

Notice of Meeting

Resources and Performance Select Committee- Supplementary Agenda



Date & time	Place	Contact	Interim Head of Paid Service
Thursday, 18 July 2024 at 10.00 am	Council Chamber, Woodhatch Place, Reigate	Jake Chambers, Scrutiny Officer jake.chambers@surreycc.gov.uk	Michael Coughlin We're on Twitter: @SCCdemocracy



If you would like a copy of this agenda or the attached papers in another format, eg large print or braille, or another language please either call 020 8541 9122, or email Jake.Chambers@Surreycc.gov.uk.

This meeting will be held in public. If you would like to attend and you have any special requirements, please contact Jake Chambers, Scrutiny Officer.

Elected Members

Nick Darby (The Dittons), Tim Hall (Leatherhead and Fetcham East), David Harmer (Waverley Western Villages), Edward Hawkins (Heatherside and Parkside), Robert Hughes (Shere) (Chairman), Riasat Khan (Woking North), Robert King (Egham), Andy Lynch (Horley West, Salfords & Sidlow), Steven McCormick (Epsom Town and Downs) (Vice-Chairman), John O'Reilly (Hersham), Lance Spencer (Goldsworth East and Horsell), Lesley Steeds (Lingfield) (Vice-Chairman) and Hazel Watson (Dorking Hills)

TERMS OF REFERENCE

The Committee is responsible for the following areas:

- Finance
- Orbis Partnership Functions
- HR&OD
- IT and Digital
- Business Ops
- Property
- Procurement
- Equalities and Diversity
- Internal/External Communications
- Legal and Democratic Services
- Customer Services

AGENDA

- 5 **VERBAL UPDATE ON THE WORK OF THE DIGITAL BUSINESS AND INSIGHTS (DB&I) TASK GROUP** (Pages 3 - 66)

Purpose of the item: To give a brief update on the progress of the group's final report and its progress to Cabinet.

Michael Coughlin
Interim Head of Paid Service
Published: Wednesday, 24 July 2024

MOBILE TECHNOLOGY AND FILMING – ACCEPTABLE USE

Those attending for the purpose of reporting on the meeting may use social media or mobile devices in silent mode to send electronic messages about the progress of the public parts of the meeting.

Anyone is permitted to film, record or take photographs at council meetings with the Chairman's consent. Please liaise with the council officer listed in the agenda prior to the start of the meeting so that the Chairman can grant permission and those attending the meeting can be made aware of any filming taking place.

Use of mobile devices, including for the purpose of recording or filming a meeting, is subject to no interruptions, distractions or interference, or any general disturbance to proceedings. The Chairman may ask for mobile devices to be switched off in these circumstances.

It is requested that if you are not using your mobile device for any of the activities outlined above, it be switched off or placed in silent mode during the meeting to prevent interruptions.

Thank you for your co-operation

RESOURCES AND PERFORMANCE SELECT COMMITTEE



Monday 1 July 2024 (Remote meeting)

REPORT OF THE DIGITAL BUSINESS AND INSIGHTS TASK GROUP

Purpose of report: To provide the Resources and Performance Select Committee with a detailed report into the findings and recommendations of the Digital Business and Insights (DB&I) task group, which was established on 18 October 2023 to conduct a 'Lessons Learned' analysis of the *MySurrey* ERP replacement project¹.

Acknowledgements:

1. Members would like to take the opportunity to thank all of those who kindly took the time to share their experiences with the Task Group. The associated written and oral submissions were invaluable to the work of the group, and essential to forming the key recommendations and next steps.
2. Any errors, factual inaccuracies or inconsistencies contained within the report are the responsibility of the Task Group alone and not those who contributed their knowledge, insight, and experiences to the formation of this report.

Introduction:

Context

3. The '*MySurrey*' ERP replacement project began in the summer of 2019 when the council learned that the previous software system, *SAP* ERP, was expected to cease to be supported by its provider from 2022. The essential nature of the functions provided by ERP software meant that a replacement had to be sought for a smooth, parallel handover with no period of lost function. The first meeting of the Programme Board was therefore held on 2 August 2019, at which a Project Initiation Document (PID) and framework for Strategic Options Appraisal were approved and a Programme Manager appointed.

¹ Enterprise Resource Planning software is a category of business management software that typically integrates organisations' key functions such as payroll, HR and employee data.

- 3.1 Outline Business Cases (OBCs) from the 5 vendors optioned for procurement were then considered, with Cabinet approving the final OBC in October 2019. Unit4 were identified as the preferred bidder in June 2020, before joining the Programme Board alongside their implementation partner Embridge in September 2020.
 - 3.2 A range of alternatives were considered and discounted when Cabinet considered the Outline Business Case in October 2019. These were direct awards to SAP for upgrade to either their new Software-as-a-Service (SaaS) or in-house hosted services, and a collaborative SaaS corporate system with ESCC² and BHCC³. The reasons for these not being pursued are explored in the 29 October 2019 Cabinet report.
4. The project would span four-and-a-half years. The *MySurrey* ERP software officially went 'live' on 6 June 2023, the project officially ending with the transition to the 'Business-as-Usual' project in December 2023. *MySurrey* is now Surrey County Council's sole ERP provision and continues to operate with the support of several helpdesks. Its progenitor, SAP, has now been fully retired.
 - 4.1 The 'go-live' date of 6 June 2023 was achieved after 3 previous dates were missed. These were:
 - i. December 2021;
 - ii. April 2022; and
 - iii. October 2022.
 - 4.2 The extent of replanning necessary and consequent changes to the project timeline was financed by additional budget approved by Cabinet on 21 December 2021 and 20 December 2022. The end cumulative cost of the project was therefore £27.9m against an initial budget of £16.6m, equalling an approximate £11.3m (68.1% of the initial budget) overspend against the original forecast cost. The nature of the exceptional circumstances that led to this overrun are set out below.
5. It is important to acknowledge the once-in-a-generation nature of replacing an ERP system, as well as their immense size and complexity. There have therefore been numerous high-profile failures in such projects, in which large-scale authorities often struggle due to the complexity of the different services that they must provide, their workforce size, and other factors.

² East Sussex County Council.

³ Brighton and Hove City Council.

- 5.1 Other authorities have experienced problems similar to those encountered by Surrey County Council, with some disputes resulting in publicised overspends and terminations of contract. While the *MySurrey* project was challenging and resulted in an overspend, it has not been as damaging as those of some other authorities and has culminated in the delivery of a functioning ERP system.
- 5.2 Though acknowledging this, Surrey County Council must still maintain an explicit commitment to the careful safeguarding of public money and take steps to prevent future instances of overspend as occurred on this project.

Task Group Methodology

6. The Task Group was formed by a decision at the October 2023 meeting of the Resources and Performance Select Committee, the Task Group began work with the drafting and agreement of a scoping document, outlining of a work plan & timeline, and formation of a list of witnesses to be interviewed in November 2023.
7. Interviews with key witnesses took place from February to 1 May 2024. A broad range of witnesses involved in the project were interviewed in sessions in which they were asked questions from a list agreed in advance by the consensus of Task Group members. Follow-up sessions were arranged where the group felt they were necessary.
8. The group has drawn on the work of the report produced by Phil Hall, an independent investigator who was contracted by the council in late 2023 to produce a 'Lessons Learned' analysis into the *MySurrey* programme. The group is grateful for his work and the further witness sessions that he also provided, both of which were invaluable in the Task Group carrying out its work in producing this report.

Task Group Aim

9. The primary aim and focus of the Task Group was to gain an understanding of the factors that contributed to the delay in the implementation of the Unit4 product, the additional cost to the Council, and what could have been done to avoid this outcome, with the benefit of hindsight.
10. This report identifies the key issues that emerged from the Group's witness sessions as the priority factors behind the delay and additional cost to the council, plus a set of conclusions and recommendations for Surrey County

Council to consider for future programmes and projects, regardless of size and complexity. These are also intended to benefit other local authorities intending to implement new ERP systems or approaching programmes of a similar scale and complexity.

Executive Summary

- I. The witnesses all attested to the complexity and difficulty of delivering this programme. Surrey County Council's ability to succeed in having the system 'go live' despite this, and in the face of many failures by other local authorities in the sector, should be recognised as a significant achievement, despite its difficulties.
- II. The group was struck by the dedication and commitment of those working on the project, both in the council and at the suppliers, within both Embridge and Unit4, whose tenacity, resolve and leadership drove this difficult programme to conclusion. That it took its toll on the wellbeing of many staff is noted, and the Group puts on record its appreciation of the clear effort and commitment that was displayed on all sides under severe pressure, proving critical to achieving 'go live' in June 2023.
- III. The DB&I programme suffered a large increase in budget, with an end cost to the Council of £27.9m against an initial budget of £16.6m. 'Go-live' was originally intended for December 2021 and eventually achieved in June 2023, some 18 months behind the original target date. Delays to the programme have had negative impacts on staff, partners and on the council's reputation, and there have been a significant number of problems to resolve after project implementation, particularly in Payroll. Additional technical and '*business-as-usual*' support to manage these issues has been required, incurring significant additional cost to the council.
- IV. The Group's conclusions with respect to why the programme ran late and over-budget can be summarised as follows:
 - The overall complexity of the programme was underestimated, and an unrealistic timeline of 15 months, set at the beginning of the project, proved damaging.
 - A lack of business readiness across certain council functions made delivery of the new ERP system in 'vanilla', unmodified form difficult, creating greater problems in Payroll, HR and schools as the project developed. The absence of this readiness was demonstrated in the poor understandings of the '*as is*' processes that were already in place, data processes and quality, and the business requirements of different council services and teams. One interviewee expressed this by

referring to the council's unpreparedness for change as "...the council failing the project."

- **The Covid-19 pandemic** played a significant part in the project's difficulties, particularly as **user engagement** was made much more difficult by extended periods of unprecedented remote working adopted by all parties. This had a material impact on the volume of late change requests submitted during the *Design* and *Build* phases of the project, which undermined the programme in its later stages.
- In hindsight, the programme was driven too greatly from a '*technology perspective*' rather than one centred on business transformation, with insufficient focus and ownership by leadership of the significant **behavioural change** required to adapt to the new ways of working imposed by the new ERP system, specifically the adoption of a self-service model.
- The **fixed-price nature of the contract** proved problematic. While the council had decided to procure on this basis, it arguably drove commercial considerations which fuelled an overoptimistic approach and disincentivised early and effective replanning to take account of complexities as they arose. An alternative or hybrid approach to contracting may have been beneficial in driving more constructive behaviours, but instead the project was locked into less effective working by aspirational dates rather than achievable ones.
- Community schools should have received more focus through dedicated workstreams, especially in communications and engagements, to have better facilitated a deeper understanding of their requirements and infrastructure limitations at the outset. The decision to exclude academies and multi-academy trusts from the project was correct, but taken too late.

Project complexity & achievability of implementation timeline

- V. **At the heart of the delay and overspend of this programme is the fact that the overall complexity of the project was not fully appreciated by any party at the project's outset, or reflected in the original implementation timeline and expectation of 15 months.** This ultimately proved unrealistic and damaging, with more time required to attend to complexities as they came to light throughout the project. Witnesses universally attested to the fact that, with hindsight, the project was always going to require more time and money than originally envisaged, as unrealistic implementation expectations formulated at

the outset and collectively adhered to throughout damaged stage control⁴ measures. This resulted in a tendency to progress through programme stages with issues unresolved, and to run core project stages concurrently.

- VI. The commitment of the programme board, programme team and implementation partner to keep the programme on track and in-line with the original timeline and budget, while to be commended, resulted in the continuation of the project despite significant problems mounting. This led to 3 missed 'go-live' dates and contributed significantly to 'user fatigue', which led in turn to a lack of focus on business readiness and user preparations for transition.** The *SAP* contract's expiry deadline and the consequent need to replace a system approaching obsolescence were driving factors. The political context no doubt also played its part, with all stakeholders conscious of the potential politicisation and public nature of any perceived failure. However, in hindsight, a more cautious approach would have been beneficial, with more realistic expectations set earlier once the scale of the challenge was clear. It should be noted that this would also have led to an extended programme timeline and cost which may, to some extent, be inevitable.

Business Readiness:

- VII. Business readiness emerged as the key issue which could have made a material difference to the time required to complete the project and its eventual cost.** The lack of understanding at the outset of the way the Council was using *SAP*, the weaknesses in its internal processes and the underlying data were key factors in the complexities that arose, the numbers of change requests made and, ultimately, why the programme ran late and over budget as myriad problems (notably with Payroll) became apparent throughout the programme and had to be addressed. Witnesses highlighted a good understanding of the 'as is' position, as well as any weaknesses in existing functions and operations, as an essential pre-requisite to commencing a programme of this size and being able to set realistic implementation expectations at the outset. This can be achieved through thorough '*Target State*' versus '*Current State*' analyses, and utilisation of a 'Phase Zero' roll-out that undertakes a full audit of business readiness as part of a pre-procurement exercise.
- VIII. Future projects of a certain scale and complexity should only be undertaken after a robust business readiness assessment to test the 'health' of the affected services' functions, as a prerequisite.** This will allow for the effective resolution of issues ahead of project initiation or permit them to be fully factored into the implementation plan, while any that continue to affect implementation are better owned and understood by leadership in the

⁴ Procedures to ensure that the different stages, or 'phases', of a project are only exited and entered at the appropriate time, usually only after the satisfaction of a number of pre-agreed entry or exit criteria.

Programme Board, better facilitating challenge of unrealistic targets and timelines.

Covid and User engagement

- IX. Covid was another key factor in the difficulties and delays experienced with the programme.** Witnesses highlighted the difficulties of delivering such a programme in the context of a prolonged period of mass home-working, to which people were not yet accustomed. This affected the level of user engagement during system development, particularly during the *integrated systems testing* phase, where knowledge transfer to council staff was vital and likely greatly reduced. The likelihood of staff working uncommunicatively in disconnected 'silos' therefore increased.
- X.** Lack of engagement at this phase of the project meant that real learning and knowledge transfer on the part of users only started in earnest with *User Acceptance Testing* (UAT) in July 2021. Seven rounds of UAT would eventually be requested, reflecting the lack of early staff exposure and engagement with the system, and which contributed to the delays. Earlier user engagement might also have mitigated the large numbers of change requests which were submitted in the later stages of the project, particularly in relation to HR, Payroll, and schools, and which became increasingly difficult to manage. The contract specification required that the Integrated Systems Testing would be carried out by the supplier, likely exacerbating the low degree of user engagement and collaboration that arose from the pandemic restrictions.

