Business Case Template including Funding Application

Date: Tuesday, 05 February 2019
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Project title:	Project Manager:	Senior Responsible Officer:
Oracle Upgrade to Fusion	Mark Hobson	Jane West
Directorate:	**Corporate Theme:**	**Estimated cost of project:** **Revenue / Capital / Ongoing**
Pan Havering BC	Enabling	£11.5m over 10 years including project & running costs
Finance Business Partner:	**Board/Governance Lead:**	**Projected cost savings:** **Incremental Revenue Savings**
Sam Gable	Mark Hobson	Over 10 year the project will save between £5m to £11.5m net of project and running costs.

1. Project overview	
What is the reason for the project?	The project is simply an upgrade from our current Corporate System Oracle platform moving to the next generation platform know as Fusion which is Oracle's name for the Cloud. - The current Oracle platform is not being invested in anymore by Oracle - Is not future proofed and will ultimately go out of Oracle support - The current cost will increase significantly from our current IT provider Cap Gem as the partner London Borough's themselves move from the existing T-Gov2 arrangement to the cloud and those remaining receive a high burden of the fixed costs. - Standardisation of processes, resilience in technology, certainty about costs - More integration of systems which will support the efficiency agenda, provide an improved user experience and enhance our internal control environment.
What specific problem is the project solving?	Cost avoidance: The fixed costs associated with Havering's backoffice platform provided by Capgemini will increase by 30% in July 2019 (£300k). There is a significant risk that these costs will increase by a further 100% in July 2020 (£723k) as Havering could be left to fund all of the fixed Cap Gem costs £1.45m p.a. This project will avoid the potential for increased costs in July 2020 and provide Havering with lower & much more predictable costs for the foreseeable future.

	Whilst there are clear benefits from lowered operating costs by moving to the target operating model, the bulk of the financial justifications for the project are created by the need to avoid known and increasing costs. The main source of these increasing costs are those of the Capgemini t-Gov2 platform. In addition to the rising Capgemini costs, it appears that Capgemini have little to no interest in delivering innovation or additional flexibility in service consumption or additional capabilities to the platform. The proposed project would be a key part of the wider transformation programme at Havering. The key outcomes from the project scope would be the enablement of modern working practices (e.g. agile and mobile working), provision of improved management information to drive decision making and implement a number of process efficiencies to core back office processes at the council as part of standardising activity. The new platform will deliver improved user experiences and improved self-service capabilities. In addition the introduction of new capabilities relating to the detection and prevention of fraud will lessen the council's risk exposure and assist their annual auditing process.
What total investment is required?	The total investment required is £4.5m to fund the implementation of this upgrade. The £4.5m covers a mixture of resource costs, Oracle licencing, implementation costs from a 3rd party organisation, change management capacity and an insurance type fee from Lambeth BC who's business case we have based this one on, there is also an industry standard 10% contingency included within this investment, the program is modelled on a 52 weeks project life cycle. Detailed costings are available, as are a range of sensitivities modelled as part of this work.
What options have been considered?	The alternative option that has been considered is one of remaining 'as-is' on the existing platform. No option was considered other than variation of the existing Oracle product that is already well established and embedded in Havering.
What are the benefits that will be delivered?	- Financial benefits are a payback of between 3.1 years to 4.1 years and in cash terms £5m to £11.5m over the 10 year period. - Modernised back office applications supporting 'Best Practice' working processes - Enablement & support of modern working trends (agile / mobile working, real-time management information) - Consolidated number of applications (Oracle EBS, TalentLink Recruitment Platform and Collaborative Planning applications will all be replaced by a single platform) giving the user a better more joined up experience - More efficient workflows and processes delivered through more functions being supported by a single platform - Benefits of Software as a Service based applications (all maintenance provided by vendor as part of fixed costs, new innovation provided on a quarterly basis) - A future-proofed platform with lower and much more predictable operating costs
What are the key business impacts both positive and negative?	Positive - Reduced future operating costs - Predicable future operating costs - Simplified workflows and processes & enhanced customer experience

