



# Outline Business Case

## Corporate Enterprise Resource Planning Platform

*March 2024*

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## 1. Executive Summary

This Outline Business Case (OBC) considers the options available to Dorset Council to improve its ongoing corporate Enterprise Resource Planning (ERP) platform. The Council is reviewing its approach to ERP delivery to ensure it is fit for the future, and able to support ongoing service delivery and transformation. The Council is looking to provide a technology platform, and services, that support the ongoing delivery of Human Resources (HR), Payroll, Finance and Procurement, ensuring that these services are fit for the future and able to provide internal customers within the Council, and the residents they serve with important financial, procurement and workforce planning support to improve services to communities and residents.

The Council started to explore the future of its ERP platform in 2022 and established the Dorset Enterprise Solution (DES) Working Group to oversee the work. The DES Working Group engaged with the wider organisation to look at pain points, ERP requirements and options, and an outline business case.

The Council currently operates an on-premise SAP ECC6 ERP solution to complete core HR, Payroll, Finance and Procurement processes. This is additionally supported by customisations within the Dorset Enterprise Solution (DES) and other disconnected and peripheral systems. SAP have indicated 'end of life' for support in 2027. The Council are exploring options for ongoing ERP solutions to meet its future needs.

There is a recognition that the current platform is no longer fit for purpose, with the following drivers for change being identified through engagement with Council stakeholders.

1. The current solution falls out of product owner support in 2027. 'Doing Nothing' is not an option, as this would significantly increase the risk to Dorset Council and the delivery of its services if the platform were to fail.
2. The current solution has been highly customised to meet the needs of professional back-office teams and end users. The customisations have led to the higher workloads, just to 'keep the lights on'. The technology is not intuitive or cost effective and requires a high level of maintenance.
3. The current solution, and business processes are noted by the Council as being clunky, outdated, and non-intuitive. The user experience is inconsistent, with many processes being managed manually 'offline'. End to end processes are being managed across multiple systems, leading to poor customer experience, users not using systems as intended, and disjointed customer journeys.
4. Delays and defects identified during system updates can impact on the day to day running of business-as-usual processes.
5. Data and Reporting were noted to be of significant concern during SWOT workshops. Important data is being managed 'off system', manual data manipulation is leading to inefficiencies, there are inconsistencies between HR & Finance datasets and a lack of data visibility and real time reporting.
6. There is high alignment between the strategic drivers for ERP replacement and the 'Our Future Council' strategic drivers. A more modern ERP, and ways of working, could be a critical enabler to the ongoing delivery of transformation activity within the Council.

As a result, a shortlist of 4 options for improvement of the corporate platform were identified and appraised by DES Working Group:

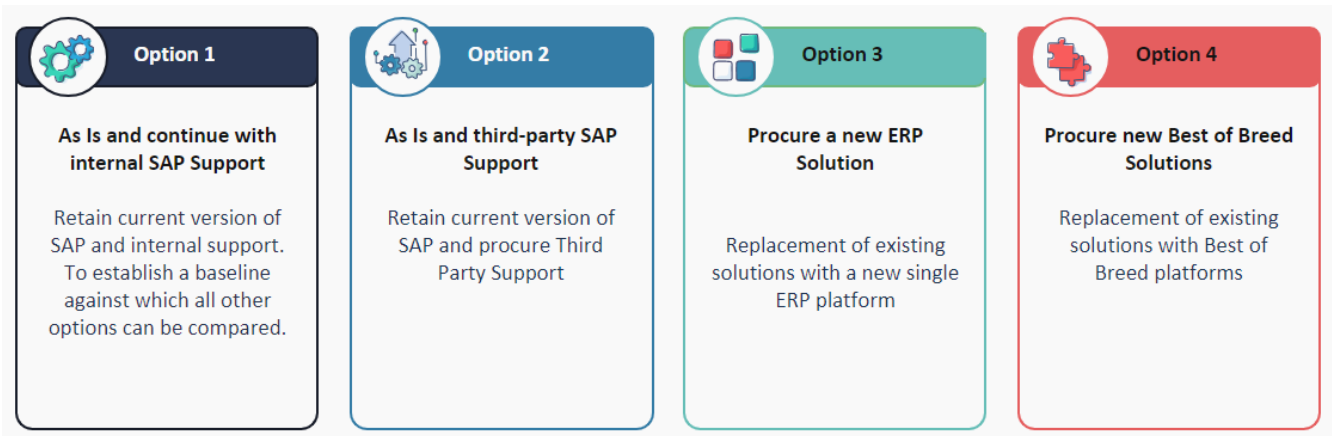


Figure 1: Outline Business Case Options

The options were appraised through the economic case using the following criteria:

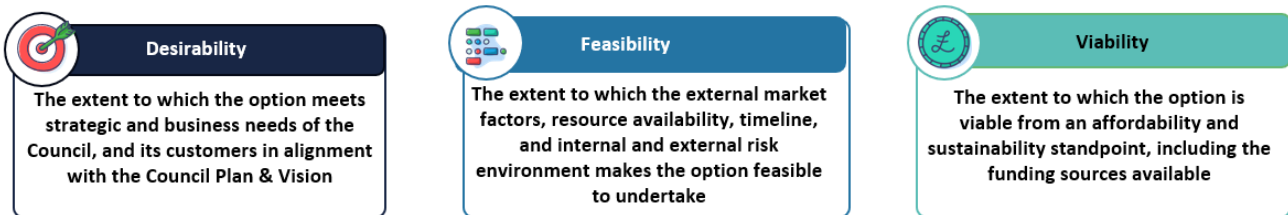


Figure 2 Outline Business Case Assessment Criteria

A full breakdown of the options appraisal is available in Section 4 of this business case, and further information is provided in the [Dorset ERP Option Appraisal Financial Model \(Socitm Advisory, January 2024\)](#) to support the viability assessment.

The results of the options appraisal highlighted one option which was deemed most suitable and viable for the Council’s requirements, and most feasible for the Council to implement. This was:

**Option 3 - Single Solution (ERP)** - Undertake a programme to procure and implement a single solution across the in-scope services and functionality required by the corporate services of the Council.

**1.1. Recommendation**

Following the economic case appraisal, the DES Working Group recommends the Council go out to procure a new ERP Solution, requiring an investment of £11.7m in capital investment costs (for Procure & Prepare and Implementation Phases), with ongoing revenue costs of approximately £17.8m for licensing and support for the platform over a 2 + 10-year period.

## 2. Introduction

The Council is reviewing its approach to ERP delivery to ensure it is fit for the future, and able to support ongoing service delivery and transformation. The Council has completed a project to undertake a discovery exercise, an options appraisal, and produce an outline business case. The project sought to understand whether there is a strategic case for change and what options the Council have to address their current issues, the project also completed an assessment of the options to enable a decision on the future of their current ERP platform.

Within the discovery phase of the project the council:

- Explored the **current user experience** of the processes, the systems, and therefore ability to support the services they underpin.
- Understood the **current systems landscape**, in particular **contractual obligations, costs associated with systems in scope and integrations** identified for their corporate (Including Finance, Procurement, HR, and Payroll) solutions.
- Reviewed, at a high level, the current **application support operating model** in place, including any traded services and key roles and responsibilities.
- Established the **strategic drivers** for this potential programme.
- Aligned the strategic drivers, to the Dorset Council **'Our Future Council'** transformation portfolio and completed a high-level dependency map across the programmes of work.
- Gathered **market intelligence about the UK Local Government market** for ERP Solutions, the lessons learned from programmes where cloud-based solutions have been implemented.
- Explored and agreed the **scope of potential solutions, additional services, and user base**, to inform the financial model.
- Developed a **high-level financial model** to feed into the Capital Budget planning process.

Within the initial discovery phase of the project, a clear case for change was identified leading to the completion of an economic options appraisal of the following options:

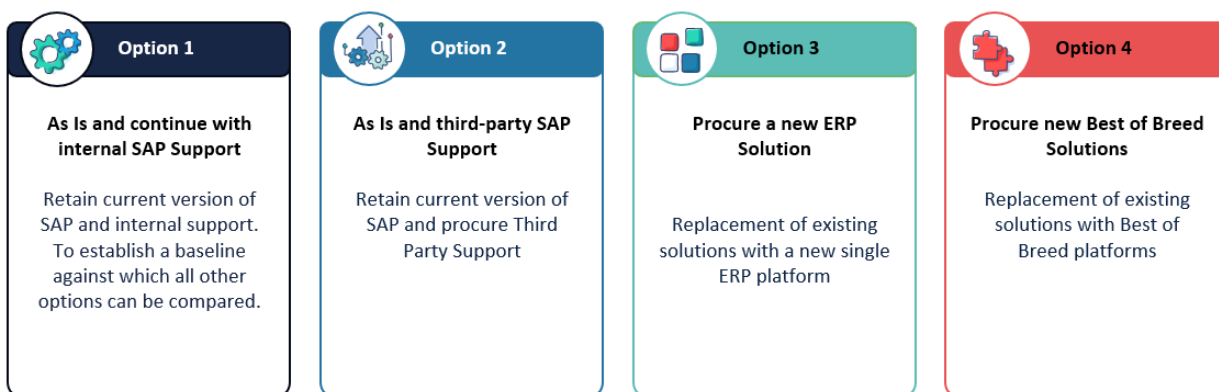


Figure 3: Outline Business Case Options



The options appraisal was completed against the following criteria, using a risk-based approach.

1. **Desirability** – the extent to which the option meets the strategic and business needs of the Council, and its customers, in alignment with the Council Plan & vision.
2. **Feasibility** – the extent to which the external market factors, resource availability, timeline, and internal and external risk environment makes the option feasible to undertake.
3. **Viability** - the extent to which the option is viable from an affordability and sustainability standpoint, including the funding sources available.

The risk factors assessed align to the generic risk factors highlighted for assessment within the UK Governments 'The Green Book' where appropriate.

Section 4 onwards of the Outline Business Case details the development of the preferred option, including the establishment of the commercial, financial and management case to align with best practice set out in Green Book Five Business Case model.

## 3. Strategic Case

### 3.1. Strategic Context

The refreshed Dorset Council plan 2022-24 was agreed by Council in October 2022. The plan is underpinned by five key priorities for 2022-24 and details the steps Dorset Council will take to deliver their vision to make Dorset a great place to live, work and visit:

1. Driving Economic Prosperity
2. Creating stronger, healthier communities
3. Creating sustainable development and housing
4. Protecting our natural environment, climate, and ecology
5. Becoming more responsive, customer focused council

Dorset Council has also embarked on an ambitious programme of transformation via its 'Our Future Council' (OFC) Programme to support the delivery of priorities within the available funding. The OFC Programme sets out to transform ways of working for the whole council from 2023 to 2030, by bringing sustainable change and creating a streamlined, digital, and unified customer experience.

The programme is so far comprised of two key phases:

1. Front Door and Ways of Working
2. Organisational and Service Redesign

In November 2023 Dorset Councils Cabinet approved the expansion of Phase 1 of the programme and initiation of Phase 2 in support of the ongoing budget process and medium-term financial strategy.

Included within the Dorset Council OFC Business Case are a set of organisation wide design principles that should be used when considering a new change or transformation proposal.

- 1 Principle 1: Inclusive Services, co-designed with our customers
- 2 Principle 2: Insight & Data Driven
- 3 Principle 3: Resolved at earliest opportunity
- 4 Principle 4: Maximise impact with what we have
- 5 Principle 5: Environmentally Aware, operating sustainably
- 6 Principle 6: Thriving people ready for the future
- 7 Principle 7: Commitment and alignment to deliver the vision
- 8 Principle 8: Build on the good, innovate for the better
- 9 Principle 9: Make us safe and secure



Figure 4 Dorset Council OFC Design Principles

During the Discovery Phase of this programme the OFC Design Principles were aligned to the Strategic Drivers identified for the ERP Programme (further detail on the ERP Strategic Drivers can be found in section 3.4). The results of which highlighted a high degree of alignment between the two programmes.

