



One Council Overview & Scrutiny Committee

6 February 2013

Report from the Director of Regeneration and Major Projects

For Action

Wards Affected:
ALL

Project Athena

1.0 Summary

- 1.1 This report outlines the implementation of an HR/payroll system based on Oracle Release 12 (R12) to replace the Council's underperforming Logica based system. It also deals with the reimplementation of the Council's Oracle Release 11 Finance and Procurement modules to the later R12 release.
- 1.2 Taken together this report describes the steps that will deliver a fully functioning Enterprise Resource Plan (ERP) system based on Oracle R12 E-Business Suite
- 1.3 The Brent-Athena project will be delivered in partnership with the London Boroughs of Havering, Croydon, Lambeth, Lewisham and Barking & Dagenham. The partnership arrangement will provide challenges for the delivery of the project and provision will have to be made in the One Council project delivery arrangements.

Project Objectives

- 1.4 The project has a number of Brent-specific objectives based on business requirements and systems efficiencies. These objectives fulfil a broader requirement to bring about a change in management culture by providing managers with up to date resource data to allow for accurate and improved strategic decision making.

Project Objectives – Brent

- 1.5 Implementing the Oracle E- Business Suite platform will enable the following aims to be achieved:

System and process improvements

- HR and payroll function integrated with the council's Oracle Financials system
- live data to Finance staff
- a flexible and adaptable hierarchy structure for procurement approvals
- ability to maximise the benefits of E-procurement by fully integrating the council's Oracle iProcurement module.
- work with the partner boroughs to develop standardise processes, practices, and best practice to improve the quality and consistency of services provided

Data and information improvements

- undertake a data cleansing exercise of staff records.
- rationalise the current

For Brent managers and staff:

- introduce data 'dashboards' to allow managers to make accurate and informed decisions when deploying resources.
- introduce reporting tools that allow managers to share current information and data for analysis and planning.
- access to live financial and staff information.
- online HR self-service for staff

Project Objectives – Pan-London Project Athena

- 1.6 In addition to the Brent-specific objectives, the project will seek to meet the objectives of the Pan-London Project Athena, which are to:

- Work with the partner boroughs to develop standardised processes, and 'best practice' to improve the quality and consistency of services provided
- Enable better and more efficient integrated working across authority and sector boundaries
- Provide quality information to support decision making
- Enable the future proofing of joint working arrangements across the public sector
- Ensure that back office services can be as lean and efficient as possible ensuring that as much of tax payer's money supports front line service provision
- Provide a strategic value for money solution for London.
- Take advantage of the benefits of working collaborative with partner boroughs by delivering transactional activities through a shared service.

2.0 Recommendations

- 2.1 The One Council Overview & Scrutiny Committee is asked to consider and comment on this report.

3.0 Detail

- 3.1 The concept for this project came from a diagnostic review of shared services opportunities in HR and Payroll produced by Capgemini in June 2011 for Finance directors in various London boroughs
- 3.2 In September 2011 a business case was presented to the One Council (OC) Programme Board which outlined Project Athena Phase 1 – Human Resources and Payroll. The business case proposed the transfer of Brent's HR/payroll systems from an underperforming Logica platform to a more robust Oracle Release 12 system. The OC Programme Board approved the business case in principle in September 2011 and subsequently approved the PID in February 2012.
- 3.3 Project Athena was set up as a partnership project with other London Boroughs to jointly procure and implement Oracle modules potentially at lower cost. The participating local authorities (Brent, Lambeth, Croydon, Lewisham, Barking & Dagenham, Havering), set up a Joint Partnership Board (JPB) which then appointed Capgemini to undertake the technical work on the Oracle system following a joint procurement process. 3.3
- 3.4 During discussions between Brent and Capgemini the opportunity to implement an Oracle Enterprise Resource Planning (ERP) system (also known as an E-business suite) at an additional cost of £193k became available. A revised business case/PID was for an expanded Project Athena – E-business suite was endorsed by the OC Programme Board in June 2012.
- 3.5 This revised PID sets out the extended scope, revised costs and timescales for the Brent implementation of Project Athena – Oracle Release 12 (R12) E-Business Suite.

Project Description

- 3.6 Oracle R12 E-Business Suite is an IT platform that integrates Financial, Procurement, HR and Payroll modules
- 3.7 The project will implement eight finance and procurement modules and seven HR/ payroll modules shown in the table below. These modules will then constitute an Oracle E-Business Suite with Enterprise Resource Planning (ERP) capability in Brent. The current go live date is August 2013.

