

# Report to Cabinet

18 October 2023

<b>Subject:</b>	Oracle Fusion ERP System Implementation Support Partner - SOCITM
<b>Cabinet Member:</b>	Finance and Resources Cllr Bob Piper
<b>Director:</b>	Director of Finance Brendan Arnold
<b>Key Decision:</b>	Yes Expenditure above £1m
<b>Contact Officer:</b>	Brendan Arnold Director of Finance brendan_arnold@sandwell.gov.uk

## 1 Recommendations

- 1.1 For the reasons set out in the report it is recommended that approval be given to extend the SOCITM Implementation Support taking the aggregate spend above the Key Decision Threshold (£1million+) and authority be delegated to award the contract to the Director of Finance, in consultation with the Cabinet Member for Finance and Resources up to a cumulative value as detailed in this report; and
- 1.2 The Director of Finance be authorised to undertake all steps and actions necessary to implement the Oracle Fusion Enterprise Resource Planning (ERP) system.

## 2 Reasons for Recommendations

- 2.1 The implementation of Oracle Fusion is a key corporate project and will fundamentally change the way the Council's Finance, Procurement, HR and Payroll services operate.



- 2.2 SOCITM as the Council's implementation support partner delivers a level of knowledge and expertise in the management and delivery of the programme that is outside the skills and capacity of our workforce.
- 2.3 Failure to extend the existing agreement would result in a delay to the rollout of Oracle Fusion, incremental costs and potential reputational damage.
- 2.4 The costs for SOCITM are included in the budget from November to April. Implementation costs are set out at Table 1 below -

**Table 1**

<b>Phase 1 of Implementation (September 2022 - October 2023)</b>	
<b>Position</b>	<b>Charge (£)</b>
<b>Assignment Leadership</b>	£26,600
<b>Programme Management</b>	£168,000
<b>Solutions Architecture</b>	£159,600
<b>Business Change Management</b>	£142,800
<b>Finance &amp; Procurement Change Management</b>	£189,750
<b>Testing Management</b>	£126,000
<b>Support Model Subject Matter Expertise</b>	£33,250
<b>Programme L&amp;D Leadership</b>	£153,750
<b>Total</b>	<b>£999,750</b>

<b>Phase 2 of Implementation (November 2023 - September 2024)</b>	
<b>Role</b>	<b>Charge (£)</b>
<b>Assignment Leadership</b>	£20,900
<b>Programme Management</b>	£148,500
<b>Solutions Architecture</b>	£79,800
<b>Business Change Management</b>	£135,150
<b>Finance &amp; Procurement Change Management</b>	£103,500
<b>Programme L&amp;D Leadership</b>	£109,500
<b>Testing Management</b>	£82,500
<b>Support Model Subject Matter Expertise</b>	£19,000
<b>Total</b>	<b>£698,850</b>

<b>Total SOCITM Implementation Partner Costs (ex. VAT)</b>	<b>£1,698,600</b>
<b>Total SOCITM Implementation Partner Costs (inc. VAT)</b>	<b>£2,038,320</b>



### 3 How does this deliver objectives of the Corporate Plan?

Having an effective, modern Finance and HR system helps underpin the Council's Corporate Plan and service delivery and ensures compliance with the following objectives to provide -

	The Best Start in Life for Children and Young People
	People Live Well and Age Well
	Strong Resilient Communities
	Quality Homes in Thriving Neighbourhoods
	A Strong and Inclusive Economy
	A Connected and Accessible Sandwell

### 4 Context and Key Issues

- 4.1 Oracle Fusion is a cloud-based Enterprise Resource Planning (ERP) system and will enable the Council to deliver key functions such as Finance, HR, Payroll and Procurement more efficiently and effectively to support the delivery of frontline services. Oracle Fusion represents an organisation wide Transformation Programme.
- 4.2 In August 2022, the Council awarded a contract to Infosys for the Systems Integrator role and to SOCITM for System Implementation Support.



- 4.3 The approach taken for implementation has been the substantive adoption of Oracle Fusion as developed, as opposed to the bespoke reconfiguration of function to meet current operating arrangements within the Council. This approach mitigates risks and delays associated with a bespoke reconfiguration of functionality as previously seen in the wider public sector and offers opportunity for the Council to review and refresh its operating arrangements relating to finance, HR, payroll and support.
- 4.4 The continued support from SOCITM will deliver a strong level of Project Management and Governance that is not available within the existing council workforce.
- 4.5 The role of SOCITM is to guide SMBC on best practice, to impart their knowledge to SMBC stakeholders, challenge all parties including the System Integrator (Infosys) on the approach to ensure a best in class solution is delivered.
- 4.6 As one of the leading Oracle Fusion Support Partners, SOCITM are in a position to share their experiences of numerous Public Sector implementations they have supported. In addition, they have been integral in supporting SMBC on understanding areas for improvement from other recent high-profile Oracle Fusion implementations.
- 4.7 SOCITM have and will continue to challenge any SMBC Service Area requests to deviate from the design principles of Adopt and not Adopt. This is recognised as most detrimental element to the successful implementation and utilisation of Oracle Fusion. SOCITM governance requires any requests to be reviewed at a stakeholder level prior to going to the Business & Technical Design Authority (BTDA). If the BTDA believe that there is a case for an exception this is then taken to the Programme Board for review and decision.

## 5 Alternative Options

- 5.1 In order to achieve the desired implementation no other alternatives are available.



## 6 Implications

<b>Resources:</b>	Cabinet approved an implementation budget for the programme in January 2023. A comprehensive resource model is in place to provide appropriate capacity and capability.
<b>Legal and Governance:</b>	The Programme has a governance structure in place with external support from SOCITM.
<b>Risk:</b>	The project maintains a robust Risk Log which is reviewed regularly by the Programme Team and Programme Board. Learnings from other councils have and are reviewed regularly to avoid potential challenges. The governance structure and implementation approach ensure all actions and decisions are considered and agreed prior to sign off for build.
<b>Equality:</b>	No direct implications arising from the recommendations.
<b>Health and Wellbeing:</b>	The financial prosperity of the Council provides a foundation for health and wellbeing across the remit of the Council.
<b>Social Value:</b>	No direct implications arising from the recommendations.
<b>Climate Change:</b>	No direct implications arising from the recommendations.
<b>Corporate Parenting:</b>	No direct implications arising from the recommendations.

## 7. Appendices

None.

## 8. Background Papers

None.

Oracle Fusion ERP System Implementation Support Partner - SOCITM

