

# GREATER LONDON AUTHORITY

## REQUEST FOR MAYORAL DECISION – MD3329

### ERP replacement readiness programme

#### Executive Summary:

The GLA uses finance, human resources and procurement software from SAP, as part of its shared-service arrangements with Transport for London (TfL). SAP is an enterprise resource planning suite; this a generic term to indicate an integrated suite of systems serving multiple functional needs across an organisation.

TfL is in the process of replacing its SAP solutions, which are reaching the end of their supported life. This is a major change and will have many significant impacts on the GLA's business processes, which the GLA must address. It provides the opportunity to review these processes and seek to obtain further efficiencies enabled by the new software.

This Mayoral Decision form (MD) seeks approval to allocate budgetary provision to support recommendations, made by the GLA's initial project team, around the replacement programme for the group-wide SAP suite. Budgetary provision for this initial project team was approved within MD3225, which stated: "Further resources will likely be needed to support the programme until 2030." It is through this phased approach, as the support required becomes clear, that further decision forms are submitted.

#### Decision:

That the Mayor approves expenditure of:

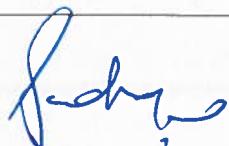
- up to £3.5m between 2025-26 and 2027-28, to deliver the activities identified by the GLA's initial project team; this will ensure that the TfL-led SAP replacement programme is properly responded to by the GLA as a key customer
- a further £0.5m in 2025-26 for bedding in the technology already delivered under the Success Factors programme, which forms part of this suite.

#### 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:

28/5/25



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

### **Decision required – supporting report**

#### **1. Introduction and background**

- 1.1. The GLA accesses all core systems through a shared-service arrangement with Transport for London (TfL). These core systems, including finance, procurement and human resources (HR), are now provided through the SAP suite – an enterprise resource planning (ERP) suite.
- 1.2. These systems are a critical part of the infrastructure that underpins the delivery of programmes across the GLA. To put this into context, for the 2024-25 financial year, these systems processed over 50,000 financial transactions totalling £19 billion across the GLA (including Group corporate items), GLA Land and Property Limited and London Power Limited.
- 1.3. The current version of SAP is nearing the end of its life, and the software provider will cease support for this version in 2027 meaning it has to be replaced. The new incarnation of the SAP ERP is substantially different and built on entirely new driving principles. This means the move to the new version is, in effect, a complete system replacement. This is a large, complex project that will take at least three years to complete.
- 1.4. Whilst TfL is the system provider and owner, the GLA (as a key customer) will need to respond to the planning process, and actively participate in all forums, to ensure that its requirements are fully met. Capacity will also be needed within the GLA to manage the change; and ensure that data is transformed and transferred successfully, with security maintained.
- 1.5. A substantial project team within the GLA will likely be needed to manage implementation. An initial project team has been working within the GLA for some months, with the objective of defining the GLA's longer-term needs around this project. This MD is seeking approval to put that longer-term project team in place.

#### **2. Objectives and expected outcomes**

- 2.1. Approval of this MD will allow the GLA to resource its project team, and so provide the capacity and capability to identify the requirements of the TfL ERP replacement programme. This will ensure that the GLA is equipped to fully respond to the ERP replacement and to optimise the use of the systems into the future. The team will cover the needs of the GLA's subsidiary companies, including GLA Land and Property Limited; and work in collaboration with the Old Oak and Park Royal Development Corporation, leading much of the work on their behalf. The potential needs of any prospective future development corporation(s) will also be considered.
- 2.2. The GLA has used systems provided via TfL for over 10 years. These were implemented when the GLA was a much simpler organisation, with far less complex needs from systems. Over time, use of the systems has evolved; but as the underlying processes have not changed, it is no longer the case that they always provide the most efficient and effective solution to meet the GLA's needs.
- 2.3. The SAP HR module, known as Success Factors, has already been partially implemented within TfL, and is used by the GLA. This will be fully implemented in a phased approach over the next few years. This MD requests approval to invest resources (up to £500k in 2025-26) in bedding in the system; and reviewing and implementing the appropriate process changes to allow the GLA to reap the benefits of the upgraded technology.
- 2.4. Apart from the resources required to embed the Success Factors technology, this MD focuses primarily on finance and procurement workstreams and the overall integration of system modules. It is proposed that the project team will consist, initially, of the roles and functions listed at paragraph 2.5, below. Anticipated day rates are based on expected agency employment rates. Whilst direct