There are several programmes of work highlighted within the OFC Portfolio, both cross-council transformation and directorate focused transformation programmes, representing an extensive scope impacting the Council, its services, and customers.

The scope of transformation connected to ERP programme implementation can be far reaching, with cross-cutting impacts across directorates, user groups, functions, technology, and customers. During the Discovery Phase of this programme a high-level dependency mapping exercise was completed, highlighting potential dependencies across the OFC and ERP Programmes, the full detail of which can be found in [Dorset Council Discovery Report \(Socitm Advisory, January 2024\)](#).

The OFC programme is currently being defined in more detail, therefore during the next phase of this programme a further detailed dependency mapping exercise across the two programmes will be completed. This will be used to highlight the following:

- Opportunities – for example, enabling activity in each programme which may benefit the other.
- Risks – for example, timing of change impacts, benefits assessments.
- Activities to further define the ERP programme plan.

## **3.2. Case for change**

### **Business Problem Statement**

The Council currently operate an on-premise SAP ECC6 Enterprise Planning solution to deliver and support its HR, Payroll, Finance and Procurement Services. The system was implemented in 2009 when the Council was a County Council and remained in place when local Council's including Dorset moved to Unitary status in 2019.

The system is maintained and supported by SAP, and an in-house team of technical experts. SAP have indicated 'end of life' for support in 2027, at which point the Council would need to have in place a new ongoing support agreement with a third-party provider or have moved to a new technology solution for ERP related services and functions.

The ERP functions delivered via the professional services are typical of many other local authorities that deliver these services in house. Similarly, the Council is not alone in delivering services to other public sector bodies because of historical relationships or partnerships. The ongoing model of delivery of these services to external customers is under review as part of the Council's portfolio of transformation, this is not dissimilar to other local authorities who are questioning the ongoing viability of this service delivery model.

The Council employs a model of employee and manager self-service across its organisation and has customised current technology solutions to meet the needs of professional and end users. The technological solution is highly customised, developed and supported by an in-house ICT team who have excellent knowledge of the technology, processes, and the requirements of professional and end users. The ICT team have been able to respond to complex requirements working with professional teams to solve business problems (e.g. changes to teacher's pensions reporting requirements).

Through engagement via user experience SWOT (strengths, weaknesses, opportunities, and threats) workshops with the services who use the current platform, it is clear the current system functionality and therefore the wider processes do not meet the strategic drivers identified for this programme, this is highlighted below via a high-level summary of the outcome of the SWOT workshops:

	Finance	Procurement	HR & Payroll	Technical/IT	End Users
User experience	×	×!	×!	×	×
Data & Insight	×	×	×	×	×
Efficiencies and savings	×!	×	!	×!	×

Figure 5 User experience mapped to ERP Strategic Drivers

The full outcome of the SWOT workshops is available in the [Dorset SWOT Findings \(Socitm Advisory, December 2023\)](#).

### 3.3. Overview of current services and systems

The scope for the options appraisal and outline business case is to define the options for the replacement of the SAP on premise platform and identified other line of business systems, which currently provide the technology to the HR, Payroll, Finance and Procurement services for Dorset Council and other partners.

#### Service Functions

The table below outlines the current high-level functions for each of the services impacted by the replacement of SAP. The scope of functionality for the ‘to-be’ solution scope is covered in section 5.

HR & Payroll	Finance & Procurement	IT
Recruitment & Onboarding	Budget Setting	Integration Development & Monitoring
Establishment Control & Employee Changes	Chart of Accounts	Analytics & Reporting
Absence	End of Year Accounts	Access Control & Security
Flexitime	Budget Forecasting & Monitoring	Data Management & Control
Time & Travel	Finance Journals	Incident Support & Management
Working time and patterns	Income	Functional Development
Management Reporting & Employee Case Management	Finance Reporting	
Terms & Conditions	VAT	
Payroll Processing & Validation	Purchasing	
HMRC Reporting	Invoice Processing	
Pensions Calculations, NI Contributions	Pay Runs	
Salary Sacrifice	Commitment Accounting	
Accounting Posting	Debt Management & Recovery	
Payslips	Bank Reconciliation	
Performance & Talent Management	Procurement Contracts	
Learning & Development	Procurement Sourcing	
Organisational Design		
Managing the Service - Employee & Manager queries, knowledge management	Managing the Service - Budget Manager Queries, knowledge management	
	Managing the Service – Customer and Supplier queries, knowledge management	

Figure 6: High Level Functions

## HR & Payroll

HR and Payroll provide services to employees and pensioners across the Council, Care Dorset, Tricuro, Schools and other payroll bureau customers. Their services include supporting the organisation and its people to develop, through attracting talent to the organisation, supporting individuals in their learning and through big life moments, enabling service planning and performance management as well as delivering advice, guidance and paying staff and other partner employees.

The Dorset Council *People Strategy (Dorset Council, 2019)* sets out 6 key goals to support their ambition to be an employer of choice, ensuring employees feel valued, and to feel part of one organisation, one team:

1. Becoming an employer of choice
2. Developing our people
3. Engaging our people
4. Supporting our people
5. Rewarding and recognising performance
6. Creating a positive workplace culture

The user experience SWOT workshops explored pain points associated with the current ERP system and ways of working, and opportunities for improvement. The following outcomes for HR & Payroll are of note:

- Non-intuitive system leading to failure demand for Employee and Manager self service functions and poor user experience, leading to poor data entry and unreliable data quality.
- Establishment control is poor, with inconsistent data sets across HR and Finance, and vacancy data is unclear.
- Numerous manual processes leading to a lack of efficiency.
- Offline processes for talent management, project time recording, case management and job evaluation activity.

## Finance & Procurement

Finance and Procurement provide services to directorates across the Council, and to suppliers and customers of the Council. Their services include supporting the management of organisational budgets, and procurement of contracts aligned with the Council's strategic aims.

The overarching aim in setting the Council's budget for 2024 to 2025 is to protect the essential frontline council services on which local residents and businesses rely. Since becoming a unitary council, £96m of savings have been made by restructuring staff, and re-designing how services are provided. The most recent Medium Term Financial Plan (MTFP) and Budget Strategy showed the delivery of a balanced budget in 2024/25, with gaps to be resolved for the following years of the MTFP 2025-2029).

50% of Dorset Council's annual budget is spent on buying external goods, services and works via 6000 suppliers.

The user experience SWOT workshops explored pain points associated with the current ERP system and ways of working, and opportunities for improvement. The following outcomes for Finance and Procurement are of note:

- Non-intuitive system not used as intended due to complex processes.
- Poor functionality for Budget Managers
- Manual and offline data manipulation
- Poor availability of real time data
- Inconsistent data sets
- Manual and inefficient budgeting and forecasting processes
- Lack of supplier self-service
- Confusing categories and lack of catalogue use
- Manual offline workarounds

### ICT Services

ICT provide services to Dorset Council, Schools, other local Council's and public sector organisations, and community and voluntary organisations. Their services include, Cloud Services, Data Services, Platform Services, Telephony, Cyber Security, Internet content filtering, Mobile device management, ICT infrastructure, Servers, Wireless networks and switching, and Data Network Cabling.

The user experience SWOT workshops explored pain points associated with the current ERP system and ways of working, and opportunities for improvement. The following outcomes for IT are of note:

- Non-intuitive user interface and lack of in system guidance
- Inconsistent access and connection for different user groups
- Manual SSO
- Lack of data retention policy and access real time data
- Inconsistent data sets across services driving manual reporting with poor data quality.
- Customisations to old system not following best practice processes.
- Customisations leading to increased workload to 'keep the lights on'.
- Customisations leading to difficulties with application of patching.

### Key Service Volumes & Metrics

The table below provides a summary of key figures to inform the financial model and potential future Invitation to Tender (ITT) for products and services:

SAP	Entitlement (Dorset Council)	Entitlement (Care Dorset & Schools)	Entitlement (Total)	In use (Dorset Council)	In Use (Care Dorset & Schools)	In Use (Total)
<b>Pro Licenses</b>	285		285	240	5	245
<b>Ltd Pro Licenses</b>	1655		1655	1241	287	1528
<b>Employee Licenses</b>	4163		4163	2456	215	2671
<b>Total</b>	<b>6103</b>	<b>0</b>	<b>6103</b>	<b>3937</b>	<b>507</b>	<b>4444</b>
<b>Employees not using SAP (Employee Licenses)</b>				900		900
<b>Total Licenses for modelling</b>				<b>4837</b>	<b>507</b>	<b>5344</b>

Figure 7: Key Volumes & Metrics



### Current System Architecture

The following diagram highlights the current technical architecture, showing ‘as is’ systems and where they are hosted; dependant systems (peripheral applications and disconnected applications); system integrations between DES/SAP and associated systems; and the reporting architecture.

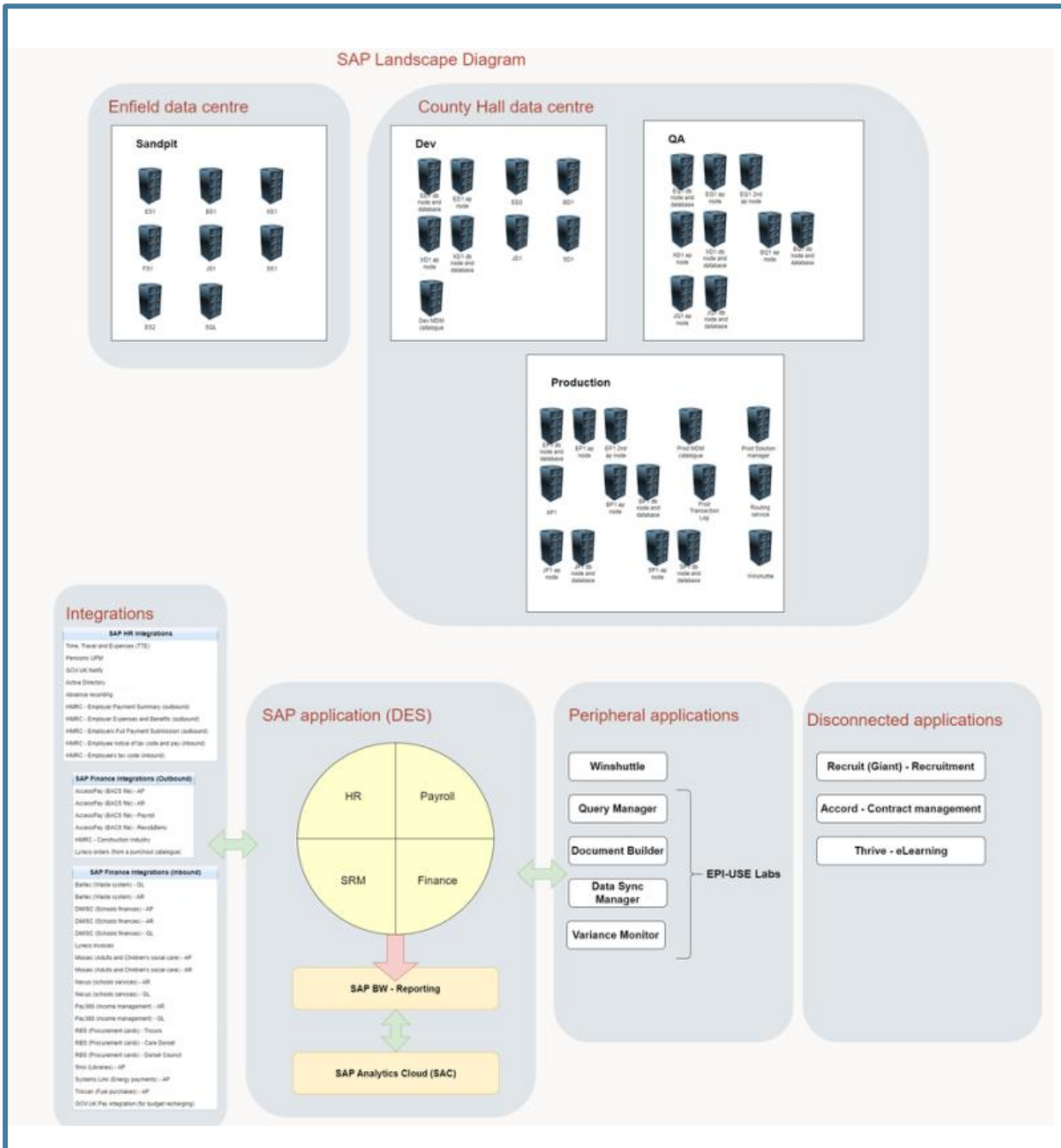


Figure 8: Technical Architecture

A review of functional scope was completed, and the following systems are considered **in scope** for potential replacement, to enable rationalisation of the estate:

