



South Somerset District Council

Project Brief

Approved Budget within Service Plan? **No**

Project Number: 2014-16

Project Name: Upgrade of E5 Financial Systems

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Table of Contents

0	Document Control	3
0.1	Document Approval.....	3
0.2	Revision History.....	3
0.3	Document Distribution.....	3
0.4	Document References.....	3
1	Purpose	4
2	Project Outline	4
2.1	Authority Responsible.....	4
2.2	Background.....	4
2.3	Project Objectives.....	4
2.4	Project Scope.....	4
2.5	Quality Expectations.....	5
2.6	Carbon Management.....	5
3	Initial Business Case	5
3.1	Reasons.....	5
3.2	Anticipated Benefits.....	6
3.3	Options.....	6
3.4	Key Project Information Summary.....	6
4	Financial Investment	8
4.1	Financial Investment – Capital Projects.....	8
5	Project Organisation	10
5.1	Provisional Project Management Team.....	10
5.2	Interested Parties.....	10

0 Document Control

0.1 Document Approval

Name	Organisation	Role	Approval	Date

0.2 Revision History

Version	Author	Review	Reason For Issue	Date
1.0	Amanda Card		Initial Project Brief	10/10/14
2.0	Ben Warman	Amanda Card	Update from IT	14/10/14
3.0	Amanda Card	Nicola Hix	Update for costings	17/10/14

0.3 Document Distribution

Name	Organisation	Role
Amanda Card	SSDC	Project Manager
Richard Clarke	SSDC	Project Support
Donna Parham	SSDC	Project Sponsor
Ben Warman	SSDC	IT Support

0.4 Document References

Section Reference	Document Referred	Document Title

1 Purpose

To upgrade the corporate Financial Management System (E5) due to support terminating for SSDC's current version and additional functionality available in the latest version.

2 Project Outline

This project will involve upgrading the current E5 release at SSDC as the support for the current version used will be terminated. It will also improve the effectiveness of the E5 system by introducing new capabilities and functionality.

2.1 Authority Responsible

Donna Parham, Assistant Director – Finance and Corporate Services.

2.2 Background

SSDC brought the current corporate Financial Management System (E5) in house in 2008. Previously, the system was supported and hosted by Somerset County Council. As with most IT systems, it is necessary to carry out upgrades in order to keep up with user's needs, legislation, technological advances and to have the system provider's support for issues that may occur. The current version of E5 – version 5.2 in theory is unsupported.

An upgrade to the current system has the benefit of minimal disruption to our 210 users, less expensive and less risk than purchasing a new system.

2.3 Project Objectives

- To seamlessly upgrade E5
- To utilise efficiently the new functionality that version 5.4 offers
- To ensure that existing financial data is accessible
- To ensure that the system provides quality management information when and as required
- To ensure that all income and expenditure is correctly accounted for

This project will contribute to our corporate aim:

“to deliver well managed, cost effective service, valued by our customer.”

This project will also enhance the current asset that is owned by SSDC. Ownership will continue for as long as we continue to pay on-going maintenance.

2.4 Project Scope

Inclusions

- Purchase of software
- Purchase of hardware
- Cost of support from ABS as necessary to assist in the implementation
- Training costs
- Upgrade to latest version (5.4) which was released in February 2014.

Exclusions

- Additional modules
- E-procurement modules
- Cash receipting module (This has recently been purchased from Capita)

Constraints and Decisions

- **Officer Time:** It is vital to have adequate staff resources. The project team is small and therefore additional consultancy will need to be purchased from ABS. The project will involve close working with IT and as such time will have to be managed between both Finance and IT. Testing of the implementation will be carried out by officers within Finance, which means that there will often be issues of prioritisation. However, support will be given to make these determinations.
- **Changes to Procedure:** There may be times when influencing users into new ways of working will be of benefit. Users will be consulted as required.
- **Price:** The cost of the upgrade has been quoted. These are subject to fluctuation.

Interfaces

- E5 have a range of systems that interface with it, both input and output.
- General Ledger Interfaces:
Cash Receipting System
Fleetmaster System
Procurement cards
Bank reconciliation
Payroll (Staff and Councillors)
- Purchase Ledger Interfaces:
Housing Benefits
Council Tax
Business Rates

2.5 Quality Expectations

- System must be in balance at all times (i.e. debits must equal credits)
- System must provide budget monitoring information
- System must provide information to produce Statement of Accounts
- System must be able to process payments to our suppliers
- System must be able to raise invoices for our customers

2.6 Carbon Management

There is no impact on SSDC's carbon management programme.

3 Initial Business Case

3.1 Reasons

The reason for undertaking this project is that our current financial management system E5 Version 5.2 is now in effect unsupported. The upgrade will also enhance functionality.

