COUNCIL
12th OCTOBER 2017

Report of the Head of Resources

UPGRADE OF FINANCIAL MANAGEMENT SYSTEM

PURPOSE OF REPORT

This report seeks approval for the sum of £21,000 to be included in the Capital Programme for 2017/18 to provide consultancy for the upgrade of the Council's Financial Management System (Agresso Business World), and for the funding relating to the upgrade to be financed from the information technology reserve.

RECOMMENDATION

That Council approves the inclusion of £21,000 in the capital programme for 2017/18 for the Financial Management System Upgrade project, to be funded from the Information Technology Reserve.

WARDS AFFECTED

None

STRATEGIC LINK

A fully supported Financial Management System will help to provide services efficiently and to reduce the risks of service disruption. The provision of sound financial information supports the achievement of all council priorities, but is especially helpful in monitoring the achievement of savings required to achieve a sustainable financial plan.

1.   REASON FOR URGENCY

To consider a request for additional capital funding to upgrade a primary software system, which cannot wait until the next scheduled meeting of the Council.

2   REPORT

2.1   The Council uses Agresso Business World as its corporate Financial Management System. Agresso is one of the Council's core systems and encompasses all of the Council's accountancy functions. The Council currently uses the following Agresso modules:

- General Ledger
- Budgeting
- Requisition and Purchase Order Processing
- Payment of suppliers and other creditors
- Invoicing for Sundry Debtors
- Bank Reconciliation
- VAT Accounting
- Report writing tools

2.2   The support agreement for our current version of Agresso will expire in January 2018. We have recently been informed that support for the current system has been offered but at an increased cost of £8,000 p.a. Upgrading to a newer version will avoid the increase in support costs, post completion. Should the Council decline to upgrade or pay the additional charges, the system will be unsupported.

2.3   Running an unsupported system is a risk. As well as providing management information, Agresso is used to pay suppliers and to raise invoices for trade waste, rents and other fees and charges. If the service was not available, such transactions would be delayed resulting in service disruption for our suppliers and customers.

2.4   It is proposed that a system upgrade should take place as soon as possible, to ensure that the period where the system is unsupported is kept to a minimum and that the upgrade is completed well before 31st March to avoid any delays in meeting the statutory deadline for the Statement of Accounts. The key milestones are set out in the table below:

Planned start date	13th October 2017, subject to Council approval on 12th
Key milestones	By 30/11/17 Carry out procurement process December to February: Consultant to manage and deliver the upgrade (estimated that 3 months is required)
Planned completion date	28th February 2018
Post-project review / Closure Report / Evaluation date	31 March 2018

2.5   As we already have a contract for maintenance and support, there is no additional cost for the updated software. However, consultancy will be required to bring in the skills required to carry out the upgrade, as skills are not available in-house. A procurement exercise will be undertaken to select a consultant. At this stage it is estimated that the consultancy will cost £21,000, which could be funded from the Information Technology Reserve.

3   RISK ASSESSMENT

3.1   Legal

The procurement of the consultancy will be undertaken in accordance with the Council's financial regulations and Contract Standing Orders. The risk of legal challenge to the outcome of the procurement process is low, but such a risk can never be entirely ruled out.

3.2   Financial

If the Council does not upgrade its financial management system, there is a risk of system failure which could have serious consequences such as being unable to pay suppliers promptly, being unable to invoice customers on a timely basis and being unable to monitor income and expenditure against spending plans.

The Office Technology Reserve has an available balance of £73,000, which includes £26,323 earmarked for Agresso upgrades. The annual maintenance cost can be contained within the existing revenue budget. Therefore, the financial risk arising from this report is considered to be low.

4   OTHER CONSIDERATIONS

In preparing this report, the relevance of the following factors has also been considered: prevention of crime and disorder, equalities, environmental, climate change, health, human rights, personnel and property.

5   CONTACT INFORMATION

Karen Henriksen, Head of Resources
Telephone: 01629 761284; Email: karen.henriksen@derbyshiredales.gov.uk

6   BACKGROUND PAPERS

None

7   ATTACHMENTS

None