

LONDON BOROUGH OF CROYDON

REPORT:	CABINET	
DATE OF DECISION	27 September 2023	
REPORT TITLE:	Oracle Improvement Programme	
CORPORATE DIRECTOR / DIRECTOR:	Jane West, Corporate Director of Resources (S151 Officer)	
LEAD OFFICER:	Jane West, Corporate Director of Resources (S151 Officer) jane.west@croydon.gov.uk	
LEAD MEMBER:	Cllr Jason Cummings, Cabinet Member for Finance	
KEY DECISION?	No	
CONTAINS EXEMPT INFORMATION?	No	Public
WARDS AFFECTED:	All	

1 SUMMARY OF REPORT

- 1.1** This report recommends an investment of £740,000, from the Transformation Plan revenue budget allocation 2023/24, into developing a detailed implementation plan and full resource request to significantly improve the Council’s Oracle Cloud solution for Finance, Procurement, HR, and Payroll while ensuring the system’s stability and continuity. This is in addition to £175,000 project investment request already approved by the Transformation Board and reported elsewhere on this agenda within the Transformation Plan update report.
- 1.2** The improvement programme which this investment supports is required to enable the transformation ambitions of the Council and support the priorities in the Mayor’s Business Plan 2022-2026 as detailed below.

2 RECOMMENDATIONS

For the reasons set out in the report, the Executive Mayor in Cabinet, is recommended to approve the recommendations below:

- 2.1** To allocate an investment of £740,000 from the Transformation Plan revenue budget 2023/24 to provide resources to develop a detailed plan with workstreams, milestones and costs to implement the improvements to the Council’s Oracle system as set out in this report.

3 REASONS FOR RECOMMENDATIONS

- 3.1** To provide the Council with the confidence that it has a robust Oracle platform for Finance, HR, Payroll and Procurement systems that reflects best practice and enables further council transformation.
- 3.2** To improve the user experience of Oracle by promoting greater self-service functionality for line managers, budget managers and promote simplification and exploit the automation of processes.

4 BACKGROUND AND DETAILS

- 4.1** One of the most critical IT systems used across the organisation is the Oracle Enterprise Resource Planning (ERP) application. This is a suite of inter-dependant modules that provides the operational backbone for the council. These modules cover finance, HR, procurement, and supply chain operations. This system enables the payment of staff and suppliers, the collection of income and management of the Council's finances and employees.
- 4.2** The platform used is Oracle's Cloud Fusion product (referred to as My Resources within Croydon). In addition to a contract with Oracle for licences to use their Fusion product, Croydon partnered with Evolutionary Systems Ltd (Evosys, now Mastek) to implement the system and provide ongoing support. The My Resources solution went live in May 2019 replacing several disparate systems.
- 4.3** Post go-live little investment has been made to further develop the system and it is now, in its current configuration, holding back further changes to back-office services and the wider transformation of council.
- 4.4** There are numerous complaints about limited reporting capability and too much off system work taking place such as manual work arounds, separate reporting and off-system data manipulation. This results in significant additional manual effort in many services and introduces control issues and risk into reporting and governance.

Oracle Review

- 4.5** An officer board has been established, chaired by the Corporate Director of Resources and S151 Officer. During April and May this year the board commissioned Oracle to undertake a review of the My Resources system to understand where improvements can be made to align the system with Oracle best-practice and ensure the Council maximises the benefits it can achieve from its investment. The review involved over 70 key partners across the council with over 12 workshops held.
- 4.6** The review measured the council's systems process maturity against four levels:
 - 4.6.1 Stage 1: Marginal
 - 4.6.2 Stage 2: Stable

