APPENDIX ONE

PROJECT DOCUMENTATION

END PROJECT REPORT

South Ribble and Chorley Councils' Shared Services Partnership – Common Financial Management Information Systems

Version: DRAFT

Date: 29/02/2012

Project Manager: Lee Hurst

Senior Responsible Owner: Susan Guinness

Revision History

Revision Date	Summary of Changes	Version
09/01/2012	Draft	Draft
29/02/2012	First issue	1.0

Approvals

Name	Date Approved	Version
Susan Guinness		DRAFT
Susan Guinness		1.0

Distribution

Name	Title
Project Team	
Project Board	
Shared Services JC	

1. Summary

South Ribble Borough Council had been using the “Powersolve” financial system since it was installed in November 1999. Whilst this system had been successful it was becoming slow to a combination of ageing hardware and software. Support for both the hardware and software had become limited, for example the system suppliers (Civica, formerly Radius) withdrew development support for the software and were only able to support the live environment on a limited operational basis. This meant that there was no development plan associated with the system and although the system was serviceable any new legislative requirements, such as International Financial Reporting Standards, would not be incorporated into the software. Instead, finance staff would have had to undertake additional work outside of the system to meet any new requirements.

For these reasons South Ribble Council was investing in replacement financial system but this project was put on hold pending the establishment of the South Ribble and Chorley Financial Services Partnership. After 2 years of planning and detailed implementation the Finance & Assurance Shared Service Partnership went live during the first week of January 2009. This came about with the signing of the legal agreement between the two Councils which marked a step change in partnership working.

A common financial management information system would afford the opportunity to adopt standardisation of working practices, streamline and enhance current processes, adopt best practice, reduce administrative burden and reduce costs. It would be a key enabler in delivering many of the efficiencies and improvements envisaged when creating the Shared Service Partnership and, given the existence of our Partnership, a solution which could be deployed from a single database and from one set of hardware would deliver further cashable efficiencies for both authorities.

The project began in the summer of 2010 with improvements to the partnership ICT network infrastructure and the virtualisation of the existing financial systems, a key element of the project which would provide a modern, efficient and flexible platform on which to implement the shared solution whilst also providing advanced business continuity arrangements and the capacity for growing the model.

The next stage was to migrate to the common financial system. But this was not simply a technical change – there where many other objectives as described in Section 2.

Overall, the Shared Services Partnership’s vision has achieved its objects, delivering a single multi-company system from one set of hardware and a shared service licence fee resulting in revenue savings of £44,000 a year. The single system has enabled the convergence of processes and the sharing of best practice.

The project resulted in the implementation of the core Authority WEB e-modules for both Partnership authorities, including General Ledger, Debtors, Creditors, Purchasing, Budget Preparation and the Fixed Asset module.

The web channel was key in allowing us to share a financial system over the existing data link between the two authorities with minimal changes to either authority’s existing ICT network infrastructure. Utilising a web browser meant there was no software to install on PC’s, data traffic over the link was kept to a minimum and technology such as email alerts and work flow could be implemented.

The web solution also improved the user experience, providing a familiar web page presentation of the financial systems, streamlined to meet an end user's day-to-day needs by containing only the core functionality that adds value to their role.

Also included was a powerful Reporting module, utilising Crystal Reports, which allowed a huge leap forward in financial management reporting presenting data in accessible formats to all levels of decision makers and ensuring data no longer needed to be manually manipulated outside of the financial system into presentations and reports. An important element of this was developing a common chart of accounts and financial reporting structure.

Additionally, an intelligent scanning solution for creditor invoices was implemented which allowed us to centralise the accounts payable function into one team for both authorities and streamline the procure-to-pay process.

Paper invoices are no longer passed around the authority, addressed to individual departments, stamped with a coding grid, ledger code written on and then passed to an authoriser a for a signature before being batched up and filed in endless rows of filing cabinets. Now invoices are scanned on receipt in one central location, ledger coding comes from an appropriately approved purchase order in the integrated Purchasing module and approval is online via an emailed alert.

