Meeting of Executive Member for Corporate Services and Advisory Panel   **24 July 2007**

Report of the Director of Resources

FMS (Financial Management System) Project

Summary

1. The purpose of this report is to provide Members with an update on progress and plans for the FMS Project.

Background

2. The current FMS is provided by Civica and is called Powersolve.

    a) Powersolve was implemented in 1994 and has provided reliable service over the years

    b) Regular users in the accounting teams have been very satisfied with its performance. However, it is an old fashioned system that is difficult for infrequent users (such as budget managers) to find their way around.

    c) The display options are limited, with options to display far fewer lines on a screen than more modern systems. This means more working across screens, more copying of data to paper for reference reasons and more time wasted.

    d) There are no additional display options for the visually disabled.

    e) Searching and Reporting functions are limited and complicated. This has led to a number of work a rounds producing off-line spreadsheets and ad-hoc reports.

    f) The complicated nature of the system has meant that training has become very variable and inefficient practices have become the norm.

    g) The suppliers tell us that the current Powersolve System is now at the end of its life. In order to ensure full business continuity in a modern council environment, we must replace the system.

    h) A Development Plan Bid for a straightforward replacement was approved in 2004/2005 and details are contained in the Background Papers section.

i) A further draft bid has been submitted for 2008/2009. This is to enable interfaces to be created with various applications sending and receiving data from FMS, to allow integration with the Council's document management system (Anite@work), and to allow further business process reengineering to be carried out.

3. As part of the FMS Replacement Project implementation is expected to produce:

a) A system that is User Friendly, has a Graphical User Interface, improved Search and Reporting functions and much improved navigation using both a mouse and the keyboard.

b) A system that uses current technology, simplifying support and training, and ensuring the business continuity needs are fully catered for.

c) An integrated system with improved automation of interfaces between other CYC systems that share common data with FMS.

d) A system that operates in real-time where appropriate.

e) Standardised Business Processes to use best practice across the Council, particularly in the areas of eProcurement (Purchasing and Invoicing).

f) Improved cross council reporting and management as a result of better information flows and superior reporting functions.

g) The management of Workflow via the system, in areas where complex document flows have been identified and the opportunity for improving business processes exists. This will also help to reduce paper flowing around the business, potentially reducing paper usage and costs.

h) A more modern system that is more flexible and scalable, should the Council structure or needs change in the future.

Consultation

3. The Project team have consulted with people across the Council to agree the Requirements for the replacement FMS. This consultative process has been used to create a detailed FMS Requirements document that has been used in the Invitation to Tender (ITT) sent out to suppliers.

We continue to keep in touch with representative from each Directorate, via meetings and email. We also keep the wider user base and interested parties informed of progress, through our regular Newsletter.

Options

4. There are no options for the Executive Member to consider at this time.

Analysis

5. We are currently analysing the available options via the EC Procurement Process. We will return to the Executive Member for final approval when the evaluation of the options is completed and a Supplier has been selected.

Corporate Priorities

6. The Council's Vision Statement has 13 strategic priorities to deliver. The following are the key priorities that the implementation of a new Financial Management System will contribute to:

   a) Improve efficiency and reduce waste to free-up more resources.

   b) Improve the way the Council and its partners work together to deliver better services for the people who live in York.

   c) Improve our focus on the needs of customers and residents in designing and providing services.

   d) Improve leadership at all levels to provide clear, consistent direction to the organisation.

7. The project objectives have been defined to support the four key priorities identified above. The Objectives of the Project are:

   a) To provide a system using current technology that is intuitive and user friendly, requiring a minimum amount of training to enable users to be effective in their roles.

   b) To meet the demands of the Council and customers for functionality, reliability, scalability, availability, ongoing development and growth.

   c) To provide accurate and up-to-date financial information to managers to enable the Council to be more proactive in its decision-making process.

   d) To enable managers to identify efficiency savings in expenditure to free up more resources for improvements in front line services, as highlighted by the Gershon Agenda.

   e) To identify and meet the E-Procurement requirements of the Council and improve the cost effectiveness and management of the purchase to pay cycle.

   f) To provide an efficient process for the capture of collective data, interfacing where appropriate with the Council's devolved site systems containing financial data.

   g) To maximise the cost effectiveness of services provided and received, interfacing where appropriate with the Council's suppliers and partners.

h) To identify and meet financial reporting requirements across the Council for strategic, corporate, legislative, performance and management purposes.

Implications

8. Implications of this project are detailed below:

a) **Financial**

The ITT development plan provides a budget for the purchase and installation of a new system. It is expected that the budget is sufficient to enable the implementation of the system. In addition to this the project team have been funded from reserves at a cost of £300k over three years.

Human Resources (HR)

There are no HR Implications as a result of the replacement of FMS, however any Business Process Re-organisation we are able to carry out, may result in some changes to ways of working.

b) **Equalities**

There are no Equalities implications as a result of the successful conclusion of the project.

c) **Legal**

This procurement is being carried out under the EU Procurement Rules. We are taking expert advice from the Resources Procurement Team throughout the process, to ensure there are no implications as a result of this process.

Legal implications with the contract will be considered by the Procurement Team and by the Council's Legal Team prior to any agreement being signed.

d) **Crime and Disorder**

There are no crime and disorder implications as a result of this project.

e) **Information Technology (IT)**

IT are fully involved in the project, with representatives on the Project Board and the Project Team. IT requirements and standards have been considered and will continue to be reviewed to ensure the new system will run on the Council's IT Infrastructure. This should minimise the potential implications of the replacement of the current system.

Implications of an error are additional spending on hardware, software and training, should the Council's Infrastructure and Support be unable to run the new system without upgrades (beyond those to be included as part of the project).

f) **Property**

There are no property issues with the acquisition of the new FMS as its operation will be site independent.

g) **Other**

There are no other known implications.

Risk Management

9. Risks and Issues are being recorded in the corporate Risk management System called Magique. This is monitored across the Council by Resources Risk Management.

Recommendations

10. That the Advisory Panel advise the Executive Member:

1) To note the progress made to date on the FMS Project and support the continuation of this project.

Reason: This needs to be done to ensure full business continuity and to facilitate improvements in the way we work as a Council as set out in the Corporate Priorities.

Contact Details

Author:	**Chief Officer Responsible for the report:**
John Bird	Peter Steed
IT Business Develop't	Head Of Finance
Project Manager	
IT&T	**Report Approved** ✓ **Date** 10/7/07
Tel No. 1738	

Co-Author: Tom Wilkinson
Corporate Finance Manager
Corporate Accountancy
Tel No. 1187

Specialist Implications Officer(s) List information for all
None

Wards Affected: List wards or tick box to indicate all   **All** ✓

For further information please contact the author of the report

Background Papers:

2004/2005 Bid entitled Financial Management System Replacement in the IT&T DEVELOPMENT PLAN 2004/5 - ITT Reference 04RE10.

Annexes
None