

GREATER LONDON AUTHORITY

REQUEST FOR MAYORAL DECISION – MD3137

Title: Enterprise Resource Planning

Executive Summary:

The GLA uses SAP software for its HR, finance and procurement systems (together, known as Enterprise Resource Planning), through shared services with Transport for London (TfL) who manage these systems. These systems are reaching the end of their supported lifespan and so must be replaced, creating the opportunity for an upgrade to improve the capabilities and effectiveness of these systems.

Replacement of these business-critical systems will lead to a significant impact on the GLA's processes. It is essential that these issues are considered fully throughout the design, implementation and transition stages of this multi-year project, and GLA staff supported to use the new systems successfully.

Accordingly, this decision is to approve an initial investment to establish a project team to ensure that the GLA can input effectively to TfL's replacement of the existing SAP systems, and to lead the GLA through the consequent changes. This team will work with TfL on plans for the new systems and a subsequent decision will be submitted to request approval of costs associated with the new systems and their implementation that properly fall on the GLA.

The roles needed to support this project are critical to ensure the change is well managed and adopted across the organisation. They contain a mix of HR, data, communications and project specialists.

Decision:

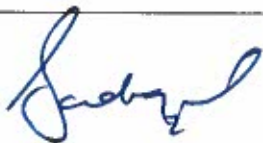
That the Mayor approves expenditure of up to £500,000 across 2023-24 and subsequent financial years, and that the allocation of this sum be delegated to the Executive Director of Resources, in consultation with the Chief of Staff, to begin to resource the Enterprise Resource Planning (ERP) project.

Mayor of London

I confirm that I do not have any disclosable pecuniary interests in the proposed decision and take the decision in compliance with the Code of Conduct for elected Members of the Authority.

The above request has my approval.

Signature:



Date:

28/7/23

PART I - NON-CONFIDENTIAL FACTS AND ADVICE TO THE MAYOR

Decision required – supporting report

1. Introduction and background

- 1.1. The GLA uses SAP for its HR, finance and procurement systems. SAP is an Enterprise Resource Planning (ERP) system which means that numerous modules all work together to ensure that related data can be shared efficiently across system. The GLA purchases its access to SAP as part of a shared service arrangement with TfL. However, the current versions of SAP used for these functions will all be unsupported after 2027. So, TfL has begun to replace these systems as staying “as is” is not a viable option. The new platform is substantially modernised and hence the move to the new suite of technology is akin to putting in a new system from scratch.
- 1.2. TfL is progressing a substantial programme of work to ensure that the infrastructure will be in place for all users within the timescales alluded to above. It is a business transformation not a technology upgrade. It is vital that the GLA inputs to this programme to ensure that these changes meet our needs and requirements and that continuity of service be maintained.
- 1.3. The work on the HR module, known as ‘Success Factors’, has already begun. There is an immediate need for the GLA to begin to establish a project team to ensure input not only to this workstream but also to establish capacity to respond to the other elements of ERP. The GLA will need to contribute a fair share towards the TfL cost of implementation. It will also need to put in place a substantial project team to participate in the finance system replacement. It is currently not possible to quantify either of these elements. All payments to TfL will be made pursuant to the appropriate shared services working arrangement. If necessary, the relevant shared services working arrangement will be updated to include all of the relevant services, which TfL is to provide the GLA with in furtherance of this project.
- 1.4. It is proposed that an allocation of up to £500,000 be made to establish an initial project team, with a delegation to the Executive Director of Resources, in consultation with the Chief of Staff, to approve expenditure from this sum. Following the further analysis referred to above and the conclusion of negotiations with TfL about the GLA’s share of costs of implementation, a further material allocation of resources will be necessary via a second Mayoral Decision form (MD).

2. Objectives and expected outcomes

- 2.1. The objectives of ERP are to exploit market leading technology giving our people digital self-service finance and HR tools, standardising common end-to-end processes, rationalising duplicated systems and ensuring we have a reliable service for the future. This will include a move to a browser-based cloud system increasing ease of access and use across multiple devices for employees.

3. Equality comments

- 3.1. The replacement of SAP will be critical in supporting the Authority’s Equality, Diversity and Inclusion (EDI) policies, ensuring for example that we have accurate and up to date data on the characteristics of our staff to allow monitoring and appropriate interventions to be made.
- 3.2. Accessibility considerations will be embedded into system requirements gathering throughout the ERP projects and programmes. Engagement and change management activities will ensure a diverse range of employees are included and the project and programme governance structures established will act as the first place for escalation.

