



Audit and Performance Committee

Date:	5 th February 2019
Classification:	General Release
Title:	Hampshire County Council Partnership and BT Managed Services Exit
Report of:	David Hodgkinson
Cabinet Member Portfolio	Cabinet Member for Finance, Property and Regeneration
Wards Involved:	All
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1. Background

- 1.1 In November 2017 the Leadership Team approved the recommendation that WCC, together with RBKC should join the Hampshire Partnership as a replacement for the BT Managed Services. The Partnership is known as the Integrated Business Centre or “IBC”. The Leadership Team also agreed the procurement of additional services and systems, including an Income Management System and file transformation middleware to supplement the Hampshire solution. Deloitte were appointed as the primary implementation partner. Deloitte were contracted by the Hampshire Partnership but then charged back to WCC and RBKC as part of the implementation costs.
- 1.2 The council’s aim was to have implemented a new solution by 1st December 2018 at the latest. It can now be reported to Committee that the project was successfully implemented as planned on this date:
 - Programme implementation delivered on budget and timetable
 - The number of issues reported at Go Live was minimal
 - Feedback from across the organisation has been very positive and there is high engagement with the new system and service

- The payroll run is at 99.9% accuracy
- 80% of the organisation has engaged with the self-service functionality and has registered for ESS Lite on their mobile devices.
- IBC team is closing over 90% of requests within a week
- IBC call answer rate is at 96% and calls are answered within 40 seconds

2. Post Go-Live

2.1 Following the successful go live of the project, the post go live activity has been broken down into 3 phases:

Hypercare (December 2018)

2.2 This was a period of intensive support and regular review to ensure the service was functional and any issues could be resolved quickly. This included a range of activities provided both in-house and by Hampshire to support the organisation with the new system and service:

- Daily board calls to discuss and resolve issues
- Daily peer to peer calls to discuss and resolve issues between the programme functional leads (HR, Finance, Payroll, Business Deployment)
- Daily Go Live surgeries run by functional subject matter experts and Business partners
- 100+ floorwalkers that had been trained around how to triage different types of issues
- Co-ordination of access, functionality and structure changes that were required to enable these to be resolved as quickly as possible
- Delivery of further focused training sessions for end users – employees / line managers / requisitioners / budget managers
- Regular key communications to the business on areas that were creating the most queries
- Availability of help and guidance - step by step PowerPoint guides and 'how to' bitesize videos available to all staff and 3rd party organisations using the new system

Stabilisation (January to March 2019)

2.3 At the end of this period a report will be produced setting out an agreed KPI list, additional stabilisation indicators – e.g. query resolution / call volume, go-live stabilisation issues and resolutions, outstanding system fixes and development plan, outstanding issues and action plan. The activities in this phase include:

- Weekly partnership board meetings
- Weekly Stabilisation and Performance Monitoring calls with all functional leads
- Weekly meetings between the Hampshire Partnership Manager and the WCC Business deployment lead to discuss ongoing communications required to the business

- All staff communications to the business for key messages – weekly throughout January, fortnightly during February and ad hoc in March
- Provision of budget manager and requisitioner focus training sessions
- Organisational structure sessions for line managers led by Westminster HR

Business as usual (April onwards)

2.4 At this point a new governance structure will be put in place for the councils which will be based on strategic monitoring of the partnership. Resourcing and reporting of this is currently being considered. Meetings will likely include:

- Monthly Partnership Board meetings
- Monthly Performance Monitoring calls between functional leads

3. Payroll

3.1 The first payroll in the new solution was run successfully in December. The December payroll close was 5pm on 4th December. This was challenging given most staff engaged with the new system for the first time on Monday 3rd December which gave two days for all pay related requests to be submitted and approved.

3.2 To ensure that all staff were aware of the deadlines, communications were issued in the weeks and days leading up to go live and after go live.. The Business Deployment Team utilised a range of communications methods including staff communications bulletins, posters, tailored communications to areas where timesheets volumes are high (e.g. libraries, sayers croft, WAES, registrars), utilised the IBC Change advocates and Floorwalkers to ensure that all actions were completed in time and sent direct communications to the Senior Leadership teams.

