



**Open Report on behalf of Andrew Crookham,
Deputy Chief Executive and Executive Director of Resources**

Report to:	Overview and Scrutiny Management Board
Date:	29 June 2023
Subject:	Business World System Redesign Project Update

Summary:

This report provides an update to the Overview and Scrutiny Management Board on the delivery of the re-design of the Council's Business World (BW) Enterprise Resource Planning (ERP) system following approval from the Executive on 17 December 2019 to move to the Hoople Ltd platform.

Actions Required:

The Overview and Scrutiny Management Board is invited to review the report and seek assurance on the implementation of the new Business World system.

1. Background

Project recap

The project mobilisation, design, build and implementation phases of the project are now complete, and the system formally went live on 6 April 2023. The project is now in a period of stabilisation before being closed in July 2023 and ongoing oversight being moved into business as usual (BAU).

The Council officially became a shareholder in Hoople on the 27 July 2021 and officers have signed a formal service level agreement for the delivery of the services, which commenced 6 April 2023. Following formal consultation, five Council staff have TUPE transferred to Hoople, effective from 1 April 2023.

Go-live

In the lead up to going live a number of controls/ measures were in place and regularly reviewed by all involved. Project Board meetings were weekly throughout March with up-to-date Situation Reports shared for discussion and challenge.

These weekly Project Boards were supplemented with further exceptional board meetings at critical go/ no go decision points. The two most significant were:

- **31 March 2023**, where a culmination of Situation Reports were presented in a go live checklist and the board were asked to support the progression to the next step, the final migration of data and sample testing. The go ahead here enabled some users to start processing in the new system. Over the weekend of the 1/2 April 2023 the HR Admin team, with support from Lincolnshire County Council (LCC) and Hoople, started to process forms/ data. No significant issues were reported over the weekend and early feedback was positive.
- **5 April 2023**, an updated checklist was presented with all activity delivered since the last board and a full run through of all controls/ measures in place. Used as a final opportunity to raise any concerns, the board agreed to move to the final step. This included removing edit access to the old system, implementing the overnight roll out of desktop icons, and updating users to the new system, meaning from 12am on 6 April 2023 all users could log into the system.

From this point, daily meetings were in place across a number of areas to monitor progress, performance and any issues highlighted.

Project Assurance

1. Paying suppliers

On day one of go live, the payment process was tested early to ensure the files progressed and payments were successfully made. This was successful, and payments continue to be paid in line with normal processing practices.

As expected, there were some issues raised as teams continued to work through the backlog of orders and invoices from when processing had to be halted over the cutover period. Some suppliers did miss the deadline for submitting invoices and despite communications did not realise this would not be paid in time. This has continued to be monitored on a daily basis and we are now operating in normal volumes.

A separate issue was identified that VAT was not being correctly selected by operators in the system. This has been picked up from a training and guidance perspective and specific messages have been issued, including schools, but this has created a backlog of errors that need to be cleared by the Accounts Payable team. Again, this matter was monitored and a system/ data solution agreed. As a result, a data load was completed by Hoople on the evening of 30 May 2023 which reduced the backlog and the issue has now become more manageable and continues to be monitored.

2. Receiving income

Income is primarily taken through the sales and invoicing processes in the system. Since January 2022, the Council has been working with Unit 4 to identify a replacement solution for the Cash and Income Manager module which is no longer being developed by Unit 4. Without replacement of this module, the Council would face pending significant disruption to the existing 'Card Holder Not Present' payment collections due to Mastercard no longer supporting this arrangement, as well as operating a module which the supplier was no longer developing and no longer had the expertise to maintain.

In our discussions, it was identified that an alternative, Unit 4 supported, product delivered by HeyCentric, would be a suitable replacement. This has now been fully implemented alongside Business World with a go live date of 6 April 2023 and remains fully operational, with no issues reported.

The move to HeyCentric has also provided demonstratable benefits in resolving some of the existing PCI-DSS (Payment Card Industry – Data Security Standards) compliance issues within the Council.