- Lowered staff training costs
- Stronger internal control environment
- Reduced reliance on traditional workforce facilities (desks, phones etc)
- Up-skilling of internal Havering and OneSource staff as a result of project knowledge transfer
- Future possibilities for providing council-to-council support to other authorities on similar projects

Negative
- Up-front investment of £4.5m
- Disruption to day-to-day operations during project
- Significant amounts of backfill resource will need to be recruited to support a successful implementation and to maintain a steady state BAU
- Will need the Organisation to make this one of its top priorities to fully implement and embed.
- Need to deliver Business Change to support new systems and processes

2. Delivering the Project

How will the project be delivered?	An implementation partner approach with a clearly defined scope that has been successfully delivered by the specific professional services partner at other London Boroughs including Lambeth. Additional, formalised & contracted support services provided by the London Borough of Lambeth, who have provided a lot of the learning in the business case we have constructed.

Delivery Confidence RAG Rating		
☐ Red - Completely new approach, a new pilot and/or process with a new supplier.	☐ AMBER – Known method/process/ supplier but not used before.	☒ GREEN – Tried and trusted method/process with known supplier.

What are the top level milestones for the project?	Project Due Diligence, Approvals, Contracting completed by end of February 2019 Project start in March – April 2019 Each of the following Project Stages has tangible exit / success criteria that must be approved by the council before the project can proceed to the subsequent Stage: • Readiness & Planning stage completed within 2-3 weeks • Advisory stage completed within 3-5 weeks • Business Readiness stage completed within 6 weeks • Design stage completed within 12-16 weeks • Orchestrate stage completed within 9-12 weeks • Prepare stage completed within 5-10 weeks • Transition stage completed within 2-3 weeks • Project Go-Live no later than April 2020

Route to approval if known				
☐ Consultation	☐ Key Decision	☒ Non key Decision	☐ Cabinet Approval	☒ Other (specify)
Date:	Date:	Date:	Date:	Date:

What are the top level risks to the project?	RISK: The need to recruit and back-fill roles to support the upgrade from functional leads to UAT resource for both the professional service to the customer. It should be noted, there is no capacity currently within the BAU teams to support this upgrade. This risk has been partly mitigated through: • Appropriately budgeting for the required resources • Establishing an early recruitment cycle • Establishing secondment links with London Borough of Lambeth RISK: Budget Overspend This risk has been mitigated through:

	• Timelines and costs for each Project Stage have been specified with a level of contingency as standard. It is assumed that unforeseen challenges will occur during the project and there is a degree of flexibility to allow for this without impacting project timelines or budget expectations • Council to Council engagement with the London Borough of Lambeth will serve to expedite stages of the project including the use of existing assets and guidance to expedite decision making and conflict resolution where needed. However, the project timelines and cost estimates have NOT been reduced based on this support RISK: Working with existing provider to extract data This risk has been mitigated through: • Early engagement and negotiation • Learn from the other Boroughs who have migrated away from the T –Gov2 Cap.G platform RISK: That the due diligence that we undertake finds more issues (data/ processes etc..) than anticipated This risk has been mitigated through: • Start the Due diligence early enough and flush out so we can plan and factor into the program • Contingency of £450k is included in the financials and we anticipate this should cover off any issues discovered. RISK: Unforeseen Issues pre & post Go-Live This risk has been mitigated through: • Clear and contracted go live criteria before UAT starts and before we can go live. • Proposed project costs include a significant investment in post Go-Live support services (24 weeks) including 16 weeks of on-site resources to support post Go-Live activity
What assumptions have been made?	Assumptions have been made on: This is an upgrade of existing Oracle software from E Business to Oracle Cloud (Fusion), and the assumption is that we can contract with the Fusion implementation partner without significant procurement process as many others have already done without challenge. Solution scope The specific solution scope that is proposed has been based on providing, as a minimum, an as-is replacement solution for the existing Oracle e-Business Suite solution. In addition, the proposed solution scope provides replacement solutions to support the Recruitment and Financial Planning functions, which are currently supported by the following applications: 1. Lumesse TalentLink (Recruitment Platform) 2. Advanced Business Solutions Collaborative Planning (Financial Planning solution) Interfaces It is assumed that the scope of integration requirements are limited to interfacing Oracle Cloud with all existing integration points – a list of all existing integration points has been supplied by OneSource. Reporting It is assumed that the scope of reporting capabilities required are limited to

