Report for:	Councillor Carlin – Cabinet Member for Finance & Resources
Title:	**Enterprise Resource Planning (ERP) System Replacement**
Report authorised by:	Taryn Eves, Corporate Director of Finance and Resources
Lead Officer:	Kevin Bartle, Strategic Adviser (ERP Programme SRO)
Ward(s) affected: N/A	

1. Describe the issue under consideration

1.1 Enterprise Resource Planning (ERP) systems are used by large organisations, including local authorities, to manage their core Finance, HR and Procurement functions. These systems are business-critical: they enable the Council to pay staff and suppliers, manage recruitment and workforce activity, meet statutory financial and procurement obligations, and oversee contracts and spend. ERP platforms are large, complex systems that form the operational backbone of an organisation and underpin how services function day to day.

1.2 The current ERP platform used by the Council is approaching end of vendor support. Once support ends, the Council will no longer receive system updates, security patches, or functional improvements. Continuing to operate an unsupported ERP would present an unacceptable risk to the security of the Council's data, its ability to pay staff and suppliers, and its compliance with statutory financial and procurement requirements. As a result, the option to take no action is not considered viable and the Council must, therefore, replace its ERP capability.

1.3 The issue under consideration is therefore how the Council proceeds with replacing its ERP system, including:
- assessing the viable options available to Haringey;
- understanding the costs, benefits and risks associated with those options;
- developing a robust, evidence-based business case to support future decisions.

1.4 Haringey Council currently operates an ERP platform (SAP) that was implemented 27 years ago. It supports core Finance and HR processes and is supplemented by a range of additional systems and bespoke configurations to meet operational needs. Over time, this landscape has become increasingly complex, costly to maintain, and difficult to adapt.

1.5 This programme is not a simple technology replacement. It is an organisation-wide business change programme that will require the Council to adopt new,

standardised processes across Finance, HR and Procurement. Whilst this represents a significant change for the organisation, a well-planned and evidence-led approach will place the Council in a much stronger position to manage its workforce, finances, procurement and contracts in a controlled, efficient and sustainable way.

1.6   This report therefore seeks approval for funding to progress the stabilisation and option-assessment work required to develop a full and costed ERP business case, enabling informed decision-making by Cabinet at a later stage.

2.   Cabinet Member Introduction
N/A

3.   Recommendations

The Cabinet Member for Finance and Corporate Services is asked to:

3.1   To approve an initial budget to fund a defined discovery and initiation phase of £1,922,653.19.

3.2   Note that Haringey Council's ERP replacement programme is now moving from an initial foundational phase into a discovery and initiation stage.

3.3   Note that the next phase is essential to ensure the programme is positioned to proceed in a controlled, evidence-based and deliverable manner, with clear governance, mature requirements, and a robust understanding of cost, risk and delivery approach.

3.4   Note an independent assessment has confirmed that the strategic direction to replace the Council's current ERP remains sound and necessary. The next step is to build on this foundation through a structured discovery and initiation phase that will strengthen decision-making, validate options, refine scope, test our approach with the market and ensure the programme is ready to proceed at pace in a way that is affordable, compliant and defensible.

4.   Reasons for decision

4.1   The ERP programme has an approved budget of £150k for 2025/26, which was allocated to establish an initial ERP programme team, fund early foundational activity, and begin the development of high-level business case and technical requirements across the HR, Finance and Procurement functions.

4.2   A substantial amount of complex, underpinning work has been delivered within this initial budget envelope. This has included significant activity to build and mature requirements across HR, Finance and Procurement, alongside developing organisational understanding, clarifying scope, and identifying key risks, dependencies and constraints. This foundational work has been essential in

shaping the programme and now provides a strong and credible platform from which to move into a structured and effective discovery and initiation phase.

4.3   It is now very apparent that this initial budget was wholly insufficient to cover not only what has been done to date but now, and most importantly, for the next and more detailed discovery phase, as set out in this paper. This next phase will need to complete the requirements development, validate options, and produce a robust, fully costed business case to support full programme approval. It is essential that the Council can evidence best value for money for what will be a very substantial investment required to secure day-to-day operations.