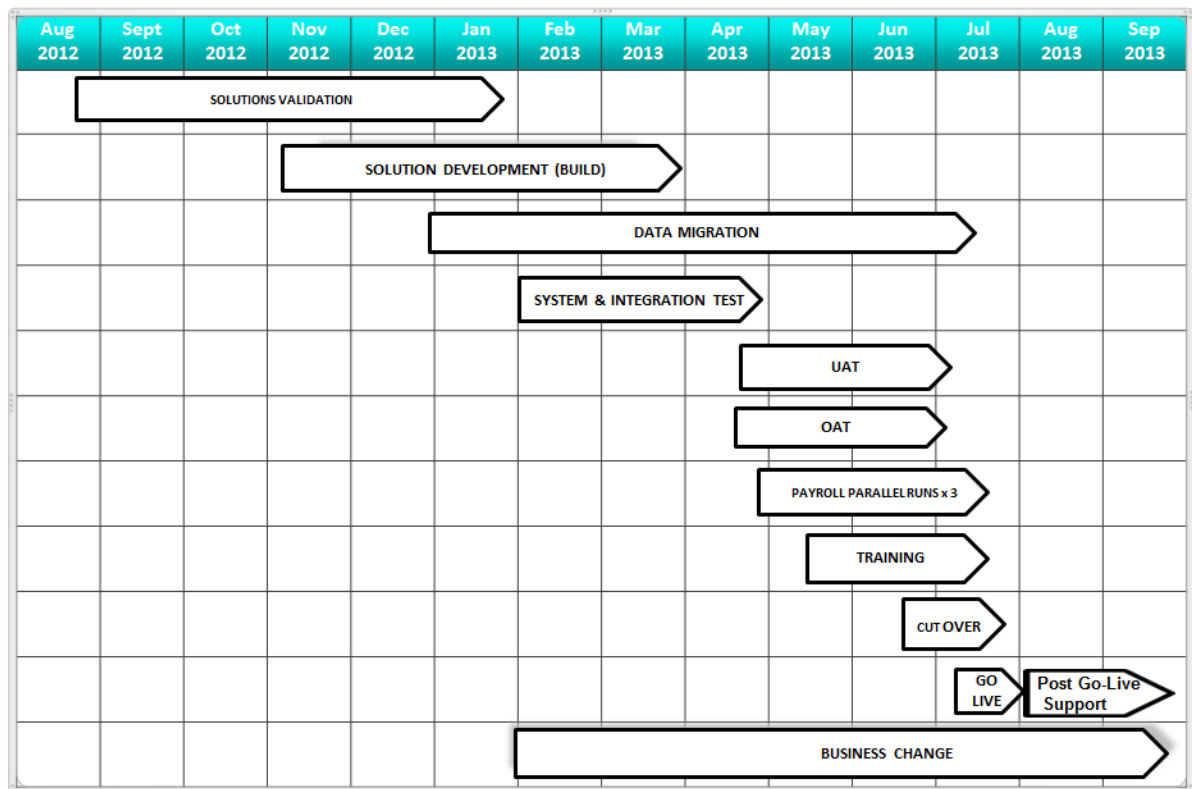
Oracle Release 12 (R12) HR/Payroll	Oracle R12 Finance & Procurement	Oracle R12 E-Business Suite
<ul style="list-style-type: none">• HR• Payroll• HR Self Service• Performance Manager (OPM)• Learning Manager (OLM)• UPK• iRecruitment	<ul style="list-style-type: none">• Oracle Financials• Advanced Collections• iExpenses• iSupplier Portal• Purchasing• iProcurement• Business Intelligence• Governance and Risk	<ul style="list-style-type: none">• All shown in columns 1 & 2

- 3.8 The integrated E-Business Suite can provide an Enterprise Resource Planning (ERP) function when linked to a financial planning tool such as Oracle Hyperion

High level Project Plan

- 3.9 The project is divided into 11 stages. The key stages for Brent are:

- Solutions Validation
- Solution Development – Build
- Business Change
- Data Migration
- Systems Integration Test (SIT)
- User Acceptance Testing (UAT)
- Operational Acceptance Test (OAT)
- Payroll Parallel Runs
- Training
- Cut over
- Post Go-live Support and sign-off



