell, Financial Services Manager – 1 September 2016;

Ian Smith, Consultant – 1 September 2016;

Julie Jackson, Business Development Operations Manager – 31 August 2016;

Louise Hanaghan, – 30 August 2016;

Mike Russell, – 31 August 2016; and

Paul Briddock, Partnership Director – 18 August 2016

Schools

Carole Barloga, Bursar (St Francis Special School, Lincoln) – 22 August 2016;

David Allsop, Headteacher (Queen Elizabeth High School) – 31 August 2016;

Jane Everton, Bursar (Barkston & Syston CE School) – 18 August 2016;

Julie Bedford, School Business Manager (Stickney Church of England Primary School) – 31 August 2016; and

Lesley Thornes, Headteacher (North Cockerington School) – 17 August 2016

Unit 4

Paul Marriner, Global Head of Government Advisory – 17 August 2016; and

Tina Partridge, Consulting Manager – 17 August 2016 and 3 November 2016

Shaun Patterson – 25 August 2016 (by telephone)

Sue Jones – 3 November 2016 (by telephone)

Paul Bradbury – 3 November 2016 (by telephone)

PWC

Tom Lawrenson, Senior Manager – 22 August 2016

6.3 List of supporting evidence reviewed

Agresso Board Report – 28th October 2015

Agresso Board Report – 2nd December 2015

Agresso Board: Agresso Training: E-Recruitment Assumption – 6th January 2015

Agresso Change Classification – Not dated

Agresso Close Plan Project Level 1: 15 Jun – Not dated

Agresso Commissioning Functionality: Desktop Gap Analysis – Not dated

Agresso Implementation: Impact of LCC Organisational Restructurings 2014/15 – 5th December 2014

Agresso Project Tracker Report (v0.2) – 12th May 2016

Agresso Test Strategy (v0.4) – 11th August 2014

Agresso Training Options: Training offer for on-going Agresso training – 19th August 2015

Agresso Transformation Project: OAT – 25th March 2015

Agresso Transformation Project: OAT Entry Condition – Not dated

Agresso Transformation: IST - Testing Status Report – 23rd December 2014

Agresso Transformation: UAT Approach – 22nd January 2015

Agresso Update 31/03/15: Go/No Go Final Board Decision – 22nd September 2016

Audit Committee Minutes – 18th July 2016

Audit Committee Minutes – 20th July 2015

Audit Committee Minutes – 20th June 2016

Audit Committee Minutes – 21st September 2015

Audit Committee Minutes – 22nd June 2015

Audit Committee Minutes – 23rd March 2016

Audit Committee Minutes – 23rd November 2015

Audit Committee Minutes – 24th November 2014

Audit Committee Minutes – 25th January 2016

Audit Committee Minutes – 26th January 2015

Audit Committee Minutes – 30th March 2015

Copy of Appendix 1 LCC Process Training Plan with Resources – Not dated

Copy of ERP Actions Log – Not dated

Corporate Support Services Contact in respect of Future Support Services Project – 21st March 2014

CSSP Action & Decision Log – Not dated

Customer Service Centre: Summary of Suppliers views following Market Engagement – September 2012

EDW Stakeholder Groups (Data and Report Validation / Testing and Sign Off) – 26th May 2015

ERP Actions Log – Not dated

ERP Decisions Log – Not dated

Executive Approval Report for VFM and Executive – Not dated

Executive Report: Exempt Report on behalf of Pete Moore, Executive Director for Resources and Community Safety – 18th December 2012

FDSS PM Overview – 11th September 2012

FDSS PM Overview – 18th September 2012

FDSS Supplier Day – 18th September 2012

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FDSS Supplier Day: Management Consultancy – 11th September 2012

FDSS: Property briefing note – 12th April 2013

FDSSP Project Highlight Report: ERP Transformation Project Board Report – 10th June 2014

FDSSP Project Highlight Report: ERP Transformation Project Board Report – 11th September 2014

FDSSP Project Highlight Report: ERP Transformation Project Board Report – 14th July 2014

FDSSP Project Highlight Report: ERP Transformation Project Board Report – 30th June 2014

