SURREY
COUNTY COUNCIL

Audit & Governance Committee
22 January 2025

Unit 4/MySurrey Stabilisation Board Report

Purpose of the report:

To provide an overview of the work of the Stabilisation Board in addressing the issues with Unit4 / MySurrey. A summary of progress to date, key areas of activity, planned activity and the model which governs the work will be discussed.

Recommendations:

The Audit & Governance Committee is asked to note the content of the Unit4/MySurrey Stabilisation Board Report.

Introduction:

1.   The Unit4/MySurrey system went 'live' on 6 June 2023 and the project moved into a business as usual environment in December 2023.

2.   There are a number of outstanding issues with the system including six internal audits reports with minimal and partial assurance. As at 17 December there are 41 outstanding tickets with Unit 4, and 3 of these have been open for over a year.

3.   The MySurrey Stabilisation Programme was established in mid September 2024 to:-

3.1   Take a programmatic approach to resolving the outstanding issues including risk monitoring, mitigation and delivery of recovery plans.

3.2   Establish governance and contract management arrangements which hold to account those responsible for delivery including the provider – Unit 4.

3.3 Oversee delivery of Audit actions in a timely manner.

3.4 Ensure appropriate communication across the programme, with Corporate Leadership Team, the Lead Cabinet Member, Select committees and with the wider organisation.

3.5 Define target outcomes of the Stabilisation programme and the conditions required for transition to the next phase, optimisation, including ongoing governance.

4. The target outcome is to create a stable system environment and resolution of critical and high priority defects by 31 March 2025.

Scope of the work

5. The Scope of the programme is well defined and is based upon 4 key criteria – Internal audit risks, operational risks, organisational or regulatory risks and Staff impact.

6. The workstreams and scope includes:

6.1 Fixes and system development required including payroll, pensions, forms and workflow issues, statutory reporting, finance accounts payable and wider finance process.

6.2 IT faults and outstanding support including the management of Vision ERP who are our external technical provider delivering expert capacity.

6.3 System Upgrades and technical improvements. This workstream will resolve outstanding system access and security issues and plan and execute system upgrades.

6.4 Governance and Contract Management.

6.5 Processes and data including data structures, clear data and process owners, standard operating procedures, data cleansing and data retention.

6.6 Communication and engagement.

7. All outstanding internal audit recommendations are included within these workstreams and audit are engaged as each action is completed to ensure that progress is marked over time.

8. Contract Management arrangements are being reviewed and strengthened with support from the Director of Procurement. The Strategic Director Customer Service Transformation (Liz Mills) has been

appointed the Contract Owner by the Deputy Chief Executive, Executive Director Resources and S151 Officer.

9. A review of the existing contract against delivery and the original specification against outstanding issues will provide a clear framework for management. Senior representatives from Unit 4 attend the Stabilisation Board meeting once a month to discuss progress on priority issues.

Governance

10. The main Stabilisation Board meets fortnightly, is chaired by Liz Mills, and includes senior officer representation from across the organisation including the Executive Director Resources and S151 Officer, Director of People and Change, Director of Procurement, Director of Design and Transformation, Chief Digital Information Officer, Senior Finance representatives and other senior officers from within these directorates.

11. Board papers are shared with Councillor David Lewis with a meeting each fortnight to discuss progress, risks and upcoming activity. These discussions are focussed on delivery and accountability.

12. Three Operational Boards meet fortnightly, project team meetings are held weekly and programme meetings are held daily. These sit below the main Stabilisation Board to manage and monitor progress, mitigate risks and communicate issues and successes.

13. These Boards include cross organisation representation to ensure all subject matter experts can contribute, govern, support and add momentum to the work. The full governance structure including terms of reference can be seen in Annex 1.

14. Twice weekly meetings are held with Unit 4 to cover operational issues. At a more strategic level senior Unit 4 representatives meet monthly with key internal contacts to discuss strategic direction and priorities and also attend part of the Stabilisation Board meeting once a month.

15. A risk log captures programme risks and this is reviewed fortnightly. This has also been reviewed with the Head of Strategic Risk. All Board members and Councillor Lewis have access to the Actions and Decisions log and the Risk log.

Achievements since mid September

16. The revised internal governance structure has been established and is functioning effectively. A review of the contractual arrangements is almost complete with greater clarity of expectations and accountabilities on both sides.

17. Some of the reporting issues have been completed, including statutory work-related absence reports, and Recruitment Redeployment reports to ensure staff reaching the end of Fixed Term Contracts do not miss out on new employment opportunities.