4.6.3 Stage 3: Best Practice

4.6.4 Stage 4: Transformational

- 4.7** Regarding the HR processes they assessed at Stage 1 maturity and are characterised by several off-system activities and functionality gaps with consequent human-intensive effort.
- 4.8** In Finance the majority of the processes they assessed at Stage 2 maturity with the major problems highlighted pertaining to establishment data sync issues and a lack of automation in collections.
- 4.9** Procurement was assessed as consistently at maturity level 2 but with key issues highlighted on supplier set up and user compliance.
- 4.10** Oracle conclude that it should be realistic to aim for a best practice level of maturity and identified illustrative, best practice process changes, ranging from quick wins using reporting and functionality already in place to utilising functionality we have available but not deployed or where we have potential configuration/process design issues.
- 4.11** The officer board has agreed to move forward with developing ten key projects to address the Oracle report findings. The processes are listed in Table 1 below in a provisional priority order. There will also be dependencies between processes which will need to be picked up as part of the detailed planning; such as the Recruitment and Establishment processes needing to be aligned, similarly Planning and Budgeting will need to align with changes to the establishment process. A consistent theme across all processes will be improving governance, accountability, control, and transparency and will involve a significant culture change across all business users.

Table 1: Provisional Priorities

Priority	Process	Benefit Expected
1	Establishment - including starters movers and leavers	<ul style="list-style-type: none">• Self-service automation and easy navigation• Accurate timely reporting• Reduce failure demand, and repetitive requests.• Budget and establishment always reconciled.• Avoidance of payroll errors
2	Planning & budgeting	<ul style="list-style-type: none">• Self-service automation and easy navigation• Accurate timely reporting and transaction drill-down• Narrative reporting captured in Oracle
3	Recruitment	<ul style="list-style-type: none">• Self-service automation and much-improved applicant and hiring manager experience.• Accurate timely reporting, including EDI candidate data: on application, shortlisting, interview and appointment
4	Core HR	<ul style="list-style-type: none">• Succession Planning• Performance Management• Self-service automation and easy navigation• Better decisions and efficiency (accurate timely reporting)

Priority	Process	Benefit Expected
5	Talent management	<ul style="list-style-type: none"> • Self-service automation and easy navigation • Strategic planning • Accurate timely reporting • Talent reviews and learning journeys • Multi-platform functionality • Efficient and effective learning management system • Support development skills and careers pathways
6	Procurement	<ul style="list-style-type: none"> • Self-service automation • Better decisions • PO flipping on Portal (automatic invoice generation) • Efficient invoice management
7	Receivables and collections	<ul style="list-style-type: none"> • Paperless direct debits • Pay back dated invoices. • Invoices electronic with useful information • Self-service automation and easy navigation • Customer portal; SMS for dunning
8	Time recording & payroll	<ul style="list-style-type: none"> • Employee and manager self-service automation and easy navigation • Better decisions (accurate timely reporting) • Better controls to prevent payroll errors. • Efficiency and cost reductions
9	Sourcing & contract management	<ul style="list-style-type: none"> • Self-service automation • Better decisions • Automated interfaces Improved supplier management
10	Expenses - including Purchase Cards	<ul style="list-style-type: none"> • Self-service automation and easy navigation • Better decisions (accurate timely reporting) • Data validation at time of entry • Resubmission revisions by anyone in audit

4.12 Implementing these vital changes will be a multi-year project and is likely to cost anywhere from £2m to £5m. It is essential that the plans are properly constructed and in sufficient detail, are fully costed and proper engagement is undertaken with business process owners to ensure buy-in. This report is requesting an initial upfront investment to undertake this planning and put in place a core resource complement through to March 2024. By then a fully worked up plan and cost will come to Cabinet for consideration. This request could be agreed by the Transformation Board but given the scale of investment needed for the full project and its importance, it is considered important to bring this to the Mayor and Cabinet now, as will future programme updates.

Six Month Resource Plan

4.13 The following tables set out the resource plan through to March 2024. The resources for the initial period are funded from the £175,000 previously agreed by the Transformation Board to establish essential project management and independent consultant (critical friend) resources for this project. Table 2 sets out the resource phasing and Table 3 sets out the roles required and their key responsibilities. The

additional resources required have been costed through to March 2024 at £740,000 which includes £50,000 for third-party configuration work. The total committed to developing the costed plan for this programme will be £915,000. This is recognised to be a significant investment at this stage but is essential to de-risk the full improvement programme.