3.3 Payslips were loaded onto the system early in December (6th) to allow staff the opportunity to review them and raise any issues ahead of payments being made. The payroll was then run earlier (14th) to allow time to resolve any pay issues ahead of the usual pay date of 20th of the month. The number of issues raised was low. Only a few individuals did not receive overtime payments on time, due to timesheets not being approved in the system.

4. Outcome of Data Migration

4.1 One of the key risk areas in the programme was the transformation and migration of data from Agresso to SAP and this has been a success. The scale of the data involved in this project was extensive and it was imperative that the data was also stored and shared securely through encryption. To give some context to the volume of data involved in this project:

- BT provided data via 7 monthly “data drops” plus 3 mid-month “data drops” to support payroll comparison work. In addition, 9 data drops to support the

two Dress Rehearsals and Final Load processes – significantly more than first envisaged

- Every data drop from BT included over 85 million lines of data
- Just under 11.5 million lines of data transferred to HCC in the final data transfers all covered by control documents (DVRs)
- Over 2800 files were securely transferred to HCC

4.2 There were 3 issues identified after go live relating to data, none of which were Payroll impacting:

Annual leave

4.3 Due to a minor data cut issue annual leave balances were taken as at 31st December. Anyone who had future booked leave would see the deduction in their balance but would not see the booking in the new system. If they were to re-book then the balance would deduct the amount for a second time. This affected approximately 260 staff. All line managers now have the functionality in manager self-service to edit annual leave balances of their team members in the IBC Portal. Communications and guidance has been issued to the business enabling this to be resolved quickly and easily where necessary.

Organisational structure

4.4 A significant amount of time was spent cleansing the organisational structure before it was imported into the new system. There was an expectation that this would require additional work after go live. This is for several reasons:

- The structure of the data within the 2 system is different and it was not a straight forward lift and drop between systems. Whilst every precaution was taken to map the data correctly, some mapping was not correct
- The organisational structure is constantly changing and so there would have to be updates made particularly given the data freeze period which was in place for over 2 months.

4.5 HR have been holding organisational structure workshops with Managers across the departments throughout December and January to work with the business to resolve these structure issues. Considerably more self-service functionality is available in the IBC Portal compared to Agresso which gives managers more control over their structures and the ability to make changes quickly and in real time. Very few changes need to be processed by the IBC teams which is hugely positive.

Access and functionality

4.6 During data migration the HR and Finance teams were asked to supply all the access and functionality requirements for all members of staff in the Council. This included whether they should have access to just employee self-service or whether they needed the additional functionality in the full IBC portal for activities such as line managing staff, raising requisitions, budget management, customer invoicing, recruitment and reporting.

4.7 Access requirements provided to Hampshire were in the main based on the access that employees already had within Agresso. This meant that the set up was largely correct. However, where the organizational structure wasn't correct, i.e. where someone was a line manager but where this was not correctly mapped then they were not given access to the IBC Portal at go live. Where this happened, these access requests have been resolved with the business either through the HR / Finance teams during the Hypercare period or by the IBC teams subsequently.

5. 3rd Party access

5.1 In the lead up to go live there was a small project team working on access requirements for WCC 3rd party organisations. Staff based in WCC offices would be able to access the IBC Solution through Westminster laptops when on the Westminster IT network. However, users working from different locations and networks and on different devices would not be able to access without being given an additional piece of hardware called a VPN token which would enable them to get into the Westminster network and therefore access the IBC Solution. It was identified that around 200 users across all 3rd party users including WAES, NHS, City West Homes and Sayers Croft would require a VPN token to get access. There were some issues initially getting these set up and this was mostly due to local IT configuration however issues have now all been resolved, and all users are able to access the system.

5.2 There are some outstanding issues affecting these users including users currently unable to view pdf documents in the IBC Portal (this affects requisitioners), exporting data into excel (this affects budget managers) and importing data (this affects forecast planners). IT are working on a resolution and we are also in discussions with Hampshire around interim workaround processes.

6. Accounts Payable – Paying our Suppliers

6.1 This area manages all payments to suppliers, individuals and those seeking refunds from Parking, charges / fines, Council Tax, NNDR etc. The volume of payments is high and as at 8th Jan, 27 days since go live, more than 12,000 individual payments were made. Officers also raised c.1200 new Purchase Orders to facilitate auto processing of invoices directly in SAP.