Behavioural change

- XI.** The programme was too greatly driven from an '*IT and technological*' perspective, with insufficient focus on, and ownership of, the requisite behavioural change - more work should therefore have been undertaken to educate and support staff in how the processes performed in their role would change. The move from *SAP* to a 'software-as-a-service' tool like *MySurrey* represented a transformational shift in ways of working for all end users, as the new system did not simply just appear different but is based on fundamentally different principles of design and operation. The enormity of the changes that this would impose on the organisation was not adequately communicated to staff, and sufficient recognition and ownership of this was not present among senior management. While a lot of training was undertaken in the earlier project stages, later project replans meant that training and engagement lost accuracy and relevance by the time of implementation, exacerbating problems after 'go-live'.

Mitigating factors

- XII.** These conclusions should be balanced against several important contextual factors. The evidence gathered demonstrates that many of the procurement and programme management structures and methodologies put in place were sound. *MySurrey* benefitted from a clear and robust management structure, staffed with experienced senior officers that engaged in thorough work informed by comprehensive reports. The supplier emphasised the high standard, quality and thoroughness of the Surrey County Council procurement process, which was compliant with best practice, with a clear and thorough requirements specification. While this work to understand the requirements of a new system in the corporate structure was comprehensive, it is clear that the understanding of the processes in place at the time, and the degree of manual adjustment and customisation that these relied on, was lacking.

Key Recommendations

- XIII.** The Task Group's priority recommendations most relevant to local authorities undertaking a project of similar scale or complexity are:
- I. A robust business readiness assessment to test the functional services' capacity to receive any new system should be a prerequisite of any other programme of this scale or complexity, with weaknesses ideally addressed in advance or, if not, factored fully into the implementation plan, thus enabling a realistic implementation timeline to be set.**
 - II. Ensure that there are stronger links between board representatives and their service users to deliver a better understanding of service weaknesses and issues at leadership and Programme Board level. This can be achieved by implementing clear workstreams and sub-boards, chaired by Board Member service leads, for resolving in-function issues. This would help mitigate the risk of disconnection and over-optimism among Board members concerning challenges faced and the likelihood of meeting deadlines.**
 - III. Greater focus should be given to the behavioural change aspects of implementing new systems and the impacts on users who may be required to work in new ways, ensuring the provision of more, better-timed training, education and support for staff.**
 - IV. Ensure that the council has sufficient leadership capacity to manage a programme of this scale and complexity by appointing a full-time senior responsible owner (SRO) within the organisation to work alongside the Programme Director. This should be a distinct, full-time senior leadership role for an experienced individual at the level of council leadership and should not be performed by someone with**

other significant time commitments. This role should work closely with the Programme Director to provide strategic direction, helping the Director to focus on managing and directing the programme itself, while the SRO engages with senior leadership and helps to ensure adequate resourcing and ownership among management.

The following section provides further detail of the key issues that emerged which underpin these conclusions and recommendations. More detailed recommendations are set out later in the report.

Key issues emerging from witness sessions
--

A. ACHIEVABILITY OF IMPLEMENTATION TIMELINE	Paragraphs 11 -14	F. IT AND TECHNICAL	Paragraphs 55 – 61
B. LACK OF BUSINESS READINESS	Paragraphs 15 – 21	G. CONTRACT	Paragraphs 62 – 66
C. ISSUES ARISING WITH PROGRAMME MANAGEMENT	Paragraphs 22 - 37	H. SCHOOLS	Paragraphs 67 – 78
D. ISSUES ARISING WITH LEADERSHIP AND GOVERNANCE	Paragraphs 38 – 49	CONCLUSIONS	Paragraphs 79 – 83
E. USER ENGAGEMENT	Paragraphs 50 - 54		

A. ACHIEVABILITY OF IMPLEMENTATION TIMELINE

11. The *MySurrey* project was begun in earnest in 2019, after an Outline Business Case was submitted to Cabinet on 29 October in response to learning that the predecessor system would no longer be supported beyond 2025. In order to protect the council’s core Finance, HR, Payroll and Procurement functions, the search for a replacement began and the costing of various options resulted in the Full Business Case reaching Cabinet in July 2020. After a bidding process that alighted on the self-service Software-as-a-Solution (SaaS) system offered by Unit4 and Embridge as the best option for the council’s requirements, those partners joined the Programme Board in September 2020.

12. As realisation of the project was then embarked upon, a provisional implementation timeline of 15 months was worked to. This originated in pre-procurement and strategic options appraisal (SOA) advice provided by a company named Moore Stephens Insight, whose services were procured to

provide specialist advice on implementation of a project of this size. While such a timeline was technologically possible, the 15-month target has been widely identified in this review as unrealistic and unachievable for an authority of such a size and complexity as Surrey, and may therefore have been damaging to the work of those involved.

13. While technically possible, it is important to note that the key determinants of realising a project of this scale were business readiness, staffing changes and the readiness of the user community, and the unpredictable effects of the Covid-19 pandemic. Given that the council was also intending to provide an ERP solution to hundreds of schools at this stage of the project, a 15-month timeline now appears unlikely to have been achievable. Experience across the sector demonstrates that this was a highly optimistic timeline and assumed that there would be very little difficulty in implementation, hypercare, and ongoing support. While SCC was following the advice that it received at the time, it should now be emphasised that projects of this size and complexity are unlikely to be able to be completed in such a time frame. **We would hope that this knowledge has now been fully appreciated throughout the local government sector, after numerous high-profile failures by local authorities – some on ERP replacement projects - that have been more reputationally and financially damaging than our own overrun implementation.**
14. It should be emphasised that the 15-month timeframe was driven by the *SAP* contract expiry deadline and the fact that the old system would soon cease to be supported. The final 'go live' date of 6 June 2023 was determined by a number of factors, including the imminent decommissioning of *SAP* and the fact that the platform was becoming unstable, with Surrey County Council working increasingly at risk.

B. LACK OF BUSINESS READINESS

15. The council's business readiness at the inception of the project was one of the themes identified most prominently throughout this task group's research and witness sessions. The group identifies this as a key weakness and contributory reason for the project not meeting its original timeline.
16. It is important to recognise the well-structured, energetic and professional nature of the project throughout its course, which was one marked by a positive engagement and desire for change within the leadership. This benefitted from a well-structured management apparatus staffed by experienced senior officers employing a robust programme management methodology. Nevertheless, it appears that several key steps to prepare Surrey for a change of the scale of an ERP replacement had not been accomplished. These include:
 - a. Gaining an understanding of the scale of work involved and the project's potential risk;
 - b. A survey of the variety of processes and capabilities of infrastructure within schools and MATs (multi-academy trusts);

- c. Gaining an understanding of the range of bespoke customisation to which *SAP* had been subjected, and on which core business functions relied;
 - d. Appropriate & accurate user training and involvement of subject matter expertise in the process; and
 - e. Measures to improve data 'cleanliness', migration procedures, and ownership.
17. Some of these areas are examined in greater detail in their dedicated sections, but all contributed to an atmosphere of organisational unpreparedness that would prove damaging to an authority embarking on a project of the scale of replacing an ERP system. This was despite the hard work of everyone involved initially to deliver the project on time and to cost, as well as that of those who arrived on the Programme Board later in the project with the aim of recovering the project after 'go-live' dates had been missed.
18. The most resounding consensus of this Group and of all those spoken to for this review is that business readiness was the area of the project that would most have benefitted from being addressed beforehand. Witnesses noted that extensive process mapping was undertaken for each functional area during the *Design* phase, in accordance with normal project management practice. These helped to build an understanding of what would be required of the new ERP product, though many of the core functions that the system would perform were easily theorised given that many of them were already extant core HR and Finance functions performed by the *SAP* predecessor system.
19. Witnesses indicated that further detailed mapping of existing *SAP* functions and processes would have had limited benefit, but accepted that this work had not resulted in a sufficient understanding at management level of the *SAP* 'workarounds' that were in place, and that a different sort of assessment would have brought this to light. Evidence gathered pointed to the clear need for an assessment of the 'health' of the functions to be affected (HR, Payroll, Finance, Procurement, Purchasing, Pensions) in advance so that high-risk or poorly performing areas could be identified with weaknesses addressed in advance where possible, or if not, factored fully into the implementation plan.
20. One area where a service's pre-existing operational issues would come to light later was in Business Operations, specifically in Payroll, where there were pre-existing concerns and issues with the delivery of a fully accurate service under the legacy *SAP* system. Foreknowledge of the deep-seated issues here would have helped the Programme Board better plan the implementation of the new solution by giving them the opportunity to account for this in their implementation timeline. Instead, the challenges facing Payroll remained unknown for some time, and processing backlogs that were later discovered would further hamper implementation. This is an example of an area where it was less the new solution or factors surrounding its implementation as such, but pre-existing business practices, processes and systems that were injurious to the delivery of the project. This therefore offers a key example of the effects that the lack of appropriate levels of business readiness had on project delivery.

21. Since implementation of *MySurrey*, a ‘payroll improvement plan’ has been initiated. This was previously discussed but not implemented. With hindsight, this plan should have been undertaken prior to the implementation of a new ERP system and would have had a significant impact in minimising disruption.

Recommendations:

- **Recommendation: A robust business readiness assessment to test the functional services’ capacity to receive any new system should be a prerequisite of any other programme of this scale or complexity, with weaknesses ideally addressed in advance or, if not, factored fully into the implementation plan, thus enabling a realistic implementation timeline to be set.**

C. ISSUES ARISING WITH PROGRAMME MANAGEMENT

Context

22. Evidence gathered has demonstrated that many of the procurement and programme management processes, structures and methodologies put in place were sound and followed best practice. Investment was made in securing programme management expertise and a highly capable programme director with extensive experience in delivering highly complex projects was appointed. The Council put in place an experienced programme team that undertook regular reporting to the Programme Board which included use of ‘RAG’-rated⁵ reporting to grade areas by level of concern. Despite the extensive programme management structures in place however, the group identified concerns in several areas of programme management.

Lack of Stage Control

23. As was dictated by best practice in an ERP replacement project of this scale, an implementation timeline was created, which divided the project’s entire span into discrete stages. This is reproduced below:

DB&I Initial Programme Plan																	
Source: Project Initiation Document approved by Board October 2020. Shows Phase 2 (ERP comprising Finance, Procurement, Hr & Payroll) only																	
Mobilise	Design			Build			Test						Implement			Hypercare	
Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22
Mobilise	Phase 2 Design			Phase 2 Build			Integrated System Testing			User Acceptance Testing			Implement			Hypercare	
											3 x Payroll Parallel Runs						
														★		Planned Go-Live 01/12/2021	

⁵ ‘RAG’, or ‘Red, Amber, Green’ ratings are a project management tool that grade areas of concern and corresponding actions according to a three-tiered traffic light system, with ‘Green’ signifying least concern, and ‘Red’ denoting the need for immediate action.

24. As can be seen in the above diagram, this initial plan foresaw the different stages of the project as running consecutively with no overlap. As pressures mounted over the course of the project, interviewees concurred that the discipline of managing this stage control was weakened, leading to instances of different phases being run *concurrently* in an attempt to save time and increase the chance of successful delivery to the planned 'go live' date.
25. This was seen in the work surrounding HR transactional processes, where issues with the solution's design were recognised in the *Build* phase, necessitating that the *Design* phase be returned to so that issues could be addressed. Delivery pressure and time constraints resulted in a view that there was too little time to pause the *Build* work and return solely to the *Design* phase in the usual manner of running project phases without overlap. Maintaining pace was therefore felt to be paramount, and the Programme Board allowed *Design* work to continue into the *Build* and subsequent *Test* phases, with the agreement of the implementation partner, resulting in some functions completing the *Test* phase while others were still in *Design*. As the Programme Board moved from rating the programme 'Green' in June 2021, through 'Amber', before reaching a 'Red' rating in November 2021, this simultaneous running of different core project phases would become a defining feature, and one which the work of this Task Group has revealed as particularly injurious.
26. It is understandable that the Board would consider making this decision in the face of such mounting pressures to deliver a project implicating vital core business functions, though it is important that the consequences of this decision are fully understood.

Testing regime

27. One area impacted was testing. With some functions arriving for testing while others were being retroactively rebuilt and/or redesigned, normal testing regimes could not be embarked upon without selective adaptation. This confused the overall integrity of the testing process, and made delivery of a fully tested product very difficult given the volume of redesigns that had to be accommodated. Experience after the successful 'go live' in June 2023 shows that, despite the extensive testing activity that took place, testing did not identify large numbers of issues and problems that have subsequently become apparent and which have necessitated significant additional technical and helpdesk support at further cost to the Council.
28. Concern about the number of change requests appears to have been first expressed in the Board's reports in July 2021, before it was recognised in September 2021 that delays in the *Design* phase were hampering the ability to begin user acceptance testing, leading to delay.
29. The first move to a 'Red' RAG-rating by the Board in November 2021 occurred alongside acknowledgement that test cycles 3 & 4 were overlapping, with the latter cycle starting late. This began the period of recognition by the Board of significant risk to the project's delivery, with a period of consistent *Red* and *Amber* ratings that ran through to October 2022, a period which saw test cycles

begin to commence late, tests delayed to subsequent cycles and reports of higher volumes of issues. The fact that the most acute period of the project's difficulty was characterised by this breakdown in stage control demonstrates the defining impact that this trend had on the project.