Supplier	Description	License / Volumes	Start Date	End Date	Annual Cost	Comments
SAP	SAP Licenses	5344	01/12/2009	Rolling end date	£346,950	
SAP	SAP Standard Payroll support	5344	01/12/2009	Rolling end date	£4,443	
SAP	SAP User Group membership	5344	01/12/2009	Rolling end date	£1,000	
EPLOY/Recruit	Applicant tracking system	Up to 10,000 calls per day	28/08/2023	26/11/2026	£37,050	Renewal date close to proposed go-live date. Keep under review as programme progresses, potential risk area if programme delays, extension would be required
Thrive	eLearning system	Up to 10,000 included which can be reallocated when users leave DC	20/08/2020	19/08/2026	£25,000	Renewal due before proposed go-live date. Possible requirement for short term extension.
Accord	Contracts database and resource planner	No restriction on users under the Licensing Agreement.	01/04/2023	31/03/2026	£3,160 pa	Rolling contract, 90 days' notice to alter/change after initial term (31/3/26)

Winshuttle	Integrations engine	Two designer licenses and 5 runner licenses	1/12/2009	Rolling contract that auto renews	£12,595	Rolling contract that auto renews
EPI-USE	Query Mgr, Doc Builder, Data Sync	No license numbers	1/12/2009	Rolling contract that auto renews	£20,773	Rolling contract that auto renews
Function	System	Supplier	Contract	Contract Award Value	Contract End Date	Extension Options

Figure 9: In Scope Systems and Contracts

### 3.4. Strategic Drivers and Benefits

As part of the process to develop the outline business case, senior leaders from across the services in scope defined a set of strategic drivers they would require any option and subsequent programme of work to deliver. Dorset Council had already started work to identify current concerns and pain points across the in-scope services, this enabled the rationalisation from a long list of drivers to a shortlist of 3. The diagram below lists the three core drivers and provides a detailed definition. These drivers were used as a core element of the options appraisal to understand the level to which each option can meet the strategic and business needs of the Council.



#### User Experience

Improved **user and customer experience** via a more **inclusive, intuitive, user friendly and self-service** based system. Improving process compliance, by **adopting in system best practice processes**.



#### Data & Insight

Improved **data quality** which enables **better reporting** and business intelligence to **inform decision making**. Improved integrations which enable a **single source of the truth**.



#### Efficiencies & Savings

Improve efficiency by **eliminating non-value add activities**, increasing **process automation**, and embedding **continuous improvement**

Figure 10 ERP Programme Strategic Drivers

A high-level assessment of benefits was undertaken as an outcome of the user experience SWOT workshops and aligned to ‘typical’ ERP implementation benefits. The high-level assessment identified areas for potential benefit opportunity. Further detail of the benefits assessment can be found in [Dorset Benefits Overview \(Socitm Advisory, January 2024\)](#).









Typical ERP Benefits	Dorset’s Strategic Drivers		
	User experience	Data & Insight	Efficiencies and savings
Workforce 	✓		✓
Analytics 		✓	
Integration 		✓	✓
Best Practice Process 		✓	✓
Flexibility 	✓		✓
Productivity 	✓		✓
Savings 			✓
Digitisation 	✓	✓	

Figure 11 Strategic Benefits Alignment

Following the Discovery Phase, Dorset Council decided to undertake a further ‘deep dive’ of one benefit area, to provide further assurance to the business case. The area chosen was *Finance – Budget Building, Planning & Forecasting*. Further detail of the assessment can be found in [Dorset Council Benefits Deep Dive – Budgeting & Forecasting Workshop Output \(Socitm Advisory, 2024\)](#).

The high-level outcome of the process review found:

- Inconsistencies in processes applied across services.
- Multiple, manual iterative reviews.
- Data being handled offline.
- Little or no formal workflow.

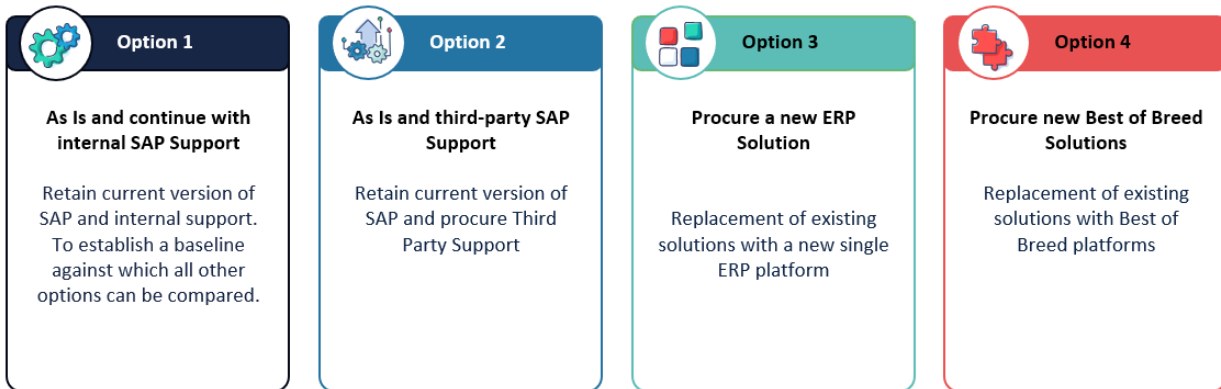
Potential benefit opportunities associated with these processes were identified as follows:

- Fully integrated online approach with fewer handoffs, leading to improved process efficiency, accuracy, and control of data.
- Standard in system processes, workflow and version control that can be applied across services leading to more efficient processing.
- Improved self-service functionality to complete initial forecasts/monitoring activity, leading to

Further detailed benefits assessments are planned to take place during the Procure and Prepare Phase of the programme once the Council has chosen its preferred system and implementation suppliers, following which the Final Business Case will be updated with the outcome of the more detailed assessment of benefits.

## 4. Economic Case

Following a workshop with senior leaders as part of the DES Working Group, the following list of options were identified for consideration under the economic options appraisal for the ongoing delivery of corporate ERP functions:



The options appraisal has been completed against the following criteria:

**Desirability** – the extent to which the option meets the strategic and business needs of the Council, and its customers, in alignment with the Council Plan & Vision

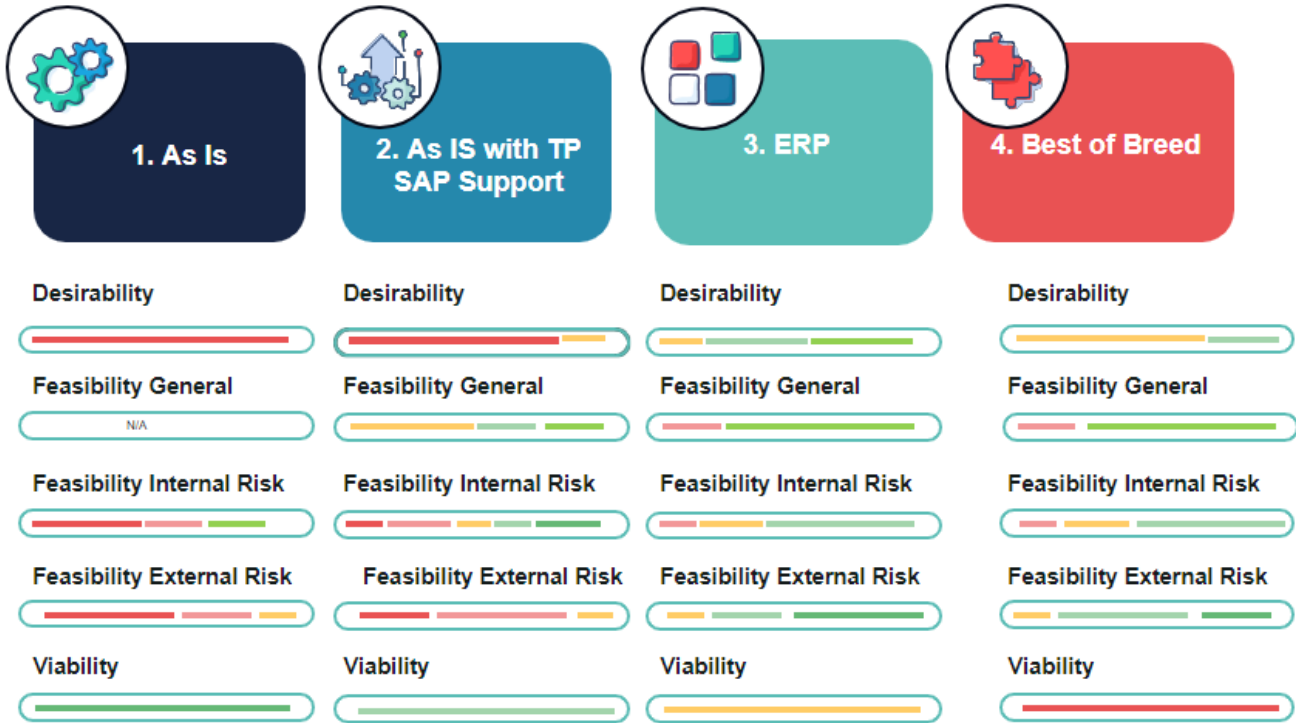
**Feasibility** – the extent to which the external market factors, resource availability, timeline, and internal and external risk environment makes the option feasible to undertake.

**Viability** - the extent to which the option is viable from an affordability and sustainability standpoint, including the funding sources available.

Further detailed information on the criteria used is available in the [Dorset Council Options Appraisal \(Socitm Advisory, March 2024\)](#).

### 4.1. Options Appraisal Overview

A summary of the findings from the options appraisal is provided below.



The following sections highlight how each assessment was completed, the evidence base which informed the assessment, and the assumptions made.

The detailed rationale for each item and the criteria used can be found in [Dorset Council Options Appraisal \(Socitm Advisory, March 2024\)](#).

### 4.2. Desirability Assessment

The desirability assessment assesses how well each option meets the strategic drivers set by the DES Working Group at the outset of the Discovery Phase of this project, it also highlights the extent of strategic alignment to wider transformation activity and internal political alignment, taking into consideration the level of risk, dependencies, and likely benefits.

#### Summary of Desirability Assessment

Overall, the assessment concluded that continuing with current systems, with or without support, would not meet the strategic drivers for transformation or the design principles identified for the Our Future Council Programme. Internal political alignment was rated as amber due to the uncertainty associated with the outcome of the upcoming local elections in May 2024. Option three had good alignment to strategic drivers and the wider transformation agenda, whereas Option 4 had reasonable alignment, due to the risks that would remain associated with managing processes and data sets across multiple separate systems.

	Option 1 As Is – Do Minimum	Option 2 As Is – with TP SAP Support	Option 3 ERP	Option 4 Best of Breed
<b>Strategic Driver</b>				
<b>User Experience</b>				
<b>Data &amp; Insight</b>				
<b>Efficiencies &amp; Savings</b>				
<b>Strategic Alignment</b>				
<b>Internal Political Alignment</b>				
<b>Our Future Council Alignment</b>				

Figure 12 Desirability Assessment

### 4.3. Feasibility Assessment

A feasibility assessment has been completed to ensure other factors which may impact the achievability of the objectives of the programme are considered when determining the overall outcome. This includes factors such as viable routes to market, availability of resources, product, and services. In addition to these factors, feasibility has been assessed against the internal and external risk environment to ensure both micro and macro factors that may have an impact on the Council have been considered in the context of making this strategic decision.

