



Glasgow City Council

Finance and Audit Scrutiny Committee

Report by Director of Financial and Business Services

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Item 4

21st October 2026

ERP Replacement Programme Update

Purpose of Report:

To update members on the progress of the Enterprise Resource Planning (ERP) Replacement programme that will replace the current IT solution, SAP, with Oracle Cloud Fusion ERP.

Recommendations:

The Finance and Audit Scrutiny Committee are requested to note the content of the report

Ward No(s):

Citywide: ✓

Local member(s) advised: Yes ☐ No ☐ consulted: Yes ☐ No ☐

1 Introduction

- 1.1 The council's current ERP (Enterprise Resource Planning) IT system is SAP. The system is used to perform accounting functions, pay suppliers, bill customers, meet statutory duty requirements, and deliver HR services including payroll.
- 1.2 The SAP system is widely used across the council family and currently has around 1,000 core users who undertake at least some of their regular activities on the system and 25,000 employees have access to the self-service portal to request leave or review their payslip.
- 1.3 The current SAP application has been in use in the council since 2004 and is due to be replaced by Oracle Fusion ERP system in 2028.
- 1.4 An update on the progress of the Enterprise Resource Planning (ERP) Replacement programme was presented to Finance and Audit Scrutiny Committee on 22nd of October 2025. This report highlighted programme governance, the approach to implementation and planning activity and the associated timelines and milestones. This report will update members on progress to date.

2 ERP Replacement Implementation Progress

- 2.1 The report to Finance and Audit Scrutiny Committee on 22nd of October 2025 detailed a 2-wave implementation approach with Finance and HR modules live in April 2027 and Payroll transition in June 2027. This plan was agreed and baselined before the implementation date for the new equal pay related pay and grading structure (PGS) was agreed and communicated. The project risk register identified a risk to the Oracle implementation timetable should any agreed PGS date coincide with planned Oracle activities.
- 2.2 On 28th November 2025 the Chief Executive issued a communication to staff intimating that the introduction of a new PGS was planned for April 2027.
- 2.3 Recognising the implications for the HR and payroll elements of the Oracle implementation from the agreed PGS delivery date, a planning review was undertaken to ensure the risk to both programmes was effectively mitigated. After input from the council's Client-Side Advisor and System Implementation partner, the ERP Replacement Steering Group agreed a plan to deliver a single wave live date for all Oracle solution functionality of April 2028.
- 2.4 This amended plan will still be delivered in the 5 overlapping phases previously described in the Finance and Audit Scrutiny Committee update of 22nd of October 2025. These are: Advisory, Design, Orchestrate, Prepare and Transition. These phases incorporate 7 key stage gates noted in Appendix 1.

- 2.5 The Advisory stage focuses on mobilisation and familiarisation with system functionality and best practice in the use of the Oracle solution. This stage was completed on schedule in December 2025.
- 2.6 The Design activity involves detailed specification of the solution configuration to meet the council's requirements. This phase is comprised of 3 key activities; initial system configuration build for review and comment, a second iteration of the system configuration build for further review and comment and formal sign-off of Design. The ERP Replacement Programme Steering Group accepted completion of the Design phase in October 2026,
- 2.7 The completion of the Design phase is a critical milestone and has required significant support from staff across the council family to deliver. More than 10,000 hours of staff time has been allocated to support in excess 100 formal workshops and a significant number of smaller focused working group meetings in order to deliver the required activities. These include:
- Completion of initial and secondary system configuration system builds, review and validation of the outcomes
 - Agreement on more than 1,500 critical decisions to deliver the Solution Design Documents and Information Gathering Templates required by the System Implementor to build a system configured to the agreed design to support Key User Training and System Integration Testing in the next phase
 - More than 500 council requirements from the initial procurements validated as delivered in the new solution
 - Key strategy documents covering data migration, data cleansing, integrations, reporting, business readiness and stakeholder engagement have been agreed with the subsequent activities in delivery
 - Completion of Data Migration tests 1 and 2
- 2.8 The Orchestrate phase will ensure the agreed Design has been delivered as specified and build council capacity to deliver the future stages through Key User Training and System Integration Testing activities. This phase is scheduled to commence in November 2026 and conclude in April 2027.
- 2.9 The Prepare activities will involve in depth User Acceptance Testing, payroll testing and assurance, business readiness assessments, training preparation and mobilisation of future system support arrangements. The phase is due to start in May 2027 and conclude in January 2028.
- 2.10 The final phase, Transition, will confirm business readiness, confirm data migration and payroll success and move the system into live running in April 2028, subject to the required approvals. The transition phase then includes a period of focused support, usually referred to as Hypercare. Thereafter management of the system will be handed over from the project team to business-as-usual activity. This phase is due to conclude in July 2028.
- 2.11 Throughout each phase Data Migration tests will take place to ensure the required data is transferred from SAP to the new solution to allow successful

live running. 2 tests have completed to date with higher than anticipated success rates for this stage in the process. A further 5 are planned throughout the programme.

- 2.12 Delivery quality will be monitored by achievement of a series of milestones and readiness to progress through the process is controlled by an assessment of readiness at each of the 7 stage gates noted at Appendix 1. Each stage gate has pre-defined success criteria and pre-defined exit and entry criteria to ensure the council is ready to move from one stage to the next. The ERP Replacement Steering Group will review progress and confirm readiness to progress, or delay exit from one stage gate and entry to the next until the necessary criteria are met.

4 Policy and Resource Implications

Resource Implications:

Financial: The one-off costs of the implementation are budgeted to be met from the Future of ICT approved capital budget. Recurring costs from the new system will be met from existing revenue budgets.

Legal: The report raises no new legal issues.

Personnel: No direct personnel implications.

Procurement: N/A

Council Strategic Plan: The contract will support Grand Challenge 4 in the council's Strategic Plan.

Equality and Socio-Economic Impacts:

Does the proposal support the Council's Equality Outcomes 2021-25 N/A

What are the potential equality impacts as a result of this report? N/A

Please highlight if the policy/proposal will help address socio economic disadvantage.

N/A

Climate Impacts:
Does the proposal support any Climate Plan actions? Please specify:

N/A

Privacy and Data Protection impacts:

No data protection impacts identified.

5 Recommendations

5.1 It is recommended members note the content of the report.

Appendix 1

Phases and Stage Gates

Phase	Stage	Key deliverables	Planned Completion Date
Advisory	1: Mobilisation phase complete	- System solution design discovery documents completed - Project Plan agreed and baselined - Entry and exit criteria for each phases agreed	December 2025 Complete
Design	2: System Design sign off	- Completion of the first two Data Migration test cycles - CRP1 and CRP 2 complete - Solution Design sign-off	October 2026 Complete
Orchestrate	3: Orchestration phase complete	- Key User Training Manual complete and agreed - Delivery of Key User Training activity - System Integration Testing complete - Draft go-live plan agreed - Data Migration test cycle 3 complete	April 2027 On schedule
Prepare	4: User Acceptance Testing complete	- User Acceptance Testing sign-off - Data Migration test cycle 4 and 5 complete	December 2027 On schedule
Prepare	5: Parallel Pay Run Completion	- Payroll test cycles 1, 2 and 3 complete - Data Migration 6	January 2028 On schedule

		Go-live readiness confirmed	
Transition	6: Go-live complete	- Data Migration 7 Go-live April 28	April 2028 On schedule
Transition	7: Hypercare	3 months of successful General Ledger and Period-end activity delivered 3 months of successful payroll activity delivered - Hypercare activities delivered - Acceptance and project close report approved	July 2028 On Schedule