

Name of Committee:	Cabinet		
Committee Date:	20 th December 2023		
Report Title:	Finance System Replacement		
Responsible Officer:	Steven Pink – Chief Finance Officer & S151 Officer		
Cabinet Lead:	Councillor Bowdell – Cabinet Lead for Finance		
Status:	Non-Exempt		
Urgent Decision:	Yes / No	Key Decision:	Yes/ No
Appendices:	Appendix A – Finance System Replacement Business Case Appendix B – Business Case Presentation		
Background Papers:	None		
Officer Contact:	Name: Steve Pink Email: steven.pink@havant.gov.uk		
Report Number:	HBC/062/2023		

Corporate Priorities:

Implementation of an efficient, effective and modern finance system is of vital importance to help protect the integrity of the Council and its operations. They also protect the finances by providing rigorous systems and processes to support the appropriate use of council taxpayers' money.

Executive Summary:

As a publicly funded body, Havant Borough Council needs an effective and efficient financial system to support the administration of the Council's limited financial resources. With the current system out of contract in September 2025, it is imperative that we procure a new contract (and potentially supplier) as soon as possible to ensure we have implemented, tested and understand any new system in time for this deadline.

We have explored the potential routes to procurement and, given the resource requirements and conflicting timeline to other major projects, believe sourcing a system and supplier through the "G-Cloud 13" framework presents the safest and most efficient method of procurement. This would allow the Council to implement by April 2025.

Having Followed the G-Cloud process in line with procurement regulations, we evaluated a number of suppliers and make the following recommendations to award a contract for the future supply of our financial system from April 2025.

Recommendations:

Cabinet is asked to;

- a) Award the contract to TechnologyOne Limited to provide the replacement software for the Council's Financial management system in line with the Crown Commercial Services G-Cloud 13 framework for (up to) 4 years at a cost of £105k per annum.
- b) To delegate authority to the Chief Finance Officer (S151) in consultation with the Monitoring Officer to finalise and sign a contract with the preferred supplier.

1.0 Introduction

- 1.1 This paper is submitted to Cabinet to present the business case for awarding a contract for a Finance System in time for April 2025.
- 1.2 The system is within the cash limited budget, and could be awarded directly, but the resourcing requirements of the project and implementation phase are underwritten by a paper agreed by Full Council in November 2023 in which it was agreed that any associated draw down on this reserve would be accompanied by a business case.

2.0 Background

- 2.1 Havant Borough Council currently processes financial data and transactions via the "Integra" finance system.
- 2.2 This was Capita's financial system used for local authorities and was inherited from the 5 Council's contract. (Although it is an additional to the main contract).
- 2.3 Integra and the business unit supporting it was sold to Advanced ADVT in July 2023.

- 2.4 Integra was due to have its technical support ended on 31st March 2024, although with the sale to Advanced, this has been extended to 31st March 2025.
- 2.5 Advanced ADVT are replacing Integra with a new offering, called “Centros” which an enhanced version 3 of the existing system.
- 2.6 Centros is not a Software as a Service (SaaS) system.
- 2.7 HBC’s contract for Integra ends in September 2025.
- 2.8 The current system has a number of issues and will no longer be fit for purpose moving forward.

3.0 Options

- 3.1 Do Nothing
- Not an option – Havant Borough Council would fail to meet legal and financial requirements.
- 3.2 Self-Build
- No capability to deliver.
- 3.3 Full procurement
- Expensive
 - Resource heavy
 - Slow – would likely fail to meet time limited deadline
 - Would allow for a longer contract award (typically up to 10 years)
- 3.4 Framework procurement
- G-Cloud 13
 - Easily understandable
 - Easily Accessible

- Pre-procurement regulation verified by Crown Commercial Services
- Tailored for the Public Sector
- Transparent pricing
- Standard contracts (reduced legal risk and cost)

4.0 Relationship to the Corporate Strategy

4.1 Having an effective and efficient finance system is essential to delivering the Council's Corporate Strategy. The system supports a transparent Council with high standards of integrity and support the Council having financial stability over the medium-term.

5.0 Conclusion

5.1 The current financial system (Integra) is no longer fit for purpose and is out of contract in Sep 2025, therefore it needs replacing.

5.2 The G-Cloud 13 framework represents the most efficient and simply way to source a new system that complies with procurement regulations and limits demand on our limited resources to be able to focus on the other significant procurement exercises currently under way.

5.3 The available systems comply with both our current and planned digital strategies (thus future proofing the contract) of being a cloud-based Software as a Service (SaaS) system and supports the Council's operational objects of allowing flexible working for its employees.

5.4 The pricing options are clear and provide year-on-year savings.

- 5.5 TechnologyOne's "OneCouncil" solution offers the most practical solution to provide all the key elements of a financial system, with additional desirable elements at no extra cost.

6.0 Implications and Comments

6.1 S151 Comments

It is essential that the Council has an appropriate, modern, efficient and effective financial system in place. The contract for this system also needs to be agreed in time to secure relevant resources to allow implementation in a timely manner.

The proposed supplier has significant market share, experience and expertise, and can demonstrate successful applications across the sector. Their pricing structure is simple and clear and within existing cash limits.

Members can feel assured that appropriate levels of due diligence and scrutiny have taken place before making the recommendations.

6.2 Financial Implications

The awarding of a contract to TechnologyOne would deliver a year-on-year saving of ~£40k to the Council's net revenue budget. These costs include the majority of the implementation costs (other than £10k up front). Thus, protecting the Council's valuable reserves.

Implementation of any system will require further technical employee resourcing (such as a systems accountant, or equivalent). This could be limited to a 24-month fixed-term positions costing ~£120k in total.

6.3 Monitoring Officer Comments

The Council's internal governance procedures have been followed to ensure due diligence and consideration has been given to the proposal to award the contracts and obtain best value.

6.4 Legal Implications

The Council has the power to enter into the contract pursuant to S1 of the Local Government (Contracts) Act 1997 and section 111 of the Local Government Act 1972 confers power to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions.

6.5 Equality and Diversity

These recommendations comply with our internal Equality and Diversity policy and practises where applicable.

6.6 Human Resources

These recommendations have been considered in line with current HR policies and best practise.

6.7 Information Governance

The DPO will be consulted as the project proceeds and in particular advice will be sought with regards to the migration of data and migration plan.

6.8 Climate and Environment

These recommendations support limiting the Council's carbon footprint as cloud-based services require less on-site server capacity, reducing energy consumption and heat production. The ease of use and access also further supports the ability to work from home, again reducing travel requirements and reducing employee's carbon footprint from commuting.

7.0 Risks

- 7.1 Failure to source and agree a new finance system would result in the Council having no secure method of administering our financial responsibilities, including producing financial statements, paying suppliers and raising invoices.

7.2 Full project risk assessment is detailed in the main business case.

8.0 Consultation

8.1 Not applicable

9.0 Communications

9.1 No applicable

Agreed and signed off by:		Date:
Cabinet Lead:	Cllr N Bowdell	12/12/2023
Executive Head:	Matt Goodwin	11/12/2023
Monitoring Officer:	Jo McIntosh	12/12/2023
Section151 Officer:	Steven Pink	27/11/2023