3. Paying staff

Paying staff over all four payrolls (Corporate, Fire, Schools, Teacher Top Up) was monitored closely with on-site support and guidance provided to Serco by LCC and Hoople throughout April. Due to the staggered nature of each payroll, it was possible to monitor each payroll through a number of critical steps until the payroll was confirmed and payment file created and sent. No significant issues were found, and each payroll was completed on schedule and as planned.

A similar approach was taken in May with similar levels of on-site support and additional remote backup. Again, all payrolls were monitored through each step of the process and were again completed on schedule and as planned.

As expected, during both payrolls some minor issues were reported, however these were found to be user related issues rather than the system configuration. An example of this was when several expense claims were not paid as expected, and on further investigation this was found to be user error, in that the user had selected April 2024 as the claim period. Controls have now been put in place to ensure such errors do not occur in the future.

Bank Holidays in April/ May have affected processing times with deadlines often earlier in the month. Although this is standard practice this has meant catching up from the system downtime during March has been more challenging and the payroll team are still working through a backlog in forms (starters, changes, leavers etc.). The Council has been supporting Serco with the management and prioritisation of these payments and processes continue to be reviewed into June 2023 as we continue to embed the change.

Historically there have been issues across the Council and Schools in the late submission of forms which is a practice the Council, Schools and Serco need to continue to work on and embed good practice through further communication and training. Without realising the

required improvements in this area, it will make it more difficult to manage the work coming into the People Services team and managing the changes in priorities.

June payroll will continue to be monitored by the Council, Serco and Hoople with early escalation of any issues if they arise. Project resource remains in position to review processes to ensure they are effective and efficient as the project transitions into BAU in July 2023.

4. Schools Access

Historically schools have accessed Business World via a physical token. This process has been in place since 2015 and has never been updated. Through the Hoople solution, access is now achieved via Microsoft multi factor authentication through a mobile app. This was not without its challenges as it requires consistent use of email addresses within the system and use of a mobile device, coupled with the difficulty of each school having its own independent IT set-up and configuration.

As this was a known shift in process, dedicated resource was allocated in the period up to go live and throughout April/ into May to work through the authentication process with each school. Overall, this approach has been highly successful, with excellent engagement from schools and 100% success rate of schools' users going through the multifactor authentication and logging into Business World.

Schools remain able to access and use the system with no specific issues. New users will gain access through the Council's in-house systems admin team who will oversee all future training, guidance, and support. Schools continue to receive regular updates regarding the system, including targeted communication regarding processing practices as set out previously in this report.

5. Expected issues at go-live

With an implementation of this nature, it was always anticipated that there would be issues to deal with at the point of go live. Due to the timing for extracting and migrating data, and the desire to methodically shut down processes before restarting in the new system, this has resulted in some backlogs in processing forms and documents, specifically affecting high volume administrators in Business Support and People Services/ Exchequer functions.

These volumes have been and continue to be closely monitored on a daily basis through calls with the relevant service leads, along with regular updates to Assistant Directors.

Anything flagged as an issue in the post implementation phase has been captured, reviewed, and action taken accordingly. In the majority of cases, these issues can be attributed to business processes, training, and guidance rather than an issue with the system itself. For those that have required some form of system configuration, fixes have either been applied or arrangements are in place for future development with Hoople.

6. Delivery of Strategic Reports

In January 2022, the project started a Strategic Reports Review. The purpose of this review was to assess the Hoople standard catalogue of reports and identify areas where there may be gaps or opportunities to enhance this standard offering. In total, 41 change requests were identified, which were a combination of amendments to existing reports and entirely new reports and each change request was detailed in a specification for development by Hoople.

Due to capacity and the focus on getting the new system live, these reports were prioritised into a must have list (one HR report and five Finance reports) which went live alongside the system on 6 April 2023. The remaining reports are currently in test and any defects identified under review with Hoople, with a view to getting these reports live during June 2023.

The development of these reports has not been a great success to date. There have been issues with getting appropriately skilled report writing specialists, coupled with not having enough data in the test system to robustly test the outputs and a lack of resource availability to carry out the testing. This remains a key focus and priority for the project and Hoople to be able to deliver the remaining reports by the end of June.