	reporting and provision of management information based on data stored within the Oracle Cloud platform and that there is no need to report on data stored in external applications. Timelines Havering are able to contract for the required Cloud subscription and implementation services in March 2019 Any activities referred to as *Due Diligence* will be completed before the point of contracting in March 2019 An implementation project start date in March or April
What is included and excluded from scope?	IN SCOPE An implementation project that would implement a back-office solution that would support Havering's Finance, Procurement, Financial Planning, HR, Recruitment and Payroll functions. The back-office platform would be provided through Oracle's Fusion or Oracle Cloud platform and once implemented would enable Havering to decommission the following applications and their associated infrastructure and services agreements: • Oracle e-Business Suite (EBS) (ERP Platform) • Lumesse TalentLink (Recruitment Platform) • Advanced Business Solutions Collaborative Planning (Financial Planning solution) The proposed project scope covers: • Performance of all pre-project due diligence • Peer to Peer support throughout the project • Design and validation of the required target solution configuration • Completion of the proposed implementation phases • All required activities related to the extraction, cleansing and migration of data • All required activities related to the education of end-users and the adoption of the new platform • Provision of required post Go-Live support services OUT OF SCOPE The proposed solution scope is designed to provide, at a minimum, replacement capabilities to support the existing Finance, Procurement, Financial Planning, HR, Payroll and Recruitment functions. There are a number of optional modules that could provide new capabilities & benefits to Havering and these are outlined in the Appendix 3. The costs related to the subscription and implementation of these optional modules are not included within the proposed cost envelope. Due diligence is currently under way to establish if there is a business case to be made for this extra functionality versus implementation/ licencing costs as well as modelling the impact on the base upgrade timelines. There may be a situation which concludes we can implement this functionality, it has no impact on the overall 52 week cycle for the base upgrade and we could fund this from contingency.

	It is proposed that via the formal governance route suggested in this business case the Havering COO be given authority to expand the said scope based on this criteria.
What project board will this project report to?	It is proposed that a new project Board is established that the Director of Finance & Transformation at Onesource is the Project sponsor and the Havering COO is the SRO and that the project process would follow the Havering governance process and approach.
Who are the identified stakeholders for the project?	As part of the project process a full and complete stakeholder map and engagement plan will need to be constructed. The senior stakeholders identified at this stage will include the Havering SLT, the Havering Leader and Cabinet Member for Resources & Finance, the Directors at Onesource for IT, Transactional Services & HR. For this project to be truly successful a cadre of customers at all levels will also need to support this project as well and be represented on the Project Steering Board.
Who or what are impacted by this project (including headcount reduction)?	This is an enabling project, detailed benefit realisation has not been completed at this stage as this is about upgrading to a new platform to avoid costs & being left on out of date technology. All Havering staff are assumed to adopt and utilise all the new updated ways of working that the cloud brings but supported by the project with a complete change program etc…

3. What are the critical success factors for the project	
Deliverable	**Success measure**
Go-Live on target platform no later than June 30th 2020 (planned for the 1/4/20)	Cost avoidance: Avoid need to renew Capgemini subscription in July 2020
Provide a replacement Recruitment software platform	Cost reduction: Enable the retirement of active contracts in support of Talentlink no later than June 30th 2020
Provide a replacement Financial Planning software platform	Cost reduction: Enable the retirement of active contracts in support of Advanced Collaborative Planning and Axium no later than June 30th 2020

4. Total Cost and Saving Projections please attach appendices if required

Supporting Narrative: Pls see appendix 1 for Project costs
Pls see appendix 2 for Predicted savings (Current versus ongoing)

Existing Revenue Budget indicate if HRA, Grant, or General fund applicable, Transformation	Yr1 18/19	Yr2 19/20	Yr3 20/21	Yr4 21/22	Yr5 22/23	Total
Cost centre 1						
Cost centre 2						
Total:						
One off Capital costs e.g. significant building modifications						
Cost A						
Cost B						
Total:						
One off Revenue costs						
Cost A						
Cost B						
Total:						
Ongoing Costs e.g. Programme Manager, Legal Advice						
Cost A						
Cost B						
Total:						
Savings e.g. Existing budget less ongoing costs or income generation						
Saving A						
Income generation A						
Total:						