#### Summary of Feasibility Assessment

Overall, the assessment concluded that continuing with current systems, with or without support, would present a significant risk to the Council. Increased risk was noted associated with catastrophic service failure, increased cyber risk and risk of technical failure leading to reputational and financial implications. In addition, risks were identified associated with an inability to support ongoing changes to the design of services as they transform as part of the OFC Programme, including the Council’s ability to plan for budget and workforce implications resulting from economic uncertainty and changing customer demand.

Options 3 and 4 highlighted a lower level of risk associated with ongoing service delivery due to the implementation of new technology, which is regularly updated and therefore more able to support the ongoing changes to the Council and environmental factors, as well as providing a stable platform and reducing the risk to service failure. Options 3 and 4 were also more aligned to being able to deliver initial benefits and ongoing benefits over the longer term. A slightly higher design and technological risk was associated with Option 4, due to the requirement to design end to end processes over multiple systems, and potential inconsistencies between platform vendors to provide aligned updates, impacting process management, user experience and data management.

Options 3 and 4 presented a higher risk associated with the availability of resources, and initial funding investment. Either option would require a significant investment into a large-scale transformation programme, and the availability of internal resources to manage the programme and financial requirements need to be assessed against the capacity required to deliver the wider OFC Portfolio.



	Option 1 As Is – Do Minimum	Option 2 As Is – with TP SAP Support	Option 3 ERP	Option 4 Best of Breed
<b>Internal/External Factors</b>				
Resource Availability	N/A			
Time Available	N/A			
Product & Services Available	N/A			
Viable route to market	N/A			
<b>Internal Risk Environment</b>				
Reputation–Implementation				
Reputation--Ongoing Delivery				
Design				
Procurement				
Operations & Tech				
Funding – Initial				
Funding – Longer Term				
<b>External Risk Environment</b>				
Political				
Economic				
Sociological				
Technological				
Legal				
Environmental				

Figure 13 Feasibility Assessment

## 4.4. Viability Assessment

To complete the viability assessment, the baseline costs for the provision of Finance, HR & Payroll, and Procurement Services, including resources licenses, hosting, and platforming costs to support the current solutions has been compared to the costs of each option. This includes gathering evidence of:

1. Likely procurement and preparation costs for the resulting project/programme
2. Likely Programme costs to replace the solution and support the organisation to change processes and ways of working.
3. Likely Business process costs for the delivery of HR & Payroll, Finance and Procurement services (staff costs)
4. Likely Software licensing costs for each option, including hosting.
5. Likely Application Support costs including the IT resource which is required to support a cloud-based solution(s)

These outline business case costs above have been estimated based on the market intelligence available from other local authorities through a combination of different methods.

- Contract award notices for solution and services from other local authorities.
- Budgets indicated within recent invites for Tender for similar scope of services, and products.
- Rough order of magnitude (ROM) costs provided by suppliers of product licenses and implementation costs for other local authorities (made available to the independent advisory organisation, Socitm Advisory)

Aligned to best practice, the Final Business Case (FBC) will be populated with costs which will be determined through procurement of the solution and services as outlined in the commercial case.

Several assumptions have been made to develop the financial model which supports this appraisal. The assumptions have been summarised in Section 6 of this Outline Business Case and are detailed further in the [Dorset ERP Options Appraisal Financial Model v0.2 \(Socitm Advisory, January 2024\)](#).

### 4.4.1. Viability Assessment Overview

The below table sets out the likely costs for each option over a 2-year implementation period (financial years) plus 10 years post go live of the new system. It should be noted that the figures contained within this financial model are indicative, values should be updated following market engagement for the specific circumstances. Whilst the financial implication of adopting a new ERP is vital, the financial model should be considered in conjunction with the overall options appraisal, the non-cashable benefits, and the applicable profile.

Totals for 12 Years of analysis (2 Years Implementation + 10 Years)	<b>Option 1</b> As Is – Do Minimum	<b>Option 2</b> As Is – With Support	<b>Option 3</b> ERP	<b>Option 4</b> Best of Breed
<b>Capital Costs</b>				
Procure & Prepare	0	3	401	404
Programme Implementation	0	0	11,305	12,290
<b>Total Implementation Costs</b>	<b>0</b>	<b>3</b>	<b>11,706</b>	<b>12,695</b>
Hardware Refresh	730	730	0	0
<b>Total Capital Costs</b>	<b>730</b>	<b>733</b>	<b>11,706</b>	<b>12,695</b>
<b>Revenue Costs</b>				
System Operating Costs	18,442	16,719	17,873	17,921
Additional Costs/(Savings) compared with As Is	0	(1,723)	(569)	(521)
<b>Total 12 Year Revenue Cost</b>	<b>18,442</b>	<b>16,719</b>	<b>17,873</b>	<b>17,921</b>
<b>Total Capital and Revenue Cost</b>	<b>19,172</b>	<b>17,452</b>	<b>29,579</b>	<b>30,616</b>
<b>Business Process/Back-Office Costs</b>				
Business Process/Back Office costs over lifecycle	117,853	117,853	117,853	117,853
Additional Costs/(Savings) compared with As-Is Position	0	0	0	0
<b>Total Capital, Revenue &amp; Business Process Costs</b>	<b>137,026</b>	<b>135,305</b>	<b>147,433</b>	<b>148,469</b>
<b>Total Additional Costs/(Savings) over lifecycle compared with 'As Is' Position</b>	<b>0</b>	<b>(1,721)</b>	<b>10,407</b>	<b>11,444</b>

Figure 14 Viability Assessment - Financial Model Summary Overall Costs & Savings across 12 years (2 years implementation + 2 years)

#### 4.4.2. Benefits Assessment

The Councils business case is required to identify cashable benefits to demonstrate a return on investment. There are different areas to consider in terms of cashable savings such as cost avoidance, process efficiencies, organisation and role design, and adjacent activity enabled by the introduction of a new system, processes, and ways of working. Each organisation will prioritise these differently.

A high-level assessment of benefits was undertaken as an outcome of the user experience SWOT workshops and aligned to 'typical' ERP implementation benefits (as highlighted on page 20). The high-level assessment identified areas for benefit opportunity as follows:

- Efficiencies/savings associated with decommissioning current peripheral systems where functionality would be delivered in the future via one system.
- Reduction of operating costs for services in scope

There are also potential opportunities for benefits associated with the reduction in operating costs across the wider organisation (e.g. business support activities; rationalisation of third party spend; improved budget and workforce modelling etc).

Opportunities for benefits associated with the reduction in ICT support required for hardware, server and development costs has been assumed, however this has been balanced with the likely requirement for a significantly different operating model required for cloud-based support moving forward with new capabilities.

For the purpose of the Outline Business Case financial savings associated with identified benefits have not been included at this time.

It is recommended that benefits should be assessed in more detail once the Council has chosen its system and implementation suppliers during the next stage of the programme and understands the extent of the functionality to be implemented.

It is also worth noting that for benefits to be achieved the following must be in place:

- A focus on the relevant behavioural and cultural transformation required to achieve change.
- A benefits realisation strategy and approach that defines, manages, and tracks initial benefits and embeds benefits realisation into future ways of working.
- Assessment of dependencies with the Our Future Council programme to ensure benefits are not being double counted.

#### 4.5. Preferred Option

The DES Working Group completed a detailed exercise to review and assess the options appraisal against desirability, feasibility, and viability factors. The outcome of that assessment is a recommendation to proceed with **Option 3, procurement and implementation of a new ERP Solution for Dorset Council.**

The remaining sections of this business case will be building the case for this option.

## 5. Commercial Case

The commercial case sets out how the council have determined they will purchase and implement the solutions and services they require to deliver on the strategic outcomes and benefits defined in the strategic case, using option 3 ERP replacement.

### 5.1. User/Customer Scope

An overview of the users/customer scope for the ERP Solution is highlighted below. The outcome of the Our Future Councils review could result in significant changes to the service delivery model and therefore the user and customer base for a future ERP Solution. For the purposes of developing the outline business case, the DES Working Group agreed the following scope of service delivery and assumptions:

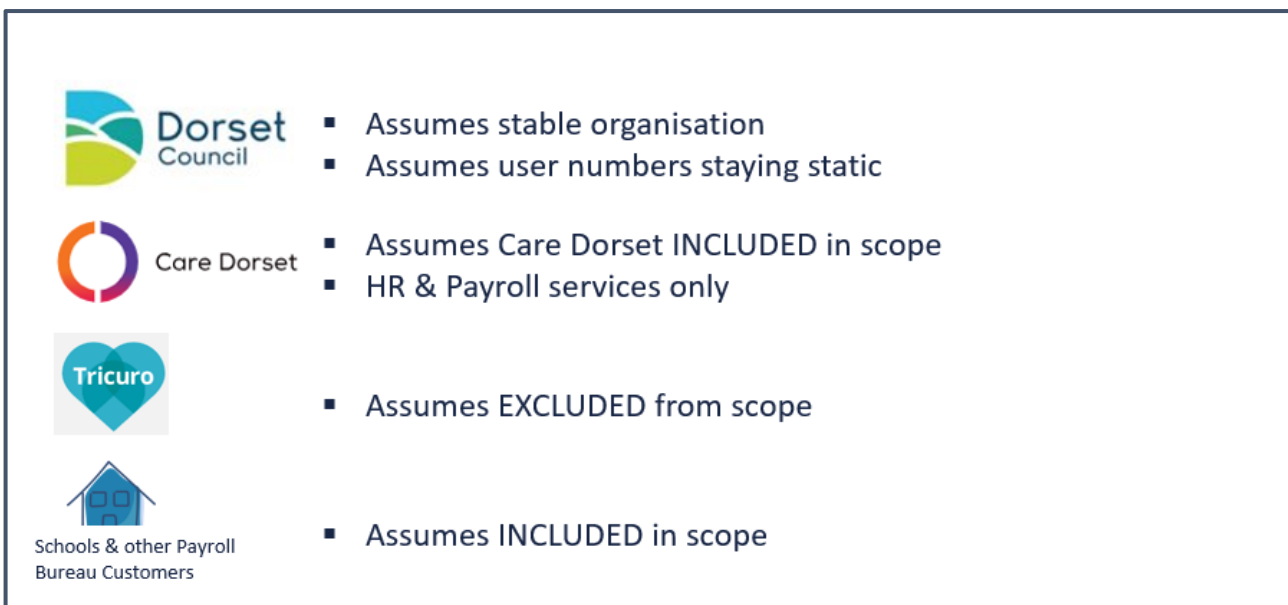


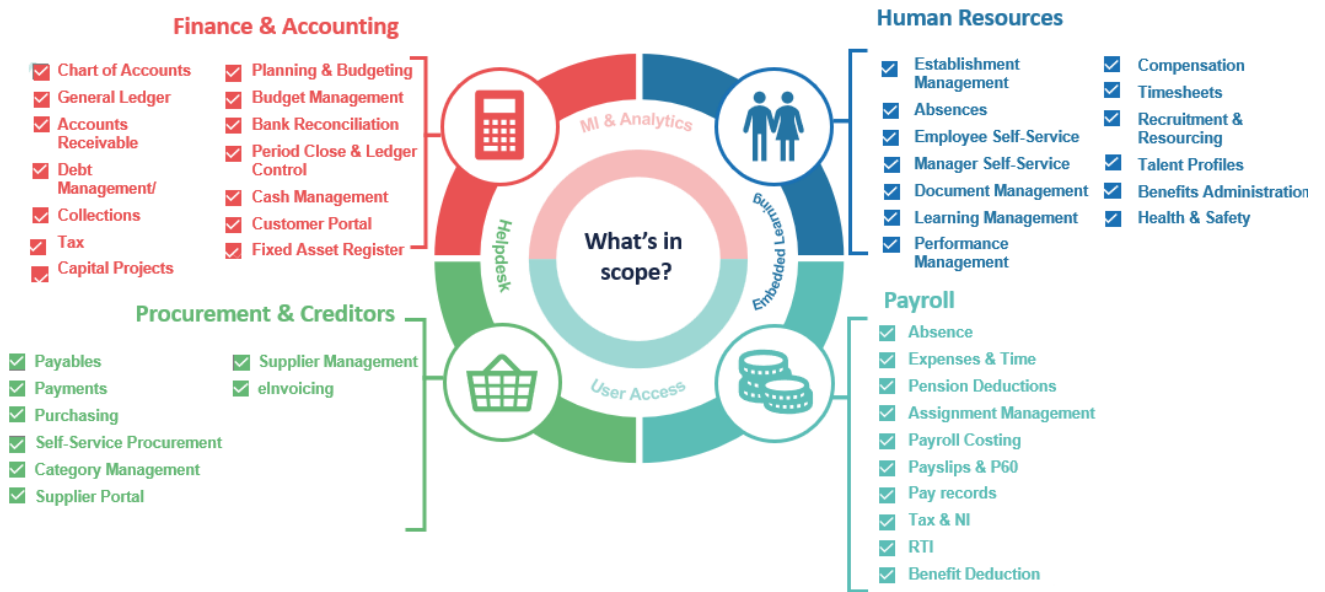
Figure 15 ERP User Scope

The scope will be reviewed throughout the Procure and Prepare phase of the programme to ensure it aligns with the future direction of the Council and is represented accurately within the tender documentation and full business case. A significant change to the Councils operating model, for example by focusing more on commissioning, core Dorset Council services, and less on delivering services to third parties is unlikely to change the recommendation for ERP Implementation for core Dorset Council services. However, this should continue to be assessed during the Procure and Prepare phase of the programme when further information on the future operating model is known.

Additional information has been provided in the financial model to highlight the indicative capital and revenue costs associated with a decision to provide a 'payroll only' service to third party customers via a standalone system. This should be assessed against the expected income from these services when reviewing the future commissioning model.

## 5.2. Scope of Solutions to be procured.

An overview of the functions in scope for the solution are highlighted below. The Council has assumed maximum functional coverage in one system, where it makes financial and service sense to do so. More detailed requirements will be gathered during the Procure and Prepare phase of the programme, ready for tender documentation and full business case.



In addition to the functional requirements, detailed technical requirements will also be developed during the Procure to Prepare phase. The detailed technical requirements will be impacted by the final decisions on functional scope. For the purposes of the Outline Business Case, the following scope is assumed:

- General Design & Architecture
- User Interface
- Interoperability & Integrations
- Availability & Performance
- Notifications, Messaging & Workflow
- Licensing
- Security & Access
- Disaster Recovery
- Compliance
- Reporting & Analytics
- Data Management & Migration

For the purposes of this Outline Business Case the Council are assuming that the following will be required:

- Solution as set out in the above section.
- Hosting and Disaster Recovery
- Account Management
- Product roadmap, and ongoing customer support for releases and updates
- Tier 4 Support

**5.3. Scope of services to be provided.**

The Council require several services from the supplier market to support them in implementing their new solutions and completing the transformation work required to realise benefits. The below has been created to indicate, at a high level the services required, and which type of organisation(s) or set of individuals the Council may decide to procure, based on the level of skills, experience, and capacity internally to deliver the preferred option.

**Solution/System Implementation Support**

<b>Service</b>	<b>Detail</b>	<b>Supplier</b>
Solution - Functional & Technical	Design/Build/Test	System Implementor
Integrations	Design/Build/Test	System Implementor
Reports	Design/Build/Test	System Implementor
Data Migration	Extract/Transform/Load	System Implementor/Another third-party supplier
Testing	Support for System Integration Testing (SIT)/User Acceptance Testing (UAT)/Payroll Parallel Runs (PPR)	System Implementor
Post Go Live Support (Hypercare)	Incident Management/Defect Fixing	System Implementor

Figure 16 Solution/System Implementation Support

### Programme Team (External Support)

Service	Detail	Supplier
<b>Programme Assurance</b>	Advisory and quality assurance	Business Integrator/Other Supplier
<b>Programme Management</b>	Define, Deliver, Manage ERP Implementation Plan	Business Integrator/Other Supplier
<b>Project Management</b>	Define, Deliver, Manage ERP Workstream Plans	Business Integrator/Other Supplier
<b>Solution Architecture</b>	Solution Architecture Advisory	Business Integrator/Other Supplier
<b>Test Management</b>	Test Management Strategy and oversight of testing delivery	Business Integrator/Other Supplier
<b>Cutover Management</b>	Cutover Management Strategy and oversight of cutover delivery	Business Integrator/Other Supplier
<b>Data Migration Management</b>	Data Migration Strategy and oversight of data migration delivery	Business Integrator/Other Supplier
<b>Business Analysis/Reporting Analysis</b>	Identifying requirements, options, solutions	Business Integrator/Other Supplier
<b>Business Change Management</b>	Business Change strategy and oversight of business change delivery	Business Integrator/Other Supplier
<b>Target Operating Model Design</b>	Definition and Design of new Target Operating Model	Business Integrator/Other Supplier

Figure 17 Programme Team (External support)

A full assessment of programme team roles, both internally and externally resourced is available in the [Dorset ERP Options Appraisal Financial Model \(Socitm Advisory, January 2024\)](#).



**5.4. Timeline**

The indicative timeline for the procurement phase of the programme is indicated below. This estimates delivery over a 6-month period starting in September 2024. This assumes seeking local political approval in July 2024, following Council elections in May 2024 and onboarding of the new administration in June 2024.

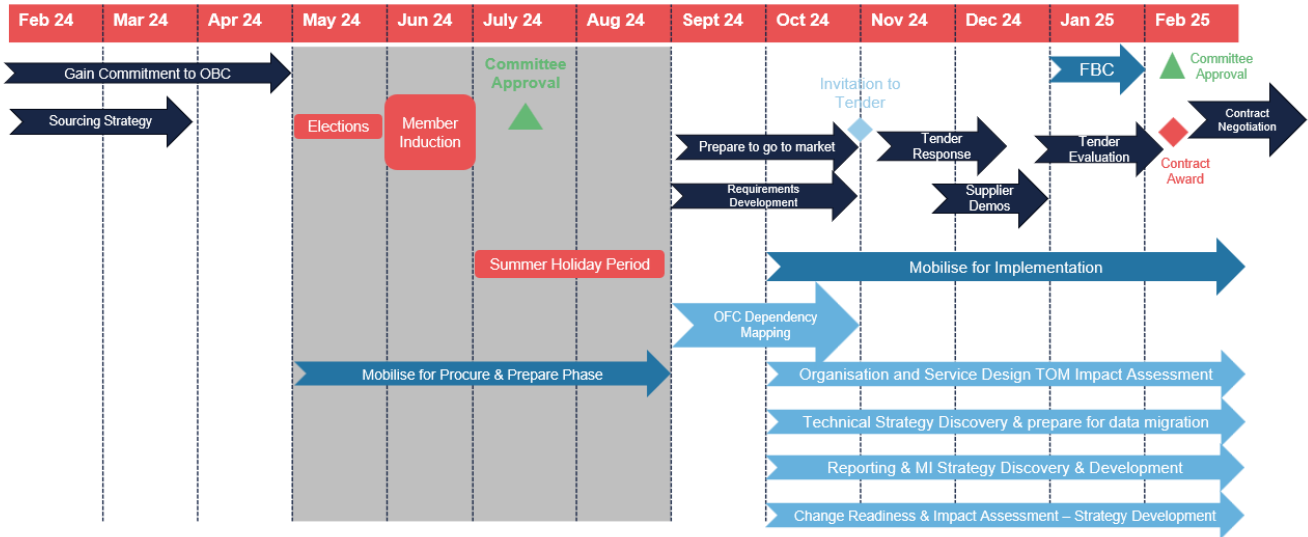


Figure 18 Draft Procure and Prepare Timeline

The following assumptions are aligned to the timeline:

1. Mobilisation for the Procure and Prepare phase stage occurs following OBC completion and prior to Procure to Prepare phase starting, this would include.
  - o Recruitment/Resourcing to internal roles
  - o Resourcing external roles and mobilisation of contract
  - o Planning and set up of requirements workshops to enable workshops to start in September 2024
  - o Planning ‘Prepare’ activity.
  - o Establishing programme board and governance
  - o Consideration that OFC Dependency mapping could occur earlier than stated on the plan.
2. Procure and Prepare phase delayed until after the summer holiday period due to availability of Council resources.
3. The start date for the Procure and Prepare phase is dependent on the timing of political approval.
4. An 18-month implementation period plus 3 months post go-live transition based on the average time taken by local authorities and information provided by system implementors and product owners through market engagement.
5. A September 2026 go-live allows contingency time leading to requirement for any extension of SAP support.
6. System Supplier and System Implementation Supplier contract negotiation takes between 4-6 weeks. Complex contract negotiations could take longer and push out the start date of the implementation phase.

## 5.5. Procurement Strategy & Route

Based on the current public sector frameworks available that best meet the scope of requirements for Dorset Council, the following procurement Crown Commercial Services Framework route options have been considered.

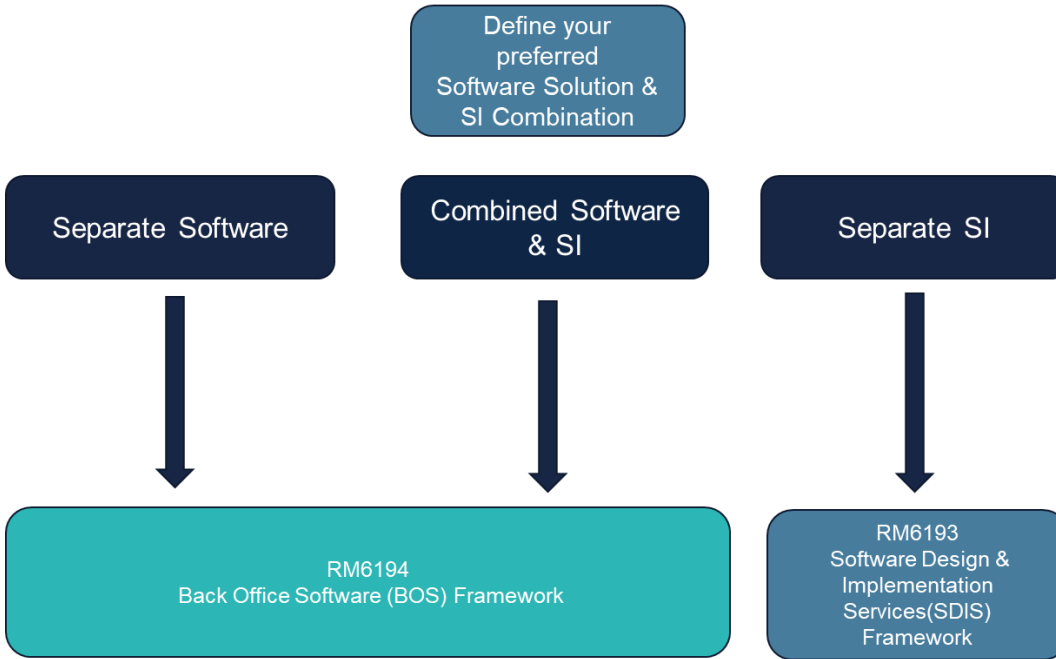


Figure 19 Procurement Route Options

This route option decision tree provides the most appropriate frameworks with the widest direct and reseller access to suppliers and vendors of back-office software solutions and providers and software implementation and integration services, with public sector experience. Other route options were also considered (G Cloud; Restricted Procedure Route).