A detailed description of each stage is provided in Appendix A

Key Milestones

Pre-Implementation		
Partnership Activities		
Milestone	Start	End
Publish Notice to Market	August 2011	Completed
Milestone	Start	End
Issue Prequalifying Questionnaire	September 2011	Completed
Issue Tender	October 2011	Completed
Assess Tenders	January 2012	Completed
Select SI	February 2012	Completed
Award Contract	June 2012	Completed
Start Contract	July 2012	Completed
In-House Activities		
Complete 'Core Contract' for consultation (see also project dependencies lists)	August 2012	On-schedule
Complete Review of staff establishment	October 2012	On-schedule
Introduce Core Contract	January 2013	On-schedule
iProcurement Project Approved by One Council Board	March 2012	1 April 2013
iProcurement re-launched in R11	April 2013	On-schedule
Implementation		
Milestone	Start	End
Engage Capgemini as the Systems Integrator	1 April 2012	17 July 2012
Solution Validation	12 August 2013	11 February 2013
Solution Development - Build	11 November 2012	29 March 2013
Business Change	15 November 2012	27 September 2013
Data Migration	12 November 2012	17 July 2013
Systems Integration Test (SIT)	6 February 2013	26 April 2013
User Acceptance Testing (UAT)	2 April 2013	2 July 2013
Operational Acceptance Test (OAT)	20 April 2013	2 July 2013
Payroll Parallel Runs	3 April 2013	17 July 2013
Training	30 November 2012	18 July 2013
Cut Over	25 July 2013	30 July 2013
Go-Live E-Business Suite	1 August 2013	1 August 2013
Post- Go-live support	2 August 2013	18 September 2013
Acceptance Test sign-off	3 September 2013	10 September 2013

Production problems Documentation and resolved Sign-off	3 September 2013	17 September 2013
Delivered system Sign-off	3 September 2013	17 September 2013

Business Change – Organisation Impact Assessment

- 3.11 The business change aspect of the project is central to the long term success of Brent Athena. Oracle R12 functionality provides Brent with the opportunity to radically change the way that it conducts its business and to identify process efficiencies and improvements. Responsibility for the business change process remains with each partner authority and Brent has developed an Organisational Impact Assessment (OIA) to help guide the project delivery team.
- 3.12 The OIA identifies which areas the project delivery team need to focus on to ensure that the new systems and processes are understood by staff and managers. The OIA informs the training needs analysis, which in turn assists the project delivery team to structure the training programme to ensure that the right managers have the appropriate skills.
- 3.13 The OIA also provides a framework to deliver communications to the correct audience at the right time.

Benefits - Impact on staff and managers

- 3.14 Manager Self-Service (MSS) will provide access to functionality that is currently only partially available in Brent. Staff absence, for example, is currently monitored by central HR in the borough and a schedule of reports is provided to managers. MSS will enable managers to enter staff absence (leave, sickness) notifications and to track the period that staff are away from the office. MSS will also provide up to date data and analysis of staff absence and will enable managers to make informed decisions and prepare appropriate actions to ensure that services are appropriately resourced.
- 3.15 Similarly, managers will be able to access current financial information relating to budgets that they are responsible for. End of month financial reports prepared by Finance Business Partners will become less relevant and it is anticipated that the resource management culture will focus on planning rather than react to data that can be weeks old.

Links to other Projects and Initiatives

- 3.16 The Brent Athena project connects with three One Council Cross Council Projects:
- Move to the Civic Centre: The staff self-service facility provided by Oracle R12 HR/payroll will support the New Ways of Working objective that features in the Civic Centre move.
 - Review of Employee Benefits: This review forms part of the re-implementation preparatory work for the Athena project.
 - Realigning Corporate and Business Support: Brent Athena will allow the Council to review its current business support capability and reduce the reliance on back office operational and transactional staff.

- The Investors in People programme will provide a mechanism to align new working methods generated by E-Business Suite functionality as well as identifying key management competencies.