4. Other considerations

- 4.1. In view of the scale of change which the Authority is currently undertaking, the ERP potentially compounds this issue. However, this is precisely why there is a need to ensure a suitable project team is established without delay to be able to mitigate the challenges that will inevitably arise from such an important programme.
- 4.2. There are no conflicts of interest to note for any of the officers involved in the drafting or clearance of this decision form.

5. Financial comments

- 5.1. The costs of this decision are not included in the Authority's 2023-24 budget. Recognising its essential nature, they will be met from the Revenue Grants Unapplied Reserve. As the project develops, anticipated expenditure will be included in GLA forecasts and budgets for future financial years.

6. Legal comments

Power to undertake the requested decision

- 6.1 The foregoing sections of this report indicate that the decisions requested of the Mayor concern the exercise of the GLA's general powers and fall within the GLA's statutory power to do such things considered to further or which are facilitative of, conducive or incidental to the promotion of social development, economic development and wealth creation and the improvement of the environment in Greater London and in formulating the proposals in respect of which a decision is sought officers have complied with the GLA's related statutory duties to:

- pay due regard to the principle that there should be equality of opportunity for all people
- consider how the proposals will promote the improvement of health of persons, health inequalities between persons and to contribute towards the achievement of sustainable development in the United Kingdom
- consult with appropriate bodies.

- 6.2 In taking the decisions requested, the Mayor must have due regard to the Public Sector Equality Duty; namely the need to eliminate discrimination, harassment, victimisation and any other conduct prohibited by the Equality Act 2010, and to advance equality of opportunity between persons who share a relevant protected characteristic (age; disability; gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion or belief; sex; sexual orientation) and persons who do not share it and foster good relations between persons who share a relevant protected characteristic and persons who do not share it (section 149 of the Equality Act 2010). To this end, the Mayor should have particular regard to section 3 (above) of this report.

Shared Services

- 6.3 Under section 401A of the Greater London Authority Act 1999, the GLA can enter into arrangements with specified organisations – including TfL as a functional body – for the provision of administrative, professional or technical services between each other; whether for consideration or otherwise. The GLA has existing shared services arrangements for delegation and attendant working arrangements setting out those services, which TfL provides to the GLA. As set out in paragraph 1.3 above, the ERP project aims, in part, to ascertain the value of shared services payments to be made by the GLA to TfL in relation to the replacement of SAP systems. As further set out in paragraph 1.3, the future payments to TfL will be made pursuant to an appropriate shared services working arrangement.

Staffing

- 6.4 It should be noted that this decision relates only to the approval of budget although there is also reference to establishing a project team. Any staffing decisions that need to be made following this decision must be approved by the Head of Paid Service in accordance with the GLA Head of Paid Service Staffing Protocol and Scheme of Delegation.

Delegation

- 6.5 Any function exercisable by the Mayor on behalf of the GLA may also be exercised by a member of the GLA's staff albeit subject to any conditions, which the Mayor sees fit to impose. To this end, the Mayor may make the requested delegation to the Executive Director of Resources if he so chooses.

7. Planned delivery approach and next steps

- 7.1. The detailed timeline for the ERP programme will be set out in the further MD referred to above.

Appendices and supporting papers:

None.

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FoIA) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary. **Note:** This form (Part 1) will either be published within one working day after it has been approved or on the defer date.

Part 1 - Deferral

Is the publication of Part 1 of this approval to be deferred? NO

Part 2 – Sensitive information

Only the facts or advice that would be exempt from disclosure under FoIA should be included in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a part 2 form – No

ORIGINATING OFFICER DECLARATION:

Drafting officer to confirm the following (✓)

Drafting officer:

Anna Casbolt has drafted this report in accordance with GLA procedures and confirms the following: ✓

Sponsoring Director:

Enver Enver has reviewed the request and is satisfied it is correct and consistent with the Mayor's plans and priorities. ✓

Mayoral Adviser:

David Bellamy has been consulted about the proposal and agrees the recommendations. ✓

Advice:

The Finance and Legal teams have commented on this proposal. ✓

Corporate Investment Board

This decision was agreed by the Corporate Investment Board on 17 July 2023. ✓

INTERIM CHIEF FINANCE OFFICER:

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

Signature



Date

17 July 2023

CHIEF OF STAFF:

I am satisfied that this is an appropriate request to be submitted to the Mayor

Signature



Date

17 July 2023