Table 2: Resources required

Resource	FTE	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Programme Manager	1.0							
Change Manager	1.0							
Independent Consultant (Critical Friend)	0.4							
Workstream Lead Finance	1.0							
Workstream Lead HR (HR Core+ Establishment)	1.0							
Workstream Lead HR (Recruitment)	1.0							
Workstream Lead Procurement	1.0							
Finance Business Analyst	1.0							
HR Business Analyst	1.0							
HR Business Analyst	1.0							
Project Management Office Support	1.0							
Total	10.4							

Table 3: Key responsibilities

Role	Key Responsibilities
Programme Manager	<ul style="list-style-type: none"> Communicates and engages with senior partners and builds buy-in and support within the business community to drive the programme forward. Overall responsibility for the delivery of the programme and achievement of target business outcomes. Manages the overall programme plan, risk and issues to ensure accuracy and alignment with workstreams and dependencies are managed. Establishes a collaborative programme working environment, ensuring all team members (including suppliers) can operate effectively and deliver their obligations.
Change Manager	<ul style="list-style-type: none"> Engagement with partner groups to ensure they are listened to and the impact on their work is understood. The planning and implementation of the change including the impact on business processes. Provide input, document requirements, and support the design and delivery of training.
Independent Consultant (Critical Friend)	<ul style="list-style-type: none"> Providing project and programme assurance including advice on aligning Oracle best-practice in a local authority context. Advise on improvements and critically review solutions. Contribute lessons learned from other local authority projects.

Role	Key Responsibilities
Workstream Lead Finance	<ul style="list-style-type: none"> • Facilitating workshops to gather requirements ascertain most appropriate Oracle solution to support the Croydon budgeting and forecasting process. • Engage and manage partners to build buy-in and support within the finance and business community to drive the improvement project forward. • Determine key finance establishment processes and ensure these are reflected in the Oracle solution as well as “joining up” with the relevant HR establishment processes.
Workstream Lead HR (HR Core+ Establishment)	<ul style="list-style-type: none"> • Facilitating workshops to ascertain most appropriate Oracle solution to support the Croydon core HR and HR establishment processes. • Engage and manage partners to build buy-in and support within HR and the wider business community to drive the improvement project forward. • Lead improvement of establishment processes and ensure these are reflected in the Oracle solution as well as “joining up” with the other relevant organisation processes e.g. starters, movers & leavers and establishment finance processes.
Workstream Lead HR (Recruitment)	<ul style="list-style-type: none"> • Facilitating workshops to ascertain most appropriate Oracle solution to support the Croydon HR recruitment processes. • Engage and manage partners to build buy-in and support within HR and the wider business community to drive the improvement project forward. • Determine key HR recruitment processes and ensure these are reflected in the Oracle solution as well as “joining up” with the relevant HR establishment processes.
Workstream Lead Procurement	<ul style="list-style-type: none"> • Facilitating workshops to ascertain most appropriate Oracle solution to support the Croydon procurement processes. • Engage and manage partners to build buy-in and support within procurement and the wider business community to drive the improvement project forward. • Determine key procurement processes and ensure these are reflected in the Oracle solution as well as “joining up” with other procurement systems along with working with other workstream leads to develop end-to-end processes.
Finance Business Analyst	<ul style="list-style-type: none"> • Assist in the analysis and evaluation of existing business processes a company has and identifying areas of improvement
HR Business Analyst (x 2)	<ul style="list-style-type: none"> • Assist in the analysis and evaluation of existing business processes a company has and identifying areas of improvement
PMO support	<ul style="list-style-type: none"> • Support the project team by maintaining a governance structure and associated activities such as ongoing risk assessments and mitigation across all workstreams, capturing actions and minutes as steering board meetings. • Provide management reporting support such as status of milestones and deliverables across the programme, financial information about the budget, forecast, actuals. • Reporting on project risks and progress on mitigating these risks.