18. The backlog of tickets/issues with the HR Transactions and the Payroll Team via the HR Helpdesk has significantly reduced from a peak of 1,400 to around 80 outstanding tickets (within normal parameters for the helpdesk). Efforts continue to further reduce this number. Payroll problems are now very much the exception, thanks to the many hours spent fixing technical issues in the background.

19. In the area of pensions, an update to the employee LGPS configuration went live in October which means that leavers are now being processed and reported upon monthly once again.

20. Some 100 clinics have been conducted within our schools with a monthly dedicated payroll newsletter being sent which provides timely and relevant updates to bursars in these education settings. The Surrey Education Services Hub has been updated to provide guides, advice and information to these colleagues. An ongoing issue remains in respect of consistent easy access to payslips for school based staff. This is with the technical team for resolution as a priority.

21. The Finance & Purchasing Operations group passed the BACS Bureau inspection enabling Surrey to retain its BACS Bureau status. This is a bank-approved status which enables the sending of payments using BACS software.

22. Many of the Audit actions have been completed and are ready for re audit by our internal audit team. A full review can be seen in Annex 2.

23. Two system upgrades have been completed. Whilst robust internal testing was carried out by subject matter experts across all areas of the system, a number of technical issues linked to the stability of the main platform proved problematic and, as a precautionary measure, some downtime was incurred whilst data integrity was reviewed. Lessons learnt workshops have been held, the output of which will be built into future work.

24. Our Data teams have been closely involved with the work and are supporting in data cleansing and accuracy, as well as supporting our teams in the use of tools for more informed decision making.

25. Staff have been redirected onto this programme from other activities to ensure progress at pace and others have been brought in specifically to provide expertise in the areas of System Access and Security. In addition, two Unit 4 specialist system architects have been employed to support the resolution of issues.

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Looking ahead

26. During this period of Stabilisation, the pipeline of planned enhancements has not progressed. However, work has now begun to analyse and review the pipeline in readiness for the next phase which will enable more efficient working and reduce manual processes.

27. A review of any remaining system workarounds is in progress to ensure that a long term solution or remedy is found.

28. Early in the new year, work will commence to determine the governance and approach from April 2025 when the programme will transition into an optimisation phase.

Conclusions:

29. The work of the Stabilisation phase is progressing steadily with robust governance surrounding decisions, progress and appropriate challenge.

Financial and value for money implications:

30. There are no direct financial implications arising from this report.

Equalities and Diversity Implications:

31. The EIA can be seen as Annex 3.

Risk Management Implications:

32. The key risks can be categorised into a number of areas each of which has been allocated a risk owner, mitigating actions and all are reviewed regularly.

    32.1 **Contractual –** Supplier relations are an important part of timely issue resolution and appropriate compensation if deemed necessary. A review of the technical elements of the contract is being undertaken by our internal contract management team as well as building robust relationships with senior Unit 4 and technical representatives to ensure faster resolution to some of the technical issues we are facing.

    32.2 **Technical –** There are a number of technical system constraints which continue to necessitate manual workarounds particularly in the finance and HR areas. Exploration and persistence with the supplier in the resolution of these issues is our mitigation. In the areas of Forms and workflow, we are reviewing our options internally for alternative ways of providing a solution in the absence of a solution from the supplier.

32.3 **Resources** – Ensuring that we have adequate resources in the correct place will ensure timely completion of the work. Where there is a lack of in house Unit 4 knowledge, more experienced resources (from our managed service) will share their knowledge and adequately document processes and procedures. Clearly defined roles and responsibilities will ensure that the right people are working on the right things in the correct way.

32.4 **Data** – Lack of clearly defined data requirements or data migration on implementation has led to variable data quality in some areas of the system. Our internal data team have been supporting in the data cleansing activity and will support in data retention, policies and procedures in the coming weeks.

32.5 **Scope** – Clear alignment to objectives and criteria of the Stabilisation priorities is ensuring that scope creep does not occur. Until the next phase of Optimisation, the pipeline of needs and wants will be paused to ensure focused completion of the Stabilisation work.

32.6 **Design** – there were some limitations in the way in which the system was defined at the outset or fundamental constraints for system functionality which is having an impact on ways of working. Work will continue to assess and design improvements where the core functionality will allow. Several business analysts are working on the programme to support best design and mapping of processes.

Legal Implications – Monitoring Officer:

33. There are no legal implications arising from this report.

Next steps:

34. The MySurrey Stabilisation Board will continue to monitor the progress and risks and will continue to update this Committee as appropriate.

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Sources/background papers:
- N/A

Annexes/Appendices:
- Annex 1 - Governance
- Annex 2 - Audit Actions
- Annex 3 - Equality Impact Assessment