Once implemented, these reports will bring a greater level of reporting and local insight to our line managers, budget managers and spend managers, and will help drive improvements in the accuracy and data quality of the system overall. As part of the roll-out of the new reports, there will be dedicated communication to managers about the reports, when to run them, how to interpret and act upon them and channels will be set up to share best practice.

7. Data Quality

Throughout the project there have been various iterations of data migration which have flagged issues with the quality of data, resulting in c40,000 lines of data being updated before being migrated to the new system. At each iteration, a detailed data cleanse plan has been produced and monitored to ensure that the quality of our data is improved.

In addition to these records being updated, we identified:

- Over 35,000 open purchase orders in our system dating back to 2015 - it would not be possible to review and correct these and therefore it was agreed they should not be migrated to the new system.
- 12,500 open positions that should have been disestablished between 2015-2023 - it was felt the effort and risk to change these records was too significant, therefore after careful analysis these records were also not migrated to the new system.

It is important that as an organisation we continue to review, correct, and report on the quality of our data. To support this our HR, Finance and System services, led by information asset owners, will receive a detailed handover of all known issues from the project. In addition, the Systems team will lead the development of a data quality framework which will utilise existing system functionality such as alerts and regular reporting, supported by ongoing monitoring by service leads and the corporate performance team to maintain the

integrity of our data. This will also form part of routine reporting into the Corporate Leadership Team (CLT).

8. Legacy Data Solution

Contingency planning for this project was vital and as such an agreement was put in place with Unit 4 for access to the legacy system for a period of one year from April 2023, allowing staff access to historic records and documents, and in particular individuals payslips and P60's. The majority of the Council have read-only access to the legacy system however, the finance team will use this system to complete their closure of accounts and have the required read/ write access to do so effectively.

Within the scope of the project is the development of a new Legacy Data Solution. This solution is already in place for other Hoople clients and allows the legacy data from the old BW system to be held in one place and can be used to report on previous years activity. The approach to this mirrors the wider implementation and principle of 'adapt and adopt' to ensure this does not become over complex or onerous.

This solution is necessary to enable the Council to decommission the old BW system and all costs associated with it. The plan for the development and testing of the legacy solution is underway and includes the transfer of all data and associated reporting. It is expected this solution will be ready for use in September 2023.

Colleagues in IT and Information Assurance have been engaged in the development and planning of this solution to ensure it is fit for purpose and that our data is securely transferred and stored.

9. Benefits

The new system includes new and improved functionality that has delivered a range of benefits to the end user. Some of these benefits include:

- System alerts that remind staff that actions need to be taken. This can be matters such as outstanding approvals for requisitioning, staff hitting sickness absence triggers, approval for leave or tasks that have work flowed to a manager to provide the necessary approvals. Alerts are also used to inform Line Managers if an employee's temporary contact is ending so action can be taken in a timely manner. A daily alert is also sent to all users who have outstanding tasks they need to action.
- Staff now have the ability to record their annual leave on Business World, whereas previously staff used a range of methods to record annual leave including spreadsheets, paper leave cards and Business World, in some cases multiple methods of recording were used. This change removes duplication and means this information is being held in one place and can be monitored accordingly.
- Commitment accounting is now incorporated into the Business World build as standard. This helps ensure financial and budgetary control as amounts committed against purchase orders are shown for budget monitoring and forecasting.

A detailed plan and record of all benefits to be realised has been captured as part of the project. This will continue to be monitored and reviewed once the project formally closes to ensure these have been realised and to understand any issues where this has not been successful, so that appropriate action can be taken.

10. System Development

A full governance and system development structure has been agreed and put in place to ensure continuous system development is delivered, including:

- Key stakeholder input through an internal Governance and Development Board and Hoople User Groups.
- Holistic prioritising for the Council and all Hoople Clients.
- Impacts and Resources considered and agreed.
- Roadmap for the coming years to keep sighted for medium to long term planning.
- Seat at the Hoople BW Programme Board.

Small to medium developments will be driven by analysis of support calls and feedback received, quality assurance control results based on system usage and data, changes to legislative requirements, and system optimisation opportunities.