4.4   The additional budget requested will be used to support the following critical readiness activities, which cannot be delivered within existing capacity or budget:

- Strengthening programme governance and controls, including formalising Senior Responsible Officer delegated authority, decision thresholds, and standing up a small Programme Management Office to own the plan, Risks, Assumptions, Issues and Dependencies (RAID) log and escalation.

- Establishing a single, cross-functional Requirements Working Group (Finance, HR, Procurement, Digital), completing and prioritising functional and non-functional requirements and enabling informed scope.

- Controlled market engagement and testing, including preparation of a compliant supplier data room, parity protocols and structured market-testing materials.

- Defining and assuring the procurement strategy, supported by named procurement leadership and independent legal/procurement advice to ensure compliance and value for money.

- Refreshing the costed options appraisal and 10-year Total Cost of Ownership, including staged funding approvals and improved financial governance.

- Mobilising data and change foundations, including appointment of a Data Lead, initiation of data discovery, migration and archiving principles, and early business change planning.

- Supplementing in-house capability with ERP-experienced SMEs, to ensure that complex design decisions are Council-led, robust, and aligned to best practice.

Two-Phase Funding Approach

4.5   Officers recommend adopting a two-phase funding model:

- Phase 1 – Stabilisation and Readiness: Initial funding to complete governance, requirements, market testing, procurement strategy, data discovery and financial assurance activities. This paper requests the funding to achieve Phase 1.

- Phase 2 – Delivery Funding: This will be subject to a future decision by Cabinet following completion of Phase 1, based on a refreshed business case with evidenced scope, costs, benefits, risks, and delivery confidence.

4.6   This approach ensures that Cabinet is not asked to commit to full delivery funding until the programme is demonstrably ready, risks are actively managed, and value for money can be evidenced.

Why This Is Necessary

4.7   Without this additional investment:
- Decision-making will remain constrained and slow, increasing the risk of delay and escalation.
- Requirements may be over or under specified, inconsistent, or untestable, leading to inflated supplier pricing and weak procurement outcomes.
- The Council risks entering procurement without a clear evidence base.
- Data quality, migration, and change impacts may be addressed too late, increasing the likelihood of implementation failure and unrealised benefits.
- The programme risks becoming supplier-led rather than Council-led, embedding poor design decisions that are costly to unwind.

4.8   Approving this targeted additional budget enables the Council to de-risk the programme, protect public money, and place the ERP replacement on a firm footing ahead of major contractual commitments.

Budget Required

	2025/26	2026/27
Existing Project Resource	£425,393.85	£212,696.93
HR SME Resource	£32,845.00	
External Consultancy	£237,570.00	
Additional Project Resource Required		£660,000.00
Data Migration Resources		£180,000.00
SME Recharges	£58,167.60	£77,556.80
Contingency @ 10%	£75,397.65	£113,025.37
Existing 25/26 Budget (FCR)	-£150,000.00	
Sub-Total	£679,374.10	£1,243,279.10
Total Budget Required	£1,922,653.19	

5.   Alternative options considered

5.1   Doing nothing is considered not a viable option for Haringey. The current ERP platform is reaching the end of support and the limit on its sustainability means it is no longer provides a reliable basis for meeting Haringey's operational, security, and statutory requirements over the medium to long term. Given that ERP replacement is a large-scale, multi-year programme Haringey must act now to begin the discovery and initiation phase. This early phase is essential to plan a safe and controlled transition, define interim support and continuity arrangements, and mitigate the growing risks associated with reliance on the existing system. Delaying action would increase operational, financial, and compliance risk, reduce our ability to maintain business continuity and constrain future service improvement.

6.   Background information

Programme Timescales and Transitional Arrangements

6.1   The replacement of the Council's ERP capability is expected to be a large-scale, multi-year programme. Indicative benchmarking across the sector suggests that full implementation typically takes 18–24 months but can be longer, from the point of selecting the system but this depends on scope, delivery model, data readiness, and organisational change complexity. This timescale means that the Council must plan for interim support and continuity arrangements for the current ERP environment during transition, including appropriate contractual and operational cover to ensure business continuity, security, and statutory compliance.

6.2   The precise duration and structure of any transitional arrangements will need to be defined as part of programme replanning and the wider ERP stabilisation work, including work with specialist partners to reassess delivery timelines, risk exposure, and support dependencies.

