

Portfolio Holder for Resources

Item

April 2022

Report of	Assistant Director of Corporate and Improvement	Author	Kieran Johnston
Title	Award of contract for core finance system		☎ 07983 164744
Wards affected	Not applicable		

1. Executive Summary

- 1.1 The Council, CBH and CCHL currently use efinancials (supplied by Advanced Business Software and Solutions (ABS)) as their core finance system.
- 1.2 The current contract for e-financials runs until 30 October 2023. To maintain compliance with Council Governance and Procurement regulations, CBC must undertake a procurement exercise to let the next contract for a finance system.
- 1.3 Replacing e-financials with a more modern, cloud-based application is part of the Enterprise Resource Planning (ERP) strand of the Service Digital Roadmap programme and a fit-for-purpose finance system is considered a Foundation Application
- 1.3 The current supplier has a new cloud-based finance application to which they offer a managed migration from e-financials, and the Council has engaged with ABS to arrange pre-market demonstrations of the new Cloud Financials application
- 1.4 Following pre-market engagement demonstrations of Cloud Financials, feedback from the core users within CBC has been very positive, with the Lead Officers in both Corporate and Improvement and Customer Services confirming that Cloud Financials meets their requirements and would be a significant improvement on the current solution.
- 1.5 The Council proposes entering into a contract for Cloud Financials for a period of 5 years via a direct award through the CCS Framework [RM3821](#), Lot 1a Resource Planning & Management Solutions including Financial & Commercial
- 1.6 The 5-year contract costs of the proposed contract, including supplier implementation costs, are forecast to be within existing budgets and are likely to lead to an ongoing revenue saving against current costs.

2. Recommended Decision

- 2.1 Award the contract for our core finance system to Cloud Financials for a period of 5 years via a direct award through the CCS Framework [RM3821](#).

3. Reason for Recommended Decision

- 3.1 Utilising the Framework RM3821 provides a compliant, cost-effective route to procure and pre-market engagement work has provided assurance that this route provides the best available price.
- 3.2 The new Cloud Financials application has been assessed against current and known future requirements and is the preferred application for the Finance Team core users
- 3.3 The proposed approach will enable a managed transition to the new Cloud Financials application, will not result in costs for “dual running”, and will enable an archive view of the current system (for compliance and audit purposes) at no additional cost.
- 3.4 The Cloud Financials application is in line with our Cloud-first ICT approach and will provide simpler access, improved uptime and availability service level agreements, and more robust disaster recovery options.
- 3.5 This approach will enable CBC, CBH, and CCHL to take advantage of a new, more feature rich solution whilst mitigating the risks and costs associated with a wholesale change of provider.

4. Alternative Options

- 4.1 The alternative option would be to undertake a wider formal market engagement leading to a specification and open tender process. Taking this alternative approach would lead to increased timelines, increased costs, increased risk, and increased resourcing levels

5. Background Information

- 5.1 The e-financials system has been in place for 20 plus years and was upgraded from an old version that was hosted in local data centres to a supplier hosted, Software as a Service (SaaS) solution in 2019. This upgrade brought us onto a more stable, up to date version of e-financials.
- 5.2 The current system is functional and works well for the core finance team. My Budget (which is a module of the system) is well used by Managers across CBC but the login process for non-core users is perceived as poor. E-Procurement is not optimised. The overall system has no single sign on and must be accessed via Windows 10 Virtual desktop or streamed apps which carries a cost to CBC ICT and provides barriers to access.
- 5.3 Replacing e-financials is part of the Enterprise Resource Planning (ERP) strand of the Service Digital Roadmap project within the Transformation programme and is considered a Foundation Application - *“There are a number of core systems...The approach here should be to make sensible decisions; considering workloads, cost, opportunity and risk. Savings should be taken if they present themselves”*
- 5.4 Charges from ABS for Cloud Financials are expected to save on current ABS charges over a 5-year contract. The expected cost within the Council of implementing Cloud Financials is £150k which has been funded from the Transformation Programme. Implementation costs will include interim and temporary staff support, training requirements, and preparation of revised interfaces.

6. Equality, Diversity and Human Rights implications

- 6.1 Through the Procurement Strategy, staff ensure that all procurement and purchasing documentation recognises, understands and supports CBC policies with regard to equal opportunities, diversity and human rights.

7. Strategic Plan References

- 7.1 The Strategic Plan sets out clearly the Council's priorities. All the services and projects delivered by staff are supported and enabled by the ICT equipment and services they use. A robust, easy to use and accessible finance system underpins the performance and reputation of the Council.
- 7.2 Environment and sustainability is embedded within all Council decision making and the approach outlined in this proposal supports this through maximising the use of cloud technologies and reducing the need for duplication of services required to access the application.

8. Consultation

- 8.1 Key staff have been involved in demonstrations of the proposed application and support the procurement approach.

9. Publicity Considerations

- 9.1 No external publicity considerations.

10. Financial implications

- 10.1 The total cost of the proposed contract with ABS is £499,785 over 5 years and this is within the budget currently allocated

11. Health, Wellbeing and Community Safety Implications

- 11.1 There are no Health, Wellbeing and Community Safety implications arising from this decision.

12. Health and Safety Implications

- 12.1 There are no Health and Safety implications arising from this decision.

13. Risk Management Implications

- 13.1 By following a procurement process that is compliant with the Public Contracts Regulations 2015 and by implementing the controls and recommendations as set out in this report, the Council is seeking to mitigate against any potential risks or challenges.
- 13.2 By following the Council's established programme and project management processes the Council is mitigating the risks associated with implementing a new application and integrating with existing interfaces

14. Environmental and Sustainability Implications

- 14.1 Utilising a cloud-based solution enables the Council to take advantage of suppliers with shared infrastructure and economies of scale and removes the need for local infrastructure; minimising carbon emissions

Appendices

None

Background Papers

None