Impact on Training

30. Training was also affected by redesigns and unclear stage control. Provision of training to *MySurrey* end user staff was built into the original project timeline, with a training approach approved at the 6 April 2021 Board meeting, despite the fact that an update to the Resources & Performance Select Committee meeting of 18 March 2021 acknowledged that preparation for training and development of training materials still needed to be undertaken. The same report notes that training materials would be developed simultaneous to the training needs of the end user community being analysed.
31. This may further indicate a somewhat inappropriate optimism concerning the course of the project and the likelihood that key preparations would encounter challenge, as was noted earlier. Despite this, the key issue with the effectiveness of training has been identified as the impact of the aforementioned redesigns. While user training programs began delivery in June 2021, system redesigns meant that training became irrelevant or incorrect, as the system on which staff were being trained was still undergoing fundamental alteration. Witnesses spoken with for this review have voiced strong consensus that this was a key factor in limiting user engagement, as users' familiarisation was made much more difficult by that fact that familiarisation with the end-system was near impossible until it was finished, late in the project's timeline. With a high volume of change requests leading to a considerable degree of system alteration through late 2021 and early 2022, even system programmers working in the *Design* and *Build* stages had difficulty gaining a clear visualisation as to how any given process would work. Reports suggest that the council's delays in finalising the 'to-be' processes, especially in certain HR processes, exacerbated these issues and caused additional frustration among users.
32. In addition, the mounting pressures on the project meant that training resources could not be adequately prepared and any training given to users lost accuracy as the system was changed. This resulted in staff being inadequately prepared for the system that they would be expected to use, with the training sessions eventually implemented far behind schedule after redesigns ceased. Taken alongside the scepticism among the user community after several missed 'go-live' dates, issues with wider user engagement and fatigue among many involved in the project, the absence of a robust training offer exaggerated issues with a user readiness that was already below that required.
33. It is important to recognise the challenging set of circumstances in which both the council and the suppliers found themselves working, and to commend both Unit4 and Embridge for agreeing to make extensive alterations to the system at such a stage in the programme. Naturally, however, this course would not have been chosen at the outset by either party, both of which were aware of the importance of disciplined stage control procedures. An October 2020

Programme Update report to the Resources and Performance Select Committee states:

- i. *“The supplier’s project approach comprises a series of stages for managing the implementation with controlled progression between each stage using governance gateways.*
- ii. *At each gateway the council will need to confirm that the agreed exit criteria, for example completion of key deliverables or satisfactory performance during testing, have been met before the project can progress to the next stage.*
- iii. *This will ensure that robust governance control is in place over delivery **and that a project stage cannot be started until all key deliverables from a preceding stage have been completed to the council’s satisfaction.**”*

34. Other contemporaneous reports from earlier in the project clearly demonstrate that all parties were aware of the importance of disciplined stage control to ensure that key project stages were run consecutively. Nevertheless, the decision was eventually taken to allow project stages to run concurrently. This is not entirely unprecedented, and multiple interviewees noted that they had previous experience from other projects of this being done when appropriately dictated by a risk-weighting exercise. Witnesses highlighted that it was not uncommon to take a risk-based approach and for some incomplete actions, not considered to be on the critical path, to be carried forward in order to maintain the momentum of a project. Given the delays resulting from the requested redesigns, Unit4 and Embridge were faced with a choice between refusing the council’s requests for redesign, acceding to the requests while running the project in the original way and thus replying to the council with a much-extended project timeline, or responding to the time pressure by attempting to run key stages simultaneously. Eventually the volume of changes requested became unmanageable and a decision had to be taken to stop and ‘re-baseline’ the project.

Late Change Requests

35. Witnesses attested to the fact that the large numbers of change requests made late in the process reflected a lack of quality user engagement early on, in part due to the restrictions of the Covid-19 pandemic and remote working, but also due to contract specifications that required Integrated Acceptance Testing to be supplier-led. This disincentivised meaningful engagement with design at a key stage which, with hindsight, proved a mistake.

36. The large number of late change requests made and the decisions to accommodate them by relaxing the principles of stage control was ultimately deleterious to the project and the authority. However, these decisions were made pragmatically to maintain momentum towards 'go-live', with the ultimate aim of delivering a complex and essential project on time. Stakeholders noted that changes could have been refused but that this would have incurred additional time and cost.

Pressures of a political environment

37. It is useful to make reference here to another pressure that likely contributed to the feeling that the project must continue in the face of mounting pressures and risks, namely the unique pressures of operating in the political and democratic environment of a local authority. While a private enterprise would naturally also be averse to missing delivery and budgetary targets, a public body such as Surrey County Council bears a greater risk of reputational harm, either from press coverage of the issues with such a project in their own right, or from publicity in response to attendant political discussions in the open forum of council meetings. The possibility that this may encourage inappropriate reactions to programme risk should be considered for future projects.

Recommendations:

- **Recommendation: Future projects should employ greater discipline in stage control, even where there may be time/cost impact.**
- **Recommendation: The Council must ensure that robust testing strategies are in place for all projects that require them, ensuring strong environment and data management practices are in place to support this. Testing of new systems, processes and products should not be exclusively supplier-led, benefitting from heavy participation and design by council officers.**
- **Recommendation: The council should make available independent assurance and monitoring of stage control procedures (in projects of any size, if deemed necessary) by a third party (or possibly Internal Audit) to ensure projects have met all relevant entry and exit criteria before progressing to another project stage along their critical path, and to support the programme team and board in making good stage control decisions.**
- **Recommendation: The council's Transformation Support Unit should review existing protocols around effective testing regimes, programme stage control, and environment management, and make recommendations to the Resources & Performance Select Committee to help address the issues that occurred in this project and best ensure they do not reoccur in future council projects.**

- **Recommendation: Local authorities approaching ERP implementation programmes should secure in-house ERP knowledge of the target system to improve internal understanding of the product, promote understanding of the issues, support effective decision-making and aid in anticipation of any issues.**

D. ISSUES ARISING WITH LEADERSHIP AND GOVERNANCE

38. The governance model employed throughout the programme was adopted upon agreement by the DB&I Strategic Programme Board in 2020 and prescribed a Programme Board chaired by the Executive Director of Resources as the Programme Sponsor. It included senior management representation from all key corporate areas, and the typically monthly meetings were well attended, with structured agendas, actions recorded and delegated, and progress tracked.

Links between the Programme Board and Service Users

39. The adoption of this structure was well managed and scrutinised, though there are several ways in which the governance arrangements could have better benefited the project. A strongly emerging theme of this review is that stronger and more formalised links between the Programme Board and Subject Matter Experts (SMEs) would have been beneficial, allowing the senior management representatives on the Board to gain a deeper and more complete understanding of the challenges that the project would encounter. While the Highlight Reports received by the Programme Board carefully tracked the project's milestones, risks and issues, it appears that there were some points that did not appear in these reports, despite being ideal for inclusion. It may be the case that the more granular or operationally nuanced issues of which SMEs would have been aware did not appear on these reports as those staff lacked a forum with which to share them with Board members. It should be noted that a greater variety of meetings were arranged as the project progressed, such as the updates on one functional workstream at each meeting (included in Board meetings from Autumn 2021), and the weekly meetings arranged by the Chief Information Officer with his team and the Programme Director once concern with project progress increased. Various interviewees chorused the strength of holding a greater number of more informal meetings, a practice that was adopted later in the project.

40. This demonstrates that the project's leadership were responsive in meeting governance challenges as they became apparent, though having these arrangements in place at inception can now be identified as better practice. This could be pursued through the implementation of formal workstream boards within the governance structure, as other organisations have employed in ERP implementation projects. These can be chaired by a Board representative and attended by SMEs and other Programme Team colleagues, as well as the suppliers, helping to engender proper responsibility and accountability for issues by a Programme Board representative, relieving the reliance on the Programme Team for reporting of all operational issues, and formalising the structure for communication and resolution of issues. The incorporation of expert understandings that this model helps to facilitate would be more likely to detect

and resolve some of the operational issues that affected the *MySurrey* programme, such as the operational issues with Payroll, backlogs in that department, and the concerns of schools' staff in how the new system would work for them.

41. The absence of these linkages between subject matter experts and members of the Programme Board therefore contributed to an atmosphere in which certain key issues, such as those listed above, went unresolved. This aspect of the governance structure may therefore have contributed to a degree of optimism about the nature and number of problems which the project was likely to encounter, thereby falsely inflating the Programme Team's understanding of the likelihood of meeting deadlines and thus affecting their reports to the Programme Board.

Board ownership of the vision and of driving the behavioural change required

42. The Board continued to hold meetings with structured agendas at regular intervals, with actions and issues taken away from each one, though the nature of the feedback of information from SMEs meant that they did not have sufficient sight of issues that would affect the project. This is also seen to have impacted the way in which the leadership took 'ownership' of the vision for the programme and communicated this to staff and users through messaging. While members of the Board understood the transformations that the usage of *MySurrey* would involve, there were areas of this which were sometimes not entirely understood by less senior staff members. This was observed in end user communities, such as the schools' staff who did not fully appreciate the changes that a self-service system like *MySurrey* would bring, and some of those working on the design, where attempts to influence the design in the direction of *SAP*-like systems were observed. There is a range of evidence which shows that it is likely that many staff did not fully understand the ways in which *MySurrey* was intended to be transformational, deliberately working very differently to the legacy system that it would replace.
43. The Advocacy Network of *MySurrey* end-user staff that was put in place has been recognised as a good example of best practice and what would be a key means of bringing members of that community along by communicating with users. Stronger links between users and the leadership, and stronger messaging from the leadership to the user community, should however be recommended. Such messaging would have allowed the Programme Board to clarify to users how different the system was intended to be and advise that users expect a self-service model that was profoundly different from the way of working to which they were accustomed. Proclaiming this in clear messaging earlier in the programme would have foreclosed certain issues before they emerged, allowing staff to raise and resolve concerns in a less problematic way. The lack of clarity on this issue appears to have allowed some staff, both users and those involved in design, to continue to believe that the manual adjustments and modifications to which *SAP* was regularly subjected would be possible with *MySurrey*. As this is not the case with an SaaS-type (Software-as-a-Service) ERP solution, it is a recognised feature of their implementation that an organisation's processes change to accommodate the functionality of the new ERP, acknowledged as follows in the July 2020 Full Business Case to Cabinet "[...] to ensure the

organisation's leadership fully sponsors this principle and the programme team has a clear mandate to drive and support the organisation through the change." Training for Programme Board members as to the importance of engaging staff and providing ownership and leadership for change in this way is necessary in future projects.

44. It should be recognised that the governance structure of the project also had the challenge of adapting to the many difficult changes imposed by the Covid-19 pandemic, including acclimating to unprecedented remote working, as well as the strategic, political, process and cultural change that is inevitable in a local authority over such a long project timeline. These challenges may have made it difficult for Board members to take full ownership and offer total engagement to the project at certain times, with new working procedures and the turbulence of the pandemic meaning that diaries were regularly full and many services strained. Engagement and awareness were likely also impeded by the restriction on holding any in-person meetings, with all meetings taking place remotely due to national restrictions, which may also have been the reason that SCC and supplier programme managers for a time gave their updates to the Board separately, rather than collaboratively (though this was later changed). It is likely that hybrid meetings would be the default if the Programme Board were meeting today, with in-person attendance encouraged.
45. Generally, a sense emerged from witness sessions that Programme Board discipline was good but that Board level ownership of the issues arising and the work required to resolve them was lacking. A change did take place later in the programme with a notable shift amongst senior stakeholders from observing to owning the success of the project.

Reporting

46. The Task Group noted some changes in the ways in which the Programme Board received reports over the course of the project. Strengths of the initial reporting model were their regularity, the consistency of attendees in all parties, and comfort in discussing key issues directly – there are a wealth of Programme Board Highlight Reports from each year of the project, all of which include trackers closely following risks, issues and dependencies. This reporting methodology is a robust one that was well-implemented by the Board from early in the process. Nevertheless, the unusual characteristics of this project meant that this style left the Board less well served as the project progressed. As the project began to encounter difficulties in 2021, replans and go-live dates would increase the pace of work and create an atmosphere in which confusion was more likely. By late 2022, this trend had developed such that hourly changes in programme fundamentals were common. This meant that drafting reports for Board meetings a number of weeks in advance became difficult, as the author would have no means of knowing how vital information would almost certainly change before then. While professional, thorough and high-quality Project Board reports were still produced during this period, interviewees noted that this tendency may have meant that reports took on something of a 'forecasting' role given the rate of change throughout the reporting cycle. This 'information-lag' aspect then went on to affect the reporting to other committees, meaning that

councillors may have been receiving information that would have benefitted from review at certain stages of the project.

47. This mode of reporting gave way to a method more reliant on weekly informal meetings that allowed the Board to be more agile and candid, in which it has been made clear that risks and issues were constantly under prudent discussion. Board members were engaged with individually before and outside of the meetings, which would then galvanise smaller meetings between senior officers and members of the Programme Team to discuss specific items 'RAG-rated' as Amber or Red, and the mitigation path that would be used to provide a solution.

Leadership capacity

48. Irrespective of the impositions of the Covid-19 pandemic, ensuring full and adequate resourcing of leadership is recommended for future projects. While those in governance roles were unquestionably dedicated to this project, ensuring those in these positions are best able to carry out their responsibilities is in the council's interest for all future projects - considering the provision of a separate full- or part-time Senior Responsible Officer role, separate from the Programme Director, for future projects for which it is appropriate is therefore advised. Alongside the inclusion of Workstream Boards to better benefit from the knowledge of SMEs and ensuring greater 'ownership' of the programme's purpose and vision at all levels of the organisation, this provision will help in ensuring projects' leadership and governance arrangements are best facilitated.

The role of the Cabinet Member

49. The Cabinet member with executive responsibility for the project received regular updates from the Programme Sponsor and the Executive Director for Finance & Corporate Services, but was not a member of the Programme Board or party to Board discussions. This meant that while democratically responsible and accountable for implementation of the system and for answering to Council on progress or requests for additional funds, the Cabinet Member had little direct control over the project and associated 'stage-gate' decisions. Ensuring that the lead Cabinet Member is adequately involved and briefed is recommended for futures projects. It is vital that those with democratic accountability have sufficient visibility and detailed knowledge of the issues to provide constructive challenge and influence outcomes. Officers must be encouraged to provide realistic, not over-optimistic, reports to Cabinet member leads.

Recommendations

- **Recommendation: Ensure that the council has sufficient leadership capacity to manage a programme of this scale and complexity by appointing a full-time senior responsible owner (SRO) within the organisation to work alongside the Programme Director. This should be a distinct, full-time senior leadership role for an experienced individual at the level of council leadership, and should not be performed by someone with significant other time commitments. This role should work closely with the Programme Director to provide strategic direction, helping the Director to**

focus on managing and directing the programme itself while the SRO engages with senior leadership and helps to ensure adequate resourcing and ownership among management.

