



City of Westminster

# Audit and Performance Committee

<b>Date:</b>	14th November 2018
<b>Classification:</b>	General Release
<b>Title:</b>	Hampshire County Council Partnership and BT Managed Services Exit
<b>Report of:</b>	David Hodgkinson
<b>Cabinet Member Portfolio</b>	Cabinet Member for Finance, Property and Regeneration
<b>Wards Involved:</b>	All
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## 1. Background

- 1.1 In November 2017 the Leadership Team approved the recommendation that WCC, together with RBKC should join the Hampshire Partnership as a replacement for the BT Managed Services. The Partnership is known as the Integrated Business Centre or “IBC”. The Leadership Team also agreed the procurement of additional services and systems, including an Income Management System and file transformation middleware to supplement the Hampshire solution. Deloitte were appointed as the primary implementation partner. Deloitte are contracted by the Hampshire Partnership but then charged back to WCC and RBKC as part of the implementation costs.
  - 1.2 The council's aim is to have implemented a new solution by 1st December 2018 at the latest. The project can be considered to be on track to deliver against this date although a large amount of work remains to be done and a number of key risks remain particularly in respect of payroll. It should also be noted that this date is effectively immovable due to the commercial position the council has with BT. The council therefore has an end date which for all practical purposes cannot be changed and a timeline which is challenging.
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This was outlined to the Audit and Performance Committee on 18 September 2018.

## **2. Transition to Hampshire IBC Solution**

2.1 As reported last time, the main Programme to deliver the IBC Solution is divided into 5 Phases (current timing in brackets):

1. Design (January to April) – Consisting of a series of Fit Gap workshops
2. Build and unit testing (April and May)
3. Testing (June to October (*Originally September*))
  - a. Systems Integration Testing 1 (June)
  - b. Systems Integration Testing 2 (July)
  - c. User Acceptance Testing 1 (August)
  - d. User Acceptance Testing 2 (August/September)
  - e. Payroll Comparison Run 1 (June)
  - f. Payroll Comparison Run 2 (July)
  - g. Payroll Comparison Run 3 (August/September)
  - h. Payroll Comparison Run 4 (September/October)
  - i. Cut over preparation including a “dress rehearsal” for data migration (September/October)
4. Deployment (November)
5. Post Go Live support (December to February)

2.2 The project’s status at the time of writing this report is that Payroll Comparison Run 4 is mostly complete and the “Cut over” preparation is well underway. Issues identified as part of earlier phases of testing have been mostly resolved. The “technical cutover” is now complete which means that the system which will be used at go-live has been built and is ready to be loaded with the council’s extensive data sets.

### **Payroll**

2.3 The Payroll Comparison Runs have been a challenging process and there have been significant issues with data loads which have required post load correction/manual entry. These issues need to be addressed before go-live and they require knowledgeable, skilled resource with experience of Agresso. There are also a range of issues in respect of different ways in which SAP and Agresso calculate pay.

2.4 Payroll comparison 3 used July data from Agresso run through the IBC solution. For WCC, of the 2,057 payroll results there was a 95.04% match on gross pay and an 83.61% match on net pay. At the time of writing payroll

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comparison run 4 which used August data the results are reported by Hampshire County Council (HCC) as follows:

Pay Records Compared:	2,126
Pay records matched between Agresso and SAP:	1,662
Pay records where there is a known calculation difference between SAP and Agresso:	325
Resolvable data load issues:	47
Records matched or reconciled:	<b>96%</b>
Records still to be analysed:	92

- 2.5 This represents progress against the comparison run 3 results but the process remains challenging. A 100% net pay result remains the aim but the reality is this is not likely to be achievable. Work continues and staff affected by known calculation differences or other issues at go-live will be written to by the council.
- 2.6 In addition, to mitigate the risk of staff members being paid incorrectly, a considerable amount of effort is going into planning for the go-live with specific reference to this risk. This planning includes a significant pre-go live quality review exercise, communications to staff to ask them to check payslips on the 6th/7th of December before being paid on the 14th December and arrangements to make emergency payments to staff should they be needed.

