Finance and Audit Scrutiny Committee
26 May 2021

Title: Progress Report on Replacement IT Systems
Lead Officer: Keith Eales
Portfolio Holder: Councillor Hales (Transformation), Councillor Falp (Health and Community Protection), Councillor Noone (Resources)
Public report / ~~Confidential report~~
Wards of the District directly affected: None

Contrary to the policy framework: No
Contrary to the budgetary framework: No
Key Decision: No
Included within the Forward Plan: Yes
Equality Impact Assessment Undertaken: Not Applicable
Consultation & Community Engagement: Not Applicable
Final Decision: No
Accessibility checked: Yes

Officer/Councillor Approval

Officer Approval	Date	Name
Chief Executive/Deputy Chief Executive	04/05/2021	Andrew Jones
Head of Service	12/05/2021	Mike Snow
Head of Service	30/04/2021	Marianne Rolfe
CMT	04/05/2021	Andrew Jones
Section 151 Officer	12/05/2021	Mike Snow
Monitoring Officer	04/05/2021	Andrew Jones
Finance	12/05/2021	Andrew Rollins
Portfolio Holder - Transformation		Councillor Hales
Portfolio Holder - Health and Community Protection		Councillor Falp
Portfolio Holder - Resources		Councillor Noone

1. Summary

1.1. This report provides a progress update on two large scale IT projects:

- the replacement of the corporate financial management system (Total FMS) and

- the replacement of the regulatory case management and waste services system (CivicaAPP) used by Health and Community Protection, Private Sector Housing and Neighbourhood Services.

2. Recommendation

2.1. Members of the Finance and Audit Scrutiny Committee are recommended to note the detail of the progress on both projects.

3. Reasons for the Recommendation

3.1. The two projects represent key activities in the Business Strategy (2019/2023) to transform the Councils working practices and business processes, utilising technology and digital services to improve the customer experience and reduce costs.

4. Policy Framework

4.1. **Fit for the Future (FFF)**

4.1.1. The Council's FFF Strategy is designed to deliver the Vision for the District of making it a Great Place to Live, Work and Visit. To that end amongst other things the FFF Strategy contains several Key projects.

4.1.2. The FFF Strategy has 3 strands, People, Services and Money, and each has an external and internal element to it, the details of which can be found on the Council's website. The table below illustrates the impact of this proposal if any in relation to the Council's FFF Strategy.

4.2. **FFF Strands**

4.2.1 **External impacts of proposal(s)**

People - Health, Homes, Communities – The two projects in this report include objectives to provide residents with improved levels of access to information and contact with services through 24/7 self-service.

Services - Green, Clean, Safe – The two projects in this report are implementing 'cloud computing' IT solutions which should enable a reduction in IT server room infrastructure energy usage. There is a growing level of research that confirms cloud computing reduces energy consumption, waste and carbon emissions.

Money- Infrastructure, Enterprise, Employment - None

4.2.2. **Internal impacts of the proposal(s)**

People - **Effective Staff** – The two projects in this report will make changes in both the use of technology and the related business processes. The implementation of new technology will enable staff to work more efficiently, including improved access to systems and information when working remotely. In due course, alongside working more efficiently, it is expected that a level of staff savings will be made. All staff will be appropriately trained to ensure the full benefits of modern technology are realised.

Services - Maintain or Improve Services – The projects covered by this report will extend use of modern digital platforms and will improve the efficiency of services. Systems are being implemented with the resident at the heart of system design, enabling improved access to information for making reports, requesting or making applications, or raising concerns.

Money - Firm Financial Footing over the Longer Term – The improved quality and presentation of data, will enable improved budgetary management and decision making.

4.3. **Supporting Strategies**

4.3.1. Each strand of the FFF Strategy has several supporting strategies and the projects in this report support the Digital and Customer Access strategies.

4.4. **Changes to Existing Policies**

4.4.1. There are no changes to the policies in the current Council's policy framework arising from the two projects in this report.

4.5. **Impact Assessments**

4.5.1. Neither the finance system replacement project or the regulatory services and waste management project raises new or changed equality implications.

5. **Budgetary Framework**

5.1. There is approved funding in place for both project implementations (one off expenditure), agreed in the 2020 budget setting process. These are summarised with an updated expenditure position in table 1.

Table 1. Project Implementation Budget Detail	Finance System Replacement		Regulatory Services and Waste Management
	£		£
(Actual) Spend to 31 March 2021	135,000		80,400
Forecast Spend to complete	260,000		89,600
Total Project Forecast Spend	395,000		170,000
Approved Implementation Budget	600,000		170,000
Projected underspend	205,000		

Budget Adjustment 2021/22	-205,000		
Projected Net Surplus/(Deficit)	0		0

5.2.   The annual (recurring) costs of the two IT systems are based on forecast usage levels calculated from the number of system users and size of local population. This is a new subscription based approach and different to traditional IT annual charges which typically are a fixed fee based on a percentage of the original license cost. Approved funding is in place to provide for the forecast level of usage.

Table 2. Annual (Recurring) Budget Detail (for the full contract term of 4 years)	Finance System		Regulatory Services and Waste Management
	£		£
Year 1 – 2020/21	0		32,225
Year 2 – 2021/22	95,556		52,528
Year 3 – 2022/23	98,422		52,528
Year 4 - 2023/24	101,375		52,528
	295,353		189,809
Approved Budget	291,827		195,000
Budget Surplus/(Deficit) after 4 years	(3,526)		5,191

5.3   Both systems should release operational efficiencies and savings following implementation as part of the Council's Digital Transformation agenda. Savings from the Digital Transformation Programme have been included within the Council's savings plan agreed as part of the 2021/22 Budget.