2. Achievement of the Project Objectives

The project objectives were identified as follows:

- Deliver efficiencies through a Business Process Transformation of the key processes surrounding the core financial management information systems.
- Provide a platform for and implement common working practices.
- Delivery of a modern, sustainable and secure replacement financial management information system.
- Ensure both authorities can continue to meet legislative requirements.

These objectives have been achieved without exception and a detailed review of the benefits achieved can be found in Section 3.

3. Project Performance

Project Plan Performance

In the summer of 2010 the project was rescheduled as a result of an Exception Report submitted to the Project Board on 30th June 2010. The widening of the scope of the project to include virtualisation on the financial system resulted the go-live date being rescheduled from 1st October 2010 to 1st April 2011. The Project Plan performance is reviewed against the rescheduled project timescales.

Task	Planned Finish Date	Actual Finish Date
Procure software	30/04/2010	28/04/2010
Make software available at SRBC through existing data link	30/04/2010	04/04/2010
Complete detailed Project Plan, other key project documents, gain Project Board approval and assign tasks to project team	31/08/2010	19/08/2010
Facilities, Technical and Report Writer training for Project Team complete	30/09/2010	30/09/2010
Business Process Transformation exercise complete, fully documented	23/11/2010	28/02/2011
Agree System Use – Completion of Module Checklist Questionnaires, determine Transaction Codes, Depts, Privacy Groups, Ref. Numbers, Invoice and Payment Processing Requirements, Special Stationery requirements, Recovery Processing requirements, Order Processing and GRN processing requirements, User and User Security requirements	30/11/2010	28/02/2011
Set up Control Tables	07/12/2010	22/12/2010
Live virtualised environment	13/12/2010	13/01/2011
Covert or load data (Budgets, Creditors Accounts, Debtors Accounts, Transactions and Balances) into test system	18/01/2011	18/01/2011
System testing complete	15/02/2011	15/02/2011
Training Guides completed, Training Strategy finalised and End User training begins	15/02/2011	15/02/2011
Set up Control Tables and Chart of Accounts in live system	02/03/2011	02/03/2011
Covert or load data into live system	25/03/2011	25/03/2011
Live system testing complete	25/03/2011	25/03/2011
All End User Training complete	25/03/2011	25/03/2011
Go Live	01/04/2011	01/04/2011
Convert or load old year data and balances and reconcile systems	20/04/2011	20/04/2011
Review and close phase one of project	18/05/2011	16/09/2011
Begin phase two of project (Asset Management & Budget Preparation)	Jul 2011	13/05/2011
Review and close phase two of project	Sept 2011	TBC
Review and close project	Sept 2011	TBC

Assessment of the Budget Preparation and Asset Management modules took place in May 2011 ahead of schedule. The results were disappointing, with the Budget Preparation module likely to add some additional overhead to the current spread sheet based process, and with the Asset Management module not meeting the most recent legislative requirements. We are now working with the software supplier to address these shortcomings and are now in the testing stage with the Asset Management module. Progress will be monitored through the Financial Systems Development Plan performance monitoring.

Revenue Budget Performance

Description	Amount
2010/11 Budgeted FMIS costs	103,384
2011/12 Budgeted partnership FMIS costs	58,830
Annual Cashable Revenue Savings	**44,554**

Capital Budget Performance to Date

Description	Capital Budget	Actual Expenditure
Initial Licence Fee for shared financial system	73,455	73,455
Implementation services	13,000	13,000
Contingencies	5,000	977
Partnership ICT network infrastructure	30,000	10,745
Total	**121,455**	**98,177**

The underspend relates to the Partnership ICT Network Infrastructure improvements which came in significantly under budget. This is because at the time the budget was set variables such as the performance of the datalink were unknown and untested. Ultimately the performance of the datalink proved more than adequate and therefore a major upgrade was not required.

Benefits Achieved

The shared financial system went live on the 1st April 2011 as planned. In-house knowledge was utilised to implement the system so will now be retained within the service rather then leaving with an implementation consultant.

Staff feel empowered and are left with a great sense of achievement as well as a wealth of knowledge and additional experience. Project governance arrangements were successful and ensured the project was delivered on time and on budget. Below is a short analysis of the change on go-live.

