Corporate Overview and Scrutiny

Date of Meeting: 05 September 2019

Report Title: Best for Business Programme Update

Portfolio Holder: Cllr Amanda Stott – Finance, Communications and IT

Cllr Jill Rhodes – Public Health and Corporate Services

Senior Officer: Frank Jordan Executive Director - Place

1. Report Summary

1.1. The purpose of this report is to update Members on the latest position with regard to implementation of the replacement HR and Finance system for Cheshire East Council and Cheshire West and Chester Council.

2. Recommendations

2.1. That the Overview and Scrutiny Committee

   2.1.1.   Notes the current work being undertaken to review and reset the programme as outlined at paragraph 5.7 of this report.

   2.1.2.   Notes that the proposal for the Shared Services Committee to meet more often to provide additional overview of the programme.

3. Reasons for Recommendations

3.1.   The establishment of more sessions of the Shared Services Committee will provide additional assurance and overview to the councils in relation to the delivery of this programme.

4. Other Options Considered

4.1.   There are no other options being considered

5. Background

5.1. The Best for Business Programme is aimed procuring and implementing a new system to replace the existing Finance and HR systems for both Cheshire East Council and Cheshire West and Chester Council.

5.2. Agilisys have been appointed to implement a system called Business World developed by a company called Unit 4.

5.3. The delivery date for the implementation of the programme has been put back a number of times with the latest target go-live date being set as 1 April 2019.

5.4. However this date was contingent on successful testing of the system and the solution being signed off as being ready for implementation.

5.5. At the end of the most recent phase of testing, both Councils were unable to sign-off the programme. On 26 February 2019 a communication was issued which confirmed that the programme had taken the decision to defer the April 2019 go live date. At this stage a revised date has not been set.

5.6. As a consequence it is necessary to review the programme in terms of its governance, scope and timeframes and then to reset the programme based on this review.

5.7. The councils have therefore undertaken a procurement exercise to secure external expertise to assist the councils and Agilisys in undertaking the following:

   5.7.1.   Undertaking a review and redesign of the programme governance arrangements
   5.7.2.   Reviewing the expertise, capacity and resources allocated to the programme
   5.7.3.   Creating a clear accountability structure for the delivery of the programme
   5.7.4.   Establishing a revised scope, specification and timeline for the programme
   5.7.5.   Preparing a revised business case for the programme

5.8. The delivery of the programme is being managed jointly between the two councils and as such the senior sponsors have provided reports to the Shared Services Committee.

5.9. It is proposed that the Shared Services Committee meets more often whilst this programme is being delivered. This is to provide additional assurance to the councils regarding the delivery of the programme.

6. Implications of the Recommendations

  6.1. **Legal Implications**

    6.1.1. Each Council has signed a contract with Agilisys. Cheshire East Council is responsible for the implementation phase on behalf of both Councils.

    6.1.2. A comprehensive Inter Authority Agreement has been entered into by both Councils, ensuring that both Council's obligations, including financial contributions, to the programme are documented, and ensuring Cheshire East Council are in a position to meet their contractual obligations on behalf of both Councils during the implementation phase.

    6.1.3. The proposed changes to the programme timeline and associated cost impacts are being addressed in contractual terms by Cheshire East Council and Agilisys through agreed contract mechanisms (following programme approval). These changes will then be reflected in amendments to the Inter Authority Agreement where appropriate. As part of this process the Councils have sought ongoing external legal advice from Sharpe Pritchard, who supported the finalisation and award of the Councils' contracts with Agilisys and the Inter Authority Agreement at the conclusion of the procurement process.

  6.2. **Finance Implications**

    6.2.1. In July 2017, the Cabinet of each Council approved a package of investment and savings for the programme. The total investment was £11.8m (£5.9m per Council) based on a September 2018 go-live date. The annual net savings were £2.3m, to be phased in over 2 years post go-live. The savings comprised £2.2m for decommissioning legacy systems (mainly Oracle) and £1.2m in business process efficiencies (total £3.4m), offset by £1.1m for running and support costs of the new system.

    6.2.2. In May 2018, an additional implementation budget provision of £1.2m was forecast, increasing the total expected investment to £13m. There were no changes to the total forecast revenue savings.

    6.2.3. As at 31 March 2019, actual implementation expenditure to this date was £11.5m.

6.2.4. This expenditure comprised:

	£m
Agilisys – purchase of user licences	1.4
Agilisys – implementation	5.0
Council resources – programme management / functional teams	2.9
Council resources – business change	1.0
Council - technical	1.1
Other Council costs	0.1
Total expenditure to March 2019	**11.5**

6.2.5. The delay in the programme has inevitably delayed delivery of the projected savings. The current expectation is that the majority of the £3.4m of gross savings will still be delivered once the system goes live. The phasing of these savings will be reviewed later in the year. Some limited savings have already been delivered from the replacement of Oracle Taleo with Business World Recruitment, and in a reduction in legacy system support.

6.2.6. The original estimated annual costs of £1.1m consisted of support and maintenance payments to Agilisys system hosting and maintenance based on 5,464 users, and for a small internal support team. The payments to Agilisys will not commence until Business World goes live. The design of the new support team has not been finalised, but is likely to be in place a few months before Business World implementation is complete.

6.2.7. As part of the prudent financial management approach taken by both Councils, the increasing costs will be reported to elected members through the normal quarterly and outturn reporting cycle.

6.3. Policy Implications

6.3.1. The additional assurance provided by the joint scrutiny working group supports the council's corporate objective of being a responsible and effective organisation.

6.4. Equality Implications

6.4.1. There no direct Equality implications.

6.5. Human Resources Implications

6.5.1. The review of the programme may require additional staffing resources to be allocated to the programme. This is not quantifiable at this stage.

6.6. Risk Management Implications

6.6.1. A revised risk management assessment and governance arrangement will be designed as part of the proposed reset of the programme. This will form part of the information presented to the joint working group.

6.7. Rural Communities Implications

6.7.1. There are no direct implications for rural communities.

6.8. Implications for Children & Young People/Cared for Children

6.8.1. There are no direct implications for children and young people.

6.9. Public Health Implications

6.9.1. There are no direct implications for public health.

6.10. Climate Change Implications

6.10.1. There are no direct climate change implications.

7. Ward Members Affected

7.1. All wards

8. Consultation & Engagement

8.1. A revised communication and engagement plan will be prepared as part of the reset of the programme

9. Access to Information

9.1. Previous reports to Cabinet and the Overview and Scrutiny Committee regarding this programme are available on request.

10. Contact Information

10.1. Any questions relating to this report should be directed to the following officer:

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