

Report of the Corporate Infrastructure and Regulatory Services LDS/24/3 Future Finance Project Standing Overview Group of 29 November 2023

1. Recommendation

That the Corporate Infrastructure and Regulatory Services Scrutiny Committee accepts this report as an accurate record of the meeting.

2. Introduction

The Standing Overview Group of the Corporate Infrastructure and Regulatory Services Scrutiny Committee meets regularly as an informal information sharing and member development session where issues are presented to the councillors to raise awareness and increase knowledge. The Standing Overview Group considers key updates and pertinent issues from across different services, with the aim of developing Members' knowledge, and bringing to the forefront any areas which may benefit from further scrutiny.

Any action points arising from the sessions are reported back to the next formal Committee meeting.

This report outlines the topic(s) covered at the meeting of 29 November 2023, highlights the key points raised during discussion and details any agreed actions.

3. Background

The Future Finance Project is the Council's transformation programme to move away from the FINEST system to a new corporate finance system.

The Committee previously held the Modernisation of the Corporate Finance System Spotlight Review on 10 February 2023 and this was reported to the Committee on 23 March 2023 ([Modernisation of the Corporate Finance System Final Report.pdf \(devon.gov.uk\)](#))

The Scope of the review was "to evaluate the Future Finance Project's aims, plans and risks to determine if the approach aligns to our corporate priorities and best value. In particular, focusing on quality, governance, and budget."

The Future Finance Project will deliver a transformative, new approach to organisational financial management by replacing, the current finance system 'FINEST' which has been used over the last 30 years.

One of the recommendations made by the Spotlight Review was to hold a Standing Overview Group 3 months after the awarding of the contract to review the Future Finance Project and the Spotlight Review's recommendations.

4. Update since March 2023

The Standing Overview Group received a presentation by the Head of Finance Transformation. Following the successful and compliant procurement process, the contract was awarded in July 2023 to Embridge for implementation of the Unit 4 Solution. Embridge are accustomed to working with Unit 4 and have implemented the system within a number of local authorities.

The design phase of the project commenced in September 2023 with engagement of key stakeholders to understand what the system does. Training on the new system and a deep dive across a number of work streams into how to design and develop the new work system is ongoing. The build stage is scheduled to commence at the start of December 2023 and end February 2024.

The contract for the current FINEST system has been extended to December 2025 to provide additional time for change-over and to ensure data archiving.

One of the key principles discussed at the February 2023 review was to ensure to incorporate best practice. Unit 4 will be largely an 'off the shelf' system but will require some adjustments.

Summary of Member Discussion

Members of the Corporate Infrastructure and Regulatory Services Committee were invited, via this Standing Overview Group, to ask questions about and offer comments on the project. The key aspects of the Report and Member discussion are covered below.

- *The cost of the implementation* – The original budget agreed by Cabinet in June 2022 was in the region of £6.5m, inclusive of supplier implementation fees, licence fees, and internal project costs. The supplier's contracted implementation fee is £1.45m over the 13 months of implementation. The Design phase of the project (to end Nov 2023) has added £10,945 for 11 days of additional configuration build work which at less than 4% of phase budget is within tolerance. The project is currently to budget and the Committee would be updated with regards to budget targets throughout the implementation.
- *Integrated System Testing* – the first part of the test stage will be completed in isolation of any other integration to ensure all modules work as a whole system before progression into the end user acceptance testing in May 2024. Training will run alongside this stage in June/July 2024 and 'go live' in August 2024. Training and ongoing support will be provided for all users.
- *Resourcing of Project* – the Committee were keen that the project was correctly resourced. A Senior Responsible Officer has been appointed and two Business Analysts (jointly sponsored by Finance and Business Transformation Teams). The Board is composed of both Finance and

ICT colleagues. Internal Audit is also represented on the Board to provide assurance and audit judgement. The Board currently meet on a monthly basis and the design team meet on a weekly basis. The project team is currently considered to be working well with the 19 members of staff involved. Additional resource will be required to support the income management aspect of the scheme. Super Users will be recruited across the Finance Team and the wider organisation to support User Acceptance Testing at the test stage.

- *Administration* – Reassurance was offered regarding external data storage and back up processes.

Members of the Committee expressed their gratitude that the project was running to budget and to time and welcomed another look at the project in Spring 2024

5 Options / Alternatives

The report is the summary of a Scrutiny Standing Overview Group meeting. Scrutiny does not make decisions and this report does not propose any alternatives.

6 Consultations / Representations / Technical Data

As above, there are no specific considerations in regard to consultations, representations and technical data in this report.

7 Strategic Plan

The alignment of all Scrutiny activity with the strategic plan is detailed on the Scrutiny work programme. The issues raised in the report and the benefit of developing member knowledge and the 'critical friend' challenge of Scrutiny contribute to the Council achieving its strategic plan.

Improving Member knowledge on key issues contributes to the Council's commitment to being a trust, inclusive and innovative Council. It ensures good decision making and that the Council listens and learns.

8 Financial Considerations

There are no specific financial considerations in this report.

9 Legal Considerations

There are no specific legal considerations in this report.

10 Environmental Impact Considerations (Including Climate Change, Sustainability and Socio-economic)

There are no specific environmental impact considerations in this report.

11 Equality Considerations

There are no specific equality considerations in this report.

12 Risk Management Considerations

The activity of Scrutiny Standing Overview Groups contributes to the mitigations for:

Ineffective Member Scrutiny

defined as: 'Due to ineffective scrutiny, the level and quality of service management may drop, leading to financial mismanagement or harm to staff and/or citizens and reputational damage e.g. Grenfell.'

Member Effectiveness

defined as: 'Inadequate member effectiveness due to a lack of training, support and knowledge leads to a lack of challenge to corporate officers and/or poor decision making, resulting in a negative effect on the County's citizens (poor value for money, poor service delivery, harm, etc).'

13. Summary / Conclusions / Reasons for Recommendations

The report outlines the topic(s) covered at the meeting of 29 November 2023, highlights the key points raised during discussion and details any agreed actions.

The report is formally reported to the Corporate Infrastructure and Regulatory Services Committee in the interests of openness, transparency and good decision making.

Attendance

Councillors: A Dewhirst (Chair), C Slade, J Trail

Scrutiny Officer: Charlie Fisher

Scrutiny Administrator: Yvette Welsh

Head of Finance Transformation: Jenny Ryding

Electoral Divisions: All

Contact for enquiries:

Name: Yvette Welsh, yvette.welsh@devon.gov.uk

Address: Democratic Services Team, County Hall, Topsham Road, Exeter.

Local Government Act 1972: List of background papers

Background Paper – NIL

The meeting began at 12 noon and finished at 1.00pm.