### **IBC Solution**

- 2.7 Hampshire's IBC Solution is made up of 3 key elements: The IBC team based in Hampshire, ESS Lite and the IBC portal
- 2.8 **ESS Lite** is the employee self-service functionality that all employees of the Council will use for processes such as viewing their payslip, booking annual leave, recording sickness, submitting timesheets, expenses and overtime and updating their personal information. Employees will access ESS Lite via a link on the Wire and which will be accessible via mobile devices. By clicking on the link they will be taken straight to ESS Lite – there is no need to log into ESS Lite when using a council device. All employees will also be able to access this functionality on the go through a mobile device when they are not in the office. To do this they simply need to register an account for ESS lite. This will be extremely useful to staff who work from home or are not normally based at a council office.
- 2.9 ESS Lite is intuitive and easy to navigate – much more so than the current system. During the testing phase of the programme we asked colleagues across WCC and RBKC to take part in testing and a survey was undertaken to gauge their feedback. All of respondents (approximately 70 users from across the business in both boroughs) said the system was easy to use. When comparing ESS Lite to the current system, respondents said it was easier to navigate, faster and didn't log them out after a period of time which was seen as a real benefit.
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- 2.10 Registration for remote access to ESS Lite will be available two weeks in advance of “go-live” – exact dates to be confirmed. Staff will need to register for remote use e.g. from a SmartPhone or home PC. Staff will be able to single-sign-on to ESS Lite from their corporate network without registering from go-live day.
- 2.11 The **IBC portal** is the wider functionality that will be available to all line managers, hiring managers, budget managers and requisitioners. It has the same look and feel as ESS Lite. When a manager opens the IBC portal, all of the ESS Lite functionality will be available to them within the same view and will give them a one stop shop for all the HR and Finance functionality they need both for their role and as an employee of the Council.
- 2.12 Through the IBC portal, Managers will be able to view their teams and their structure, run reports such as sickness and expenses and also submit requests to the IBC HR and Payroll teams. They will also be able to initiate recruitment through the IBC portal. This manager functionality is also known as Manager Self Service.
- 2.13 All of the manual forms that Managers currently have to submit for processing by BT will be replaced by the intuitive functionality within the IBC portal. Managers will also have the ability to perform additional tasks within the IBC Portal such as creating or changing posts within their structure or updating an employees working pattern - giving Managers greater control over data and enabling the information to be kept up to date simply and easily.
- 2.14 Budget Managers will go via the IBC Portal to submit their forecasts and run reports. Requisitioners will use the IBC Portal for raising purchase orders and tracking and reporting.

### **3. Data Migration**

- 3.1 The data migration workstream has one Subject Matter Expert (SME) acting as the functional lead for each area. The functional leads are working under direction from the Project Management Office (PMO), led by Deloitte. Functional leads work with the data migration consultants and SQL experts. SQL is a programming language used to change the format of data from its format in Agresso to that needed for it to be successfully loaded into SAP. The sections of data migration are:
- Order to Cash
  - Purchase to Pay
  - General Ledger
  - HR Data
  - Organisational Management data
  - Payroll Data
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- 3.2 The data migration for each of the different areas within each of the sections above require a detailed “functional specification.” These define how each individual data field / object in Agresso will be mapped to the IBC solution. This was a significant project which commenced early in the project implementation.
- 3.3 The team completed functional specification templates provided by the PMO which have been completed and approved by Functional Leads.
- 3.4 Rather than extracting data directly from the live Agresso solution, BT securely provide a full copy of the data following each mid-month payroll and month end. Data is loaded into a secure database from which the relevant data is extracted and validated.
- 3.5 Data is extracted through automated scripts which is the primary method (using SQL programming), or manually by exception. For both methods the basis has to be defined, agreed and tested.
- 3.6 Once data has been validated it is securely transferred to HCC ready to be loaded into SAP. HCC has developed a range of processes to ensure the data load process is successful.
- 3.7 Data is validated both before and after loading to SAP using a Data Validation Report (DVR) for each data set provided.
- 3.8 There are 24 Finance and 51 HR/Payroll extracts for each council. Examples of the data types that will be migrated include:
- Organisation Management
  - Budget (Capital and Revenue)
  - Customer and Supplier Master Data
  - Purchase Orders
  - Employees
  - Basic Pay
  - Agency staff
  - Annual Leave balances
  - Open invoices / transactions
  - Capital and Revenue balances
  - Cost centre creation
- 3.9 Data Cleansing Activities are progressing well and the team is targeting all areas of data. For example, to ensure that only valid outstanding orders are migrated to the IBC solution.
- 3.10 Another example is the cleansing relating to Customer and Supplier “master data” where field requirements and character tolerances in the IBC solution are less than in Agresso. For example, data such as email addresses, postal addresses etc are needed which may not always be in place.
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- 3.11 Data cleansing is principally carried out in Agresso via the current controlled processes or exceptionally via data tables that will transform data in bulk as required via SQL script, which will be an automated process.
- 3.12 Data Migration “Dress Rehearsals” are the process by which data migration processes to the IBC Solution are to be tested and validated. These exercises aim to prove the migration and transformation rules set out in the functional specifications. All the data needed and the process for transforming it into the required file format for the IBC solution can be assessed for timing i.e. how long it takes and whether there are any issues with the data which can be rectified before the cutover period. There are two data dress rehearsals programmed, one which is complete and which was linked to the payroll comparison run 4 and one in October.

