

SLOUGH BOROUGH COUNCIL

REPORT TO: Employment & Appeals Committee

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PART 1

FOR INFORMATION

IMPLEMENTATION OF A NEW FINANCIAL AND HUMAN RESOURCES SYSTEM

1 Purpose of Report

The purpose of the report is to provide members of this Committee with an update on the implementation of the new Financial and Human Resources System (ERP – Enterprise Resource Planning) solution for SBC. The Product of choice is Agresso Business World which has been delivered by Unit4 Business Software Ltd.

2 Recommendation(s)/Proposed Action

The Committee is requested to note the contents of this report.

3. Supporting Information

Background

- 3.1 SBC is currently operating two separate systems for Finance and HR which currently integrate very loosely. These two systems are critical in ensuring that timely, reliable and accurate data is available to support services within the Council.
- 3.2 Both of these systems have their own issues which is affecting their ability to provide meaningful information for services. For example, the HR System, which is provided by Frontier, has not kept pace with new releases due to impending decisions on seeking a new HR / Payroll system. There is very little self-service functionality within the current system, which was implemented for payroll in 2000 and for HR in 2004. The lack of self-service and quick reporting processes often undermines the information that the system produces as it is a) not timely and b) driven by much manual interpretation which makes the reports more open to error. This in turn creates an in-built inefficiency into the work of both Council and Arvato staff (as the provider of transactional HR services).

3.3 Similarly, the Finance System, which is provided by Oracle, is currently out of support. Whilst carrying out an Oracle and Frontier upgrade was considered, it was felt that this would not have delivered real business benefits, and the cost / time was far more excessive than implementing an integrated ERP solution.

3.4 The Project was commissioned in March 2015 and is scheduled to be launched in 2 phases as follows:

- The first phase of the Project is to deliver the Finance and Procurement element of the system which is due for go live at the end of 2015.
- The second phase of the Programme will deliver Human Resources and Payroll. This is schedule for a go live date of 1st April 2016.

The benefits from the new system are listed below:

| Benefit | Description |
|--|--|
| Improved Reporting & Increased Ownership | Direct Access through Self-Service Real Time Information available to managers Easier to understand and interpret Improved insights; more informed decision making |
| Streamlined, automated processes and new functionality | More Self-Service – both for employees and managers Enhanced workflows Automated controls – Replacing Manual Policy enablement – e.g. PO/No Pay, 3 way matching, Scheme of Delegation |
| Greater Flexibility | Administration changes easier and quicker Reduced cost and time of change control Faster adaption to changing strategic imperatives |
| Enhanced VFM to customers | Savings redirected to frontline services Focus shift from transactions & reporting to accountability, analysis and customer service |

3.5 Tangible benefits will be relatively easy to quantify, since they will relate to releasing resources which are reasonably easy to identify. These efficiency savings will be achieved through freeing up staff resources so that they can focus on more value-added activities. Staff will be freed up by no longer performing the following types of activity:

- Work which could be done directly at point of need by users.
- Work which would be eliminated or reduced if it were automated.
- Work which would not be necessary if information/data was captured right first time (supported by system validation checks), located in a single system, readily viewable across systems and/or with drill down to required source data.

3.6 Intangible benefits are improvements which accrue indirectly or are less easy to quantify in financial terms and/or which will only result in financially measurable improvements over a longer term. For example, improvements in decision making based on better quality and more timely information across the Council.

4. **Implementation Partner**

4.1 SBC selected Arvato as their implementation partner, as they have prior and successful experience of implementing and delivering Agresso Programmes and have developed a fast-track template that can be used for Local Government Installations.

4.2 Currently the project has completed the high level design requirements of the Finance, Procurement and OD/HR. Although the build and testing for finance and procurement are well under way (as these two functions are part of the first phase of roll out) OD/HR are currently in the build stage. Testing of the system will commence in January for OD/HR.

5. **Wider Council Impact of the new system**

5.1 The implementation of the new system will also support the Council's transformation change programme including cultural change.

5.2 The system will facilitate developing different ways of working as there will be workflows and automation of manual and paper heavy functions which will mean that approvals, information and financial flows are streamlined and timescales reduced. Scanning and document management would enable the swift access of data to enable efficient use of the data for analysis, reporting and monitoring. A few examples include:

- annual leave will be requested and approved via the system
- sickness recording will be processed at source via a manager and reports available to support management of sickness of employees
- real time information will be available to managers to manage their teams
- employees will be able to access their own personal data and make changes to their personal details i.e. change of address
- payslips will be accessible to all employees through the system

- 5.3 The Council's requirement for ensuring that services have accurate, timely and reliable information will be delivered through the system. As the new system will ensure that all the processes (finance, procurement and HR/ Payroll) have one source of data collection to capture information and categorise customers, suppliers, or employees to enable efficient and meaningful reporting or query resolution. This will occur at the point of contact when possible, with staff and managers able to access relevant financial and performance information relating to their service areas, subject to need and appropriate protocols.
- 5.4 Clear strategy, policies and procedures enforced with strong governance will bring ownership, accountability, and consistency. This will be underpinned by a rolling programme of training and communication to reinforce the changes in technical skills, processes, procedures and culture required to effect a successful transformation.

6. **Next steps for Implementation**

- 6.1 Now that the new AD for OD&HR has commenced in post she will consider how the project needs to be resourced, moving forwards, in order to ensure that:
- i) A Council-wide People Plan is developed and rolled out across the organisation to ensure that staff are ready to embrace and use the new system, and that they have the necessary skills and support to do so. Early indications are that key areas that the People Plan will need to include are:
- How managers and employees will be engaged with the process of implementation
 - When and what communications are needed through the roll out periods
 - What training staff will require and how this will be delivered.
 - How key stakeholders such as the trade unions, senior managers, OD&HR staff, etc. will be engaged.
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- ii) All OD&HR policies, procedures and guidance documents are streamlined and aligned with the system, and that they are brought up-to-date in line with current employment legislation and best employment practice. The aim is that, in so far as it is possible to do so, that managers and staff will, in two to three years time, be able to use the policies, procedures and guidance, supported by the Agresso system, with minimum HR support, thereby achieving cost savings in the OD&HR Service.
- 6.2 OD/HR will keep this committee updated on the progress of this project through to its implementation.