

APPENDIX B**“Project Mandate”**

Agenda item number:

Date of issue:

Meeting: Programme Board

Date:

Report by: Rebecca Barker Job title: Financial Services Team Leader

Service: Corporate Services - Finance

Status: First Draft

Subject: Replacement Financials System

1 Purpose of report

Gain approval for a budget of £250k to replace the current Finance system, and make provision in the capital programme for a long term solution. Additional work will be required to develop the business case and refine the estimated costs.

2 Recommendations

Given the high cost of an invoice scanning solution, costs of the next required upgrade and increased on-going costs of Oracle, other system options should be considered to reduce these costs and the need for specialised support. An alternative system could also provide improvements in functionality.

It is recommended that we replace the current finance system with a suitable cost effective alternative that would meet the Council's current requirements, and also support future requirements. The system needs to progress digital ways of working, improve back-office efficiency and payment performance. Working with other Council's in the ICT Partnership to obtain/share the same system should also be considered.

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3 Background

Investigation started initially into an invoice scanning solution to improve the ordering/invoicing process and payment performance. As the cost of implementing this with our current Finance system was significant, we then assessed the ongoing costs of Oracle and compared these to another alternative system on the market, with the scanning functionality already integrated.

We currently have to obtain system support, server support and a separate reporting tool for Oracle via various third party providers. Also the system is now in reduced support until Dec 2019, so we will need to consider upgrading which could be a major cost to the Council which we envisage to be in excess of £400k based on our previous upgrade and quotes provided from the existing supplier). Due to the central ICT costs, the ICT strategy is under development and is to propose the council moves away from Oracle database technology to easier and cheaper to maintain systems.

When looking for a new system we would prefer to opt for a cloud based system as an on-site server would not be required and maintenance, helpdesk facility and upgrades would be included in the annual maintenance charge. Having an agreement such as this would provide stability and future costs could easily be budgeted for, unlike at present as Oracle upgrades require us to employ consultants to perform implementation.

The cost to implement an invoice scanning solution by a third party provider on our current system would be:

	Implementation	Annual Fee
Oracle Scanning	£105,000	£10,000

An initial high level review has identified that there would be a cost benefit of implementing a new finance system, which would deliver both long term savings and improved functionality. This has been further developed by publishing a Prior Information Notice (PIN), which outlines our requirements and allows providers to submit details about their system with estimated costs of implementation and also ongoing maintenance costs.

We had a number of responses which would suggest that the market is keen to engage with the Council and there would be a number of options available to us. Cost of the implementation and annual fee varied greatly but we feel a £250k budget would enable us to obtain a system that fully meets our requirements, and delivers enhancements to our current functionality which would include invoice scanning software.

We are also working with some other district councils to develop a collaborative approach to the procurement which will aid in sharing procurement costs and officer time in preparing documentation. If successful it could lead to procurement savings and shared knowledge across the councils to support each other.

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- 4 Legal, financial and ICT implications (please identify any system admin responsibilities)

As outlined above there is the potential for ongoing revenue savings if a new system is implemented along with cost avoidance as a new system could be less expensive to implement than an upgrade to Oracle.

The project will work closely with the ICT partnership and be linked into their work plan to ensure resource support can be allocated.

The system admin for Oracle will take a lead role in the project and remain as system admin for any new system which is identified. However, due to capacity issues and resource requirements across the team and council as a whole there may be a need to engage in external support to help overview the implementation as the project progresses.

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- 5 Initial Assessment of risk

There is a risk that if we don't review the current system the Council will incur additional costs long term which will add to the budgetary pressures the council is facing. Also if the Oracle system is not upgraded and kept on a supported platform there will be a risk that the system is not able to implement legislative changes and security of data could be at risk.

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- 6 Equalities and diversity and staffing implications

There are no equalities issues