#### **4. Organisational Management data**

- 4.1 Organisational management data forms the cornerstone of the data held within the system and contains the hierarchical management structure with posts and employees linked to it. Without this data the system does not function at all.
- 4.2 Organisational Management data for payroll comparison run 4 and Dress Rehearsal 2 has been provided to HCC.
- 4.3 HR and Finance colleagues will continue to quality check the data over the coming weeks to ensure accuracy for dress-rehearsal.
- 4.4 Organisational management data for dress rehearsal was provided to HCC for the 8th October.

#### **5. Cutover**

- 5.1 Cutover is the structured approach for managing the transition of people, data, processes and technology from the existing ways of working to new ways of working.
  - 5.2 This needs to be completed in a structured way to mitigate risks and make the transition as smooth as possible. Due to the nature of the relationship WCC, RBKC and LBHF have with BT, this activity is effectively a tri-borough activity.
  - 5.3 The cutover (and rehearsal cutover) covers a period of several weeks before the actual “go live” date which is 1st December 2018. The cutover covers four key areas:
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- **Technical cutover:** Apply all new code, configuration and functionality to IBC systems in HCC's 'Production' environment (on completion of all testing cycles). This is complete.
  - **Data migration:** Each data type, or object, is "frozen" in the legacy systems at an appropriate point to obtain a defined data point and then extracted. Many data sets then require further transformation or enrichment before loading into IBC systems (see Data Migration section). A data validation process is applied to ensure the accuracy and integrity of the data.
  - **Business readiness:** The Business Readiness workstream will ensure that the councils are fully prepared for the transition to the IBC services. Business readiness plans will be aligned with technical cutover and data migration timelines.
  - **Operational readiness:** The Operational Readiness workstream will ensure that operational teams (in the IBC and Finance Operations) are ready to deliver services to the councils from "go-live" day (as well as existing partners). This workstream will also ensure that operational teams are ready for the earlier changes (for existing partners).
- 5.4 To deliver a high quality data migration, sufficient time must be allowed to extract, transform, and load each data object - and perform pre and post load data validations.
- 5.5 Once data has been extracted, it must not be changed in the legacy system – otherwise migrated data will not reflect what is in those legacy systems, and cause issues at go-live. To avoid this problem, data must be "frozen" in the legacy system.
- 5.6 "Frozen" means that no further changes to data can be made, and all pending transactions are executed in the legacy system.
- 5.7 Appropriate communications are in the process of being issued to the business to ensure that there is understanding of what to do while the data the organisation relies upon is frozen.

## 6. Business Deployment

- 6.1 This workstream is centred on engaging the wider business, raising awareness and communicating progress around the IBC programme to end users. The team has delivered the following:
- **Roadshows:** we have been setting up a market stall style stand in reception and breakout areas at the Strand, Portland house, Lisson Grove / Frampton Street and City West Homes and during November we are scheduled to be at 3 Westminster libraries, Sayers Croft, NHS centres and are attending the Adult Social Care away day and hosting a skype event with our Parking colleagues in Scotland. The purpose of the roadshows is to raise awareness,
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answer queries and provide helpful handouts and FAQs to staff – one each for employee, line manager, budget manager and hiring manager. The stand was also taken to the Senior Leadership team event on 19th October. To date we have given out in excess of 700 handouts and received positive engagement from the business. A handout for Councillors who will utilise self-service is also being created and sessions have been set up in late November to support Councillors in creating their self-service accounts in the IBC Portal.