Evidence Base and Sector Engagement

6.3   The timing and development of this report has been informed by extensive preparatory work undertaken by the Council, including:

- engagement with other local authorities that are at different stages of ERP replacement programmes.
- independent market insight and advisory support (including sector benchmarking and research).
- internal architectural, digital, and operational assessments, and early engagement with specialist advisors.

6.4   This work has confirmed both the strategic necessity of the ERP replacement and the material risks of progressing prematurely without adequate programme foundations in place, it is therefore essential that we continue with this work in the next phase of the programme.

Programme Readiness and Stabilisation Context

6.5 Independent assessment has identified that, whilst the need to replace the ERP system is clear and urgent, there are several critical readiness gaps that must be addressed before the Council can commit to solution selection or large-scale procurement.

These include:
- governance and delegated decision-making arrangements
- programme management and controls
- requirements maturity and prioritisation
- procurement and market engagement readiness
- financial governance and long-term affordability assurance
- data ownership, quality and migration planning
- business change capacity and service readiness
- access to appropriate ERP specialist expertise

6.6 Addressing these gaps through a structured stabilisation phase is essential to ensure that future decisions are evidence-based, affordable, compliant, and deliverable, and that Haringey avoids committing to high-risk or poorly scoped procurement and delivery pathways.

6.7 All work undertaken to date has established a strong foundation, including early governance arrangements, initial requirements development, market engagement activity and programme mobilisation.

6.8 This next phase will focus on formalising governance and decision-making, completing and prioritising requirements, preparing for market engagement and procurement and developing a robust, fully costed value for money business case to support future Cabinet decisions and full programme approval.

Governance and Leadership Engagement

6.9 The programme will operate through strengthened governance arrangements, including the ERP Programme Board, with structured engagement across the Council's senior leadership.

6.10 The programme will engage regularly with both the Senior Leadership Team (SLT) and Corporate Leadership Team (CLT) to ensure strategic alignment, organisational ownership, and delivery confidence. This will include:
- structured updates at key programme milestones
- deep-dive sessions on critical design, operating model and change impacts
- leadership input into prioritisation and sequencing decisions
- alignment with wider corporate and financial planning processes

6.11 This approach ensures that ERP replacement is treated as a corporate transformation programme, not a technology project, with clear leadership accountability and sponsorship.

Risk Management and Programme Control

6.12 The ERP programme carries significant strategic, operational, financial and organisational risk. Key risk areas include:

- **Business Continuity Risk**: Operating critical Finance, HR and Procurement processes on ageing systems creates increasing operational and security exposure, making timely replacement essential.

- **Programme Delivery Risk**: Large-scale ERP programmes are inherently complex, with high failure risk where governance, scope control, requirements maturity and change readiness are weak.

- **Financial Risk**: Without staged funding, clear decision gateways, and costed options appraisal, there is a risk of loss of financial control and unaffordable commitments.

- **Procurement and Compliance Risk**: Premature market engagement or poorly structured procurement exposes the Council to legal, commercial and reputational risk.

- **Change and Adoption Risk**: Without structured business change capability, service engagement and operating model redesign, benefits realisation and adoption will be severely constrained.

- **Data Risk**: Poor data quality, unclear ownership and undefined migration strategies materially increase the risk of delivery failure and operational disruption.

6.13 These risks will be managed through:
- phased programme design and funding
- strengthened governance and delegated authority frameworks
- structured stabilisation and readiness activity
- controlled market engagement
- formal programme controls (PMO, RAID, dependencies, assurance)
- and early mobilisation of data, change and ERP specialist capability

6.14 This approach ensures that Haringey builds a robust foundation before committing to major financial, contractual and delivery decisions, safeguarding business continuity and value for money while enabling the development of a credible ERP business case for Cabinet consideration.

7. Contribution to the Corporate Delivery Plan 2024-2026 High level Strategic outcomes.

7.1 The ERP Replacement programme is a mandated technology change driven by the current system no longer being supported. It is not referred to directly in the Corporate Delivery Plan but such a system underpins the delivery of all Council services by ensuring staff and suppliers are paid on time, all HR processes and procurement activity is managed and supports contract management.

