Partnership FMIS

Implementation

Review

Working in **Synergy** on shared services

South Ribble Borough Council

Background

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 due to a combination of ageing hardware and software. On-going 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 although the system was serviceable, there was no development plan associated with the system and 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 was investing in replacing the 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 infrastructure, 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.
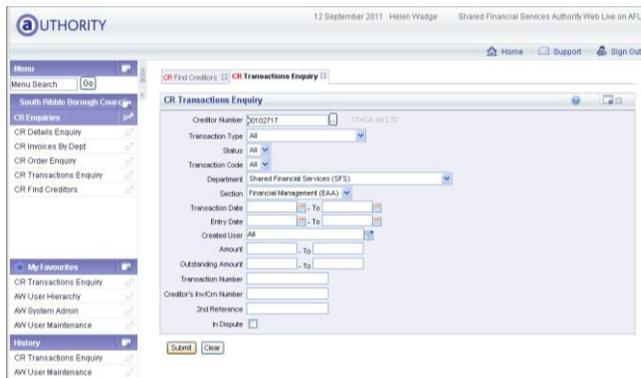
The Implementation

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

- **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.**

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.

The Benefits

Immediate revenue savings were achievable as a result of the implementation of the shared financial information system. The budgeted software licence, maintenance and running costs for 2010/11 and 2011/12 are compared below.

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

Project Capital Budget

The project had a capital budget as follows

	Capital
	£
Initial Licence Fee for shared financial system	73,455
Implementation services	13,000
Contingencies	5,000
Partnership ICT network infrastructure	30,000
Total	**121,455**

South Ribble originally had a capital budget of £300,000 for the implementation of its own new financial system in 2010/2011. The shared solution identified by the Shared Financials Services Team only required a budget £121,455 so releasing £178,545 allocated in the capital programme to other key projects and objectives.

The significantly lower budget required for a shared system was achievable because the existing skills of the employees now working within the Shared Services Partnership had gained vast experience implementing, operating and developing Civica Financials at Chorley Council and had become a leading authority in its both its use and development.

This meant Partnership staff were able to undertake the technical elements of the implementation usually undertaken at significant cost by the software supplier. Also, a shared services model for software licence fees was established as South Ribble would be using Chorley's existing software and hardware and therefore only one support contract would be required.

Going Live

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....

Two systems, two sets of hardware two licence fees two sets of running costs.

Two systems with complicated rich client access requiring upgrades to all PC's. Additional software required to allow access across two sites.

Two security policies and two sets of access controls to manage. Duplication of maintenance and administration tasks.

One old system with no development potential and one newer system.

Devolved input of creditor invoices at South Ribble involving around 40 people.

Two exchequer teams equating to approx 5 FTE's processing creditor invoices in two different ways with little scope for cross skilling – one with manual input while the other scans invoices

Paper chase for authorisation of invoices and orders by physical signature. Batching and storing of paper difficult to retrieve for future reference.

Difficulty in adopting best practice due to the differences in the two systems.

Three physical servers coming to the end of their life with little scope for growth

Where we are now....

A single multi company system, one set of hardware, a shared service licence fee saving of £44k pa

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.

Single set of consistent controls and security policies, one maintenance plan. Administration tasks undertaken once for both companies.

A single system with a single development plan enabling the convergence of processes and therefore efficiencies and best practice

Centralised creditor invoice processing and a streamlined procure-to-pay process.

One Accounts Payable team equating to approx 3 FTE's adopting a single process utilising intelligent imaging.

Online authorisation of invoices and orders by the budget holder using email alerts and workflow. Images always available online. No physical storage requirements.

Best practice now being shared and implemented freely.

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.

Both authorities will now begin the implementation of the web-based Budget Preparation and Asset Management modules. These modules will allow the alignment of further elements of the financial and management accounting processes.

The Budget Preparation module will allow salary estimates to be prepared in a controlled centralised manner introducing a staged approach with monitoring, workflow and authorisation built in. Critically it will also allow whole payroll budget modelling. This means the impact of potential policy changes, such as changes in NI rates, could be quickly propagated by changing one simple set of control data. The payroll budget for the whole authority will be quickly updated to reflect these changes and so allow decisions to be made instantly.

The Asset Management module will allow us to move from a spreadsheet based approach to calculating transactions relating to assets, such as depreciation and revaluations. Assets will be recorded in the new system as they are purchased and this will update the authority's balance sheet. Revaluations, impairments and similar in year movements will result in the balance sheet being updated automatically and a year end process will calculate and post the authority's depreciation charges based on the pre-set policies.