3.2 Anticipated Benefits

In addition to the protection that system support will give, there are around 80 enhancements available in an upgraded e5 system that would be of immediate benefit, a further 20 that afford future benefit if some working practices are changed. The main changes are categorised:

- **General ease of use**
There will be substantial User interface improvements. The user interface (UI) is the means by which users view and interact with the system. The current UI is out of date and has now been radically overhauled by ABS with larger displays and more efficient use of screen space, making the financial system easier to use. There will be little if any need for SSDC to adapt or re-design these new screens to fit our needs. If we take the optional HTML5 interface, the technical deployment and maintenance is greatly simplified. Data entry and enquiry/reporting improvements - there are many enhancements to the data entry, enquiry and reporting facilities. These new features will positively impact on the main tasks undertaken daily by users.
- **Communication with external contacts** – Our current system lacks the ability to output documents (such as customer invoices and reminder letters or remittance advice slips) in any format other than plain text. New graphical capabilities and the ability to output in the universal PDF format are introduced in e5.4 which will enable SSDC to flexibly produce documents without reliance on pre-printed stationery and fully embrace electronic forms of communication. This will enable SSDC to cut costs on postage and also allow the process to become leaner. It will also bring the way that SSDC does business up to date with technology and meet the expectations of customers and suppliers.
- **Debt and customer account management** – Ease of monitoring debt and improved rate of recovering amounts owed to the council have been the focus of recent attention at SSDC. Many improvements are introduced in e5.4 to assist the flow of information internally relating to customer activity – with a move to a more process driven 'case management' approach to debt recovery.
- **System maintenance and security** – a significant area of responsibility for SSDC teams whose resources have been considerably reduced in recent years. New features available in e5.4 streamline many aspects of system security, particularly in the area of assigning user privileges and will help to ensure SSDC continues to maintain a flexible but robust financial system. Our current version of e5 is not capable of running on SSDC's preferred Windows platform – on upgrade to 5.4 we will have the option to migrate to this architecture.

3.3 Options

SSDC could join up with another authority but on further investigation there are issues with hosting and additional licences which means that there is not much monetary benefit to the host to offset the additional risks that they would take on.

SSDC could purchase a different Financial Management System, however, the costs are quite significant (a recent quote from Agresso was in the region of £400,000) and the time to implement a new system could take up to 18 months. There would also be the additional costs of retraining all users.

3.4 Key Project Information Summary

3.4.1 Expected Duration Of Project				
	Start date:	November 2014		
	Other Key Milestones with Dates:			
	Expected Completion Date:	March 2014		
3.4.2 Estimate of Officer Time Required: -				
	Officer's Name	Estimate of Officer hrs	Officer available? Y/N	Agreement of Officer? Y/N
	Financial Systems Officer	480	Yes	Yes
	Finance Manager	125	Yes	Yes
	Land and Property Assistant	125	Yes	Yes
	ICT	350	Yes	Yes
	Creditors/Debtors Input/Advice	74	Yes	Yes
	Accountancy Input/Advice	74	Yes	Yes
	Comment by Property Services:	N/A		
	Comment by Information Systems (if new IT system):	<p>This upgrade will align the E5 system to the ICT strategy. This will reduce hardware and software maintenance costs. E5 is the last system currently running on UNIX. On completion of the upgrade ICT will no longer be supporting a mixed environment.</p> <p>The use of the HTML5 interface is recommend as it will remove the patching burden and complexity of the existing client software.</p>		
	Comment by Green Team:			
	Comment by Community Cohesion Officer:			
	Comment by Other Services requiring significant input:			

3.4.3 Risk Assessment	
Risk	Steps taken to mitigate Risk
Rising Costs	Quote received is subject to fluctuation – will try and get a fixed quote
Key staff leaving	Finance Manager and Assistant Director – Finance and Corporate Services will monitor this
Unforeseen technical difficulties	Draw on support from ABS and IT for advice
Project not completed within required timescales	Finance Manager will monitor progress alongside plan and redirect resources if necessary. ABS will be project managing.

4 Financial Investment

4.1 Financial Investment – Capital Projects

4.2.1 Total Costs and Funding – Capital Project						
	Funding Body	£' 000				
SSDC Capital: -	District Executive	96				
Other Sources: - - ICT Hardware Replacement Programme	District Executive approved Feb 14	10				
Total Capital Cost		106				
4.2.2 Breakdown of main areas of cost						
	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000	
E5 5.4 Upgrade	52					
E5 HTML	4					
E5 Adhoc Reporting	10					
Software	30					
Storage/Discs	10					
Totals	106					
4.2.3 External funds to be received						
	Secured? Y/N	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000
N/A						
Totals						

4.2.4 Revenue Implications of Capital scheme							
		Cost Centre	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000
	Loss of interest @ 3% (PWL B 10yr rate 10.7.14)	FT922	2.9				
	(Savings in expenditure)						
	Revenue Costs by Individual Budget: (List)						
	Annual Maintenance	FS661	2.3				
	Revenue Income						
	Total Revenue Expenditure / (Net saving)		5.20				
	Cumulative						
4.2.5 Whole Life Costing							
	Estimated useful life of asset (years)						5
	Total Revenue Costs Year 1 to 5						Additional cost of £11,250
	Annual Revenue Cost after year 5						There is likely to be increased revenue costs after year 5 if another upgrade has not been made
	Total cost over whole life of asset						£11,250
4.2.6 VAT Implications							
	Based on the current information provided, VAT is recoverable on this project.						
4.2.7 Impact on Band D							
	Additional spend						£96,000
	Lost interest at 3.0%						£2,880
	Divided by tax base						£54,960
	Cost per band D tax payer						£0.05

5 Project Organisation

5.1 Provisional Project Management Team

Name	Role/ Title
Donna Parham	Project Sponsor
Amanda Card	Project Manager
TBA	User Representative
Carol Duncan	Supplier Representative

5.2 Interested Parties

Name	Reason	Action required
All services	Users of Financial Management Services	Keep up to date. Provide training if necessary.
All services who interface with E5	Possible changes to their interfaces and systems	2-way information so that both system staff know what changes are being made as this will have an impact on interfacing.