

Report to: **Cabinet**

Date: **19 October 2004**

By: **Deputy Chief Executive and Director of Corporate Resources**

Title of report: **Core Back Office Systems Solution (CBOSS) Update**

Purpose of report: **To update Cabinet on progress with the exit of ITEX contract and implementation of CBOSS – Core Back Office Systems Solution**

RECOMMENDATIONS

The Cabinet is recommended to note the report.

1. Financial Appraisal

1.1 There are no new direct financial implications arising from this report.

2. Supporting Information.

Background

2.1 The CBOSS contract with ITNET replaces the ITEX (IT and EXchequer) contract with Fujitsu. The scope of the CBOSS contract includes managed services (pensions, payroll, debtors and creditors) as well as managed systems. It will provide an opportunity for schools to use the same systems as the rest of the County Council. The systems and services provided by the new contract will have huge strategic and operational importance across the Council. On a strategic level the use of the integrated SAP software instead of many separate systems will provide both the base and “building block” opportunities for much of the e-government agenda which are essential for a modern efficient local authority. Operationally this will deliver major benefits in terms of integrated business processes, the elimination of interfaces and data duplication, and far less manual reconciliation. There will be increased efficiencies in many areas and management information will be vastly improved. In short, a ‘step change’ to a modern resources management platform for the County Council.

2.2 This report is one of a series of progress report to Cabinet (usually quarterly). In August phase 1 went live and the work required to meet phase 2 implementation date is progressing at a very fast pace. In order that the Cabinet is aware of the very latest position an update presentation will be made at the meeting on 19 October.

3. Project Progress

3.1 The transition and implementation plan adopted by the Council and ITNET had the following key stages:

- A) transfer of legacy core systems and services from the ITEX contract by 31 March 2004 to ITNET who would continue to provide these services until CBOSS is successfully implemented;
- B) complete exit from Fujitsu contract for non core services by 30 September 2004
- C) implement Core elements of CBOSS in two main phases
 - phase 1 - including new general ledger, accounts payable/ receivable, Procurement and Projects;
 - phase 2 – including HR, Payroll, and new Pensions system.

A. Transfer of legacy systems

- 3.2 As reported in June the transfer of Core existing systems (LAFIS, MAGPI, UNIPAY, AXIS etc) from Fujitsu to ITNET was successfully undertaken in March. At the same time the managed service staff transferred to ITNET's management and relocated from Lewes to Uckfield. This was a major achievement and involved the co-ordination of many staff over the cutover weekend.

B. Exit of contract with Fujitsu

- 3.3 Cabinet will recall the ITEX contract with Fujitsu also covered some core departmental systems – examples being Carefirst for Social services, Galaxy for Education and Libraries, JPS for Magistrates courts. Between June and September the Council has transferred these services to either Itnet a new supplier or the Council. This allowed the Council to successfully exit the ITEX contract on 30 September which greatly minimises exposure to further costs.

C. Implementation of CBOSS

- 3.4.1 Phase 1 - In August there was a successful full practice cutover and this allowed Phase1 to go live on 2nd September. This is a major achievement in record time. As previously reported implementing such a vast and complex solution would not be without difficulties and the go live issues were:

- initial problems with workflow for cost centre manager and approvers -
This was resolved by 24 September with workflow operating correctly by both cost centre and expenditure authorisation level. On 4 October workflow for Purchase order approval was activated and has operated successfully, this is a significant move forward and is a key step to having all orders placed on CBOSS and the ensuing efficiency that will arise, for example 3 way automated matching (order, receipt and invoice), vastly improved management information on procurement patterns, spend and trends.
- insufficient users on the system -
Owing to several factors - releasing passwords in a secure manner, holidays - it has taken longer than anticipated to get all users active on the system. This has generally been resolved and as of the week ending on 8 October there are in excess of 600 phase 1 users on the system.
- general learning curve and mistakes by users
Mistakes were expected and these have been trapped and recorded as appropriate. Users are kept up to date with advice by various methods including CBOSS newsletters, revised training material, departmental newsletters and support from super users.