4.0 Financial Implications

- 4.1 The project delivery costs have been revisited in the project PID with a breakdown of specific headings for anticipated costs. The project delivery costs stand at £1.973m

Item	£,000
Implementation – Capgemini	1,222
Project Delivery Team	449
Professional Support – Trainers, Data Migration etc.	37
Misc.	35
Contingency	70
TOTAL	1,973

- 4.2 As previously reported, much of the costs associated with this project are unavoidable in that the Council's Logica HR/payroll contract was coming to an end and the system needed to be replaced.
- 4.3 A decision to align the HR/payroll with the Oracle Financials system was made in June 2011. Capgemini conducted a business review and estimated that the implementation cost for an Oracle based HR/payroll system would be in the region of £1.4m. The delivery of the project would be similar to that shown in the table above ($1.973 - 1.222 = 751$).
- 4.4 Moreover, technical support from Oracle for the Council's current Oracle R11 system will end in October 2013 and the system would need to be upgraded at an estimated cost of £1.2m plus delivery costs.
- 4.5 The partnership project provides good at a number of levels;
- Fully functioning ERP system will be put into place at a cost similar to that quoted for an HR/payroll system
 - The quality of the technical specification has benefitted from working collaboratively with our partner boroughs
 - Quality control and management of the Systems Integrator (Capgemini) is more rigorous with six partners sharing the responsibility.
 - The final system design has benefitted from the involvement of all partner boroughs.
- 4.6 It is anticipated that the full functionality of the E-Business suite will not be available until the implementation stage is completed.
- 4.7 It is proposed that Brent explore the potential for process improvements, highlighted during the solutions validation and implementation phases of the project, to establish the most efficient and effective way of using the full potential of the R12 E-Business Suite. This approach will allow for a smooth transition from the current R11 processes to a new way of managing and planning resources using the functionality of R12.

- 4.8 Adopting this prudent approach to business change will allow the Council to maximise efficiency improvements, further reduce the need for support staff by extending the use of staff and management self service and explore further reduction in back-office cost through collaborative working with partner boroughs.

5.0 Legal Implications

- 5.1 Project Brent-Athena is a complex six partner relationship that will require guidance from the Council's Legal team. As the project moves forward there may be a need to develop additional Memorandums of Understanding and/or other contract arrangements

6.0 Diversity Implications

- 6.1 The Equality Impact Assessment is based on current staff numbers and makes the following assumption:

- that any business changes resulting from the introduction of the new systems will impact the whole workforce – staff and managers.
- Difficult to reach staff (staff with no daily access to IT) will be accommodated by applying the Council's current Access Policies, i.e. Line Managers will enter information onto the system on behalf of their staff members.
- IT access issues will be addressed using the Council's current Access Policies, i.e. Managers and staff will be provided with adapted IT equipment as appropriate

The staff profile of Finance and Procurement, People and Development (HR/ payroll) shows the following result:

Finance and Procurement, People & Development – Ethnicity and Gender breakdown	%
Asian British	5.00%
Asian Indian	26.25%
Asian Other	3.13%
Asian Pakistani	2.50%
Black African	5.63%
Black British	8.75%
Black Caribbean	6.88%
Black Other	0.63%
Mixed Other	1.25%
Mixed White and Black African	0.63%
White British	16.25%
White Irish	6.25%
White Other	3.75%
Not Known/Not Given	13.13%

Finance and Procurement, People & Development – Ethnicity and Gender breakdown	%
Grand Total	100.00%

Gender			
Female	65.63%	Male	34.38%

6.2 Assuming that staff will be affected equally across the workforce the groups experiencing the greatest change will be:

- Women (65.63%)
- Asian Indian (26.25%)
- The combined Black African, Black British and Black Caribbean (total 21.23%)

The impact on other groups is shown below:

Relevance identified	Disability	Age	Sexuality	Faith belief or	Social and economic factors
Low/ Medium/ High	Low	Low	Low	Low	Low

6.3 At this point in time the scale and the scope of the shared service is yet to be determined, but it is likely that staff from Finance, Procurement, HR and payroll will be affected.

6.4 Staff without access to a networked computer will be unable to take advantage of the features of the HR staff self-service facility. Staff self-service is a feature of the new ways of working initiative linked to the move to the new Civic Centre. It is assumed that the lack of access to networked computers has been discussed at the NWW work stream and that solutions to this issue will be proposed through that forum

7.0 Staffing/Accommodation Implications (if appropriate)

7.1 The benefits case was revisited in October 2012 and it was agreed that the efficiency changes that will lead to benefits and staff reductions will not impact on the organisation until after go-live in August 2013. (see Benefits - Impact on staff and managers).