- **Recommendation:** Ensure that there are stronger links between board representatives and their service users to deliver a better understanding of service weaknesses and issues at leadership and Programme Board level. This can be achieved by implementing clear workstreams and sub-boards, chaired by Board Member service leads, for resolving in-function issues. This would help mitigate the risk of disconnection and over-optimism among Board members concerning challenges faced and the likelihood of meeting deadlines.
- **Recommendation:** Quality stakeholder engagement and leadership are required to enable effective delivery of programmes of this scale, as well as the associated behavioural change. The council should provide training for Programme Board members on the importance of staff engagement and providing effective ownership and leadership for change when undertaking change programmes.
- **Recommendation:** Lead Cabinet Members should have routine access to copies of all relevant Programme Board papers, updates, schedules, proposed decisions, and any other relevant materials. The task group discussed the benefits of inviting the Cabinet Member to attend meetings of the Programme Board *ex-officio*, as an observer, to ensure full visibility of the project. This may have unproductive outcomes on the dynamics of these meetings and won't lead to improvements in this area. As a suggested improvement we recommend that the Lead Cabinet Member is consulted at each critical gate/stage in the programme to ensure full visibility and is included as part of that decision-making process.

E. USER ENGAGEMENT

50. The *MySurrey* project was a large and transformational undertaking, intended to alter how people worked across many different areas of the council to best pursue efficiency across core council functions, rather than simply amounting to the installation of a new piece of software. The significance of such a piece of work is considerable; an organisation must effectively communicate the scale of such a decision to its employees. This therefore necessitates thorough and well-executed user engagement be carried out throughout such projects.

51. Evidence provided to this review highlighted that good structures and plans for user engagement and change management were in place at the outset - the Advocacy Network of *MySurrey* end-user staff being a prime example of best practice. Nevertheless, witnesses were also agreed that more could have been done with communications and training and that, although a lot of training was undertaken, the project replans created a significant discrepancy between material provided at training and the reality once the system was operational, with insufficient focus on user engagement and change management in the later

stage of the programme, when the priority became resolving outstanding technical issues. In hindsight, more attention was needed on these preparations at Board level. Greater focus would have benefitted work surrounding the preparedness of the user-community throughout the duration of the programme, and particularly towards the end.

52. Consensus emerged among those interviewed throughout this review that there was something of a resistance to change among certain parts of the user community, with many staff reluctant to adopt an ERP solution that required such a degree of change to working practices. End user staff often felt a lack of consultation in the process. The poor engagement in such a vital piece of work likely engendered a sense of resistance among some end-user staff, the unstraightforward implementation contributing to lower user awareness and acceptance, therefore reducing the robustness of the processes of core business functions.
53. While communications to schools will be elaborated on at greater length in section H, it should be noted here that communications with schools were particularly at issue. More could have been done to proactively engage with representatives from community schools, academies and MATs to capture their business requirements, take account of their concerns and communicate changes to the implementation timeline.
54. In addition, it appears that end-user engagement in the early design phases and during integrated acceptance testing was mixed, in part due to the remote nature of working during this phase, and in part due to contractual stipulations that this phase should be supplier-led. It has been suggested that this approach did not encourage optimal user engagement and collaboration which resulted in a lost opportunity for early user engagement and familiarisation with the developing system. The lack of engagement with key stakeholders among staff also went on to impact integrated system testing, as certain key staff were unavailable for 'build walkthroughs'.

Recommendations:

Recommendation: Greater focus should be given to the behavioural change aspects of implementing new systems and the impacts on users who may be required to work in new ways, ensuring the provision of more, better-timed training, education and support for staff.

Recommendation: Ensure that effective user engagement centred on all relevant users and clients begins at the outset of the design process, and that the contract model encourages constructive collaboration and involvement from an early stage of the project. This should include key project stages being led by the appropriate participant, with effective knowledge transfer to the council reinforced by collegiate working.

F. IT & TECHNICAL

55. While the purview of this report is intended to be much wider than solely the technical aspects of the project, several technical matters have been identified by the Task Group's work.

Data

56. The group's research has identified considerable evidence that the council was beset by a number of data management issues prior to the commencement of the *MySurrey* project, and likely underestimated the difficulty and scale of the data migration that the project would mandate. While data migration formed a dedicated project workstream from the beginning, it appears that these measures were insufficient to fully reckon with the scale of this task.

57. Data 'cleanliness' and 'ownership' were categorised as problematic – it was not uncommon for the legacy *SAP* system to be populated by sometimes poor-quality data, or data of unknown ownership. In these instances, the databases would have benefitted from thorough and rigorous data 'cleansing' before the outset of the project as this would have streamlined the migration process, saving time and staff resource. In reality, gaps in this process were worsened by confusion surrounding ownership.

58. As aforementioned, the volume of data within *SAP* that would require migration was also a highly impactful factor. *SAP*'s decade and a half of daily usage meant that the system was populated by an overwhelmingly vast array of data, some of which would most appropriately be scheduled for archiving or deletion, rather than whole cloth migration to *MySurrey*. This necessitated a great deal of work to map data and identify how it should be treated, as well as to understand how it would be migrated onto a new system where, for example, data capture forms⁶ were differently formatted and bore different fields. There were also instances where data were held in fundamentally different ways by the two systems – such as concerning staff with multiple employments – which also contributed to increased confusion and difficulty.

59. It has been recognised that the data migration aspect of many projects is often challenging, with other authorities encountering issues in this field. From this, the Task Group took an understanding that data ownership practices should be improved to better solve pre-existing data problems, and should consider pre-programme data cleansing before undertakings where data will be handled, stored or used, in addition to considering the widespread usage of specialist data extraction tools (such as Avature) at the authority. All of these could aid the timely data migration that would have benefitted the *MySurrey* project. Contractual arrangements should also be considered here, as responsibilities for data migration and associated areas being clearly delineated and assigned to a

⁶ A form as may be filled out by a user and populated by different fields, such as 'Name', 'Age', &c.

specific party in the contract could be another vital way of preventing compromise to this important area in future projects.

60. An Internal Audit report completed in 2021 identified some of these issues and specified some objectives to best help improve the council's data practices. Actions were identified for each area of concern, set alongside named responsible officers and target implementation dates. While it was beneficial that these were accurately identified by the council's audit function, the future trajectory of the *MySurrey* project appears to show that these were not sufficiently embedded. Although Internal Audit continued to be involved over the length of the project and to raise concerns on these issues, they were to some extent auditing a 'moving target', including processes that had not been fully established or agreed.
61. This report also raised concern regarding the fact that the procedures listed in the Business Requirements Solution Design Documents would result in the council knowingly holding incorrect personal data within *MySurrey* and thus being in breach of GDPR. The Group therefore also makes a recommendation intended to address this area and ensure optimum compliance for future projects.

Recommendations

- **Recommendation: The council should ensure thorough and rigorous data 'cleansing' to streamline the migration process, saving time and staff resource, before the outset of future projects and programmes. This is also recommended for other local authorities approaching ERP implementation programmes.**
- **Recommendation: The council is recommended to engage in work to audit and record the ownership of data more widely, with some degree of sampling or 'dip testing' undertaken to test data management processes and the operational ability of related functions. Review of how these will interface with data migration procedures should also be carried out.**
- **Recommendation: GDPR and data governance requirements must be considered and engaged at early project stages.**

G. CONTRACT

Fixed-price v time-and-materials

62. The council entered into a fixed-price contract with Unit4 to replace the *SAP* ERP system. This is typically what would be advised in such a scenario, as a fixed-price contract allows pre-agreement of payment conditions and eliminates an element of risk. No local authority would be well advised to enter into a 'time-and-materials' contract for such a piece of work, as this would place a great deal of financial risk with the council because it would be liable to pay a supplier's

costs even in the event of severe overruns, though these models do confer useful agility to the contractor. Fixed-price contracts are thus recommended for work of this scale, with remunerations and implementation timelines agreed in advance.

Prescription of different options

63. Despite this, fixed-price contracting is not a perfect model, and is therefore subject to its own dynamics and limitations. While more likely to promote relatively fast and easy procurement, they can be more likely, in some situations, to engender oppositional or noncollegiate behaviour between client and contractor, particularly when a project arrives at difficulties or deadlines loom. Arriving at complex problems perhaps not prescribed in the original contract can also cause parties to expend valuable time in contractual discussion and negotiation, rather than designing the complex solutions to the problems that they have encountered. This may have helped foster a view among both parties that, at times, the other was not being optimally constructive or was failing to honour all parts of the contractual agreement.
64. There are a range of other options available outside of these two polar contractual models. Members of the Task Group discussed the consideration, when entering into projects on which a contractor must be engaged, of agreeing a hybrid model with fixed-price contracting for aspects of the work (such as, for instance, the design and implementation of a new software system to replace an old one) and agreeing a 'time-and-materials' contract for other aspects (such as post-implementation support arrangements, hypercare, &c.)
65. Another option would be to pursue the kind of arrangement seen in strategic partnerships, where a focus on equal partners engaging in collective problem-solving and building the relationship are key. These allow for a more sophisticated configuration that shares risk more equally, though developing such bespoke arrangements would be more time- and resource-intensive for each project, with a much longer process being necessary before the contract-award stage was reached.
66. The fixed-price nature of the contract clearly added strain to the council's relationship with its supplier, as complexities in the programme multiplied and were expected to be met and managed within the original budget and contract. Witnesses highlighted the inevitability of commercial strain in most such programmes. The considerable personal investment and dedication on all sides is noted by this group. Both sides attested to the importance of certain key relationships to achieving 'go-live' and, that despite inevitable periods of strain, they were ultimately able to collaborate successfully to achieve the objective.

Recommendations

- **Recommendation: The council should implement contracting procedures for new projects to ensure that the full range of different contracting options are considered before project initiation, including contracting**

different elements of work under different arrangements - such as limited *time-and-materials* contracting if deemed appropriate - in recognition of the fact that a hybrid contracting model is likely to encourage a more collaborative approach. These should complement the council's existing Procurement Strategy and Procurement Standing Orders in Part 5 of The Constitution of Surrey County Council.

H. SCHOOLS

Context

67. Surrey County Council had provided school payroll services to maintained schools, and as a traded service to some academies and MATs, prior to 30 May 2023, when Cabinet took the decision to exclude academies and MATs from this cohort and encourage them to seek their own payroll solutions.
68. This was decided in a context of reported issues with the pre-existing service. Market research conducted in the spring of 2022 demonstrated that only an approximate 30% of academies and MATs that responded to the survey described themselves as satisfied with the council's payroll service. Some of these dissatisfied academies and MATs were beginning to withdraw from the council's payroll traded service before the beginning of the ERP replacement project due to quality issues caused by insufficiently robust workstreams, discrepancies in service quality between maintained schools and academies/MATs, and low levels of engagement with the schools' community. The recognition of these concerns, alongside the knowledge that the *SAP* ERP would soon be out of support, can be seen as contributing to the desire for the council to protect and improve the service through procuring a new solution.

Communications

69. Communication began with community schools early in the project. Nevertheless, the limitations of the communications strategy emerged as a theme. It is recommended that implementing dedicated schools' communications workstreams would have been more beneficial. Greater resources and better co-ordination being dedicated to communicating directly with schools may have led to greater identification of issues by the Programme Board, meaning that earlier resolution of concerns around their specific needs, requirements and anxieties would have been more likely.
70. A consensus emerged in this group's research that schools' specific requirements were not adequately recognised, nor was their hesitation about usage of an ERP solution that employed a self-service model. As this self-service software model is significantly different from the previous *SAP* service that they were accustomed to after 15 years of usage, users in this group were understandably apprehensive. It appears that the communications strategy that the council employed did not help to address this hesitancy, exaggerating the sense in which schools felt ignored, lacking sufficient consultation on a significant change in process.

71. It was noted that schools working patterns became relevant here. Unlike the corporate body of the council, where the municipal and financial years are the most relevant frames for planning work throughout the year, the work of schools is built upon term dates, school holidays and exam periods. In the months and weeks before student exams, it is common for staff resource to be stretched and otherwise dedicated to examination-related duties, and schools are usually without any staff during the half-term period. This has known effects for scheduling work with schools in many different areas, where the date restrictions imposed by term time and holidays must be carefully planned around, such as in school placement appeals. While this is ingrained in teams that work with schools regularly, this may not have been fully appreciated by the Programme Board, the members of which mostly benefitted from more standard project management experience. The impact of this can be seen in the June 2023 payroll run for instance as, when issues were detected, there were no staff present in schools to co-ordinate a response with the Programme Board and helpdesk support, meaning that the feedback of issues, their investigation and search for a solution may have been more delayed.

72. At the programme's start, the number of schools (council-maintained, academies and multi-academy trusts) sat at approximately 450. Strategically, this group would have benefitted from being addressed as their own, cohesive caucus, one with their own throughgoing concerns that relate to their differing needs as opposed to the council's corporate body. Operationally, the roll-out of a payroll solution to each of these schools can best be thought of as equivalent to implementing an ERP software solution in 240 *separate* businesses. This helps to clarify why these demands would make more difficult an already challenging project.

Infrastructure

73. Another issue identified with the implementation of *MySurrey* in community schools is previously unacknowledged limitations with their technical infrastructure. The group heard evidence throughout this review that concerns with schools' IT resourcing and training may have been a contributory factor to difficulties with the adoption by schools. While maintained schools are supported by the council and so the council have more of an understanding and enmeshment with the configuration of their IT systems and processes, there are still levels of variance. The heterogeneity of different policies, IT systems and levels of investment, when considered alongside academies and MATs, compounded the challenges in this area – while the roll-out of *SAP* to the main corporate body of SCC took place across a comparatively well understood and homogenous set of systems and processes, the landscape of schools' policies and capabilities was much more varied.

74. It may have been the case that the absence of a sufficiently robust communications workstream along which these concerns could have been communicated to the council exaggerated these difficulties with infrastructure, which went unrecognised and thus unaddressed until later in the project.