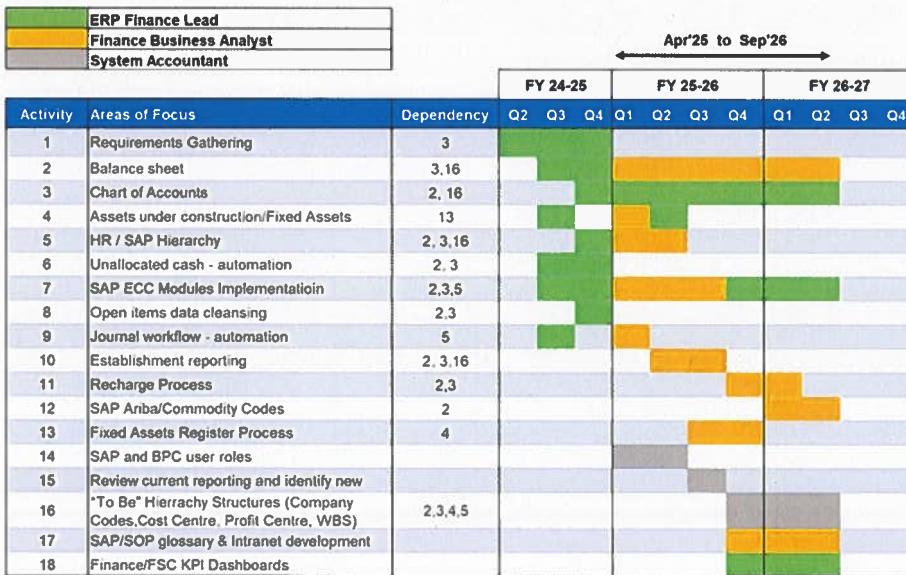
employment of individuals is preferred, we recognise that – given the nature of the employment market for these skills – it will be difficult to match suitable candidate to this type of role without using agency interim resource.

2.5. The roles and functions are proposed as:

- ERP Programme Manager and Digital Lead
- ERP Finance Lead
- Finance System Accountant
- Finance Business Analysts x 2
- change management provision.

2.6. The total cost of this team, over three years, is anticipated to be around £2.5 million. This includes agency costs, as well as a small provision for inflationary rises over the coming years. The roles within the team may flex as the programme progresses, and as needs alter. In parallel to this MD, these roles will be approved through establishment control processes. There will also be a substantial draw on permanent finance staff time to support this crucial programme of work. £0.5 million has been allocated to cover their substantive roles as necessary, along with £0.5 million of contingency, which will only be used if required.

2.7. The programme of work will be extensive as every element of the system will need to be reviewed and the GLA's data will need to be transformed to be able to be stored in the new system. In order to maximise benefits, it will be necessary to explore options around the optimum configuration of structures and implement new processes and control systems to be compatible with the new infrastructure. A summary of the timetable for this work is in the chart below. This timeline extends to September 2026, which covers the "readiness" exercise. From that point on the overall programme, led by TfL, moves into the "execution" phase. Go Live is planned to be at the end of March 2028.



### 3. Equality comments

3.1. The Mayor and the GLA are required to comply with the Public Sector Equality Duty (PSED) set out in section 149(1) of the Equality Act 2010. This requires them to have due regard to the need to eliminate discrimination, advance equality of opportunity, and foster good relations between those who share a protected characteristic and those who do not. The protected characteristics are age,



disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, and sexual orientation.

3.2. This MD relates to the setup and recruitment of an additional project team to lead the GLA's response to the ERP replacement programme. The ERP programme will be led by TfL, who are also subject to the PSED, and who will ensure that equality and diversity are at the heart of all decisions made in that programme. The GLA has established clear guidelines on recruitment that ensure that recruitment activity is conducted in a way that promotes diversity and inclusion in decision-making – in particular, the specific framework around recruitment and selection.

#### **4. Other considerations**

4.1. The replacement of any computer system is inherently risky. This is increased due to the complexity of the system suite being replaced; and the fact that the programme is being led by one partner who will not necessarily have a detailed understanding of the needs and issues of the other partner.