Where we were....	Where we are now....
Two systems, two sets of hardware two licence fees two sets of running costs.	A single multi company system, one set of hardware, a shared service licence fee saving of £44k pa
Two systems with complicated rich client access requiring upgrades to all PC's. Additional software required to allow access across two sites.	Simple web-based solution. No software installed on PC's containing only the core functionality which the user requires. No software required to deliver across two sites and minimal data footprint through the link.
Two security policies and two sets of access controls to manage. Duplication of maintenance and administration tasks.	Single set of consistent controls and security policies, one maintenance plan. Administration tasks undertaken once for both companies.
One old system with no development potential and one newer system.	A single system with a single development plan enabling the convergence of processes and therefore efficiencies and best practice
Devolved input of creditor invoices at South Ribble involving around 40 people.	Centralised creditor invoice processing and a streamlined procure-to-pay process.
Two exchequer teams equating to approx 7 posts processing creditor invoices in two different ways with little scope for cross skilling – one with manual input while the other scans invoices	One Accounts Payable team equating to approx 3 posts adopting a single process utilising intelligent imaging.
Paper chase for authorisation of invoices and orders by physical signature. Batching and storing of paper difficult to retrieve for future reference.	Online authorisation of invoices and orders by the budget holder using email alerts and workflow. Images always available online. No physical storage requirements.
Difficulty in adopting best practice due to the differences in the two systems.	Best practice now being shared and implemented freely.
Three physical servers coming to the end of their life with little scope for growth	Two brand new virtual servers with huge growth potential and disaster recovery arrangements in place.

This model also allows us the greatest scope for growing the partnership whether that be by including additional partners fully in the Shared Services Partnership or simply hosting the financial systems for other organisations. The virtualised environment ensures the platform is scalable with minimal additional cost and the multi-company web-based software ensures other parties can join the partnership simply and quickly without the need for complicated and expensive ICT improvements. Even though best practice is being shared now, any further partners will add their valuable knowledge and experience as will as improving efficiencies through economies of scale.

4. Change Control

Two Exception Reports were produced for this project. The first was submitted to the Project Board in June 2010, at the very beginning of the project.

The original Business Case and PID for the project recommended using the multi-company functionality available on Chorley's existing implementation of Civica's "Authority Financials" software. This included utilising Chorley's existing hardware and delivering the system to staff at South Ribble via Authority WEB e-modules.

There were a number of reasons for recommending this solution over others outlined in the Business Case including minimising cost of the project without compromising quality and the relative technical simplicity of the implementation. Further to this the solution has now been proven, with Chorley's e-modules accessible and in use at South Ribble.

The Project Board identified a potential problem with the age and capacity of the current hardware in use at Chorley

1. Hardware Capacity

- The existing hardware at CBC was never designed or scoped for Multi Council operation
- There is a requirement to add capacity by freeing disk space or adding disk storage

2. Hardware Replacement

- The current hardware at Chorley Council was purchased in April 2004
- Due to age, plus proposed increase in use, Civica recommend hardware upgrade as soon as possible
- The recommended hardware specifications can be found in the document "Civica Financials Hardware Recommendations"

The resolution to this Exception Report was to implement and roll out the web channel and virtualise the existing hardware at Chorley in advance of the South Ribble migration. The result was a complete rescheduling of the project with the go live date moving from 1st October 2010 to 1st April 2011.

The second Exception Report was produced in January 2011 and identified and number of issues potentially impacting on the success of the project. They were:

1. Delayed Release of Civica Financials V 12, which contained a number of bug fixes and enhancements to enable to partnership to utilise the web channel
2. Historic Data Transfer, staff had requested additional historic data be transferred to the new system rather than the clean start originally specified.
3. Staff Concerns, while executing the Communications Plan a number of staff raised concerns about fitting in training, getting used to the new system and working in smaller teams at the busy year end period.
4. Local Transparency Agenda, key project staff had to unexpectedly spend time meeting the new Governments spending data publication requirements.
5. C-SMART, a delayed start to the Procure To Pay review,
6. Restructure, although carefully managed inevitably both the Revenues & Benefits and Shared Financial Services restructures caused some unavoidable disruption.