Exclusion of MATs from the project

75. As other challenges with the *MySurrey* project materialised and became more apparent, the Programme Board realised that the requirements of implementing a payroll system also appropriate for academies and multi-academy trust schools could make the project inviable. Decreased service revenue and difficulties in staff resource within Business Operations made delivering the service to each MAT, with the complexities inherent in their each operating different terms and conditions, increasingly difficult. An options appraisal was therefore undertaken, and the decision was made at the 30 May 2023 meeting of Cabinet to exclude academies and MATs from the payroll service provided by the council, continuing only with maintained schools.
76. While this was a difficult decision that was taken after much consideration, it is widely considered a correct one, and one that may have been instrumental in helping *MySurrey* to 'go live' in June 2023. While we broadly believe that this was correct, this was nevertheless still a difficult choice that was taken after significant difficulty with implementation and engagement with schools' staff which, as stated above, may have been aggravated by insufficiently thorough and involving communications with our schools partners. It was therefore the case that the project may have benefited from this decision being made sooner, as this would have prevented it becoming overleveraged in its attempt to provide a wider, more complex solution to an even more varied number of clients. Focussing on the implementation within the corporate body and maintained schools allowed for the Programme Team's efforts to be better focussed, for the communications strategy to become more dedicated to the smaller pool of clients, and for resources in Business Operations to be relieved of the significant strain it had endured in attempts to accommodate the requirements of academies and MATs. Members concurred that a more proactive communications policy should allow all stakeholders to be informed of key developments and decisions in real-time.
77. The Task Group notes, however, that the decision to exclude academies and MATs from the provision of the payroll service was not taken solely to preserve the integrity of the *MySurrey* project. The delivery problems being faced by Payroll, and the Business Operations service more broadly, are well documented and, as aforementioned, the level of customer dissatisfaction was already high. It is clear that the decision to exclude MAT schools from the payroll service was taken chiefly due to problems of business integrity and service delivery within the payroll service. **While this had the effect of increasing the likelihood of the *MySurrey* project's success, and that fact likely featured in the reasoning for the decision, it was not the primary factor for which this business decision was taken, which was legitimate concern for the viability of a core business function.**
78. Throughout its work, several potential means of preventing such issues arising again in future projects became apparent to this Task Group, centring around emphasising robust involvement and distinct communications with schools in order to help the council centre their experience and collaborate more effectively.

Recommendations

- **Recommendation:** The council should formalise arrangements for significant engagement with stakeholder recipient groups, potentially subject-matter experts, who will be involved or affected by an upcoming project. This can report to aspects of the committee structure as appropriate, such as the Schools' Forum in the case of any project involving schools, for instance.
- **Recommendation:** The council should undertake a review of its pre-procurement processes for stakeholder engagement and requirements capture so as to ensure that the needs of stakeholder communities are appreciated in the early stages of future projects.

Conclusions

79. The long process of producing this final report of the Digital Business and Insights Task Group has involved a great deal of comprehensive review of the work of the Programme Board and Programme Team over the four-and-a-half-year life of the *MySurrey* project. Through that, the hard work, dedication and care taken by all involved in the project has shone through to every member of this Task Group.

80. The intent of this final report was to give an accurate overview of the project, highlight its varied successes, correctly understand the areas of challenge, and diagnose the reasons why these manifested. Our recommendations are then intended to improve the implementation of projects of this kind in the local authority sector.

81. Throughout its work, strong consensus has emerged among members that there was no one single point of failure which caused the time and cost overruns that the project experienced. There was, in fact, a complex patchwork of many different factors that intersected to increase the likelihood that the project would run into difficulty. The project was affected by a set of challenges that occurred together, implicating all the different areas listed in the report above.

82. As such, this report seeks to clarify how changes in contract & project management, stakeholder engagement, business readiness, organisational culture and many other areas should be pursued to help an organisation such as Surrey County Council embrace the learning that such a project imparts. As many of these areas are deeply entwined, it is hoped that an understanding of these connections can spur an ethos of collective learning that appreciates the holistic approach required for future projects.

83. The uncommon properties of the *MySurrey* project should be understood. Undertaking the replacing of an ERP system is a 'once-in-a-generation' project,

occurring once every 10-20 years. As such, it may be fair to state that the council should be somewhat cautious about drawing sweeping conclusions around how it engages in contracts of all sizes from this point forward. Despite this, it is certainly the case that there are a number of recommendations that this group can make as a result of this review as outlined in this report and summarised below.

Summary of Recommendations:

Recommendation 1: A robust business readiness assessment to test the functional services' capacity to receive any new system should be a prerequisite of any other programme of this scale or complexity, with weaknesses ideally addressed in advance or, if not, factored fully into the implementation plan, thus enabling a realistic implementation timeline to be set.

Recommendation 2: Future projects should employ greater discipline in stage control, even where there may be time/cost impact.

Recommendation 3: The Council must ensure that robust testing strategies are in place for all projects that require them, ensuring strong environment and data management practices are in place to support this. Testing of new systems, processes and products should not be exclusively supplier-led, benefitting from heavy participation and design by council officers.

Recommendation 4: The Council should make available independent assurance and monitoring of stage control procedures (in projects of any size, if deemed necessary) by a third party (or possibly Internal Audit) to ensure projects have met all relevant entry and exit criteria before progressing to another project stage along their critical path, and to support the programme team and board in making good stage control decisions.

Recommendation 5: The council's Transformation Support Unit should review existing protocols around effective testing regimes, programme stage control, and environment management, and make recommendations to the Resources & Performance Select Committee to help address the issues that occurred in this project and best ensure they do not reoccur in future council projects.

Recommendation 6: Local authorities approaching ERP implementation programmes should secure in-house ERP knowledge of the target system to improve internal understanding of the product, promote understanding of the issues, support effective decision-making and aid in anticipation of any issues.

Recommendation 7: Ensure that the council has sufficient leadership capacity to manage a programme of this scale and complexity by appointing a full-time senior responsible owner (SRO) within the organisation to work alongside the Programme Director. This should be a distinct, full-time senior leadership role for an experienced individual at the level of council leadership and should not be performed by someone with significant other time commitments. This role should work closely with the Programme Director to provide strategic direction, helping the Director to focus on managing and directing the programme itself while the SRO engages with senior

leadership and helps to ensure adequate resourcing and ownership among management.

Recommendation 8: Ensure that there are stronger links between board representatives and their service users to deliver a better understanding of service weaknesses and issues at leadership and Programme Board level. This can be achieved by implementing clear workstreams and sub-boards, chaired by Board Member service leads, for resolving in-function issues. This would help mitigate the risk of disconnection and over-optimism among Board members concerning challenges faced and the likelihood of meeting deadlines.

Recommendation 9: Quality stakeholder engagement and leadership are required to enable effective delivery of programmes of this scale, as well as the associated behavioural change. The council should provide training for Programme Board members on the importance of staff engagement and providing effective ownership and leadership for change when undertaking change programmes.

Recommendation 10: Lead Cabinet Members should have routine access to copies of all relevant Programme Board papers, updates, schedules, proposed decisions and any other relevant materials. The task group discussed the benefits of inviting the Cabinet Member to attend meetings of the Programme Board *ex-officio*, as an observer, to ensure full visibility of the project. This may have unproductive outcomes on the dynamics of these meetings and won't lead to improvements in this area. As a suggested improvement we recommend that the Lead Cabinet Member is consulted at each critical gate/stage in the programme to ensure full visibility and is included as part of that decision-making process.

Recommendation 11: Greater focus should be given to the behavioural change aspects of implementing new systems and the impacts on users who may be required to work in new ways, ensuring the provision of more, better-timed training, education and support for staff.

Recommendation 12: Ensure that effective user engagement centred on all relevant users and clients begins at the outset of the design process, and that the contract model encourages constructive collaboration and involvement from an early stage of the project. This should include key project stages being led by the appropriate participant, with effective knowledge transfer to the council reinforced by collegiate working.

Recommendation 13: The council should ensure thorough and rigorous data 'cleansing' to streamline the migration process, saving time and staff resource, before the outset of future projects and programmes. This is also recommended for other local authorities approaching ERP implementation programmes.

Recommendation 14: The council is recommended to engage in work to audit and record the ownership of data more widely, with some degree of sampling or 'dip testing' undertaken to test data management processes and the operational ability of related functions. Review of how these will interface with data migration procedures should also be carried out.

Recommendation 15: GDPR and data governance requirements must be considered and engaged at early project stages.

Recommendation 16: The council should implement contracting procedures for new projects that ensure that the full range of different contracting options are considered before project initiation, including contracting different elements of work under different arrangements - such as limited *time-and-materials* contracting if deemed appropriate - in recognition of the fact that a hybrid contracting model is likely to encourage a more collaborative approach. These should complement the council's existing Procurement Strategy and Procurement Standing Orders in Part 5 of The Constitution of Surrey County Council.

Recommendation 17: The council should formalise arrangements for significant engagement with stakeholder recipient groups, potentially subject-matter experts, who will be involved or affected by an upcoming project. This can report to aspects of the committee structure as appropriate, such as the Schools' Forum in the case of any project involving schools, for instance.

Recommendation 18: The council should undertake a review of its pre-procurement processes for stakeholder engagement and requirements capture so as to ensure that the needs of stakeholder communities are appreciated in the early stages of future projects.

Next steps:

After submission to a special online meeting of the Resources and Performance Select Committee on Monday 1 July 2024, and subject to approval and noting by members at that meeting, this report will progress to the public meeting of Cabinet scheduled to take place on Tuesday 23 July 2024.

Report contact: Cllr Steven McCormick, Chair of the Digital Business and Insights (DB&I) Task Group.

Contact details: Jake Chambers, Scrutiny Officer.

Appendices:

1. Surrey County Council – Digital Business & Insights Programme Lessons Learned Review, by Phil Hall

Sources/background papers: [List of all documents used in compiling the report, for example previous reports/minutes, letters, legislation, etc.]

[Digital Business & Insights Programme Outline Business Case Report – Cabinet – 29 October 2019](#)

[Digital Business and Insights Programme Update - 8 Oct 2020 - Resources and Performance Select Committee](#)

[Digital Business and Insights Programme Update - 18 March 2021 - Resources and Performance Select Committee](#)

[Digital Business and Insights Programme - Status Update and Lessons Learned Approach - 20 January 2022 - Resources and Performance Select Committee](#)

[Annex 1 - Digital Business Insights Programme Update](#)

[Annex 2 - Digital Business Insights Programme Update](#)

[Annex 3 - DBI Cabinet Report - December 2021 v1](#)

[Digital Business and Insights Programme Status Update and Lessons Learnt Approach - 18 October 2023 - Resources and Performance Select Committee](#)

Digital Business and Insights Programme Highlight Reports (various)

This page is intentionally left blank

Surrey County Council – Digital Business & Insights Programme

Lessons Learned Review

Introduction

Digital Business & Insights (DB&I) is the name given by Surrey County Council to its programme to implement the “MySurrey” Enterprise Resource Planning (ERP) system provided by Unit4, to replace its existing SAP system.

ERP system implementations are, by their nature, large-scale, complex, and time-consuming. The experience across local government is that such programmes are often subject to delay and cost increase, placing significant strain on the organisations undertaking them. The experience at Surrey is in line with this. By way of background:

- The programme spanned over four years, from inception in summer 2019 to closure in December 2023, and was driven by an imperative to replace the existing SAP ERP system which was originally expected to cease to be supported from 2022
- The scope of functions impacted by the programme was extensive, comprising all core financial, HR, payroll, and procurement systems; and (particularly given a strong emphasis on self-service) affected all council departments and schools, and will have touched almost all council employees.
- Following a procurement process the chosen software-as-a-service (SaaS) was provided by Unit4, an experienced ERP provider, and implemented in conjunction with its partner, Embridge Consulting. The system was subsequently named “MySurrey” by the Council.
- System go-live was achieved in June 2023, compared to an original target date of December 2021.
- The Council had used SAP since around 2005 and, while it had been maintained and upgraded during this time, it was felt that the product had limitations that were not consistent for the Council’s vision for an ERP.
- The latest approved budget for the programme is £27.9 million, compared to an original figure of £16.6 million. The increase was a combination of internal and external supplier costs.

Lessons Learned Review

Capturing lessons learned is an integral and important part of any programme. For this programme, two specific lessons learned objectives have been addressed as part of this review:

- **Ensure that experiences and knowledge are captured**, good and bad, and fed into a continuous improvement process.
- **Capture learnings that can be shared with peers and help inform other projects and programmes** of a similar nature (in terms of complexity and scale), both within SCC and more broadly with external partners, where public money is being committed to on a similar scale.

For this review, the approach has comprised:

- Review of key programme reports and documentation over its lifetime, including programme board papers and the interim lessons learned report produced by Internal Audit in the summer of 2022
- Interviews with members of the Programme Board, programme team and senior representatives from the supplier, conducted between November 2023 and January 2024

- Survey of, and discussion with, subject matter experts working with the programme, in January 2024
- Engagement with system “advocates” (employees in business-as-usual roles but with specific interest in the new system), in February 2024
- High-level triangulation of the author’s understanding of the experiences of other councils undertaking ERP replacement programmes

The outputs of the review are intended to contribute to a Lessons Learned Review being undertaken by a Task & Finish Group of the Resources & Performance Select Committee.

It is important to state that the review is not intended as a forensic examination or investigation of all decisions made in regard of the programme over its four and a half year lifetime. Nor does it attempt to assess the functionality of the MySurrey system provided by Unit4. Instead it seeks to capture learning so that its lessons can inform and contribute towards the success of other projects and programmes, whether within Surrey or elsewhere in local government.

Overall Observations

DB&I has been an extremely challenging programme for all involved. Implementation of the new system was significantly delayed, additional budget has had to be provided, and there have been a range of system and user issues to be addressed post go-live. All these factors have impacted negatively on the perception of the system across the organisation and schools. Despite the formal closure of the programme, work has continued to address issues and to improve user awareness and experience.

The challenges should, however, be seen in the context of:

- The complexity and scale of the programme, which can be viewed as a “once-in-a-generation” event (SAP had been in place since c2005)
- The similar challenges affecting implementations in other organisations – for example, the much-publicised problems with the Oracle implementation in Birmingham City Council, delays in other councils such as Norfolk County Council, and delays and budget overruns in as-yet incomplete implementations in both East and West Sussex County Councils
- The commitment and hard work of all those involved in the programme, whether programme board members, programme team members, suppliers, subject matter experts or system advocates, all geared towards achieving successful outcomes
- Delivery of the programme despite periods of lockdown and enforced working from home
- The strong programme management structure and methodology used throughout the lifetime of the programme including procurement

Lessons Learned

There are many lessons that can be learned from the DB&I programme. This review has identified nine key themes, through triangulation of the feedback and evidence collected. The nine are not intended to be exhaustive and the review heard from individuals of many personal lessons learned. Those presented here are those which were most common and/or significant when assessing the feedback and evidence.