4.2. The evolution of this project team is intended to mitigate the risk that the ERP suite will be developed by TfL without fully reflecting the GLA's needs. It is also intended to ensure that the GLA maximises the opportunity to review processes, data structures and interactions to optimise the capabilities of the new version of the system infrastructure. This team will also ensure the security of GLA's data during the review and transition process.

##### Link to Mayoral strategies and priorities

4.3. The provision of efficient and reliable IT systems underpins the delivery of all Mayoral priorities. Without accurate information flows, no organisation can deliver its ultimate objectives. This decision form will ensure that the GLA's access to the core systems meets its own needs; and any disruption to the delivery of normal business is kept to a minimum.

##### Consultation and impact assessments

4.4. This proposed programme has been prepared in consultation with the Chief Finance Officer and the Director of Digital, both of whom are senior internal stakeholders for this programme of work. This decision is considered essential to ensure the GLA can benefit from uninterrupted access to core business systems that meet the organisation's needs. Central to this is the ongoing compliance with the requirements of the General Data Protection Regulations, which will be an underpinning requirement of the ERP replacement programme.

##### Conflicts of interest

4.5. No one involved in drafting this decision form has any conflict of interest to declare.

#### **5. Financial comments**

5.1. The proposed project team is expected to cost around £3.5m, including contingency. This MD seeks approval to budget for the first three years of the programme. This funding has been set aside within the reserves in the GLA: Mayor budget for 2025-26.

5.2. The proposed expenditure of £500k in 2025-26 to support the development of Success Factors is included within the GLA: Mayor budget for this year.

5.3. It is expected that the initial profile of this spending will ramp up as the programme continues, with £700k spend expected in 2025-26, £1,050k spend expected in 2026-27 and £1,750k spend expected in 2027-28. All budgets are subject to approval each financial year and will therefore be subject to change as a result of this annual process.



## 6. Legal comments

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 that are facilitative of, or conducive or incremental to, the promotion of each of the GLA's principal purposes in Greater London. 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 UK
- consult with appropriate bodies.

6.2. In taking the decision requested, the Mayor must have due regard to the PSED – namely the need to eliminate discrimination, harassment, victimisation and any other conduct prohibited by the Equality Act 2010; and advance equality of opportunity, and foster good relations, between persons who share a relevant protected characteristic and those who do not (section 149 of the Equality Act 2010). To this end, the Mayor should have particular regard to section 3 (above) of this report.

6.3. It should be noted that this decision relates only to the approval of budget, although there is reference to creating a project team to undertake the work required. If agency workers are brought in, this should be done in line with the GLA's normal processes for recruiting agency staff. If permanent or fixed-term employees are brought in, those staffing decisions must be approved by the Head of Paid Service in accordance with the GLA Head of Paid Service Staffing Protocol and Scheme of Delegation.

### GLA's share of the Success Factors development costs

6.4. Under section 401A of the GLA Act, the GLA can enter into arrangement 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. Any services of this type to be provided to the GLA by TfL would fall within that description.

6.5. The GLA has existing shared-services arrangement for delegation and attendant work arrangements setting out those services, which TfL provides to the GLA. The officers are reminded to ensure that: any payments to TfL be made under the appropriate working arrangement; and the relevant working arrangement cover the required services. To the extent that the relevant working arrangement do not cover the required services, the officers are reminded of the need to vary its scope to include the required services before any payment is made to TfL.

## 7. Planned delivery approach and next steps

7.1. The project will be delivered according to the following timetable:

Activity	Timeline
Recruitment of project team	To begin in June 2025 and conclude by 1 September 2025
Delivery period	1 April 2025 – 31 March 2028

### **Appendices and supporting papers:**

Appendix 1 – TfL ERP Programme timeline.



## 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:

Peter Sebastian has drafted this report in accordance with GLA procedures and confirms the following:

✓

### Sponsoring Director:

Fay Hammond 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.

✓

### Mayoral Delivery Board

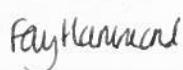
This decision was agreed by the Mayoral Delivery Board on 27 May 2025.

✓

## CHIEF FINANCE OFFICER:

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

### Signature:



### Date:

27/05/2025

## CHIEF OF STAFF:

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

### Signature:



### Date:

27/05/2025