- 3.5 Taking the above points into account the go live is considered a success and is evidenced by the volume of throughput that was achieved in the first two weeks as per the figures below :

Total Non Aegis Invoices entered since go live:	3514
Total Processed and Posted :	2728
Total in Workflow awaiting approval	786
Aegis invoices (Thru' Interface)	12025
Total number of Vendor Payments	1870
Total amounts paid	£12,558,034
Total Purchase Orders Raised:	1079

3.6 Phase 2 - the key stages can be divided as follows:

a) Pensions Administration

This involves implementing an E enabled version of the software which includes a payroll for around 12,500 pensions. To date all records are now electronic having been successfully scanned into the new system. Testing of the payroll has gone to plan with the last 2 parallel iterations matching to the penny. It is therefore intended to migrate from Unipay (the legacy payroll) and go live with the October pensions payroll.

b) HR and staff payroll functionality

Configuration by Itnet is virtually complete and User Acceptance Testing has to date not thrown up any major issues. It is intended that configuration and testing should be completed by the end of October.

c) Parallel testing of Payroll

It has always been clear that the council will not migrate to a new payroll until it is fully satisfied that everyone's payroll is correct. Excluding pensioners there are around 18,000 staff which equates to 24,000 posts for which data needs to be verified and matched on the new system. Undertaking the parallel testing is therefore governed more by having to deal with the volume of data and permutations that can occur. To date testing has been limited but has shown positive results. Until the first full parallel test is undertaken it is not possible to confidently state a go live date. Indications are that this will be achieved in 2004 and an oral update will be given at Cabinet.

4. Schools

4.1 Since the last report there has been significant progress upon the schools solution and there has continued to be a healthy dialogue with schools and their engagement in the process. The key points have been:

- Six schools selected and agree to participate in the pilot phase;
- A "virtual school" developed and used for undertaking proof of concept for the schools solution
- Connectivity to CBOSS for schools achieved via the SEGfL (South East Grid for Learning)
- School staff actively participating in the proof of concept user acceptance testing.

4.2 The programme for schools is extremely tight but remains on target for implementation of the pilot phase in December.

5 Further phases

5.1 Cabinet will recall that CBOSS was tagged as 'tough but achievable' owing to the extremely tight timescales with no room for contingency. The programme has therefore always been pragmatic regarding what is essential for go live and what should be implemented post go live. Together with Itnet a plan is being developed to show what requirements will be completed in the coming months and a summary is shown below:

- Social Services replacement for AEGIS – proof of concept December 2004
- EBP –Enterprise buyer professional – schools 2004 and ESCC in early 2005
- ESS – employee self service – early 2005
- MSS – managers self service – early 2005
- Property and estate management – 2005
- Schools Music Service solution – March 2005

6 Staff issues

6.1 The level of change management required to achieve the initial go live has been significant and in general staff have been extremely supportive of CBOSS despite the additional pressures it has brought. A post go live survey of users covering preparation, training, management support and use of the system was undertaken 3 weeks after go live. The results are very encouraging and have identified useful lessons for implementation of further phases. The lead Assistant Directors continue to meet with the Programme Director regularly and, assisted by their departmental CBOSS co-ordinator and colleagues from the People and Change Team (PACT), ensure that a consistent approach is being taken to implementation and operational arrangements.

6.2 Ongoing briefings with the trade unions take place and the UNISON branch secretary continues to attend the project board and weekly lead ADs meetings.

5. Risk Management

5.1 The mechanisms and processes for risk management were set out in the March Cabinet report. The risk and issues log is reviewed at the weekly project Steering Group meetings with, if necessary, the more significant items being escalated to the Project and/or Partnership Boards.

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BACKGROUND DOCUMENTS

Cabinet reports December 2001 – June 2002 – September 2002 – December 2002 – March 2003 – June 2003 – October 2003 – March 2004 – June 2004