

Report to: **Cabinet**

Date: **29 June 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 the Cabinet. The work required to meet the planned implementation dates is progressing at a very fast pace and in order that the Cabinet is aware of the very latest position an update presentation will be made at the meeting on 29 June.

3. Project Plan

3.1 The Cabinet will remember that the transition 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; and
- B) implement core elements of CBOSS (including new general ledger) on the new SAP software by 31 July 2004 (phase 1) and implement remaining CBOSS core services (payroll, procurement etc) on SAP in October 2004 (phase 2).

A. Transfer of legacy systems

- 3.2 The transfer of existing systems (LAFIS, MAGPI, UNIPAY, AXIS etc) from Fujitsu to ITNET was successfully undertaken on the weekend of 20/21 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.
- 3.3 The transfer of those systems and services to the Council's new partner ITNET has minimised the Council's risk exposures because, if absolutely necessary, legacy systems could continue to be used for longer than is planned.

B. Implementation of CBOSS

- 3.4 The Cabinet is aware that the implementation plan for CBOSS is extremely tight and places huge demands upon both the County Council and on ITNET. The pressure on staff which was highlighted in the last CBOSS progress report in March has continued and thanks are due both to the staff directly involved (up to 100) and to their colleagues and to Departmental Management Teams who have enabled the key staff to be released for this work.
- 3.5 The key stages of the project (remaining from the last update report) are:
- Sign-off new business processes (Blueprint) – March
 - System build – March – September
 - Scenario testing – April – May
 - Integration testing – May – June
 - User Acceptance Testing – June – July
 - End user training – July – September
- 3.6 The Blueprint was signed off in March according to plan. The ambitious testing programme is largely on track with scenario testing completed and, at the time of writing, integration testing 84% complete (583 out of 696 test steps completed). User Acceptable Testing (UAT) will begin on Monday 21 June.
- 3.7 Due to the sheer volume of work falling upon a relatively limited number of staff there has been some slippage in the development of documented Business Process Procedures (BPPs) and User Acceptance Test scripts. These are required for the final development of staff training courses and to ensure controlled user acceptance testing of the new system and business processes. They are therefore critical for successful implementation. Whilst go-live on 31 July is still intended the project plan has absolutely no capacity to accommodate any slippage.
- 3.8 Plans for parallel running of the employee and pensions payrolls during August and September are in place and no slippage against the phase 2 go-live date is expected.

4. Staff Issues

- 4.1 As well as stepping up the number of project newsletters, briefings and staff "Question and Answer" sessions arrangements within departments to adopt the new CBOSS business processes are progressing well.
- 4.2 Each Chief Officer has nominated a member of their top management team to take forward the structural and change management activities within their department. These lead Assistant Directors meet with the Programme Director every week 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 arrangements.

4.3 Some 400 staff have been identified as key go-live users and will be trained by 31 July. A further 300-400 will be trained by the end of September which will leave a further 2000+ less regular users to train.

4.4 It is difficult to over exaggerate the scope of CBOSS and the number of changes that need to be made. It will affect almost every business process – even those that are not computerised e.g.: paying money into the Council's bank account will require different paying-in books. It is not just about a new IT system but is a key part of the wider transformational agenda to deliver a high performing, integrated and agile Council. Whilst the focus on implementation is about ensuring the main business processes operate effectively the approach being adopted is helping to ensure that the medium term benefits will be achieved, including significant efficiency savings.

4.5 Ongoing briefings with the trade unions take place and the UNISON branch secretary often attends 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.

5.2 At this stage of the project the risks and issues are changing on a daily basis – the latest position will be report orally to Cabinet.

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BACKGROUND DOCUMENTS

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