- Promotional video: in partnership with our design team, we have created a short video as an introduction to the IBC for staff. This was launched at the senior leadership team event and has now been made available to all staff to watch. We have also created a short testimonial video of staff who participated in user acceptance testing during August. The feedback was overwhelmingly positive, with users reporting that it was intuitive and easy to navigate.
- IBC Sharepoint site: we have created a dedicated site for all of the support and guidance materials that have been produced so that staff can access them all in one easy to navigate location.
- IBC Newsletter: all staff receive a weekly update from the IBC team containing key information for example around the data freeze, how to access help and guidance and where we advertise our business deployment events.
- Focus sessions: we will be running a series of events throughout November to give staff more information around how to use the IBC portal. There are specific sessions for employees, line managers, budget managers, hiring managers, requisitioners and customer invoicing. Staff have been encouraged to book themselves onto the sessions and now most are fully booked. We will be launching new dates for all sessions for after go live.
- 'How to videos': we are in the process of creating a range of bitesize instructional videos which will show staff how to use the system broken down by process. The content that has been developed for these videos will also be made available to staff as step by step instructions available in a powerpoint format.
- 3rd Party access: we have been working with our partner organisations and IT to identify all users that will need full access to the IBC portal in a manager or budget holder capacity but are not on the WCC network. These users will require a VPN token and this solution is currently going through testing.
- IBC Advocates: we have been continuing to meet with and brief our 75 IBC advocates on a monthly basis. The advocates have supported us in disseminating key information to teams across the council.
- Floorwalkers: Through the IBC Advocate network we now have around 100 colleagues across the services who have volunteered to support in floorwalking for the first 2 weeks after go live. There is a Floorwalker briefing session on 20th November to ensure that everyone is familiar with the system, how to access support and guidance and where to raise any queries or issues – particularly focusing on pay, access and organisational structures.

- 6.2 The WCC and RBKC business deployment teams meet on a weekly basis to discuss current activities and scheduled communications to the business. We also share content to ensure that wherever possible there is alignment – this is particularly important for Bi-Borough teams.
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## **7. Confidence testing**

7.1 Confidence testing will be done in production systems just before go-live. The purpose of these tests is to:

- Verify that the cutover has completed successfully
- Identify and address any residual issues before all users from the three London boroughs access systems for the first time.

## **8. Post Implementation Period**

8.1 The period beyond go-live is highly likely to reveal a number of problems with the live environment. While extensive work is being done to mitigate the risk of these problems, broader experience and advice in respect of other Enterprise Resource Planning (ERP) “go-lives” suggests issues are inevitable.

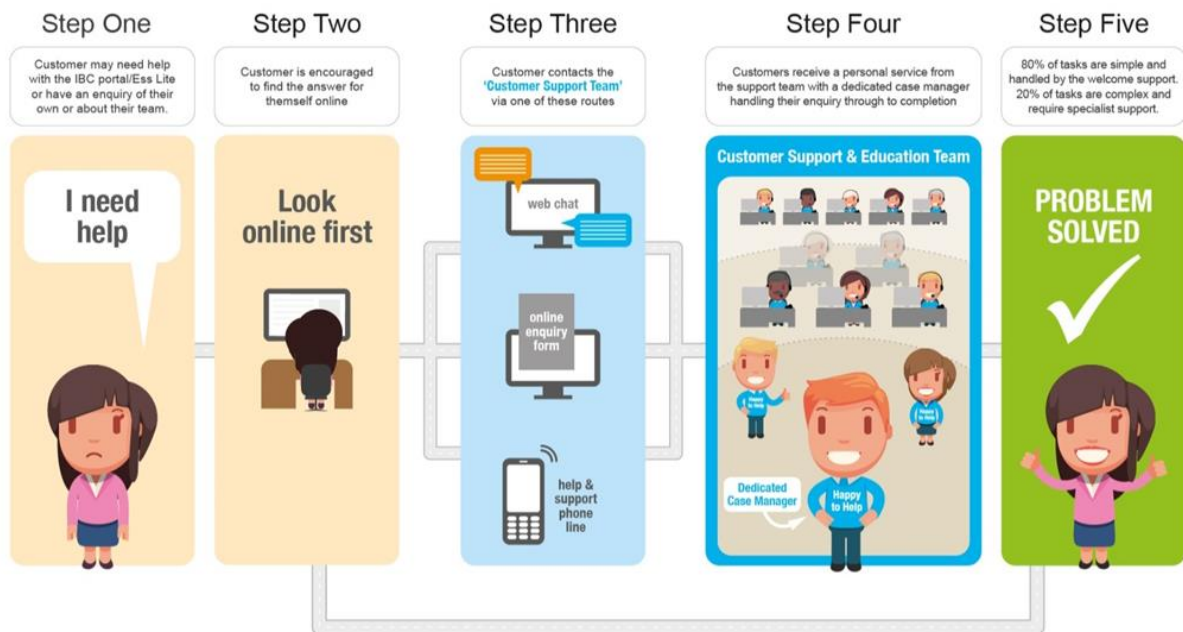
8.2 As part of the overall risk mitigation strategy, a number of arrangements are being put in place to mitigate the stabilisation of the new system and platform. These are as follows:

- “Hyper Care” – this period will run for the duration of the first 4 weeks after go live. This is a period of intensive support and regular review to ensure the service is functional and any issues can be quickly addressed. A detailed delivery plan with appropriate governance will be put in place in the coming weeks and full day workshops are planned for 8<sup>th</sup> October and 12<sup>th</sup> October. It is anticipated at the end of December 2018 the Hyper Care period will move to stabilisation. Key Performance Indicators (KPIs) for stabilisation performance will be agreed with between all partners.
- “Stabilisation” – this period will run from January to April 2019. Again a full plan and appropriate governance is in the process of being developed. This will be an effective framework for regular service review and communication during the embedding period. This stabilisation period will transition to Business as Usual (BAU) governance from some point in April 2019. At the end of this period a report will be produced setting out an agreed KPI list, additional stabilisation indicators – e.g. query resolution / call volume, go-live stabilisation issues and resolutions, outstanding system fixes and development plan, outstanding issues and action plan.
- Business as Usual – running from April 2019 onwards. At this point a new governance structure will be put in place for the councils which will be based on strategic monitoring of the partnership. Resourcing and reporting of this is currently being considered.

## **9. Standard Support Channels**

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9.1 The IBC has a set of standard support channels which will be available to users from go-live. These are illustrated below.



*Text above expanded:*

**Step one:** Customer may need help with the IBC Portal / ESS Lite, or have an enquiry of their own or about their team.

**Step two:** Customer is encouraged to find the answer for themselves online - using the extensive, personalised, context sensitive and searchable on-line “help” guidance. In line with the self-service model, this should always be the first place that staff go for help, before enquiries are raised.

**Step three:** Customer contacts the Customer Support Team via one of these routes:

- **Web chat** – available on the help pages related to several IBC Portal forms
- **Raising enquiries** – using the “My Enquiry” app (ESS Lite)
- IBC Customer Support Team **phone line** – providing guidance about how to self-serve (the phone line also provides an option for ESS Lite registration issues).

**Step four:** Customer receives a personal service from the support team with a dedicated case manager handling their enquiry through to completion.

**Step five:** 80% of tasks are simple and handled by the welcome support. 20% of tasks are complex and require specialist support.

## 10. Contingency Planning

- 10.1 A piece of work is underway to consider contingency arrangements in the event of difficulties at go-live. This includes considerable work to ensure that staff are not underpaid going into the Christmas period.

## **11. Accounts Payable – Paying our Suppliers**

- 11.1 This area manages all payments to suppliers and individuals requesting refunds. The council makes very high volumes of payments to both individuals and suppliers. Any interruption to the payment process is a risk to the programme.
- 11.2 The team (including finance officer support from Corporate Finance) have been working with the Hampshire Partnership to understand any differences between the systems and how current business processes may have to change.
- 11.3 Approvals in the IBC solution will workflow through to line management rather than Budget Managers, therefore budget holders need to make sure that they check budgets diligently to identify any errors. This key difference and shift in responsibility is being built into the training and information being provided to budget managers.
- 11.4 As we progress towards go-live, the following actions are being taken:
- Provide ongoing and more frequent communication to suppliers required as go-live approaches.
  - Create web-based “knowledge share” (training) programmes
  - Master data and transactional data cleanse (ongoing and to be completed before the cutover period)
  - Cutover planning and preparation
  - Ongoing data cleansing, minimising the volume of purchase orders to be migrated.
  - Preparing for the data dress rehearsals and agreeing the validation and data reconciliation process.