7.2 Consistent with developing an Enterprise Infrastructure Strategy that aligns technological solutions with corporate objectives to enhance performance,

facilitate informed decision-making, optimise Digital investments, and enable adaptability to market changes.

8.   Carbon and Climate Change

8.1   The adoption of a modern ERP solution can support the Council's environmental objectives and contribute to reduced carbon emissions in the following ways:

Reduced Energy Consumption

8.2   Modern ERP platforms are designed to process and analyse data far more efficiently than legacy systems. This results in:
- Lower energy consumption for data processing and reporting
- Reduced cooling requirements within data centres
- More efficient use of underlying hardware and infrastructure

8.3   By eliminating the need for duplicated data storage and manual reconciliation, energy-intensive processing is reduced and reporting can be generated directly from live data.

Cloud-Enabled Deployment Models

8.4   Contemporary ERP solutions typically support cloud or hybrid deployment models, which are generally more energy-efficient than traditional on-premise environments:
- Shared infrastructure improves overall server utilisation
- Reduced requirement for Council-owned physical hardware
- Many cloud providers operate energy-optimised data centres and increasingly use renewable energy sources

8.5   This shift helps lower the carbon footprint associated with infrastructure hosting and maintenance.

Streamlined and Digitised Business Processes

8.6   Modern ERP solutions enable more efficient and integrated business processes across Finance, HR and Procurement, supporting sustainability through:
- Improved procurement and contract management, reducing waste and supporting more efficient purchasing practices.
- Enhanced inventory and asset management, limiting over-ordering, excess storage and unnecessary stockpiling.
- Automation of workflows, reducing reliance on paper-based processes and manual interventions.

8.7   Access to real-time data removes the need for offline reconciliation and enables timely, informed operational decisions.

Enhanced Reporting and Insight for Sustainability

8.8 Modern ERP platforms typically include advanced reporting and analytics capabilities that support:
- Real-time visibility of operational and financial data
- Improved decision-making around resource use and efficiency
- Better tracking and reporting to support environmental and broader ESG objectives

8.9 These capabilities enable Haringey to monitor performance more effectively and identify opportunities to reduce environmental impact.

Lower Total Cost of Ownership and Reduced Waste

8.10 By reducing dependence on physical infrastructure and improving system efficiency, modern ERP solutions can deliver:
- Lower long-term hardware and maintenance requirements
- Reduced electronic waste from fewer server upgrades and replacements
- More sustainable use of technology assets over time

9. Statutory Officers comments (Director of Finance (procurement), Director of Legal and Governance, Equalities)

9.1 The Finance Business Partner for Finance and Resources has been consulted in the preparation of this report and has provided the funding position.

9.2 The funding required to progress the stabilisation and option-assessment to develop a full and costed ERP business case totals c£1.92m, of which £0.68m is required for 2025/26 and £1.24m for 2026/27. This funding will be met through applying corporate contingency for 2025/26 and the capital receipts flexibility for 2026/27. Flexible use of capital receipts is when proceeds from selling assets can be used to fund revenue costs of one-off transformation projects that generate long–term savings to the council. A £4m use of capital receipts in 2026/27 for invest to save initiatives (which includes the ERP programme) has been proposed via the 2026/27 Budget/MTFS and was considered by Council on 10th March 2026 for approval.

9.3 As at Period 10 2025/26, the forecast spend for this programme of work is £829,374 with an already agreed flexible use of capital receipt funding amount of £150,000, an additional £679,374 funding, including contingency, is being requested to meet the associated costs of the programme in 2025/26. Funding requirements in each year includes an estimated amount for contingency to allow for any delays or unforeseen costs to deliver an ERP business case by summer 2026.

Procurement

9.4 The Chief Procurement Officer has been consulted in the preparation of this report and confirm Strategic Procurement will provide the required support for any

procurement related activity referenced in this report, ensuring compliance with the Councils CSO's and relevant regulatory frameworks.

9.5 At present, Strategic Procurement is required to use manual processes to comply with the Procurement Act. The absence of appropriate supporting technology limits the team's ability to operate efficiently and constrains opportunities to maximise value for money.