6.2 During the “hypercare” period, suppliers / payees are being paid on immediate payment terms to manage any non-payment risk whilst SAP stabilises and embeds and whilst colleagues and managers adapt to the new processes and workflows.

6.3 To expedite SAP stabilisation, the finance team have held workshops for sales/ invoice requisitioners and have held drop in sessions to help users navigate around SAP which has also been supplemented with training videos/documents on the IBC share-point site.

6.4 Finance are currently reviewing the communications around supplier self-service to prepare our suppliers for the to move to self-service, which allows suppliers to track their invoices once in SAP and enables them to manage their own information, which in turn reduces demand on WCC and IBC colleagues.

7. Customer Invoicing and Debt Management

7.1 This area primarily raises invoices to customers for commercial and non-commercial activities provided by the council. It also covers raising credit notes and making sure income is collected.

7.2 There are a number of changes to our business practices as shown below:

- Invoices no longer require approval, which removes the second check on accuracy by the budget manager
- Credit Notes can only be raised for the whole amount of an invoice and not a partial amount. This also results in the need for a further invoice to be raised. These changes have been highlighted in the business workshops rolled out highlighting the implications for:
 - debt management (as it will change the aged debt profile) where a replacement invoice is raised
 - potentially introduce further delays to receipt of payment where a new invoice needs to be raised and re-processed by the customer following the issue of a credit note. In the 12 months to the 31th December 2018, 1,436 credit notes were raised for a total value of £15.2m out of a population of 22,500 invoices with a value of £144m. Reporting does not exist to show whether credit notes were raised for the full or partial amount of the invoice originally raised. However, extrapolation of sample testing suggests partial credit notes issued are estimated at 220 out of the total of 22,500.
 - Whilst the impact of SAP functionality on the majority of credits notes raised appears limited, we will continue to press for the development of the partial credit note function to support full business functionality.

8. IT

8.1 The ICT aspects of the post go-live period have generally gone smoothly with no major problems affecting significant numbers of people. SAP Employee Numbers were emailed to all users ahead of go-live to allow them to sign up for Employee Self Service. Single sign-on has worked well for the IBC Portal and the performance of the system has been good. Most users have been able to access the various modules of the system efficiently and easily.

8.2 There has been a small number of users who have had problems accessing the IBC Portal, mainly for two reasons. Firstly, there was a problem with a browser cookie that Hampshire were able to fix during December. Secondly, there were issues matching some people to the correct SAP employee number

which affected their ability to log on. ICT have been fixing these data matching issues quickly once reported.

- 8.3 All the interfaces between line-of-business systems and SAP are running reliably now after a few minor issues in the first couple of weeks of live running. Changes in interface processes compared to Agresso have caused some confusion within the business as to how to deal with any transactions that fail to load into SAP due to coding errors. However, the situation continues to improve, and monitoring procedures are being tweaked to handle this.

9. Income Management (IM)

- 9.1 The Income Management (IM) and Bank reconciliation solutions were implemented on time and to budget and with zero down-time. Feedback from end users in the business has been very positive and the solution is working successfully.
- 9.2 As part of the closing of the programme, the project team will be handing over the ownership of the solution to the Finance department.

WCC IM stats since 25/09		
Till/Area	No. of Receipts	Amount
Automated Telephone Payments	6990	£2,331,114
Agent Assisted Telephone Payments	11838	£2,258,171
Chip & PIN (customer present)	73	£2,312
DWP – Benefits received	1223	£166,373
Bank account transactions	93401	£336,592,645
Total	113525	£341,350,615

10. Historic Solution

- 10.1 The Historic solution is in place and data was provided by BT at the end of transactional service and was successfully copied to the archive. This has also been signed off by external audit.

11. BT Exit

- 11.1 In general BT performed far better throughout the formal exit process than predicted particularly around our data requirements which changed significantly during the exit window.

- 11.2 An issue arose around the condition of the data to support the pension returns – particularly around the impact of the late adjustments that were processed which can have very complex impacts on Pensions data. There were also historic shortcomings in the BT Agresso solution that meant that much of this work was manual. A joint project across the 3 Councils is being undertaken to complete the annual pension returns for the period 1st April 2018 – 30th November 2018. IBC will prepare from 1st December 2018.
- 11.3 A full Exit document will be prepared and provided to key stakeholders by end January. BT will be decommissioning the servers and destroying our data in the period from now through to end January 2019