## **12. Customer Invoicing and Debt Management**

- 12.1 This area primarily raises invoices to customers for goods and services that the council has provided. It also covers raising credit notes and making sure income is collected and posted against the invoices.
- 12.2 There are a number of changes to our business practices which are listed below:
- Invoices no longer need approval, which removes the second check on accuracy by the budget manager
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- Credit Notes can only be raised for the whole amount of an invoice and not a partial amount. This also results in the need for a further invoice to be raised. These changes will need to be communicated with the business as part of the knowledge transfer work, highlighting the implications for:
  - debt management (as it will change the aged debt profile) and
  - potentially introduce further delays to receipt of payment where a new invoice needs to be raised and re-processed by the customer

12.3 The IBC Solution is not configured to provide the facility for invoice/statements for social care clients. Instead they will receive an invoice, reminders and a statement that is currently manually generated. Work has been progressing on how the change can be managed with this client group, such as exploring the process in Hampshire and Oxfordshire County Councils. This change will need communicating to this particular vulnerable client group.

12.4 The team are now focusing on:

- Preparing the training materials and finalising the web support (Operating Procedures)
- Preparing communications (and send out) to our customers about the changes resulting from the move to the IBC
- Ongoing data cleansing (ensuring that receipts are posted appropriately, unapplied receipts are identified and applied to the right customer accounts.
- Preparing for the data dress rehearsals and understanding the reconciliation process

## **13. IT**

13.1 All IT work is being undertaken and managed on a Bi-Borough basis.

13.2 Interfaces - All automated interfaces to and from the IBC solution have been tested during User Acceptance Testing (UAT) and the last few bugs have now been resolved. Sample customer invoices and remittance advice notes have been produced and validated with business systems owners.

13.3 A new web-based system has been developed allowing entry and control of manual payment requests and to interface them into the IBC solution.

13.4 Access to the IBC solution - During UAT, about 500 users across the 3 boroughs were granted access to the IBC Portal. Some of these were unable to logon using the standard single sign-on process, the majority because they didn't have council user accounts due to working for 3rd parties such as CityWest Homes or WAES. A separate solution for these users (approx. 150 people) has been created and tested and will be available for larger scale testing in October. The cause of other users being unable to logon was data issues which are being investigated and resolved so that we can ensure that

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very few users will have problems accessing the system on the first day of live running.

- 13.5 Further assurance is being obtained from Hampshire about their system's ability to cope with the large number of new users expected to access the system in the first few days of live running.
- 13.6 Learning Management - IT is advising on an appropriate tool to deliver e-Learning content for Bi-Borough users. A system is being developed to allow officers and HR to view training histories from before the go-live of the new SAP SuccessFactors system. This is because old Learning Management Systems are being decommissioned but training history data is not being migrated to the new system.

#### **14. Income Management (IM)**

- 14.1 The IBC solution does not have a module which offers income management as the other partners in the existing partnership are Precepting Authorities and not Billing Authorities. Therefore WCC and RBKC have sourced an income management system that will deal with their income requirements which is a re-implemented version of Agresso income manager - a later version of the existing solution hosted by a company who are expert in hosting Agresso solutions. Although the solution is referred to as an Income Management solution it would be more appropriate to describe it as an Income Management and banking transaction management solution.
- 14.2 The income management system enables us to:
- Provide customer facing card payment solutions – Chip and PIN; Telephone Payments, Automated Telephone Payments (ATP),
  - Import transaction files (bank, bailiff etc.)
  - Process the income / expenditure transactions and accounts for it accordingly
  - Enable Finance users to Allocate / Reallocate any unallocated income
  - Post all income / reallocate income to the general ledger and cashbooks
  - Export files to Line of Business systems to update customer accounts
- 14.3 The list below summarises the actions that have been completed to date:
- Procurement
  - Contract Award
  - Solution Design
  - Build and Configuration
  - Unit Testing
  - Network Configuration
  - Systems Integration Testing (SIT) Phase 1 Testing
  - SIT Phase 2 Testing
  - IM Support Requirements
  - WCC Go Live was 24<sup>th</sup> September
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- 14.4 To reduce the risk of a change to both our core finance and IM solutions at the same time, the implementation for IM was planned to be ahead of the migration to SAP. The new IM solution went live for WCC on 24 September 2018. The cutover process was successful for all payment methods, and entirely invisible to our customers. Resources within WCC took over the work associated with the Income Management processes from BT at the point of Go-Live.
- 14.5 From Go Live the solution interfaces with the BT Agresso system on a daily basis, but this will change on 3rd December when the council moves to the IBC solution when it will then interface into the IBC solution.
- 14.6 Part of the end to end Income Management process includes the management and banking of cheque payments. To support this function the council have also implemented a cheque scanning solution which interfaces with the IM solution. This aspect of the solution is not yet live, but the work to complete this implementation is progressing well and expected to be completed imminently.
- 14.7 The Income Management solution integrates with our new Bank Reconciliation solution. This function will also be performed by the Council rather than HCC. BT will continue to deliver the bank reconciliation until the council moves to the IBC solution. Testing of the Bank Reconciliation solution will continue as we progress towards the implementation with HCC.
- 14.8 From go-live on 14<sup>th</sup> October to 23<sup>rd</sup> October the IM solution had processed c£24m of income.