9.6 The approach set out in this report will enable the Council to undertake structured market testing to assess deliverability, commercial viability, and overall value for money. This will help to mitigate procurement r-elated risks ahead of any future tendering exercise.

9.7 The Chief Procurement Officer confirms there are no procurement related reasons preventing the Lead Member for Finance and Resources approving the recommendations stated in paragraph 3 of this report.

Legal

The Director of Legal and Governance (monitoring Officer) has been consulted in the preparation of this report.

There are no contractual and procurement issues in the report that require any legal comments.

Equality

9.8 The Council has a Public Sector Equality Duty under the Equality Act 2010 to have due regard to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited by the Act
- Advance equality of opportunity between people who share a protected characteristic and those who do not
- Foster good relations between people who share a protected characteristic and those who do not

9.9 The duty applies to the following protected characteristics: age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, and sexual orientation. Marriage and civil partnership apply to the first limb of the duty only.

9.10 While not a protected characteristic in legislation, Haringey Council also recognises socio-economic status as a locally protected characteristic.

How a Modern ERP Solution Supports Equality Duties

9.11 A modern ERP solution can act as a key enabler in supporting Haringey to meet its equality duties by improving transparency, consistency, and access to high-quality data across workforce, finance and service delivery processes.

Data-Led Equality Monitoring and Insight

9.12 Modern ERP platforms typically provide integrated reporting and analytics capabilities that enable the Council to:

- Monitor workforce demographics across protected and locally recognised characteristics
- Identify disparities in recruitment, progression, pay, retention and training participation
- Track trends over time and assess the impact of policies and interventions
- Produce timely, auditable evidence to support Equality Impact Assessments and compliance with the Public Sector Equality Duty

9.13 Improved access to consistent, real-time data strengthens the Council's ability to identify and address potential direct or indirect discrimination.

Fair, Consistent and Transparent HR Processes

9.14 Modern ERP solutions support standardised and auditable HR processes which can help reduce bias and promote fairness by:

- Enabling consistent recruitment and selection workflows
- Supporting anonymised or structured shortlisting and interview processes where required
- Providing visibility of decision-making and outcomes across different groups

9.15 This consistency supports equitable treatment and helps reduce the risk of unintended bias in employment-related decisions.

Accessibility and Reasonable Adjustments

9.16 Contemporary ERP platforms are typically designed with accessibility and flexibility in mind, supporting:

- Configurable user interfaces and compatibility with assistive technologies
- Flexible workflows to accommodate different working patterns
- Improved recording and management of reasonable adjustments for employees with disabilities

9.17 These capabilities help the Council meet its duty to make reasonable adjustments and ensure systems are usable by a diverse workforce.

Wider Organisational and Service Benefits

9.18 By improving the quality and accessibility of data and embedding inclusive processes, a modern ERP solution can also:

- Support fairer allocation of resources
- Improve understanding of workforce and service-user needs
- Enable more informed decision-making that takes equality impacts into account

10. Use of Appendices

No appendices apply to this submission.

11. Background papers

No background papers apply to this submission.

Section of the report template	Part A (Open)	Part B (Exempt)
1	Award of Contract details excluding value and bidder(s) name (unless direct award).	Award of contract to named bidder(s) and value, including details on any extensions. Reference to any contingency or letter of intent value.
3	Recommendation to state term, any extensions and aggregated value of award to unnamed bidder(s). Reference to relevant CSO's.	Recommendation to state term, any extensions and aggregated value of award to named bidder(s). Reference to relevant CSO's. Reference to any contingency values.
4	Reasons to include references to top ranked bidder, most economically advantageous tender, best value or alternative reasons as appropriate.	Additional considerations that fall within exempt criteria (e.g. where not appointing to 1st ranked bidder)

5	State alternatives including reference to do nothing, inhouse option etc..	N/A – unless falling within exempt criteria.
6	Describe the procurement process undertaken. Basis for award (quality/price split). Table of results using anonymised bidder info. High level reference to contract and performance management.	Table of results using full details of bidder(s) and pricing/scores etc..
8	Refer to procurement guidance set out in this section	Include any comments that fall within exempt criteria (e.g. non-compliance related issues/risks)