### Route to Market options analysis

A market options analysis was completed by the Service Manager for Commercial and Procurement. The options analysis assessed the routes to market, the associated frameworks, and the procurement process. The recommended procurement routes provide for the following:

- Access to the broadest range of key suppliers and direct vendors who specialise in Back Office Software with Implementation Services
- Standard CCS Government Legal contract terms
- Compliant PCR2015 routes to market
- Established procurement processes.
- Access to MoU discounts
- Ability to run further competition or direct award for software and implementation services via BOS.
- Ability to run further competition or direct award for Back Office Software only via BOS.
- 10-year maximum term allowed

The advantages and disadvantages aligned to the framework options are highlighted below.

Software Solution Only (Separation) Route and Software and Implementation Route (Combined)		SI Only (Separation) Route	
RM6194 -BOS Framework –End Date: 05/04/2025 – Ave Procurement Timescales 6 to 8 weeks		RM6193 -SDIS Framework – End Date 22/03/2025 - Ave Procurement Timescales 6 to 8 weeks	
<ul style="list-style-type: none"> <li>Created as a route to procure Back Office Software Only</li> <li>Minimum Framework Agreement Term – <b>None</b> (supplier min term may apply)</li> <li>Maximum Framework Agreement Term –flexible contract length <b>10 years</b></li> </ul>		<ul style="list-style-type: none"> <li>Created to Procure SI &amp; design</li> <li>Minimum Framework Agreement Term – <b>None</b> (supplier min term may apply)</li> <li>Maximum Framework Agreement Term –flexible contract length 10 years)</li> </ul>	
Advantages	Disadvantages	Advantages	Disadvantages
Dedicated to providing a route to Back-office software products and additional implementation services, with the broadest direct access to ERP Vendors and services	Procurement is Software led with additional SI services	Specialist providers of back-office service implementation	No Direct Award
Flexible Contract term 10 years		Flexible Contract term 10 years	
Standard CCS Contract terms		Standard CCS Contract terms	
Direct Award or Further Competition			

Figure 20 Procurement Route Assessment

The full procurement options analysis can be found in the [ERP and SI Route Options Analysis \(Socitm Advisory, February 2024\)](#).

### Procurement Strategy Recommendation

Following review of the available procurement options, the Council proposes to use the Back Office Software (BOS) Framework to run a single combined software and System Implementor procurement.

## 6. Financial Case

### 6.1. The Financial Model

#### Approach

To set a solid foundation for the programme, the likely costs for the delivery of the preferred option and ongoing cost sustainability have been calculated, with a set of assumptions and principles based on best practice, and lessons learned from other programmes. To complete the assessment of viability, and develop this financial model the Council:

1. Baseline the 'As Is' costs for delivery of services, licensing, hardware, and maintenance costs.
2. Defined the options to be assessed in the Outline Business Case
3. Developed the consistent variables within the financial model for each option (e.g., inflation, internal resource day rates, working days in a year etc.)
4. Developed the non-consistent variables by option, and documented any assumptions based on recent local government market activity (e.g., licensing for BOB vs ERP, service costs)
5. Defined the product(s) and services in scope to be procured and implemented with the DES Working Group
6. Verified the programme delivery approach and the overall project timeline, which has been kept consistent for options 2, 3, and 4.
7. Created a resource profile in alignment with the project timeline(s) and completed a high-level assessment of internal capacity and capability.

This information was profiled within a financial model, which breaks down the costs into the capital, revenue costs and benefits for the preferred option.

The costs have been split between capital and revenue to ensure funding can be sourced and allocated in line with legislation. The definition of the costs within each are detailed in the next section.

### 6.2. Breakdown of Costs – Capital

#### Procure and Prepare Costs

Procure and Prepare costs are those incurred to support the procurement of the product(s) and system implementation services, plus the costs associated with preparing the organisation for the programme kick off. These costs include:

- Internal and external resources to develop the Invitation to Tender (ITT) documentation, run the procurement process and evaluation of the responses.
- Support for understanding the impact on the current operating models, including process mapping, creating design principles and key architecture decisions to support the driving of benefits and prepare for implementation.

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Corporate ERP Platform

March 2024

- Development of the Change Management Strategy and approach for the Final Business Case by understanding the organisations' change readiness. This will include understanding the culture, capacity, and commitment for change alongside building a change strategy and plan to support the programme outcomes.
- Development of the full benefits case for the Final Business Case based on product selection, and business change approach.
- Internal and external project management costs for the above activities

## Programme Costs

Programme costs are additional costs incurred for a fixed period to support the delivery of the programme outcome. These costs include:

- Backfill for internal staff to support the delivery of the project.
- Business Integrator resources to provide specialist expertise and capacity for the services as outlined in the commercial case section.
- Additional staff to support key phases such as go live, Payroll Parallel Runs (PPR) from the service teams.
- System implementer to design, build and test the product(s), integrations, and reports.
- Data Migration and archiving to migrate data from current system to the future system(s) and archive data not migrated.

### 6.3. Breakdown of costs – Revenue

#### System Operating Costs

Software licensing and maintenance costs are ongoing revenue costs to use the application(s) in scope of this project. These costs include:

- Licensing
- SaaS licensing and support costs

#### Hardware and Support Costs

Application Support costs are ongoing revenue costs of people and any other services required to support the applications in scope of this project.

- ICT salary costs for those supporting the in-scope application(s)
- Any other overheads i.e., hardware such as replacement servers within option 1 & 2

#### Business Process Costs

Business process costs are ongoing revenue costs to operate the business functions of HR, Finance, Procurement and Payroll aligned to ERP functions. These costs include:

## Outline Business Case

Corporate ERP Platform

March 2024

- Salary for HR Teams
- Salary for Payroll Teams
- Salary for Finance Teams
- Salary for Procurement Teams

Costs are excluded for wider responsibilities of these teams, for example social care finance etc.

## Key Assumptions

There have been numerous assumptions made to complete the viability assessment and enable the production of the financial model for the option identified. For transparency and understanding, the key assumptions are listed below, but the full detail of assumptions are held in the [Dorset ERP Options Appraisal Finance Model \(Socitm Advisory, January 2024\)](#). These assumptions have been tested and built based on current market and economic knowledge.

- Inflation has been factored into ongoing revenue costs in line with CPI.
- Contingency budget of 20% has been applied to all programme costs, to cover any change requests, unforeseen costs, or delays as part of implementation.
- Implementation timeline of 18 months plus 3 months of hyper care has been included for the purposes of forecasting resource and service costs (internal and external)
- A mixed team of internal and external resources will be required for the programme team. The financial model has been costed based on likely internal and external resource costs to provide an indicative budget range for programme resourcing.
- All procurement, and programme costs will be capitalised, and all ongoing subscription and service costs will be revenue funded.
- No assumptions have been made for savings on core business process costs (Finance, HR, Procurement and Payroll) through more automation, efficiency, and greater use of the new ERP solution. The financial model should be updated to reflect a more detailed view of benefits and savings once the Council has chosen the preferred solution and implementation suppliers.
- No assumptions have been made regarding savings to the wider business support FTE's. The financial model should be updated to reflect a more detailed view of savings once the Council has chosen the preferred solution and implementation suppliers.
- All figures are indicative and based on examples of ERP solutions for Local Authorities. Cases from previous examples have been flexed to reflect the employee/licence estate for Dorset, including all aspects of Programme implementation, licence costs and ongoing support costs (as SaaS, as appropriate). The financial model should be updated to reflect input from market approaches in later phases of work.

## 7. Management Case

### 7.1. Programme and Project Governance Framework

#### Programme Governance

A Programme of this complexity and with this level of change requires robust governance to ensure the programme is performing effectively, costs are managed, and the programme outcomes and benefits are achieved.

The Programme will be directed by a Programme Board, with an appointed SRO (Senior Responsible Officer) who will be the person responsible for the overall programme performance and budget and Chair of the Board. The Programme Board will be supported by a wider programme governance model with delegated accountability. The wider programme governance model will be responsible for ensuring the design of the solution(s) and services meet requirements, the organisational change drives benefits, and the underpinning programme workstreams are able to drive programme activities effectively to time, cost, and quality.

The proposed Governance Model for this Programme is based on best practice and has been used in many local authorities' implementations to successfully deliver their programme outcomes.

#### Procure and Prepare Phase

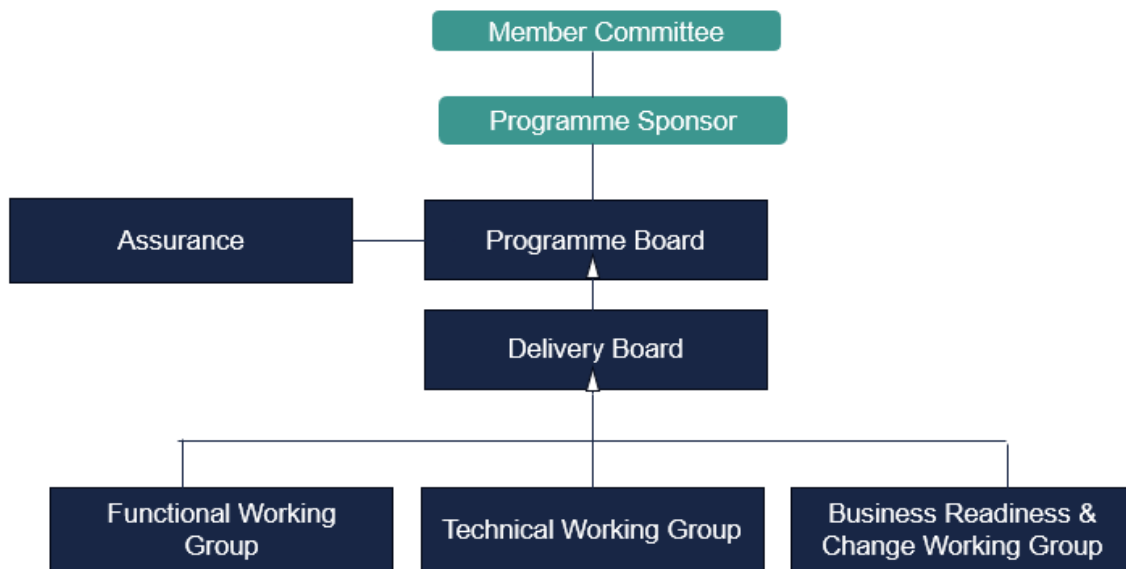


Figure 21 Draft Governance Model Procure & Prepare Phase

Assurance	Programme Board	Delivery Board	Functional Working Group	Technical Working Group	Business Readiness and Change Working Group
Project Plan Assurance	Own Project Plan	Manage Plan Progress	Requirements Development	Requirements Development	Business Change Strategy Development
Legal Assurance	Monitor Plan Progress	Manage RAID	Requirements approval on behalf of service area	Requirements approval on behalf of service area	Business Readiness Approach & oversight
Procurement Assurance	Monitor RAID	Oversight of functional and technical input and resources	Tender Evaluation on behalf of service area	Tender Evaluation on behalf of service area	Target Operating Model Impact Assessment
	Approve Requirements & Tender Documents	Approve & recommend requirements to Programme Board	Input into functional readiness activity for Prepare Phase	Input into technical readiness activity for Prepare Phase	Benefits Assessment
	Approve Contract Award (subject to Member direction)	Approve & recommend contract award to Programme Board			
	Approve Prepare Activity Outputs				
	Approve Final Business Case (subject to Member direction)				