5 ALTERNATIVE OPTIONS CONSIDERED

- 5.1 A discussion paper was presented to the Corporate Management Team in November 2021 outlining the plans for the My Resources (Oracle Fusion) system. There was unanimous approval to continue to leverage the Oracle Fusion platform rather than undertake a costly and distracting re-tendering exercise to replace it and implement an alternative system.
- 5.2 Also considered was operating with no further investment in Oracle Cloud and to work within the constraints of the current system footprint. This was considered as suboptimal as it would hinder further service improvements and is impractical given the Oracle Cloud system as a modern cloud application is constantly evolving and will always require development.

6 CONSULTATION

- 6.1 Engagement has been undertaken with HR and Payroll, Finance and Procurement business owners both separately and via several workshops facilitated by Oracle. The workshops were well attended with more than 70 partners from inside the council attending 12 workshops, cumulating in more than 20 hours of discussion.
- 6.2 This level consultation and engagement has meant that there is a comprehensive view of the requirements and ambitions of Croydon to not only improve business processes but also adopt improved cultures and behaviours.

7. CONTRIBUTION TO COUNCIL PRIORITIES

- 7.1 This programme of work directly contributes to the following outcome and supporting priorities in the Mayor's Business Plan 2022-2026:
- 7.1.1 **Outcome 1** - The council balances its books, listens to residents, and delivers good sustainable services.
- 7.1.2 **Priority:** Get a grip on the finances and make the Council financially sustainable.
Priority: Ensure good governance is embedded and adopt best practice.
Priority: Develop our workforce to deliver in a manner that respects the diversity of our communities.

8. IMPLICATIONS

8.1 FINANCIAL IMPLICATIONS

- 8.1.1 The £740,000 resource request will be funded from the £10m transformation plan budget agreed by Council for 2023-24. Noting that the Transformation Board has previously agreed £175,000 for project resources for this project. Therefore, the

total commitment at this stage amounts to £915,000. Given the scale of the likely full project cost, a funding source for the full project will need to be identified when that request is made of the Executive Mayor in Cabinet.

Comments approved by Allister Bannin, Director of Finance (Deputy S151 Officer)
(14/08/2023)

8.2 LEGAL IMPLICATIONS

8.2.1 The Council as a best value authority “must make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness” (Section 3 Local Government Act (LGA) 1999). The Best Value Duty applies to all functions of the Council.

8.2.2 The Council is the subject of Directions from the Secretary of State requiring service transformation and improvements. The recommended funding allocation serves to improve the Council’s IT infrastructure, enables service transformation, and aligns with the Council’s best value duty.

8.2.3 The Council's budget and policy framework procedure rules (Part 4C of the Constitution) provides that the Executive may only take decisions which are in line with the Budget Framework. The recommended funding allocation is within budgetary envelop approved by Full Council.

Comments approved by the Director of Legal Services and Monitoring Officer. (Date 19/09/2023)

8.3 EQUALITIES IMPLICATIONS

8.3.1 Under the Public Sector Equality Duty of the Equality Act 2010, decision makers must evidence consideration of any potential impacts of proposals on groups who share the protected characteristics, before decisions are taken. This includes any decisions relating to how authorities act as employers; how they develop, evaluate and review policies; how they design, deliver and evaluate services, and also how they commission and procure services from others.

8.3.2 Section 149 of the Act requires public bodies to have due regard to the need to:

Eliminate unlawful discrimination, harassment, victimisation and any other conduct prohibited by the Act.

Advance equality of opportunity between people who share a protected characteristic and people who do not share it; and

Foster good relations between people who share a protected characteristic and people who do not share it.

8.3.3 There are no direct Equalities implications of this decision. However, if the planned improvements go ahead there is expected to be a positive benefit as enhancements will be made to reporting on equalities and diversity information as referenced in Table 1. As part of that process an equality impact assessment will be completed.

Comments approved by Naseer Ahmad on behalf of the Equalities Manager (Date 21/08/2023)

APPENDICES

N/A

BACKGROUND DOCUMENTS

N/A