In summary, the nine themes are listed in the table below, with a summary of the key lessons learned under each theme. They are in no particular order. Each of the nine is explained in more detail in a subsequent section.

Section	Lessons Learned Theme	Key Lessons Learned
A	Organisational readiness, optimism and understanding of the “as-is” position	<ul style="list-style-type: none"> • Ensure a full understanding of “as-is” processes and weaknesses so that the weaknesses can ideally be addressed in advance (or, if not in advance, then as an integral and focused part) of the implementation; and stress-test the resilience of key functions to withstand the pressures generated by implementation alongside business-as-usual delivery • Be very cognisant of the “special” requirements of specific parts of the council such as in schools • Be realistic in setting implementation plans, recognising that it is highly unlikely to be feasible to adopt new technology in a “vanilla” form • Be realistic about the capability and capacity of the programme to overcome problems being flagged up; there should retain a strong commitment to hitting deadlines and staying within budget, but balanced with a flexibility to respond to issues being reported that need time to properly address them.
B	Aspects of programme management	<ul style="list-style-type: none"> • Ensure that the programme has a strong discipline around stage control with clear evidence-led decisions around entry and exit criteria • Consider the extent of in-house ERP-specific knowledge required for each stage of a programme • Consider how best to construct testing programmes in order to provide good understanding and assurance over the pre go-live readiness of both the system and the organisation.
C	Leadership, governance, and oversight	<ul style="list-style-type: none"> • Ensure strong links between service subject matter experts and programme board members, and consider the role of formal Workstream Boards within a programme’s governance framework • Ensure that the programme vision is owned and understood at all levels of the organisation and that it underpins all aspects of the system design • Ensure sufficient capacity for the programme sponsor and programme board members, and consider the possible role of a part-time or full-time senior responsible officer (distinct from the programme director) in supporting the sponsor

		and board in driving the vision and realising benefits.
D	Procurement, contracting model and commercials	<ul style="list-style-type: none"> • Carefully consider the contract framework to be selected, and give thought to how to establish the right behaviours required between client and contractor in order to solve problems and manage complex issues • Ensure thorough and critical review of requirement-setting, linked to a clear vision of the business benefits that the new system is expected to deliver
E	Technical issues - data migration and environment management	<ul style="list-style-type: none"> • Ensure a strong focus from the outset on data, including ownership, responsibilities, cleansing, tools, timely migration and workstream leadership • Ensure control over the management of technical system environments
F	Aspects of change and engagement	<ul style="list-style-type: none"> • Enable those involved in the design and build of the system (and end-users receiving training) to have access to a model system as early as possible, thus enabling them to gain familiarity with the new system • The programme’s Advocate Network was an example of very good practice • Maintain a good balance of attention between the preparedness of the system and that of the user community, refreshing and reaffirming the programme’s communications and engagement to overcome, as far as is possible, programme fatigue and scepticism
G	Schools	<ul style="list-style-type: none"> • When embarking on ERP replacement programmes that will have a large impact on schools, consider from the outset the “to-be” business model and make a decision, in consultation with schools, about the extent of functionality to be provided • Ensure dedicated resourcing of a distinct communications and engagement workstream with schools • Ensure that the design and build of the new system is conducted in full cognizance of the requirements of schools, utilising the knowledge of school-based staff
H	Go-live support model	<ul style="list-style-type: none"> • Ensure proper planning for go-live scenarios, ensuring close attention on the rapid

		<p>identification of issues across helpdesks, and communication to users of both issues and fixes.</p> <ul style="list-style-type: none">• Consider whether to engage specialist third party go-live technical and user support resources which provide, at a cost, a more flexible model to respond to peaks in helpdesk demand
I	People	<ul style="list-style-type: none">• Look after the wellbeing of people involved in all aspects of the programme• Consider how to get the best balance of working styles with a mix of home- and office-based working, using the latter to enable teams to come together to exchange ideas, solve problems and build a strong sense of teamwork

I am grateful for the time and openness of all those who contributed to this review.

Phil Hall

March 2024

Appendices

1. Original Programme Timeline
2. Programme History Overview
3. Survey of Programme Advocates
4. List of interviewees

A: Organisational readiness, optimism and understanding of the “as-is” position

The implementation of a new ERP system is a complex and large-scale process. It touches all parts of an organisation with deep impacts on the processes at their core – finance, HR, payroll, and procurement.

The DB&I programme had a strong structure and approach to the task of implementation from its inception. Led by an experienced programme manager, there was a good programme management methodology, involvement of subject matter experts, and a positive strategy for communications, engagement and for ensuring the organisation was ready to adopt the new technology. There was a detailed set of Requirements compiled for use in the procurement of the new system.

Despite these strong foundations, there are a number of lessons that can be learned under a common theme of organisational readiness, optimism and understanding of the “as-is” position. These are summarised below.

Firstly, the original implementation plan was set at 15 months. With hindsight this proved unrealistic and adhering to it until a late stage then caused further problems for the programme as it had to address the perception issues of a missed go-live date.

The 15 month timeline had been set with the extensive involvement of Moore Stephens Insight who advised on the strategic option appraisal and pre-procurement activities. It then formed a parameter within the procurement process and all bidders were asked to prepare their bids on the basis of it. Experience elsewhere however indicates that a 15 month timeline would be extremely optimistic and assume that the organisation was fully ready for the new technology, would adopt it in a largely “vanilla” form, and would experience minimal implementation issues. A county council of the scale and complexity of Surrey would be unlikely to be in such a position – as experienced by other county councils who have implemented SAP replacements. With hindsight, interviewees identified that more time was needed for a combination of reasons:

- SAP had been in place for nearly 20 years and there was a common understanding that its processes were well-understood. Whilst the technology configuration and support aspects of the system were documented, this was not always the case for the functional teams, where in some cases knowledge was concentrated in particular individuals. It was therefore difficult to capture all aspects of the processes in either the Requirements or Design phases and gaps became evident at later stages of the programme.
- There was insufficient recognition of deep-rooted weaknesses in functions within the Business Operations area, notably payroll, which only became apparent during the course of the programme. These are now being addressed through the Payroll Improvement Programme. With hindsight the decision to exit from providing payroll services to academy schools should have been taken prior to the programme commencing.
- In an organisation as complex as Surrey there are bespoke processes for specific areas of the council, notably schools (see Section G) but also fire and rescue and adult social care. These were not fully understood or documented as part of the Requirements or Design phases and therefore had to be addressed at later stages.
- It is a common mantra of modern ERP programmes for organisations to “adopt not adapt” the new system so that there is minimal customisation (important in a SaaS context for easing transition to upgrades and new releases). With the complexity of organisations such as county

councils the mantra is not necessarily straightforward as some business requirements are not catered for within the standard ERP product, and therefore demand adaptation of it; and there will be a need for adaptation of existing processes in order to adopt the new technology. Inevitably there will be a wish for customisation of the system to reflect existing processes and, if enacted, this can lead to problems becoming evident at the Build and Test stages. In part this can reflect the programme vision being insufficiently owned at all levels of the organisation (see Section F).

A further aspect to this theme concerns the acknowledgement of issues being reported through the programme structure. At all times, the Board demonstrated a strong commitment to meeting deadlines and staying within budget. This may however have contributed to a collective belief that problems and issues were surmountable. The programme timeline (Appendix B) highlights that the Board made the difficult decisions to delay go-live target dates only after periods of significant issues being reported to them. For example, the decision to postpone the original December 2021 go-live was made in late September following a period in which the programme had been assessed as Amber since July; more significantly the decision to postpone the revised April 2022 go-live was made in March following the programme reporting as Red since November 2021. This may reflect a collective underestimation of the extent or depth of delivery issues being reported and an over-confidence, by the programme team, implementation partner and board who were all focused on reducing risks to a manageable level, in the ability of the programme to overcome them.

The key lessons within this theme are therefore to:

- Ensure a full understanding of “as-is” processes and weaknesses so that the weaknesses can ideally be addressed in advance (or, if not in advance, then as an integral and focused part) of the implementation; and stress-test the resilience of key functions to withstand the pressures generated by implementation alongside business-as-usual delivery
- Be very cognisant of the “special” requirements of specific parts of the council such as schools
- Be realistic in setting implementation plans, recognising that it is highly unlikely to be feasible to adopt new technology in a “vanilla” form
- Be realistic about the capability and capacity of the programme to overcome problems being flagged up through its structure; there should retain a strong commitment to hitting deadlines and staying within budget, but balanced with a flexibility to respond to issues being reported that need time to properly address them.

It is to be remembered that an ERP replacement is a once-in-a-generation event and the organisation will not have the knowledge or experience to anticipate all potential issues and problems. There is a key role for the supplier and its implementation partner to bring their experience and for there to be an opportunity within the contractual framework for a meaningful dialogue with the council about what is possible and where more time may be required, and hence to agree a deliverable programme timeline.

B: Aspects of programme management

From initiation there was an investment in programme management, with the appointment of a programme director with considerable experience in delivery of complex programmes and the adoption of a clear and recognised programme management methodology. The programme's outline and full business cases were approved by the Council's Cabinet and the project initiation document detailed the approach to be followed by the programme. Each programme board meeting was presented with a RAG-rated highlight report and RAG assessments of milestones, risks, and issues

As illustrated by Annex A the original programme plan divided the implementation into a series of discrete stages, in line with established ERP best practice. At this time in 2019 Surrey had yet to develop its internal standard project and programme guidance, but it is apparent that a complex and large-scale programme such as DB&I would have required its own specific methodology even had the guidance been in place at the time; ie DB&I adopted a model that was consistent with the now corporate guidelines but was by necessity more detailed and informed by ERP best practice.

The main lesson learned identified by interviewees under this theme was around stage control. With the pressure to achieve a target go-live date there was an observed tendency to press ahead with the next planned phase of activity, even where the previous one had not been fully completed. An example would be in HR transactional processes where the Design phase had to be reworked because of gaps that had become apparent in the subsequent Build phase. Because of the need to maintain pace within the programme, the Programme Board, with the support of the implementation partner, allowed work to continue in Build and into the Test phase. However the consequences of this were not fully understood at the time and it became apparent later that, for example, testing was not fully possible because aspects of the Design and Build were still being worked on. This was a significant feature of the issues affecting the programme in late 2021/early 2022. With hindsight, an earlier decision could have been made to pause and to ensure completion of Design and Build prior to entering Test. It is recognised that this would still have resulted in a delay to go-live but at least an earlier decision would have allowed expectations to be better managed and for other activity such as training to be scheduled at a more appropriate time.

The above lesson was recognised by the programme in preparation for the final target go-live of June 2023. Following three missed go-live dates the criticality of hitting a revised one was recognised and there was a concerted effort to identify all significant issues that might adversely affect the ability to go-live. These issues were captured in what was called the "red box." The programme focused on resolution of the "red box" issues by a target of December 2022 to enable confidence that the June 2023 go-live target was deliverable. The "red box" was closed by the programme board on target in December 2022.

It is noted that the council's programme team, while being highly experienced and skilled at programme management, did not have prior knowledge of the Unit4 product. Priority was given, understandably, to generic programme management skills and experience and to organisational knowledge over knowledge of the specific ERP. This is a tricky balance to strike and in a more straightforward programme it would be reasonable to assume that the implementation partner and system provider would supply sufficient technical knowledge of the system. With hindsight a number of interviewees expressed a wish that the Council had employed more technical expertise as part of its team, with less reliance on the implementation partner. As part of its Transition to BAU project the Council has opted to insource specific technical skills to enhance its in-house knowledge.

The programme board took a decision to go-live in the knowledge that not all issues had been resolved; this is an unavoidably difficult decision point for any programme when knowing that further delay to go-live would have adverse consequences (delay to the autumn of 2023 would have impacted negatively on schools as well as on budget) and a balancing of risks is required.

The board took its decision following testing of the new system that was planned as an essential part of the programme. This was a significant activity, with three full parallel payroll runs and seven test cycles being built into the programme. A full-time and experienced Test Manager was engaged and over 1,500 individual scripts developed in order to identify issues and to provide assurance that the system was ready to go-live. Despite the extent of testing, it is evident that it did not sufficiently identify all the issues that emerged after go-live. The lesson identified by interviewees here is that, notwithstanding the extent of testing, there was a mechanical aspect to the test programme which, despite its scale, failed to resolve all the issues and notably those relating to user awareness and readiness.

C: Leadership, governance, and oversight

The programme established a governance model from inception, with a programme board chaired by the programme sponsor (the Executive Director of Resources). The board consisted of senior management representatives from Finance, HR, Procurement, IT&D and Business Operations, together with senior representatives from the directorates of Adult Social Care, Children & Young People Services and (intermittently) Environment, Transport and Infrastructure, senior representatives from the suppliers and a representative of internal audit.

The board met regularly (at least monthly) with structured agendas, made and recorded decisions, and there was a remarkable continuity of membership, with most individuals maintaining their role on the board over the entire four and a half year lifespan of the programme. In their feedback, many members referenced the collegiate and supportive nature of the board, and it is evident that the board was able to “pull together” and make decisions with consensus. Board meetings were supplemented from time to time by a Sponsors Meeting which provided a forum for more informal discussion of options prior to decisions being signed off by the board.

In terms of lessons learned, the board identified, at the time of the first postponed go-live, that stronger linkages would be beneficial between board members and subject matter experts in their service areas. This was a response to board members reflecting that, despite the programme’s reporting of milestones, risks, and issues, they did not sufficiently appreciate the depth of challenges affecting the programme at that point in time. From autumn 2021 onwards board meetings received an update on one of the functional workstreams, led by the relevant board member together with their subject matter expert (SME). This helped to mitigate the risk of disconnection between board member and subject matter expert. An additional mitigation that is a feature of some ERP programmes elsewhere is to establish workstream sub-boards for each of the functional areas (finance, HR/payroll, procurement). In these models the workstream sub-board tends to be chaired by the board representative for that functional area and attended by the service SME together with colleagues from the core programme team and from the suppliers. Issues affecting that workstream are able to be resolved at that sub-board level, with the board representative being fully sighted and able to escalate effectively to the main board when required. Where this works well, it fosters strong ownership of the workstream by the board representative, provides a formal structure for communication and problem-resolution and mitigates against what can be an over-reliance on the programme team for reporting.