5. Financing the Project

What assurances can you give that costs/benefits identified will be delivered?	The following analysis has been performed to validate the proposed costs offer value for money: • Project costs (resourcing, implementation, on-going costs) have been based on the completed implementation project (similar scope) at the London Borough of Lambeth • Existing costs for the 'as-is' model have been verified with existing suppliers. • 10 year expenditure projections for the proposed project and the 'as-is' option have been calculated • Evidence and due diligence conducted in 2016 in support of a similar proposed project have been utilised and re evaluated • Several scenarios have been modelled and this recommend case is the middle of best and worst.
	What methods of value for money have be used? eg Benchmarking, soft market testing, competitive analysis:
What are the key financial risks to the proposed option?	Costs from all but one vendors are confirmed (Oracle, Evosys and Lambeth) There is portion of ambiguity surrounding the specific costs that would be charged by our existing vendor, Capgemini, in order to provide Data Extraction and Data Archiving services. In order to mitigate this risk, projected costs for these services are based on costs bore by other local authorities and a dialogue with Capgemini is underway in order to confirm these costs ASAP.
	Financial Confidence Rating

	RED - Indicative figures that are yet to be ratified, further work required to develop full costings and/or savings.	AMBER - Costs and saving identified for part of the project but delivery in some areas is uncertain.	GREEN – Costs are known and saving targets are deliverable.
	☒	☐	☐
If savings been listed under MTFS or any other savings target please explain?	None		
Can this project be delivered within existing budgets if not why not?	No - This upgrade has not been budgeted for neither has the project resource to support the upgrade. These is no capacity within BAU to support this program. There are choices around how much we spend on change to implement this service, we may also get favourable results on Data Migration and we have a 10% contingency pot of £450k that we are proposing is controlled by the Havering COO. Regular financial monitoring and planning of this program will ensure that the project costs do not slip or overspend.		
What other sources of funding could be considered?	No other source of funding has been considered at this stage.		

6. Initial Equality & Health Impact Assessment Checklist	YES	NO	Action
Are you changing, introducing a new, or removing a service, policy, strategy or function?	☐	☒	If you answered YES to any of these questions complete full EQHIA
Does this activity have the potential to impact (either positively or negatively) upon people (9 protected characteristics)?	☐	☒	If you answered NO Please provide an explanation on why your activity does not require an EQHIA below.
Does the activity have the potential to impact (either positively or negatively) upon any factors which determine people's health and wellbeing?	☐	☒	*This is essential in case the activity is challenged under the Equality Act 2010.*
EQHIA not required:			
Further guidance and advice https://intranet.havering.gov.uk/help-with-work/equality-impact-assessment/			

7. Consultation & Approvals

Who has been consulted with?		Who has approved this?	
Risk Management		Responsible Director	
Equality & Diversity		Chief Financial Officer	
HR		Transformation Board	
Legal		Lead Member	
Procurement		Other Board	

Appendix 1 Version History

Revision date	Revision by	Summary of Changes

Delivery

DELIVERY

Approved Business Case

All project documentation to be stored in Execview.
Toolkit/documents. Recommended Folder Structure:
1. Project Documentation
2. Board Agendas/Minutes
3. Communications
4. Decisions
5. Finance and Procurement
6. Suppliers
7. Resources
8. Research/Supporting Evidence
9. Presentations
10. Reports

Project now moves to day to day management in Execview

Items needed:
- Stakeholder map
- Board Members
- Milestone / Project Plan
- RAIDs
- Deliverables
- Tasks list
- Finances including cost and savings
- Checkpoint Scorecard per project
- Programme Scorecard per programme
- Portfolio Scorecard per portfolio
- Project information must be updated every 1 -2 days

Governance Board

Items needed:
- Board Term of Reference
- Agenda and minute templates
- Checkpoint Scorecard

Oversight PMO

PMO Oversight and Peer Challenge
- Review Risk Log
- Quality assurance
- Finance tracking