7.2 There are no staff accommodation issues that result specifically from this project

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Background Papers

Appendix A – Design and Implementation / Stage Descriptions

Stage 1 -Solutions Validation – 12 August 2012 to 24th January 2013

1. The Solutions Validation (SV) stage of the project commenced in mid-August 2012. The SV process involved Subject Matter Experts (SMEs) from all partner boroughs in workshops which outlined the end-to-end on systems process for each of the key R12 modules.
2. At the commencement of the project it was anticipated that the SV workshops would concentrate on the T-Gov Vanilla process and that few, if any, modifications would be made to the process being presented. In reality the SV workshops became opportunities for boroughs to critically review the T-Gov process and to ensure that they were fit for purpose.
3. As a consequence of this change in emphasis of the SV workshops a large number (approx. 900) of requests for clarifications and requests for changes. The 'actions' list generated a significant increase in workload for both Capgemini and the partner boroughs and as a consequence the SV period became extended.
4. SV has generated a number of design changes to the original T-Gov offering and the Joint Design Authority is expecting to deal with up to fifty changes and modifications.

Outcome:

5. The Solution Validations stage will be completed when the Partner Boroughs can approve the fundamental design configuration for the system. The Partner Boroughs will agree at local boards and then at JPB that Capgemini has been provided with sufficient information to commence the Solution Development stage of the programme.

Stage 2 - Solution Development (Build) – 11 November 2012 to 29th March 2013

6. At the end of the SV period Capgemini will have sufficient design information to commence the systems build. The build process will be an iterative process and it is likely that Capgemini will involve the partner boroughs in an on-going discussion to ensure that the SV outputs have been interpreted correctly. The systems build will involve Capgemini staff in Europe and India and during this phase of the project the partnership will be working with the largest contingent of Capgemini staff.

Outcome:

7. Solution Development will be completed when the partner boroughs are confident that the base-build can be systems tested against the criteria agreed at the end of Solutions Validation. Capgemini will confirm that all of the modifications approved by JDA and JPB have been included in the base-build and that they function as anticipated.

Stage 3 - Business Change – 15 November to 27 September 2013

8. It is recognised that the introduction of R12 and T-Gov will have a significant impact on the way that Brent staff and managers work in the future. At the commencement of Solutions Validation SMEs were asked to identify where the major impacts would occur as Brent moved from its current systems to R12. The Organisational Impact Assessment (OIA) that resulted from this exercise forms the basis of the Business Change programme for Brent.
9. The OIAs for Finance, Procurement, Payroll and HR specify change activities in terms of training needs, communications and stakeholder impacts.
10. The Business Change process will be supported by a group of local Change Agents drawn from the borough's departments. Capgemini has successfully deployed Change agent networks in each of the T-Gov and P-Gov implementations and Brent has also used Business Champions during the preparation for the move to the new Civic Centre. It is proposed that a Change Agent network is recruited and deployed soon after the SV is completed. The Change Agents will act as a communication conduit into the departments and will play an important role during the early post go-live period.
11. The Business Change phase will include Brent's stakeholder management strategy, which is closely aligned to the Communications Strategy.
12. Capgemini are working closely with partner boroughs to shape a training strategy that delivers an appropriate knowledge transfer to professional users in each borough. The training approach is dealt with in more detail below.
13. The final details of the Business Change approach will emerge after the SV phase is completed.

Outcome:

14. The successful outcome to the Business Change phase will be a smooth transition from the mixed Oracle/Logica system to a single IT platform and that communication will be appropriate and measured to deliver targeted messages at the right time to the correct staff/manager group.

Stage 4 - Data Migration – 12 November 2012 to 17 July 2013

15. Capgemini has produced and presented a Data Migration strategy for the partnership. The strategy charges the partner boroughs with the task of identifying and cleansing data to be migrated to the new system. The type and quantity of data to be migrated will be agreed during the data migration process.
16. Data migration is one of the few activities that will be locally focused and responsibility for the quality and configuration of migrated data lays with the individual boroughs.

Outcome:

17. Data will be successfully transferred into the new system with acceptable levels of corruption. Data identified for archiving will be stored in an appropriate format for retrieval as required.

Stage 5 - Systems Integration Testing (SIT)

18. The iterative approach to the build phase will provide Capgemini with an opportunity make a smooth transition into SIT. SIT test the sub-systems and interfaces with third party software , as a whole, to ensure that they are compatible and work as a 'system'. The testing is driven by the specification that was agreed at the end of SV and Capgemini will use SIT to ensure that the modifications agreed by JDA and JPB work and are compatible with the requirements of the partner boroughs.
19. The expectation of the partnership is that an early view of the system will be available on a pre-production environment and that the SIT process will inform the User Acceptance Testing (UAT) phase of the project.