FDSSP Project Highlight Report: ERP Transformation Project Board Report – 31st July 2014

FDSSP Sounding Board – 23rd July 2013

FDSSP: Customer Service Centre Surgery Sessions – 11th September 2013

Finance and Resources PL Insights – Not dated

Future Delivery of Support Services - PQQ Evaluation Criteria – 8th March 2013

Future Delivery of Support Services (FDSS) Sounding Board Agenda – 1st October 2013

Future Delivery of Support Services (FDSS) Sounding Board Cover Note – 1st October 2013

Future Delivery of Support Services (FDSS) Sounding Board Summary Notes – 1st October 2013

Future Delivery of Support Services Joint Planning Workshop – 20th March 2014

Future Delivery of Support Services Programme - Programme Plan: 27th January 2014

Future Delivery of Support Services Programme (FDSSP) Sounding Board Agenda – Monday 20th May 2013

Future Delivery of Support Services Programme (FDSSP) Sounding Board Summary Notes – 23rd July 2013

Future Delivery of Support Services Programme (FDSSP) Sounding Board Summary Notes – 3rd June 2013

Future Delivery of Support Services Programme (FDSSP) Sounding Board Summary Notes – Monday 20th May 2013

Future Delivery of Support Services Programme Board Actions & Decisions – 13th February 2014

Future Delivery of Support Services Programme Board Actions & Decisions – 2nd October 2013

Future Delivery of Support Services Programme Board Actions & Decisions – 4th December 2013

Future Delivery of Support Services Programme Board Actions & Decisions – 4th September 2013

Future Delivery of Support Services Programme Board Actions & Decisions – 6th March 2014

Future Delivery of Support Services Programme Board Actions & Decisions – 7th August 2013

Future Delivery of Support Services Programme Board Actions & Decisions – 7th November 2013

Future Delivery of Support Services Programme Delivery Board Actions & Decisions – 24th April 2014

Future Delivery of Support Services Programme Delivery Board Actions & Decisions – 30th April 2013

Future Delivery of Support Services Programme: Agresso Training Update – 26th January 2015

Future Delivery of Support Services Programme: Programme Structure (v1) – September 2014

Future Delivery of Support Services Programme: Report to Executive: Corporate Support Services: Appendix 5 Commercially Confidential: Impact Analysis – Not dated

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Future Delivery of Support Services Programme: User Engagement: Highlight Report to Agresso Board – 27th October 2015

Future Delivery of Support Services Programme: Venue Research (10th June - 19th July and 7th October - 15th November) – 16th April 2013

Future Delivery of Support Services Sounding Board Agenda – 13th January 2014

Future Delivery of Support Services Sounding Board Agenda – 14th February 2014

Future Delivery of Support Services Sounding Board Agenda – 23rd July 2013

Future Delivery of Support Services Sounding Board Agenda – 27th January 2014

Future Delivery of Support Services Sounding Board Agenda – 3rd June 2013

Future Delivery of Support Services Sounding Board Meeting: Competitive Dialogue - Evaluation Process (v1) – 5th March 2013

Future Delivery of Support Services Sounding Board Meeting: Consultation: Possible inclusion of CSC in FDSS – 1st October 2013

Future Delivery of Support Services Sounding Board Meeting: Corporate Support Services Project

Future Delivery of Support Services Sounding Board Meeting: Corporate Support Services Project:

Future Delivery of Support Services Sounding Board Meeting: Corporate Support Services Project: Detailed Solution Evaluation Outcome (v1) – 1st October 2013

Future Delivery of Support Services Sounding Board Meeting: Customer Service Centre Options for Discussion (v1) – 27th January 2014

Future Delivery of Support Services Sounding Board Meeting: Options for Catering and People Management Procurement (v1) – 23rd July 2013

Future Delivery of Support Services Sounding Board Summary – 14th February 2014

Future Delivery of Support Services Sounding Board Summary Notes – 13th January 2014

Future Delivery of Support Services Sounding Board Summary Notes – 27th January 2014

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Future Delivery of Support Services Sounding Board: Corporate Support Services Project:

Future Delivery of Support Services Sounding Board: Decision making process for Corporate Support Services Contract – 13th January 2014

Future Delivery of Support Services: Options Appraisal – 4th December 2012

Future Delivery of Support Services: Options Appraisal: Summary and Issues Report – Not dated

Future Delivery of Support Services: Programme Board Actions & Decisions – 17th April 2013

Future Delivery of Support Services: Programme Board Actions & Decisions – 21st May 2013

Future Delivery of Support Services: Programme Delivery Board Actions & Decisions – 16th April 2013

Future Delivery of Support Services: Programme Delivery Board Actions & Decisions – 2nd April 2013

Future Delivery of Support Services: Programme Delivery Board Actions & Decisions – 30th April 2013

Future Delivery of Support Services: Sounding Board Agenda – 8th March 2013

Future Delivery of Support Services: Sounding Board Notes – 8th March 2013

Future Delivery of Support Services: Stage 2 - Refreshed Programme Governance: Following comments from Legal (v3) – 6th March 2013

Future Delivery of Support Services: Workstream Planning Day – 20th March 2014

IMT Supplier Day – 11th September 2012

Informal Executive and Corporate Management Board Minutes – 14th June 2016

Informal Executive and Corporate Management Board Minutes – 15th March 2016

Informal Executive and Corporate Management Board Minutes – 15th September 2015

Informal Executive and Corporate Management Board Minutes – 16th December 2014

Informal Executive and Corporate Management Board Minutes – 16th February 2016

Informal Executive and Corporate Management Board Minutes – 16th June 2015

Informal Executive and Corporate Management Board Minutes – 17th February 2015

Informal Executive and Corporate Management Board Minutes – 17th March 2015

Informal Executive and Corporate Management Board Minutes – 17th May 2016

Informal Executive and Corporate Management Board Minutes – 19th April 2016

Informal Executive and Corporate Management Board Minutes – 19th January 2016

Informal Executive and Corporate Management Board Minutes – 19th July 2016

Informal Executive and Corporate Management Board Minutes – 19th May 2015

Informal Executive and Corporate Management Board Minutes – 20th January 2015

Informal Executive and Corporate Management Board Minutes – 20th October 2015

Informal Executive and Corporate Management Board Minutes – 21st April 2015

Informal Executive and Corporate Management Board Minutes – 21st July 2015

Informal Executive and Corporate Management Board Minutes – 26th November 2015

Informal Executive and Corporate Management Board Minutes – 2nd June 2015

Informal Executive and Corporate Management Board Minutes – 4th November 2014

Informal Executive and Corporate Management Board Minutes – 6th January 2015

Informal Executive and Corporate Management Board Minutes (V2) – 21st October 2014

Interface Testing Progress as at 24/03 – Not dated

LCC Serco Declaration of Good Standing Signed Serco Group – 10th January 2014

LCC Serco Schedule 4 Council Responsibilities: Schedule 4 Council Responsibilities

Lincoln: IT services: consulting, software development, Internet and support: 2013/S 063-105846: Contract notice: Services – Not dated

Lincolnshire County Council Corporate Support Services Programme (CSSP): Service Design Document: Recruitment Process (Council) – 29th October 2014

Lincolnshire County Council Future Delivery of Support Services Project Key Commercial Issues: Pensions – 30th April 2013

Lincolnshire County Council Future Delivery of Support Services: Combined Gateway Review 0 and Strategic Assessment and Business Justification – 27th November 2012

Lincolnshire County Council Future Delivery of Support Services: Corporate Support Services: Bidders' Day – 9th April 2013

Lincolnshire County Council: Agresso Project Board Report – 26th May 2016

Lincolnshire County Council: Corporate Support Services Contract: Serco: Clarification: Regulation 23 of the Public Contracts Regulations – 18th October 2013

Lincolnshire County Council: Corporate Support Services Programme (CSSP): Agresso Transformation Special Project Board: Initial Build and Test Phase Close Presentation – 14th October 2014

Lincolnshire County Council: Corporate Support Services Programme (CSSP): ERP Project Board – 12th May 2015