The 2022 interim lessons learned report by Internal Audit identified that there was some deviation between the programme vision, as captured in the PID, and what was ultimately implemented. Following go-live it can also be observed that the shift to more “self-service” by employees and managers was not always well-understood by staff. Interviewees for this review also highlighted vision and reality as an issue, for a variety of reasons:

- The vision was held at programme board level but not always understood by less senior staff working on the design, who often sought to influence the design of the new system to resemble more closely the SAP processes they were familiar with; it is likely that this understandable tendency was insufficiently challenged during the design process, leading to some inappropriate customisation of the product
- There was no clear definition between transactional HR processes that were placed within the Payroll, Employee Services and Helpdesk functions, against the more policy-related HR functions such as forms and policy-related processes. The former were ‘held’ within the Business Operations function which, whilst retaining considerable expertise within the Subject Matter

Experts, lacked leadership on the DB&I Board, particularly post December 2022, prior to Go Live. This led to a lack of clarity over who was the SRO in this area and subsequent lack of preparedness of the teams in question. The vision for the future of the HR systems, particularly around talent management, learning and development, performance and career development was not significantly developed pre-Go Live, despite the best efforts of the senior representative, due in part to lack of resource within the People & Change (HR) function, but also due to lack of expertise within this Organisational Development area.

- The lack of product visualisation (see Section F) limited the ability of many staff to imagine how the new system would meet the vision
- Certain aspects of the functionality of the new system, notably on mobile devices, was not understood and was ultimately the cause of some disappointment

Given the scale of complexity of ERP replacement programmes, it is important to consider the capacity of the board to provide the required leadership across the organisation to effect business change. Specific examples would be to drive the application of the vision through the design phase, ensuring that customisation is limited and only agreed where unavoidably required; and in championing the shift to self-service through both programme and directorate communication channels. It is apparent that board members had very busy diaries and, while meetings were well-attended throughout, there is a clear sense that board members felt constrained in their capacity to provide leadership outside of board meetings. There is no simple solution to this, and organisations planning large scale and complex programmes should consider how to ensure that senior managers are able to perform a wider leadership role. One possible means is to provide additional capacity to support the programme sponsor in the form of a senior responsible officer (SRO) that is distinct from the role of programme director; this would be an existing manager seconded to the role on a part- or full-time basis to support the sponsor in driving the vision and to bring service teams together to ensure good co-ordination, understanding and an ongoing focus on benefit realisation. The role should work closely alongside that of the programme director who is responsible for the delivery of programme workstreams and the programme plan. It is recognised that, towards the culmination of the DB&I Programme, this was a role increasingly played by the Director of Finance, Corporate & Commercial in support of the Programme Sponsor.

D: Procurement, contracting model and commercials

The Council was advised by Moore Stephens Insight (MSI) on its strategic options for replacement of SAP. Five options for the procurement were evaluated in the outline business case and the recommendation was to conduct a vendor neutral procurement of a SaaS corporate system and implementation partner services. This option was recommended to enable the council to fully evaluate its solution options and to drive best value for money through market competition. The agreed procurement strategy, which was further informed by external advice from Eversheds Sutherland LLP, was to conduct a single restricted OJEU tender process to let one contract to a lead supplier, whether an implementation partner or a SaaS corporate system vendor providing implementation services. The procurement process sought competitive bids that could be evaluated through a structured methodology, with weightings attached to various elements of the bidders' proposals including price, quality, and delivery experience. The procurement used an OJEU compliant process, with bidders asked to submit proposals to meet the Council's requirements.

While this was a structured and robust approach to the procurement, some observations have been made as part of the lessons learned review:

- The agnostic approach to strategic options meant that a variety of proposals were received, making evaluation of "like for like" more challenging
- The procurement elicited several bids on a "lead provider" model. Most of these bids were led by an implementation partner who introduced a preferred SaaS system. The Unit4 proposal was unusual in this regard as it was fronted by the software company which sub-contracted to its implementation partner, Embridge Consulting. Both Unit4 and Embridge have confirmed that this was unusual for them too – while they had experience of working together on bids, their usual practice was for Embridge to lead. In this case they reversed their model because of a concern that Embridge might not pass pre-procurement tests due to their size.

Through the evaluation process which showed it to have the highest weighted scores, Unit4 was selected as the preferred provider and the contract award was approved by Cabinet as part of the endorsement of the programme's Full Business Case (FBC). The contract provided for a fixed price for the implementation, and assumed delivery in fifteen months (see Section A).

A number of lessons learned have been identified under this theme:

- That a fixed price contract can foster "win-lose" behaviours between client and contractor when the programme encounters challenges, such as to deadlines.
- The need to avoid relationships becoming bogged down in contractual "back and forth" when solutions to complex programme problems are required
- That the contracting model with Unit4 as the lead contractor made it difficult for the Council to address perceived issues directly with the implementation partner, as that company was a sub-contractor to Unit4.

The choice of contracting model is an important one for councils to consider. The model used has a number of advantages such as ease of use and speed of procurement, but it is inflexible and may not promote the right behaviours. There is, however, no simple alternative. Contractors would understandably prefer a "time and materials" model to one based on fixed price, but this would be resisted by councils because of its implicit transfer of risk. A further model could be that used in strategic partnerships where there is a more sophisticated sharing of risk depending on the nature of change or risk being dealt with, and more emphasis on relationship and collective problem-solving.

However such a model would need to be developed bespoke, and procurement would inevitably take much longer to reach contract award stage.

A further lesson is around requirement-setting. The Council's contract schedule of Requirements and Supplier Response ran to over five hundred pages and covered all areas of functionality, integration, technical specification, and implementation approach. Despite this, some interviewees felt that the Requirements were insufficiently detailed or specific, and therefore too easy for a supplier to assert that their system would meet a particular requirement. At the other extreme, it was important for the council to avoid producing a set of Requirements that would be too prescriptive in terms of the "how" and rather to allow suppliers to put forward solutions that met the "what" requirement but potentially by a different "how" to SAP. The lesson that can be learned is to ensure thorough oversight and critical review of requirement-setting, linked to a clear vision of the business benefits that the new system is expected to deliver. In addition in the procurement process evaluators should be adequately trained and have sufficient time to enable them to evaluate thoroughly the supplier responses.

E: Technical issues - data migration and environment management

This lessons learned review has been conducted primarily as a non-technical one, focusing on governance, programme management, change and engagement, and so on. A couple of technical aspects have however been raised consistently through the review and are worthy of being captured here.

The first relates to data migration. There is a strong consensus that the programme under-estimated the scale and complexity of migrating data from SAP to MySurrey. This is not to say that data migration was overlooked as it formed a dedicated workstream from the outset of the programme and attention was paid at the programme board to data migration strategy and tools. Observations are:

- The council had a vast amount of data within SAP covering many years that had to be selectively either migrated to MySurrey, archived, or deleted. Extensive work was required to map data within SAP to new fields within MySurrey (recognising that in some cases data is held in different ways between the two systems, for example around multiple staff employments)
- Existing data was of variable quality and therefore required extensive cleansing
- There was some difference of opinion between the council and Unit4 as to the balance of responsibilities for driving the data migration and reconciliation process, leading to some delay and confusion
- Ownership of data within the council was not sufficiently clear in all cases, leading to gaps in requirements, migration and/or cleansing
- Provision, by the Council's Data Strategy team, of a tool called Avature helped significantly in cleansing and reconciling data.

Data migration challenges are very common across council ERP programmes. The lesson learned is for much greater focus from the outset on data, including:

- Being clear about ownership of all relevant data within the council
- Pre-programme data cleansing
- Clearly-defined and understood responsibilities between the council and implementation partner (or data migration specialist, if a third party is used)
- Sophisticated tools to assist with data extraction
- Timely migration so that real data is available to assist with system testing
- Ensuring senior data workstream leadership within the council, working with service teams and the implementation partner, to ensure the right focus and resourcing of migration

A second technical challenge was around system environment management. Providing different environments for build, test, live and so on is a responsibility of the implementation partner with dependencies on Council actions. At times, a number of different environments have to be maintained in parallel. The risk then is a lack of synchronisation between the different environments and a number of interviewees expressed a concern that, as deadlines became compressed, changes being made in one environment were not being replicated in others leading to problems that been identified and apparently fixed then reappearing at a later stage. Environment management and control therefore requires a strong focus within the programme.

F: Aspects of change and engagement

The programme had a structured approach to change and engagement from the outset, with dedicated resource and considerable attention at Board meetings. Significant time was invested in liaising with service departments. A particular instance of good practice was the creation and maintenance of an “advocate” network that engaged about 190 users, with 50-60 regularly attending weekly meetings.

MySurrey has a different look and feel to SAP and for many end-users the extension of self-service meant that they would become system users for the first time. As a consequence it was important that those involved in the design, build and test phases and those who would have end-user roles were fully familiarised with the new system and able to visualise how it would operate.

There is a strong consensus amongst interviewees that familiarisation was not possible until too late in the programme’s lifetime. There had been a conscious decision by Unit4 not to provide a model system, recognising that such a system could only have been a “vanilla” one and may not have helped to familiarise users. Unit4 recognise that this contributed to frustration and challenges because those involved in design and build were unable to obtain a clear visualisation of how a particular process would operate in practice. Delays in the Council in completing the “to be” processes, notably for the HR elements, were also a contributor. This also caused frustration for end-users at training sessions. With hindsight, it may also have been beneficial for key staff to be able to observe the Unit4 system being used live at another council (though Covid may have limited the opportunity for this). The implementation partner has confirmed that it has, with the experience of this programme, now adapted its standard implementation approach, where appropriate, so that certain users are able to see the system much earlier in the process.

After three missed target go-live dates it was inevitable that there would be a sense of fatigue among those involved in the programme and scepticism among the wider user population. Training was provided in the summer of 2022 in anticipation of go-live and this proved premature given the subsequent delay in go-live until the following year. Scepticism may also have been the underlying reason for a failure, among some end-users, to engage in preparation for the new system prior to the actual go-live of June 2023, with some interviewees noting unpreparedness among users who did not appreciate the shift to more self-service functionality. Finally it can be observed that, in the context of three missed go-live dates, the programme team and programme board in the months leading up to the June 2023 target became more and more focused on the technical readiness of the new system, as measured through the testing process, with a squeezing out of attention on communications and engagement. The key lesson learned, though a hard one to achieve in practice, is to maintain a good balance between the preparedness of the system and that of the user community, refreshing and reaffirming the programme’s communications and engagement to overcome, as far as is possible, programme fatigue and scepticism.

The Advocate Network was established from staff across the organisation who would be involved with MySurrey, with roles to act as an ambassador for their service, help cascade information, and facilitate conversations and influence positive change within their team. To enable Advocates to contribute to this lessons learned review, a survey was issued to obtain their feedback. The results are shown in Appendix 3. Advocates generally felt the role to have been effective, citing the weekly meetings, sharing of information, and networking as positives. Advocates also commented negatively on poor or conflicting information being received about issues and fixes and on a lack of training. Their suggested lessons learned echo those of the wider review, with an emphasis on the

engagement of end-user representatives in all aspects of the programme, and on the prompt cascade of information regarding system issues and fixes.

G: Schools

Schools represented a significant user group for the replacement of SAP, with the council supplying financial data to maintained schools and payroll as a traded service to both maintained and many academy schools. At inception there were c450 school payrolls within the scope of the programme.

Many interviewees drew attention to issues experienced by schools as a key lesson learned. There are a number of aspects to this:

- While there was engagement with the school community, schools represent a relatively “hard to reach group” compared to most other users within the implementation; this should be recognised from the outset with a distinct communications and engagement workstream
- Schools had specific requirements for the new system which were not fully identified at the outset, necessitating them to be designed and built into the system at a later stage
- There were challenges in applying the standard self-service model to the way that schools are organised
- As stated in Section A, there was insufficient recognition of deep-rooted weaknesses in functions within the Business Operations area, notably in its payroll service to academy schools. With hindsight the decision to exit from providing payroll services to academies should have been taken prior to the programme commencing.
- Ensuring a stable and high quality payroll service to schools is now a material factor in recovering the reputation of the MySurrey system

In conclusion, organisations embarking on ERP replacement programmes that will have a significant impact on schools should consider from the outset

- The “to-be” business model and make a decision, in consultation with schools, about the extent of functionality to be provided
- Ensure dedicated resourcing of a distinct communications and engagement workstream with schools, scaled to recognise the number of payrolls involved and the “hard-to-reach” nature. Ideally the workstream should draw on some seconded school staff
- Ensure that the design and build of the new system is conducted in full cognizance of the requirements of schools, utilising the knowledge of school-based staff

H: Go-live support model

In any large-scale system implementation the ultimate decision about readiness to go-live is a judgement, taking into account knowledge of the technical readiness of the system, the readiness of the user community, and of the consequences of delay in terms of time and cost. No system is ever 100% perfect, and provision should be made for the resolution of issues and concerns to be raised by users.

Most interviewees felt that, with hindsight, the support model put in place for go-live was inadequate. There are a number of aspects to this:

- The scale of operational issues and preparedness of the support functions had been underestimated; this reflected both some technical issues with the system that needed to be addressed, and also concerns raised by users who were not familiar with what was required of them given the shift to self-service
- There was insufficient resourcing and equipping of helpdesks, with helpdesk staff reporting that they felt overwhelmed by the scale of issues; in addition, there was limited co-ordination between the programme team and the helpdesks in the individual functional areas ie finance, HR, procurement and IT&D and some tension observed between the programme team and those functional teams inheriting the new system
- Initially there was poor management information regarding the issues being raised and so it was difficult for the programme team to see the scale or the trends among the issues being logged and to identify persistently-occurring problem areas

The key lesson learned is to ensure proper planning for go-live scenarios (“hope for the best but plan for the worst”), ensuring close attention on the rapid identification of issues and communication to users of both issues and fixes. Authorities preparing for go-live should also consider whether to engage specialist third party go-live technical and user support resources which provide, at a cost, a more flexible model to respond to peaks in helpdesk demand.

I: People

Section F noted lessons learned around aspects of change and engagement. This closing section notes the impact of the programme on the people engaged at all levels of it.

Given the complexity and challenging nature of programmes such as this, taking place over an extended period of time and with reputational issues as soon as the first go-live target date was missed, the personal impact on people should not be under-estimated with many interviewees noting the level of stress and extent of workload being carried by those engaged in roles across the full breadth of the programme. Looking after the wellbeing of people should be a focus for all organisations embarking on an ERP replacement.