Outcome:

20. SIT will provide the partnership with confidence that the system specification agreed at SV works in an operational environment that includes third party software.

Stage 6 - User Acceptance Testing (UAT)

21. After SV the most critical phase of the project is UAT. Partner boroughs will be fully involved in this part of the project and the SMEs will support this phase by developing test scripts that will challenge the processes that have been written into program during the build phase.
22. It is planned to have a single test programme based in Croydon and that test scripts will be used by experienced SMEs to gauge the accuracy of the systems output.
23. UAT is a challenging activity and Brent should be prepared to commit an appropriate level of resources to this phase of the project to ensure that the go-live system is fit for purpose.

Outcome:

24. UAT will be completed when all partner boroughs are confident that the system can perform at an acceptable standard under operational conditions.

Stage 7 - Operational Acceptance Test (OAT) – 20 April 2013 to 2 July 2013

25. Operational acceptance testing (OAT) is used to conduct operational readiness (pre-release) of an IT system as part of the quality management system. OAT is a common type of software testing and focuses on the operational readiness of the system which will be the production environment.

Outcome:

26. OAT will happen alongside UAT and will be signed-off when the partner boroughs are satisfied that the system will operate at an acceptable standard.

Stage 8 - Payroll Parallel Runs – 3 April 2013 to 17 July 2013

27. Brent has particular challenges in this phase of the project. The move from Logica to R12 payroll system will require careful coordination of the data migration process. Brent's current arrangement with Logica provides a number of 'consultancy days' that are used for systems development. It is planned to use the remaining consultancy days to support the data cleansing and migration processes.
28. Capgemini will require 'data clones' from Logica to allow for rigorous testing of the payroll system and to enable reconciliations of payroll data. Capgemini will commence the parallel runs in March with at least three further parallel runs prior to go-live.

Outcome:

29. The project is planning to conduct three payroll parallel runs. More runs will be conducted if necessary. A level of acceptance will be agreed before the parallel runs commence and sign-off will occur when the standards have been achieved.

Stage 9 Training – 30 November 2012 to 18 July 2013

30. Capgemini has developed a Training Strategy for the partner boroughs which is divided into two main components:
- Training sessions and training content delivered by Capgemini
 - Training delivered by the individual partner boroughs
31. Capgemini will deliver twenty classroom based sessions for systems 'super-users'. The Super-users will form the core of experts in each partner borough and will support the training delivered locally.
32. Capgemini will also develop online training materials in the form of User Productivity Kit (UPK) scripts. UPK is an online interactive training and user support tool that will form the basis of training delivery post go-live.
33. Havering have successfully deployed UPK training content and are currently using more than two-hundred separate scripts covering topics such as, How to Log onto Employee Self-Service, How to Book Leave online, How to produce a requisition in iProcurement.
34. Capgemini are proposing to provide eighty scripts and to provide training the development and production of UPK scripts.
35. UPK has the advantage that it can publish training content in a number of different formats. Staff who feel more comfortable with hard copy content can print UPK scripts with screenshots and text.

36. Capgemini will be supporting the development of classroom content and will assist the partner boroughs to conduct their training needs analysis exercise. An online training environment will become available for testing during March 2013.
37. At a local level there will be opportunities for partner boroughs to share training cost by cooperating in the delivery of local training sessions. It is proposed that Brent will work with partners as is appropriate to the specific training sessions. It is also proposed that Brent employ professional trainers to support the Super-User trainers during the training schedule.

Outcome:

38. Training can be judged as successful when each partner borough has sufficient local expert resources to support go-live.

Stage 10 - Cut Over – 25 July 2013 to 30 July 2013

39. Cutover is the point at which the new system takes over and the old program is no longer used. Cutover will occur when the new software has been tested, and run satisfactorily, in parallel with the old, for an agreed period.

Outcome:

40. A successful Cutover will occur when the R11 systems can be disabled without impacting on business as usual.

Stage 11 - Post Go-live Support and sign-off - 1 August 2013 to 17 September 2013

41. Capgemini are contracted to provide 30 days post go-live support. During this period the partner boroughs will ensure that the system is operating correctly and the on-going systems support arrangements are fit for purpose.
42. Sign-off of the system will only occur after rigorous systems testing in an operational setting.