The resolution to this Exception Report was to invest in additionally support from the software supplier in order to ensure the go-live date of the 1st April 2011 was achieved. The supplier acknowledged their own impact on the project by issuing the new release behind schedule and absorbed much of this additional cost themselves.

5. Lessons Learned

The most significant lesson learned from this project was that, even though this was a Financial Management Information System and business process project in nature, it is still critical to ensure that the underlying ICT infrastructure is in place before embarking on such a project. Our most significant barriers related to the differences in approach, standards and technology in relation to ICT. Therefore, in terms of 'what could be done differently next time' the Project Team feel that having a shared ICT infrastructure before embarking on other shared services would be advised, but if this is not possible then trying wherever possible to agree parameters in advance or the establishment of a formal ICT relationship should be considered.

Additionally, partnership working requires even more focus on communications than normal. This is particularly important as many of the staff involved in this implementation were not well known to the staff at South Ribble and therefore the relationship was not well developed. I would therefore recommend that significant preparatory work be undertaken to build these relationships in advance of the project initiation.

6. Follow on Actions

No Issues remain outstanding in relation to this project.

Below are a number of Risks identified in the Risk Register which will require continuous monitoring through the life of the product

No.	Risk (Threat / Opportunity to achievement of objective)	Existing Mitigation & Controls in Place	Matrix Score	Further Risk Treatment Action	Matrix Score after further action	Target date for action	Responsible Person
2	The Shared Services Partnership could end leaving one or both authorities without a financial system or staff with the suitable skills to maintain the system.	Shared Services Exit Strategy	(3x4) 12	Shared Services Exit Strategy to be updated to include financial systems arrangements and provision to be made in contract with supplier to minimise potential disentanglement costs. SRBC to procure their own licences to provide cleaner exit mgt. arrangements	(2x4) 8	31/03/11	Lee Hurst
3	The recommended solution relies on a stable connection between the two authorities and full mutual disaster recovery arrangements have yet to be agreed. One or both authorities could experience loss of service.	Business Continuity Plans Disaster Recovery Plans	(3x4) 12	Ensure sufficient alternatives exist and produce a FMIS disaster recovery plan. Partnership ICT has produced a 'joined up infrastructure' paper addressing robustness of the link and are currently in discussions over mutual disaster recovery arrangements. Ensure these solutions are implemented.	(2x4) 8	31/03/11	Lee Hurst
8	Resistance to change from various departments.	Corporate and Member level support Robust business case Financial Regulations	(4x3) 12	A Communication Plan must exist, have gained board level approval and be properly executed to ensure authority wide buy-in. Ensure that the project, its objectives and benefits are adequately communicated to all senior managers & HOS The Project Board should comprise senior managers in all key areas who will be able to facilitate communication to all staff.	(3x3) 9	Ongoing for 01/04/11	Lee Hurst

				The project should be put forward for approval by Cabinet to ensure authority wide support. The Project Team represents all key users. The BPR work will ensure that user feed back will be taken into consideration. The Project Plan provides for full training and user acceptance testing.			
17	The Council would encounter problems in the future if the supplier were not able to ensure commitment to emerging technology and develop the software to deliver the associated benefits.	The Council should prefer a supplier who has demonstrated a commitment to considering and adopting new technologies.	(3x4) 12	The Council has selected a supplier which has demonstrated a track record in adopting new technologies having the resources to successfully develop these in conjunction with its business partners. Current Partnership staff are involved with the product user group and have influence over the development and enhancement programme.	(2x3) 6	31/03/10	Lee Hurst

Additionally, this project has a Phase 2 element to implement the Budget Preparation and Asset Management modules. These will be subject to their own set of project management documentation and governance arrangements.

Finally, the Financial System is an ever developing tool for enterprise resource planning and operates in an ever changing legislative environment. As such, the system will be developed and maintained through the use of a joint Financial Systems Development Plan. This in turn will be the subject of performance monitoring through the Shared Service Programme Board.

7. Post Project Review Plan

The Post Project Review will be conducted by Lee Hurst on the completion of Phase 2 of the project. This is expected to be December 2011.