Lincolnshire County Council: Corporate Support Services Programme (CSSP): ERP Project Board – 14th April 2015

Lincolnshire County Council: Corporate Support Services Programme (CSSP): ERP Project Board – 16th March 2015

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Lincolnshire County Council: Corporate Support Services Programme (CSSP):
ERP Project Board – 18th May 2015

Lincolnshire County Council: Corporate Support Services Programme (CSSP):
ERP Project Board – 19th February 2015

Lincolnshire County Council: Corporate Support Services Programme (CSSP):
ERP Project Board – 21st January 2015

Lincolnshire County Council: Corporate Support Services Programme (CSSP):
ERP Project Board – 25th March 2015

Lincolnshire County Council: Corporate Support Services Programme (CSSP):
ERP Project Board – 26th February 2015

Lincolnshire County Council: Corporate Support Services Programme (CSSP):
ERP Project Board – 26th January 2015

Lincolnshire County Council: Corporate Support Services Programme (CSSP):
ERP Project Board – 27th April 2015

Lincolnshire County Council: Corporate Support Services Programme (CSSP):
ERP Project Board – 27th November 2014

Lincolnshire County Council: Corporate Support Services Programme (CSSP):
ERP Project Board – 28th May 2015

Lincolnshire County Council: Corporate Support Services Programme (CSSP):
ERP Project Board – 5th February 2015

Lincolnshire County Council: Corporate Support Services Programme (CSSP):
ERP Project Board – 5th May 2015

Lincolnshire County Council: Corporate Support Services Programme (CSSP):
ERP Project Board – 6th January 2015

Lincolnshire County Council: Corporate Support Services Programme (CSSP):
ERP Project Board – 7th April 2015

Lincolnshire County Council: Corporate Support Services Programme (CSSP):
ERP Project Board – 9th December 2014

Lincolnshire County Council: Corporate Support Services Programme (CSSP):
ERP Project Board – 9th March 2015

Lincolnshire County Council: Corporate Support Services Programme (CSSP):
ERP Transformation Project Board – 12th May 2015

Lincolnshire County Council: Corporate Support Services Programme (CSSP):
ERP Transformation Project Board – 27th May 2015

Lincolnshire County Council: Corporate Support Services Programme (CSSP):
Terms of Reference: System Security and Data Integrity Audit – 11th May 2015

Lincolnshire County Council: Information Governance: Data Protection Policy
(v2.5) – 22nd June 2015

Lincolnshire County Council: Information Governance: Records Management
Policy (v2.6) – 18th May 2016

Lincolnshire County Council: Information Security Framework: Document No. 1:
Corporate Information Security Policy Statement (v1.4) – 18th July 2016

Lincolnshire County Council: Information Security Framework: Document No. 2:
Information Risk Management Policy (v1.3) – 20th July 2016

Lincolnshire County Council: Information Security Framework: Document No. 4:
Physical Security Policy (v1.4) – 18th July 2016

Lincolnshire County Council: Information Security Policy Framework: Document
No. 13: Minimum Security Standards – Third party information sharing and
processing (v1.1) – 19th November 2015

Lincolnshire County Council: Information Security Policy Framework: Document
No. 3: Acceptable Use Policy (v1.6) – 12th May 2016

Lincolnshire County Council: Information Security Policy Framework: Document
No. 5: Protecting Personal Data (v1.3) – 3rd November 2015

Lincolnshire County Council: Information Security Policy Framework: Document
No. 8: Email Policy (v1.4) – 18th July 2016

Lincolnshire County Council: Information Security Policy Framework: Document
No.10: Password Policy (v1.4) – 18th July 2016

Lincolnshire County Council: Information Security Policy Framework: Document No.12: Security Incident Reporting Policy (v1.4) – 21st October 2015

Lincolnshire County Council: Information Security Policy Framework: Document No.6: Remote/Mobile Working Policy (v1.4) – 2nd November 2015

Lincolnshire County Council: Information Security Policy Framework: Document No.7: Removable Media Policy (v1.4) – 18th July 2016