It should also be noted that the programme was delivered against a backdrop of Covid-19, with enforced home working being a feature of the programme's ways of working through 2020 and 2021. The programme adapted to this and Covid appears not to have been a significant disruptor of its progress, but future programmes should consider how to get the best balance in working styles, enabling teams to come together from time to time to exchange ideas, solve problems, and build a strong sense of teamwork.

Appendices

Appendix 1: Initial Programme Timeline

DB&I Initial Programme Plan																	
Source: Project Initiation Document approved by Board October 2020. Shows Phase 2 (ERP comprising Finance, Procurement, Hr & Payroll) only																	
Mobilise	Design			Build			Test					Implement		Hypercare			
Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22
Mobilise	Phase 2 Design			Phase 2 Build			Integrated System Testing		User Acceptance Testing		Implement		Hypercare				
										3 x Payroll Parallel Runs							
													Planned Go-Live 01/12/2021				

Appendix 2: Programme History Overview

See separate document.

Appendix 3: Survey of Programme Advocates

Background

As stated in Section F, significant programme time was invested in liaising with service departments and a particular instance of good practice was the creation and maintenance of an “Advocate” network that involved about 190 users, with 50-60 regularly attending weekly meetings. The Advocate Network was established from staff across the organisation who would be involved with MySurrey, with the following roles:

- Understand their service and directorate
- Act as an ambassador for their service and help cascade information
- Facilitate conversations with their team
- See problems as opportunities and influence positive change within their team
- Are trusted and respected, able to motivate others and good problem solvers

Survey

To enable Advocates to contribute to this lessons learned review, a survey was issued to obtain their feedback. The survey was deliberately short and had the following questions:

Based on your personal experience of being involved in the DB&I programme, how effective would you say the role of “Advocate” has been? By “effective” I am thinking about an Advocate’s ability to perform the role. Please rank 1-5 where 5 would be “very effective”.

- *Passing information about MySurrey to colleagues in your team / department*
- *Championing the changes that MySurrey is making in the way colleagues work*
- *Providing feedback to the programme team about issues within your team / department that will impact on the use of MySurrey*

Please briefly list any key factors that influence your scoring:

- *That are positive (ie they helped increase an advocate’s ability)*
- *That are negative (ie they undermined an advocate’s ability)*

Please briefly list any other thoughts you have on the lessons that should be learned from the DB&I programme.

Results

The survey was completed by 27 Advocates, a response rate of approx 14% of the full network but nearly 50% of the more active group attending weekly meetings. While the response rate is not high, it is sufficient for the results to be taken as a reasonable reflection of the views of the Network.

Effectiveness

Advocates generally felt the role to have been effective:

- 85% felt that the role of Advocate was “very” or “somewhat” effective in “passing information about MySurrey to colleagues in your team / department” (8% very or somewhat ineffective)
- 59% felt that the role of Advocate was “very” or “somewhat” effective in “championing the changes that MySurrey is making in the way colleagues work” (30% very or somewhat ineffective)

- 71% felt that the role of Advocate was “very” or “somewhat” effective in “providing feedback to the programme team about issues within your team / department that will impact on the use of MySurrey” (22% very or somewhat ineffective)

While >50%, the relatively lower positive scores for the “championing” role should be noted. Some of the reasons for the lower score can be seen in the further analysis below.

Positive Factors – respondents felt the following helped increase an advocate’s ability (most popular themes):

- The personal contribution of the lead business change analyst for the Network, Crishna Simmons (mentioned favourably in ten responses)
- Weekly meetings, sharing of information
- Networking with colleagues from across the council

Negative Factors - respondents felt the following undermined an advocate’s ability (most popular themes):

- Teething issues and frustration with not being able to get responses to issues being raised
- Poor or conflicting information being received about issues and fixes
- Lack of training – for advocates and end-users

Lessons Learned – respondents provided the following other thoughts on the lessons that should be learned from the DB&I programme (most popular themes):

- The need for end-users in service departments to be involved in scoping requirements for a new system, and in testing the selected one
- The need for more extensive, better quality and better-timed training, for advocates as well as end-users generally
- The need for effective go-live support
- The need for regular and appropriate communications, particularly on issues and fixes

Appendix 4: List of Interviewees

Group	Name	Title
Programme Board	Leigh Whitehouse	Deputy Chief Executive and Director of Resources / Programme Sponsor
	Anna D'Alessandro	Director of Finance, Corporate and Commercial
	Rachel Wigley	Director of Finance Insights and Performance
	Bella Smith	Head of HR Insights, Systems and Governance
	Matt Scott	Chief Information Officer
	Toni Carney	Head of Resources, Adult Social Care
	Mary Burguieres	Assistant Director – Systems & Transformation, Education and Lifelong Learning
	Keith Coleman	Deputy Director of Procurement
	Mark Winton	Internal Audit Manager
Programme Team	Andrew Richards	Programme Director (to September 2022)
	Brendon Kavanagh	Programme Director (from October 2022)
	Julian Pinhey	Change & Engagement Lead (to August 2023)
	Lee Thomas	Programme Manager (from October 2022)
	Sarah Akehurst	PMO Lead (from autumn 2022)
	Andrew Maddison	Project Manager, Transition to Business as Usual (from autumn 2023)
Service Subject Matter Experts	Clare Ford, Monika Mullaney, Linda Whiteman, Joanne Lloyd-Aziz, Laura Benstead	
Suppliers	James Arvin	Director of UK Public Sector & Higher Education, Unit 4
	Emma O'Brien Peter Hall	Managing Director, Embridge Consulting Programme Manager, Embridge Consulting

Appendix 2 - DB&I Programme History - Summary

Note: Sourced from Programme Board reports; does not purport to be a comprehensive history of the programme but is to be used to provide an overview of the programme through its lifetime, as seen by the papers presented to and discussed by the Board..

Year	Month	Programme Board Meeting Dates	Programme own RAG Rating	Phil Hall Notes on Programme Board papers	Ref Cabinet / Scrutiny reports
2019	August	2nd		First meeting of the Board. Approved a Project Initiation Document (PID) and framework for Strategic Options Appraisal. Board established and Programme Manager (later Director) appointed.	
2019	September	12th		Reviews draft Outline Business Case (OBC)	
2019	October				OBC approved by Cabinet (29th)
2019	November	1st		Moore Stephens Insight (external adviser) presented Strategic Options Appraisal which recommended procurement strategy (to conduct single restricted OJEU tender process, to let one contract to one supplier for both implementation and Software as a Service (SaaS). Initial procurement activities mobilised. Initial programme plan proposes go-live date of December 2021.	
2019	December	2nd		Progress being made	
2020	January				
2020	February	5th	G	OJEU notice published	
2020	March	3rd	G	14 suppliers had responded to the OJEU notice, offering a wide range of system platforms	
2020	April	3rd	G	Shortlist of 6 bidders to be invited to tender (comprising 3 systems - SAP, Oracle and Unit4). Implementation stage governance agreed UK enters COVID lockdown.	
2020	May	5th	G	Tender process underway. Programme organisation (workstreams, etc) agreed.	
2020	June	3rd, 18th	G	Considered programme vision statement following internal engagement Unit4 identified as preferred bidder through evaluation process (60% Quality; 35% Financial; 5% Social Value).	

Appendix 2 - DB&I Programme History - Summary

Note: Sourced from Programme Board reports; does not purport to be a comprehensive history of the programme but is to be used to provide an overview of the programme through its lifetime, as seen by the papers presented to and discussed by the Board..

Year	Month	Programme Board Meeting Dates	Programme own RAG Rating	Phil Hall Notes on Programme Board papers	Ref Cabinet / Scrutiny reports
2020	July	1st	G	Focus on business change ("as-is" process workshops) and data cleansing	Cabinet approved Full Business Case (FBC) and award of contract to Unit4 (21st)
2020	August	N/A			Contract signed (28th)
2020	September	2nd	G	Unit4 and Embridge Consulting joined the Board. Focus on mobilisation. Reviewed draft programme plan.	
2020	October	2nd	G	Approved updated PID - two phases for implementation; Phase 1 Proactis (Procurement) in June 2021; and Phase 2 the integrated ERP solution in December 2021.	Update to RPSC (8th)
2020	November	4th	G	Progress reports reviewed. Review of Risk Log. Approved benefits realisation next steps Update on data archiving project	
2020	December	2nd	G	Progress reports reviewed. Approved data archiving project initiation document Approved communications & engagement plan for readiness stage	
2021	January	8th	G	All design activities reported to be complete. Approved closure of Design Phase and progression to Build Phase Considered Organisational Impact Assessment	
2021	February	4th	G	Some workstreams moving to Amber rating.	
2021	March	3rd	G	Caveated sign-off to Phase 1 (Proactis implementation)	Update to RPSC (18th)
2021	April	6th	G	Build & Integration System Testing (IST) Phase 1 Gateway approved Considered benefits prioritisation Approved approach to Training Agreed "MySurrey" name	
2021	May	5th	G/A	Phase 1 testing issues leading to delay by one month	

Appendix 2 - DB&I Programme History - Summary

Note: Sourced from Programme Board reports; does not purport to be a comprehensive history of the programme but is to be used to provide an overview of the programme through its lifetime, as seen by the papers presented to and discussed by the Board..

Year	Month	Programme Board Meeting Dates	Programme own RAG Rating	Phil Hall Notes on Programme Board papers	Ref Cabinet / Scrutiny reports
2021	June	2nd	G	Phase 2 Testing process agreed	
2021	July	2nd	A	Core Build meetings complete but some concern about volume of change requests and additional reports being specified	
2021	August	3rd	A	Phase 1 has gone-live Phase 2 core build complete but IST slower progress Reporting workstream delayed	
2021	September	3rd, 24th	A	Milestones assessed as Amber Reporting and HR/Payroll workstreams assessed as Red (design delays impacting on readiness for user acceptance testing) Special Meeting on 24th concludes that Dec Phase 2 go-live is not achievable; considers options for revised go-live and selects April 2022.	
2021	October	1st, 22nd	A	Board reflected on lessons learnt to date and agreed revised ways of working for itself (eg more engagement with subject matter experts) going forward	
2021	November	12th	R	Rectification plan in place but significant delivery risk reported, especially in data migration and HR/Payroll Test cycles 3 & 4 overlapping	
2021	December	8th	R	Significant delivery risk. Test cycle 4 underway but started late	Cabinet approve replanning and additional budget (21st)
2022	January	7th	R	Significant delivery risk. Test cycle 4 positive momentum but high volume of tests being deferred to 5th cycle Priority HR build complete Focus on schools' risks	Update to RPSC (20th)
2022	February	4th	R	Similar messages as January. 2nd Payroll parallel run missed closure deadline. Test cycle 5 underway. Sponsors Group would assess go-live readiness in mid-February	

Appendix 2 - DB&I Programme History - Summary

Note: Sourced from Programme Board reports; does not purport to be a comprehensive history of the programme but is to be used to provide an overview of the programme through its lifetime, as seen by the papers presented to and discussed by the Board..

Year	Month	Programme Board Meeting Dates	Programme own RAG Rating	Phil Hall Notes on Programme Board papers	Ref Cabinet / Scrutiny reports
2022	March	17th	R	April Go-live postponed; programme to be replanned	
2022	April	N/A			
2022	May	6th	R	Programme risk rating reflects previous April go-live target; revised date has been agreed as Phase 1 (corporate) in Sept 2022 and Phase 2 (schools) in Dec 2022. Acceptance criteria for payroll parallel runs considered (decision at next meeting). Closed test cycle 5 for progression to cycle 6.	
2022	June	10th	A	Approved closure of hypercare for Proactis (Phase 1)	
2022	July	8th	A	Payroll parallel run progress positive but delayed. Test cycle 6 identifying significant number of defects for resolution and retesting.	
2022	August	18th	A	Range of testing and reconciliation issues and delays being addressed	
2022	September	7th, 28th	R	Unable to progress to an October go-live Test cycle 6 closed but with lesson learnt that previous test cycles should not have been closed until all defects satisfactorily resolved	
2022	October	5th, 31st	R	High-level revised plan drafted, with detailed replanning to follow Focus on integration testing, reports testing and payroll parallel run for bureaus Change of Programme Director wef 3rd October. 31st - focus on the "red box" - the activities critical to freeze the build and move towards data migration and cutover; these to be completed by 9th Dec Three options had been considered for revised go-live - June 2023 selected	
2022	November	N/A			
2022	December	6th		Progress reports reviewed Decision to close the "red box" and progress to next stages of programme	Cabinet approve additional budget (20th)
2023	January	23rd	G	Data migration reconciliation underway but proving time-consuming. Testing delayed to 1st Feb Detailed dress rehearsal and cotover planning underway.	
2023	February	28th	A	Week 4 of testing - 689 tests so far executed.	

Appendix 2 - DB&I Programme History - Summary

Note: Sourced from Programme Board reports; does not purport to be a comprehensive history of the programme but is to be used to provide an overview of the programme through its lifetime, as seen by the papers presented to and discussed by the Board..

Year	Month	Programme Board Meeting Dates	Programme own RAG Rating	Phil Hall Notes on Programme Board papers	Ref Cabinet / Scrutiny reports
2023	March	29th	A	Test cycle 7 completed, 1278 tests executed, 210 failures to be retested. Dress rehearsal initiated. Detailed ("1500 lines") Cutover Plan in place.	
2023	April	28th		Meeting to approve plan to exit testing	
2023	May	31st		Meeting to agree go or no-go. All critical issues assessed as being in stages of resolution. 16 specific criteria for go-live assessed and 5 Amber but with mitigation plans in place. Reviewed post go-live support model. Approved go-live for 6th June	
2023	June	16th, 28th		Go-live took place on 6th June. Meetings to review go-live progres and issues being identified. High volumes of issues - Support Team feeling "overwhelmed" but this felt to be expected. Variety of schools-related issues identified; dedicated team in place to resolve. June payroll run but with subsequent issues.	
2023	July	7th		Call volumes remaining high; considerable programme activity to address issues.	
2023	August	23rd		Call volumes declining but issue identification remains high. Hypercare RAG: Managed Service & Support, and Payroll both assessed as Red. Options for Transition to BAU considered	
2023	September				
2023	October				Update to RPSC including proposal for Task & Finish Review (18th)
2023	November				
2023	December			Closure of Programme and handover of issues to Transition to BAU project	

This page is intentionally left blank