Figure 22 Procure & Prepare Phase Governance Responsibilities



## Implementation Phase

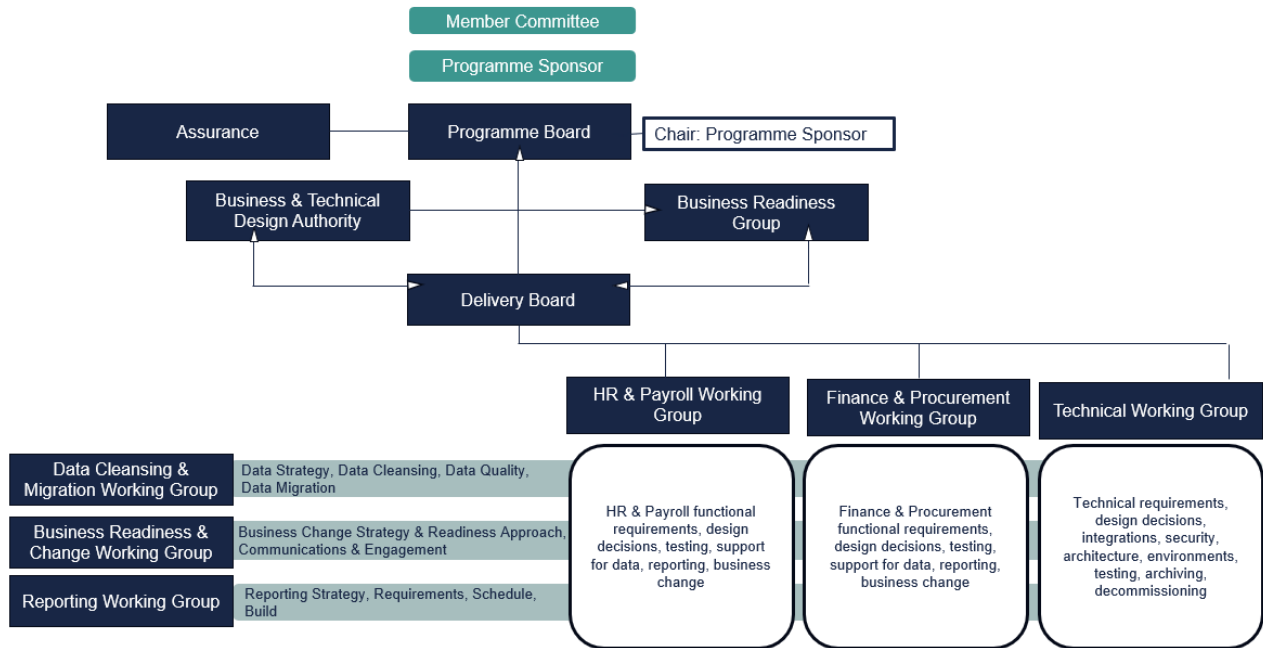


Figure 23 Draft Implementation Phase Governance Model

Assurance	Programme Board	Delivery Board	Business & Technical Design Authority (BTDA)	Business Readiness Groups
Project Plan & Delivery Assurance	Own Project implementation Plan	Manage Implementation Plan	Responsible for overall assurance of end-to-end design (functional, technical, cross cutting)	Oversight of implementation mobilisation activity and business readiness
Legal Assurance	Monitor Plan Progress	Manage RAID	Responsible for ensuring design meets ERP design principles and overall Enterprise Architecture requirements	Advisory of the Change Management activities to ensure they deliver Business Readiness
Contract Assurance	Escalation Point for RAID	Oversight of all workstreams and workstream reporting to Programme Board	Oversight of impact assessments for change requests (functional; technical; cross cutting)	Agree the business readiness criteria and measurement methodology and own the service transition/deployment/cutover plan
	Approval of major decisions/milestone sign off	Manage Resources & Budget		Hold all other workstreams to account for delivering to Business Readiness criteria

	Approve resource and budget	Manage change control		
	Approve Project Change			
	Approval of milestone/payment release			

Figure 24 Implementation Phase Governance Responsibilities

Each of the Boards and working groups will have a specific set of terms of reference, with accountabilities and responsibilities in line with an overall Programme RACI (Responsible, Accountable, Consulted, and Informed) which will be developed during mobilisation of the Procure and Prepare and Implementation phases. At this moment, the DES Working Group has been mobilised and is operational and responsible for overseeing the development of the Outline Business Case. The members of the DES Working Group can be found in the following table:

Working Group Member	Business Area & Role
<b>James Ailward</b>	Head of ICT Operations (CTO) – Working Group Chair
<b>Diane Frake</b>	Project Manager
<b>Glen Conroy</b>	ICT Operations Manager
<b>Heather Lappin</b>	Head of Strategic Finance
<b>Christopher Matthews</b>	Head of Human Resources
<b>Claire Morecroft</b>	Senior Operational Finance Officer
<b>Dawn Adams</b>	Service Manager for Commercial and Procurement
<b>Hannah Brown</b>	Service Manager Finance

Figure 25 DES Working Group Members

### Indicative Programme Timeline and Plan

To procure the solution and services required by Dorset Council and its customers, the Council will need to complete a tender process. As outlined in the commercial case, it is proposed that this is a single tender for combined system vendor and system implementor through the BOS Framework.

The process to complete the procurement and prepare for the implementation phase is therefore estimated to be 6 months, with the implementation phase being 18 months +3 months post go live transition to business as usual. Figure 25 provides a high-level plan on a page for the implementation phase of the programme.

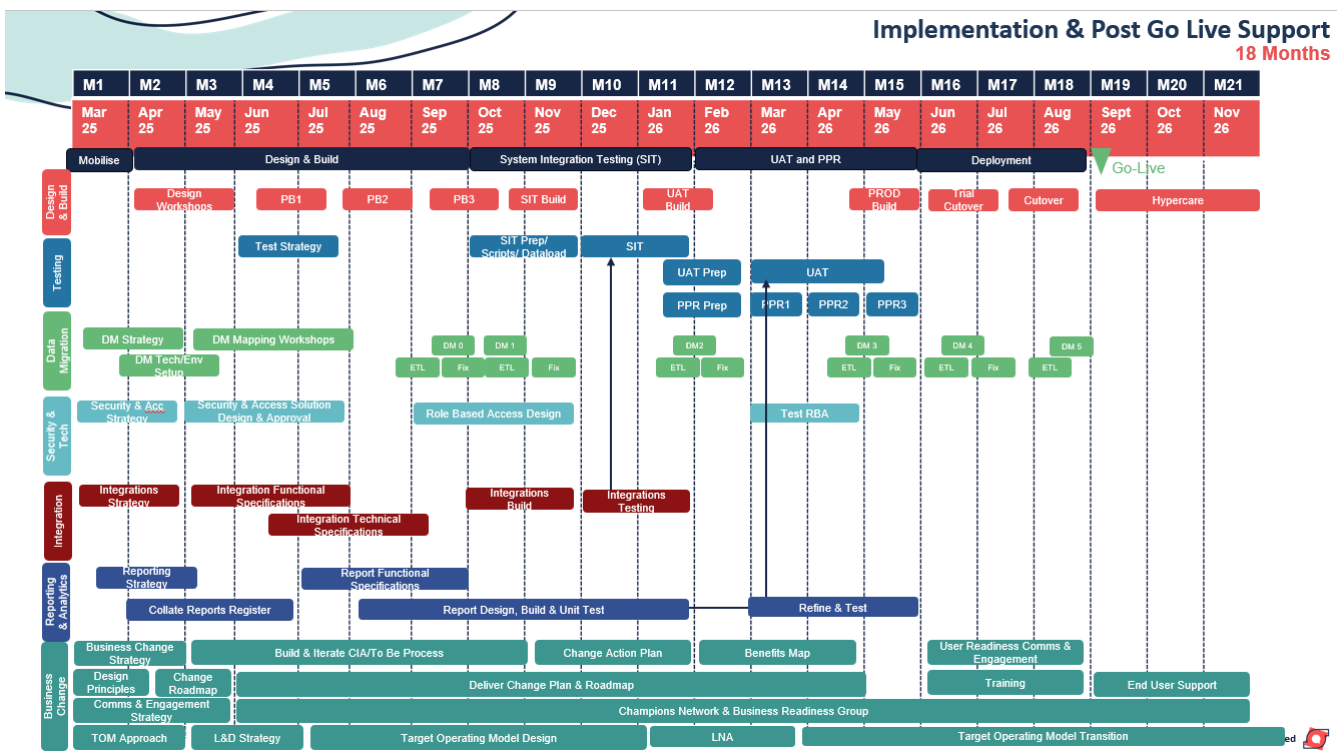


Figure 26 Draft Programme Implementation Plan on a Page

### Programme Structure & Resourcing

Based on the indicative implementation timeline, the Council will require approx. 34 FTE roles to be working on the programme over the course of the programme timeline. Behind the financial model, and options appraisal there is a detailed resource model, with assumptions to support the forecast of implementation costs. Based on a high-level assessment of the capacity and capability of internal resources, we have estimated that 25.3 FTE will be able to be filled by internal resources, which will require funding to backfill their business-as-usual roles. All other resources are assumed to be external, and a rate card has been used to estimate their costs. Over the course of the Procure and Prepare phase, the programme resources will begin to be recruited/services tendered and a final strategy provided at the Final Business Case stage.

## Change Management and Benefits Realisation

Managing the organisational and people change will be crucial to the success of this programme, many programmes fail not due to the technical design or capability of a solution but the resistance, confidence, and commitment to change within individuals and the culture of an organisation. To ensure there is adequate focus on the people, process, and organisation change – a dedicated workstream and resources have been included in the programme costs, governance model and approach.

People and organisations all respond differently to change, it is therefore important not to treat the approach to change as a single activity or set of steps – it is often not a linear process. Figure 26 below sets out the key mindsets for change the programme will need to achieve and continuously reinforce over the programme timeline through its Change strategy and plan.



Figure 27 Mindset Model

Best practice approaches to change management include completion of readiness assessments to understand how prepared the organisation is for change, and an understanding of the change enablers which will achieve the benefits in the Final Business Case and make them stick. The three pillars in Figure 27 show the types of activities this programme will complete. In the next phase of the programme, before the Final Business case is completed, a benefits map will be produced, with a Change strategy and plan on how they are going to be realised.

 BUSINESS CHANGE & READINESS	 COMMUNICATIONS	 LEARNING & DEVELOPMENT
<ul style="list-style-type: none"> <li>Establish a <b>Business Readiness Framework</b> to deliver structured business readiness analysis and planning</li> <li><b>Monitor business readiness and adoption of changes</b>, providing opportunities for interaction and feedback from impacted groups</li> <li>Work with Business Leads/Key Users to complete detailed <b>change impact &amp; business readiness analysis/planning</b></li> <li>Ensure consensus and clarity of <b>change impacts</b> and required business readiness interventions, identifying <b>training and communications needs</b></li> <li><b>Identify risks</b> and share with programme team</li> <li>Mobilise a <b>network of change agents</b> to support the cascade of training and comms collateral to impacted end users</li> <li><b>Benefit</b> analysis, tracking, and benefit forum</li> </ul>	<ul style="list-style-type: none"> <li>Develop a <b>clear and engaging narrative</b> that communicates the programme vision, what is changing and helps people <b>see the benefits</b></li> <li>Identify all persons or organisations that are affected by or have an interest in the activities of the programme through <b>stakeholder management</b></li> <li>Generate a broad <b>awareness of change</b> across the organisation, and regular updates on programme progress.</li> <li><b>Deliver briefings</b> to impacted management teams to build consensus, clarity, confidence etc.</li> <li>Support/coach <b>senior sponsors and leaders</b> to ensure they are actively and consistently advocating the change and key messages</li> <li>Deliver multi-channel updates to <b>communicate milestones &amp; successes</b></li> <li><b>Support L&amp;D plan</b> to optimise attendance, engagement and learning</li> </ul>	<ul style="list-style-type: none"> <li>Complete a <b>Learning Needs Analysis</b> to identify the knowledge, skills, tools and behaviours individuals need to adapt to identified changes</li> <li>Deliver <b>key/SME User Training</b> to key users to build knowledge and understanding of system changes and grow a community of SMEs to support wider training objectives</li> <li>Plan, develop and deliver <b>End User Training</b> to prepare individuals and teams for new processes and ways of working – using a variety of delivery formats and media to suit different learning styles</li> <li>Develop useful reference resources to <b>help people upskill</b> (e.g. training material) and <b>do their job</b> (e.g. how-to guide, run books etc)</li> <li>Build a <b>Knowledge Library</b> as a permanent central source of reference for all solution &amp; process guidance</li> </ul>

Figure 28 Change Management Activities

The importance of driving benefits, and not being distracted by the technological configuration cannot be underestimated. Figure 28 sets the 6-step process for realising benefits. Within the next phase of the programme, a more detailed benefits picture aligned to the product(s) selected will be developed for the Final Business Case and included in the Strategic Case in section 3 of this Business Case document.