Lincolnshire County Council: Information Security Policy Framework: Document No.9: Access Control Policy (v1.6) – 18th July 2016

Lincolnshire County Council's Corporate Support Services Project: Part of the Future Delivery of Support Services Programme – 7th June 2013

Lincolnshire County Council's Corporate Support Services Project: Part of the Future Delivery of Support Services Programme: OJEU Notice Reference 2013/S063-105846: Call for Final Tenders Stage – 18th October 2013

News Analysis article: Making sense of TUPE changes – 30th April 2013

Notes of Agresso Decision-point Meeting – 14th April 2015

Notes of Agresso Decision-point Meeting – 16th April 2015

Notes of Agresso Decision-point Meeting – 1st April 2015

Notes of Agresso Decision-point Meeting – 2nd April 2015

Notes of Agresso Decision-point Meeting – 31st March 2015

Notes of Agresso Decision-point Meeting – 7th April 2015

Outline Solution Evaluation Outcome (v2) – 3rd June 2013

Output from Group Activity at Planning: Agresso Transformation – 13th March 2014

PQQ Detailed Results – Not dated

Pre-qualification Questionnaire Evaluation Update: Information correct as of 12 noon 17th May 2013 – 20th May 2013

Procurement Pack for the Corporate Support Services Project Part of the Future Delivery of Support Services Programme: Incorporating: Initial Descriptive
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Document, Pre-Qualification Questionnaire, Invitation to Participate in Dialogue and Invitation to Submit Outline Solution (v1) – 27th March 2013

Procurement Pack for the Corporate Support Services Project Part of the Future Delivery of Support Services Programme: Incorporating: Initial Descriptive Document, Pre-Qualification Questionnaire, Invitation to Participate in Dialogue and Invitation to Submit Outline Solution (v0.5) – 2nd April 2013

Project Tracker Report – 18th February 2016

Property Feedback re FDSS PL Insights (v2) – Not dated

Proposed Final Evaluation Weightings (v1) – 1st October 2013

Restricted: Commercial in confidence: Future Delivery of Support Services: Programme briefing (v1) – 30th May 2013

Schedule 18: Security Management Plan

Schedule 2 Council Specification

Schedule 2: Part 1 Information Management & Technology Specification

Schedule 2: Part 2 Finance Specification

Schedule 2: Part 3 People Management Specification

Schedule 2: Part 4 Customer Service Centre Area

Serco response to Lincolnshire County Council for the Corporate Support Services Project: Business Continuity Plan – 17th December 2013

Serco response to Lincolnshire County Council for the Corporate Support Services Project: CFT for the Services: Part 3: IMT Transformation Plan: Draft Final Tender – 6th December 2013

Serco response to Lincolnshire County Council for the Corporate Support Services Project: CFT for the Services: Part 3: People Management Operational Plan: Draft Final Tender – 6th December 2013

Serco response to Lincolnshire County Council for the Corporate Support Services Project: CSC Governance Plan – 13th March 2014

Serco response to Lincolnshire County Council for the Corporate Support Services Project: CSC Organisational Transition Plan – 13th March 2014

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Serco response to Lincolnshire County Council for the Corporate Support Services Project: ERP Transformation Plan – 13th March 2014

Serco response to Lincolnshire County Council for the Corporate Support Services Project: ISDS for The Services: Part 1: Appendix 2 Anti Collusion Certificate – 30th August 2013

Serco response to Lincolnshire County Council: Pre-Qualification Questionnaire (PQQ) for the Future Delivery of Support Services: Corporate Support Services Project (FDSSP) – 7TH May 2013

Solution Proposal: SAP Data Extract Phase 3 – 7th September 2012

Supplier Engagement: Information Pack – Not dated

System Administration Approach – Not dated

Value for Money Scrutiny Committee Minutes – 21st September 2015

Value for Money Scrutiny Committee Minutes – 23rd June 2015

Value for Money Scrutiny Committee Minutes – 24th November 2015

Value for Money Scrutiny Committee Minutes – 25th February 2014

Value for Money Scrutiny Committee Minutes – 29th July 2014

Worksheet Interface Update Slides – 16th March 2015

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