An extensive library of training and guidance material is available to all staff including schools. This includes step by step guides and short videos showing staff how to complete tasks. The BW team will continuously review and update guidance based on user feedback and system changes. Finance and HR services are also developing e-learning for new employees, budget managers and spend managers.

Project closedown

Project closedown has now commenced with a detailed plan of key activity and scheduled handovers to the respective service areas. This includes activities such as:

- Schools access support
- Data quality management
- Support for payroll processing and backlog
- Training and guidance material management and delivery

Each handover gives the new owner an understanding of what the project has delivered, any risks associated with this work, and a project recommendation for next steps to support and embed the change.

Handovers have been scheduled from 15 May 2023 to 7 July 2023 to ensure a gradual approach and ongoing support where it is still required.

Lessons learned have been collated throughout the process, but it is important that all of those involved have the opportunity to reflect and share their thoughts on what went well,

what could be done differently and how, and importantly an opportunity to recognise individuals involved in the project overall.

A survey has been produced and shared to gather feedback from all involved in the project. This includes colleagues from across the Council, Hoople and Serco and asks a range of questions including areas of project planning, communication, training, and overall successes. This survey is planned to close on 16 June 2023 and results will be collated and shared within the project.

Senior officers at the Council will meet with the Council's Project Manager to talk through their specific feedback to ensure there is a collective understanding of feedback. All agreed suggestions for the future which will be shared with the Corporate Project Management Office for shared learning in future projects.

2. Conclusion

Overall, the final implementation and go-live of the new system has been a success; the system is carrying out its core functionality and operating as expected.

The issues that have been encountered are in the main user related, coupled with individuals getting used to new processes that have been implemented. Daily service meetings continue to operate to address these. Further communication and engagement is planned to reiterate key processes to help promote good practice, and the development of a quality assurance framework will be monitored as an activity within the quarterly corporate plan reporting. The implementation of the suite of management reports will continue to be monitored and reported on by the project team.

Whilst the project deliverable to implement the new system will come to a point of closure in July, ongoing tracking of benefits will remain in place to ensure these are being realised. In addition, a dedicated project manager with specific expertise in the BW payroll system will remain in place to monitor activity and will bridge the transition of the payroll service from Serco to Hoople in April 2024, helping to assure a seamless transition.

3. Consultation

a) Risks and Impact Analysis

Risks and Issues have been monitored in detail throughout the project and have been developed alongside reports and recommendations following the previous implementation. In most cases, the identified risks/issues could be closed down at the point of go-live or shortly after. Prior to go-live, the Council's internal audit service carried out a review of the project's approach to risk management and found overall that there are high levels of engagement throughout the project on managing risks and issues and regular and effective reporting of risks and issues to the project board and other stakeholders.

While the project closes down there are the following open risks we continue to monitor and update:

Legacy Data Solution – there was a risk that a Legacy Data solution would not be in place before access to our legacy system was removed. This was mitigated by the agreed read-only access for one year post go-live and is planned to be ready in September 2023. Management of this plan will be delivered by Hoople and assured by the Council's Systems team, with engagement from IT, Finance, HR, and Information Assurance.

Data Quality – there is a risk that data quality management is not given the focus it needs to ensure the integrity of the data is maintained going forward. This has been handed over to the information asset owners who have already started to work on a framework to maintain and monitor this going forward.

Strategic Reports Review – there is a risk that all reports are not delivered by the required deadlines. Additional resource has been agreed by Hoople and more regular meetings in place to progress these reports through test into live. Testing reports has been challenging due to the amount of data in the system. Therefore, to address this, a copy of the database has been taken as of 31 May 2023 to ensure reports are as close to real life as they can be.

Payroll processing, volumes and backlogs – there is a risk that due to the data cut being taken on 17 March 2023 and no further input possible until the new system went live, that key changes affecting pay would not be in the Hoople solution ahead of April pay. Although this was well managed, there does continue to be a high volume of forms carried over from April to May and May to June. To mitigate this, colleagues in HR are working closely with the Serco People Services team to put in place the necessary controls and to reiterate the need for timely and accurate forms submission to Council and schools staff.

4. Background Papers

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

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