6.   Risks

6.1.   Both projects are routinely managed from a risk perspective to minimise the likelihood or impact of an 'event' that would add cost, negatively impact on quality or planned outputs or delay progress. The Project Manager reviews risks continually, takes appropriate risk management actions and for governance purposes, highlights the key risks at the time of the Project Board meeting to the members of each Project Board.

6.2.   Managing the risk of disruption to services is paramount. The respective Project Boards will satisfy themselves that risks have been appropriately mitigated before formally approving changes from the projects which would present risks to service disruption.

6.3.   There are risks that have to be managed outside of each project. These relate to 'events' which might prevent the benefits and efficiency

opportunities enabled by the implementation of new technology, to be fully optimised and/or realised. Benefits management and the assignment of responsibility for delivery of benefits within service areas will mitigate this risk.

7. Alternative Option(s) considered

7.1.   This section is not applicable.

8. Background

8.1.   Executive approved the **Financial Management System Replacement Project** at its meeting in December 2019. An extensive procurement exercise launched early in 2020 ended with an award of contract to Technology One Ltd on 1 July 2020 and a finance system called Ci Anywhere.

8.2.   Governance arrangements included the establishment of a Project Board under the lead of Andrew Jones, Deputy Chief Executive and sponsor of the project. On the request of the Finance and Audit Scrutiny Committee, Councillors Hales and Syson were invited onto the Project Board and have been fully engaged in progress reviews from the outset.

8.3.   To support project performance monitoring, the Project Board receive and review a monthly project highlight report with a project status update. The highlight report is also shared on the Intranet to increase awareness of project progress.

8.4.   The implementation project has made good progress despite the challenges of remote working, with all workshops and other meetings between the Council project team, service teams and the supplier team carried out via video conferencing. Initial transition challenges to the new ways of working were quickly overcome and the relationship between the project and supplier teams has proven very positive and productive.

8.5.   The initial (design) phase of the implementation project reviewed long established financial business processes at Warwick District Council, identifying which processes could be developed to take advantage of modern technology, removing areas of duplicated data entry and streamlining or automating other activities to reduce overall workloads. This includes changes to how supplier purchase orders are raised, how supplier invoices are validated and paid, and how customer invoices are created.

8.6.   These changes will reduce workloads and create opportunities for contributing to the efficiency savings targets included in the medium term financial strategy from digital projects. Progress to identify potential efficiencies and how these will be realised once the new system is live are a key performance tracker that the Project Board review regularly.

8.7.   Configuration of the system to align with new ways of working was completed in January 2021, launching the initial loading of data from legacy systems. This has as anticipated, proven a complex and time consuming area which has undergone several iterations at April 2021. This area is nearing completion but will undergo a further iteration or upload of data that

will be reconciled to the legacy system (based on financial year end balances at 31 March 2021) during May 2021.

8.8. An important phase of the implementation project which determines readiness for going live is user acceptance testing. At April 2021, testing was progressing well with no major concerns identified. Testing will be scaled up through May and June, increasing the breadth and volume of testing to lower the risk of issues emerging after go live. Users of finance systems throughout the council will participate in user acceptance testing from May, increasing the number of people with familiarity of the new system and business processes.

8.9. The Project Board are meeting in May 2021 to review testing and other project updates to determine a preferred go live target date. This will be a timeline from July 2021 that ensures risks of disruption to financial management at the council is avoided.

8.10. The target date for going live with the new system to be agreed by the Project Board at their meeting in May, will provide a timeline for the delivery of user training and user support arrangements.

8.11. The procurement of a **Regulatory Services and Waste Management** system replacement for CivicaAPP concluded in December 2020 with a contract award to Arcus Ltd, with the implementation project underway from February 2021.

8.12. Governance for the project is provided through a Project Board with Andrew Jones as lead and sponsor for the project. At April 2021, regular monthly meetings of the Project Board were underway, attended by supplier representatives.

8.13. The project will replace legacy back office case management system and files in several services areas (Health & Community Protection, Housing and Neighbourhood Services) and additionally provide a front-end self-service portal where residents will be able to contact the council on a range of matters such as licence applications or reports of fly tipping or missed bins.

8.14. Once established and in use by residents, the volumes of enquiries received by telephone or email should reduce, reducing the level of council officer time engaged with enquiries and in creating the application or new process. At April 2021, it is too early to determine the scope and scale of efficiencies from the project. Identifying and evidencing efficiency opportunities will be a performance monitoring process within the Project Board governance.

8.15. Unlike the replacement of the finance system which is based on moving from one system to another at a single point in time (commonly referred to a "big bang" approach in IT implementation projects), planning for the implementation of the regulatory services and waste management system is based on a phased go live approach.

8.16. The approach is to create multiple go lives, with a group of related processes bundled into one of several go lives. This approach will provide a smoother transition into new ways of working and should enable efficiency

opportunities much sooner than the big bang approach and delaying go live until all processes have been migrated to the new technology.

8.17. The rationale and detail for the mini go lives will be reviewed by the Project Board at their meeting in May 2021. At April 2021, the draft proposal indicated all service area processes in scope of the project, will have been migrated to the new system by the end of 2021.