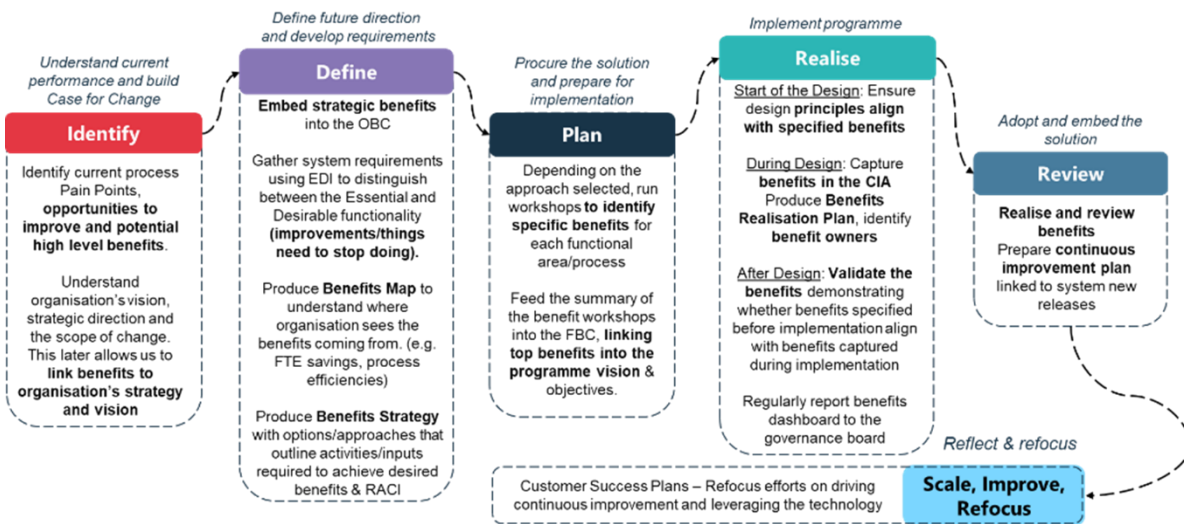


Figure 29 Benefits Realisation Approach

## **7.2. Programme Controls**

The RAAIDD (Risks, Assumptions, Actions, Issues, Dependencies and Decisions) Management Strategy and approach for this programme is aligned to best practice. As part of the next and ongoing phases of the programme, the Council will work across the Programme team, suppliers, and wider stakeholders to:

- 1. Identify** – Identify risks, issues, and dependencies for not only the delivery of this programme but ultimately for the delivery of the programme outcomes. As part of the mobilisation of the programme reviewing the tender responses, and contractual agreements across all delivery partners.
- 2. Analyse** – Understand the root causes, potential impacts, and likelihood for each risk/issue.
- 3. Action** – Brainstorm the required risk mitigation actions to reduce, avoid, transfer, or accept the risk/issue and identify the owner of both the risk, and the actions.
- 4. Monitor** – Through governance model embed processes to monitor the RAAIDD log including identification, monitoring and escalation of risks and issues, and well as tracking of actions.

The Programme Board will take ownership of the current risks highlighted within the business case and the tender responses within the next phase.

### **Overview of Risks**

Several generic risks have been identified as part of the development of the outline business case and financial model which will require ongoing management to avoid any issues in delivering the strategic objectives and benefits identified. The risks are summarised in Appendix A, with the proposed mitigations which will be taken forward as part of the next phase of the programme delivery.

## **7.3. Programme Assurance**

Within the planning phase of implementation, a set of entry and exit criteria will be developed for each key phase of the programme to ensure all activities have been completed to the required standards before moving into the next phase of the programme. All key deliverables will be signed off by the relevant programme governance group/board as defined in the terms of reference.

The Programme will be subject to adherence to internal project and programme delivery methodology, standards and reporting including providing assurance to the relevant Committee and Cabinet. The Programme Board also may choose to appoint a critical friend or complete an internal audit to provide programme assurance at key points in the programme or undertake a programme health check to support them in ensuring the overall effectiveness of the programme delivery.

Technical assurance of the solution will be the responsibility of the design authority, and a set of service transition criteria will need to be met by the programme before go-live, this includes criteria such as completion of knowledge transfer, results of security and data testing, the configuration and build documentation.

## **8. Appendix A – Identified Risks**



ID	Risk / Issue	Cause	Effect	Likelihood	Impact	Mitigation	Likelihood	Impact
R01	There is a risk to the project timeline due to the resource allocated to the programme being insufficient.	<p>Insufficient resources aligned to key programme delivery phases.</p> <p>Unable to back fill individuals within the Council.</p>	<p>Delay in programme workstream delivery.</p> <p>Delays or lack of development of integrations/reports.</p> <p>Delays to data migration cycles, a lack of testing resource to complete UAT.</p> <p>Lack of training and other change interventions to make the change stick.</p>	M	H	<p>Baseline resource profile at the Outline Business Case, ensure budget is sufficient for the recommended option. Included backfill, additional resources for key phases of the programme (go live, PPR)</p> <p>Monitor and adjust resourcing through the programme – tracking the spend and performance of resources on the programme.</p> <p>Escalate of any slow progress for key phases such as testing.</p>	L	H
R02	There is a risk that there is a lack of buy-in to the drivers for change and the wider programme delivery impacting adoption and overall benefits delivery.	<p>Inability to change individual mindsets.</p> <p>Unwillingness to let go of old ways of working.</p> <p>Lack of time to engage in the change process.</p> <p>Cultural barriers</p> <p>Lack of strategic vision/operating model</p> <p>Lack of organisational readiness and/or plan to address.</p>	<p>Lack of return on investment/ benefits realisation as people continue to work as they do today. Creating workarounds</p> <p>Delays to programme due to lack of understanding of the change, or business readiness for Go Live</p> <p>Lack of knowledge on the new processes, and how people do tasks in the new system.</p> <p>Dissatisfied stakeholders/ customers who have not been engaged in design and delivery of the change for their part of the organisation.</p>	M	H	<p>Undertake a change readiness assessment to understand the links and dependencies of wider change, culture and enabling factors in the organisation which support transformation/innovation.</p> <p>Develop a robust Change Management Strategy based on existing change capabilities, culture, and resources. Change is not a 'one size fits all.'</p> <p>Ensure there are adequate change resources to enable the change, with relevant experience and expertise to support the Leaders within the Council to navigate bumps in the road.</p> <p>Ensure all stakeholders are represented in the engagement for the change design, and delivery to ensure buy in, and building of understanding of what the change means to them – and the benefits</p>	L	H
R03	There is a risk that the organisation design and operating model of the services are not aligned to the	<p>Misunderstanding of the Impact of change on roles and responsibilities within services and wider Council operating model</p> <p>Unclear on what design decisions need to be</p>	<p>Solution design is not fit for purpose, does not align to roles and responsibilities of individuals jobs, or the policies within the organisation.</p> <p>Solution is customised/bent to replicate how the council operates today, reducing the benefit of the technology and</p>	H	H	<p>Understand the key decision decisions, and operating model impacts which need to be considered as part of changing solutions.</p> <p>Create a set of design principles, and a customer charter/service level agreement to ensure there is clarity of roles and responsibilities for services.</p>	M	M



ID	Risk / Issue	Cause	Effect	Likelihood	Impact	Mitigation	Likelihood	Impact
	technology procured	made to enable the technology to be configured	standardised processes being adopted by the Council			Complete change impact assessments at key points in the programme, ensure any policy, roles and strategy impacts are highlighted and actions/decision taken to ensure benefits are driven.		
R04	There is risk that there is insufficient capacity and capabilities within the future application support model	Different capability requirements needed in SAAS (Software as a Service) application support	<p>Unable to manage the platform(s) regular upgrade and release patterns, reducing benefits over time.</p> <p>Service users are unable to get help with how to fix queries in a consistent and cost-effective manner.</p> <p>The Council will be reliant on a third party for simple configuration updates</p>	M	H	<p>Understand the current application support model, and customer experience.</p> <p>Design the to be Application Support Model, following the procurement of the product and SI.</p> <p>Ensure there are knowledge transfer requirements included in the SIs specification for services.</p> <p>Complete Service Transition ready for Go live, ensuring a hyper care model is in place for 3 months post go live and then moved to BAU model over time.</p>	L	M
R05	There is a risk that the solution design is not fit for purpose, or is customised to meet perceived requirements in Dorset Council	<p>Lack of understanding of the product or local government by the SI</p> <p>Lack of governance of the solution design, and adopt not adapt principle for cloud products</p>	<p>Over customised solution, which may break when upgrades or patch releases are completed.</p> <p>Increase in costs for the Programme.</p> <p>Solution is not fit for purpose, affecting the operations of the Council i.e., unable to pay staff, suppliers etc.</p>	M	VH	<p>Develop a set of requirements for the product, outcome focused or detailed, to ensure they can be tracked through from procurement into the solution design phase, and any gaps identified and mitigated from point of contract award.</p> <p>Ensure the Systems Integrator has local government experience/knowledge to be able to meet requirements.</p> <p>Set up a governance model, and process for change requests, to control design decisions and costs within implementation (Design authority).</p> <p>Programme Board and wider leadership to hold the programme, and suppliers to account on the adopt not adapt principle.</p>	L	H
R06	There is a risk that there is a lack of programme	<p>Lack of resource</p> <p>Lack of governance model</p>	<p>Delays to the programme</p> <p>Escalating costs for the delivery of the programme</p>	M	VH	Set up the Programme Governance, with a clear set of roles and responsibilities (RACI) for the programme team and suppliers.	L	H

ID	Risk / Issue	Cause	Effect	Likelihood	Impact	Mitigation	Likelihood	Impact
	governance & effective programme management	Lack of governance processes Lack of programme and project management	Poor quality (data, solution design, testing etc.) Reputational risk Operational business risk			Produce a clear set of requirements for suppliers, with deliverables and quality criteria. Ensure there is robust financial and commercial management, completing contract review meetings and budget monitoring. Embed a collaborative culture in the programme team, to provide healthy feedback, challenge, but also ensure a culture of risk and issue management		
R07	There is risk that delivery of the wider OFC transformation programme for Dorset Council impacts on the delivery of the ERP Programme and vice versa.	Lack of understanding between the two programmes on the key dependencies. Conflicting resource requirements. Lack of understanding of wider change impacts internal and external stakeholders.	Delays and/or overspends for both programmes. An uncoordinated approach to management of change impacts to internal and external stakeholders leading to dissatisfaction and failure to engage with change. Change Fatigue Double counting of financial benefits	M	H	Complete a dependency mapping exercise at the earliest opportunity across the two programmes to ensure the following dependencies are mapped: <ul style="list-style-type: none"> <li>• Timeline</li> <li>• Resources</li> <li>• Benefits Assumptions</li> <li>• Enabler Assumptions</li> <li>• Change Impacts</li> </ul> Continue to identify and manage joint dependencies throughout the life of the programme(s). Agree governance approach across programmes, highlighting key roles and responsibilities via a RACI approach. Seek guidance and prioritisation decisions from appropriate corporate governance board. Ensure governance across programmes facilitates escalation of RAID to appropriate corporate governance board(s) where appropriate.	L	H