## **15. Historic Solution**

- 15.1 For reporting and by law we need to have access to our historical information, for this to be possible we have secured a read only Agresso replacement system (1 April 2015 to 30 November 2018) which is exactly replicated and the “user experience” is identical to the current BT offer but is set up as a “read only” solution. So far the system has been built and all transactions and documents have been loaded into the system up to end-September 2018. The solution will be updated with a full copy of the live database in mid-November once the BT solution is no longer available to post transactions.
- 15.2 To provide assurance that the balances and “feel” of the system is identical, a number of staff in the Corporate Finance Team were given system logins and were asked to complete a UAT script (in the same format as the UAT for the IBC solution).
- 15.3 Access to the Historic Solution will be limited to professional HR, Finance and Payroll colleagues.

## **16. BT Exit**

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- 16.1 Detailed work is ongoing to ensure the safe exit from the current arrangements with BT. On the whole BT have been pro-active in the planning process and work has now progressed to ensure that the BT Exit and HCC Onboarding processes are complementary. There is now greater clarity of the impact on process and data freezes that are required to exit BT/Agresso and onboard to the IBC/SAP. Remaining matters are being clarified.
- 16.2 BT have provided detailed information in relation to staff potentially impacted by TUPE. Work continues with colleagues from WCC, LBHF and HCC as all organisations are impacted by the TUPE regulations. BT have agreed to a parallel consultation process which will involve making offers of enhanced severance payments to the transferring BT staff in return for them signing Settlement Agreements waiving any claims against BT and HCC. This is ongoing and progressing well. The council will continue to ensure its interests are appropriately protected in settling redundancy arrangements that it is commercially liable for.
- 16.3 Some concern remains in respect of the stability of the BT operation in Jarrow with specific regard to staff departing early. However, the progression of enhanced redundancy offers and a general sense that the level of attrition at present is not as high as feared suggests this is currently a manageable situation but one that remains under review.

## **17. Risk Management**

- 17.1 Risks are reviewed weekly at either the IBC Project Implementation Board or the Dependent Project Board.
- 17.2 The following risks have the highest scores:

<b>Risk</b>	<b>Mitigation</b>
Currently there is no provision within the BT Exit Plan to complete part year pension returns. E.g. the LGPS, Teachers' Pension Return	Ongoing discussion with BT about ensuring appropriate data is available to the council to ensure it can fulfil this requirement.
There is a risk that key council resources will be spread too thinly over a range of activities leading to failures to deliver BT exit related activity.	Programme sponsors are responsible for managing and coordinating resources.
There is a risk that pay slips will be	This risk has been subject to a contingency

incorrect post go-live which could result in under or over payments to staff.	planning workshop. A number of mitigation actions are being investigated including communications to encourage individuals to check their pay slips after go-live and a range of checks to be completed on the pay slips before they are released. Mitigation options being investigated and progressed including emergency payments.
There is a risk that cutover will not complete in line with the current Cutover Timetable, in light of dress rehearsal 1 experience (especially data validation reporting process and data loading issues). This would impact ability to "go live" on 1st December.	An enhanced cutover plan has been developed in which all elements of the project are aligned with (Cutover Plan overview v0.7). Whilst the risk still exists, all workstreams are clear what need to be done by when, and have plans to deliver that. The largest risk area in the remaining cutover plan is around data reporting and loading. Work has gone in to resolving data quality issues and dealing with exceptions.
"User requirements" changes from October are delivered on 14th November. If volumes of these changes are more than a few dozen, there is a risk that they cannot be processed in time for 1st December "go-live". If any of these changes can not be processed, that would result in users not being correctly setup for go-live.	Continued business communications to minimise user requirement changes in final months.  Daily checks on progress in place with the Boroughs.