

BROMSGROVE DISTRICT COUNCIL

MEETING OF THE CABINET

27TH MARCH 2019, AT 4.30 P.M.

PRESENT: Councillors G. N. Denaro (Leader), K.J. May (Deputy Leader),
B. T. Cooper, M. A. Sherrey, C. B. Taylor and P. J. Whittaker

Officers: Mr. K. Dicks, Ms. J. Pickering, Ms. C. Flanagan, Mr C. Forrester
and Ms. A. Scarce

88/18 **TO RECEIVE APOLOGIES FOR ABSENCE**

There were no apologies for absence on this occasion.

89/18 **DECLARATIONS OF INTEREST**

There were no declarations of interest.

90/18 **MINUTES**

The minutes of the Cabinet meeting held on 13th March 2019 were submitted.

RESOLVED that the minutes of the Cabinet meeting held on 13th March 2019 be approved as a true record.

91/18 **ERP SYSTEM REPORT**

The Executive Director, Finance and Resources introduced the report and in so doing reminded Members that in July 2018 they had approved the procurement of a new system for the following services, Finance, Payroll, Human Resources, Creditors, Cash Receipting and Debtors. The aim was to put all of these areas into one Enterprise Resource Planning system. Following soft market testing the estimated cost had been £198k per Council. The report before Members detailed the financial arrangements in order to implement the Enterprise Resource Planning (ERP) System following the completion of the procurement exercise and was not about the system, as this had been agreed at the meeting in July 2018. Paragraph 3.2 of the report provided information on the procurement exercise, which had been done through the G-Cloud framework, which was an agreement between the government and suppliers to provide cloud-based services. A detailed specification was written and an officer project group and board established to undertake the procurement process, which was both robust and comprehensive.

The group was cross departmental with senior officers sitting on the board. This had resulted in the selection of a preferred supplier.

Paragraph 3.6 of the report highlighted that the initial cost estimates were lower than the final preferred bidder's price. The original estimate had been £198k approved per Council. However, the approved supplier's price was £736k (£368k per council) therefore an additional £170k per council was required. In addition it was thought prudent to include a contingency of 10%, which was a further £37k per council, making the total additional funding required was £207k per council. This additional funding would come from capital receipts. It was further confirmed that the system should take approximately 18 to 24 months to implement. Members were advised that should the implementation days be less than those estimated for then the Council had agreed with the supplier that there would be a consequential reduction in the implementation costs.

Members were informed that the Council provided a Payroll Service to Wyre Forest District Council and they had indicated that they would like this work to continue. There were two vacancies currently in the team which would be offset against the cost of the system and it was confirmed that currently there were no savings in the Medium Term Financial Plan in respect of the new system, although there would be new ways of working which would inevitably arise following this and the Council would look to see how staff could support the commercial direction it hoped to move towards.

Following presentation of the report Members discussed the following areas in more detail:

- Whether Wyre Forest District Council whether there was the option for them to be provided with other services to reduce the cost. The Executive Director, Finance and Resources confirmed that whilst they were keen to continue with the Payroll Service, but not for the rest of the system. This would be something that may be reconsidered at a later stage, once the system was embedded in.
- Members questions what would happen if Wyre Forest District Council chose to no longer require this service. It was confirmed that the capital costs would be reduced and the number of licensing and therefore the cost would also drop, as this had been written into the contract. However, Wyre Forest District Council was being asked to make a commitment before the system was finally put in place.
- Whether any other council were interested in this Council providing them with a service. It was confirmed that once the system was secured then the Council would look at this in more detail. It was suggested by Members that there could be a number of other councils who would be interested in this.
- What further potential capacity there was – officers advised that this would need to be looked at once the system was operational.

- Members questions the 50/50 split between Bromsgrove and Redditch Councils – the Executive Director, Finance and Resources explained that Redditch had its own housing stock and team and that they were investing in a new standalone system, but with the ability to feed into this new system and would be paying in full for the housing system.
- Whether the contract was based on the number of licensing and per computer. It was confirmed that the number of licenses was based on the population.

It was noted that the recommendation in the report referred to paragraph 3.4 of the report and that this should in fact be paragraph 3.6. This would be corrected in the recommendation put before Council.

RESOLVED that Cabinet notes the procurement exercise for the new Council enterprise system has been completed and that if the project is to be progressed additional funding is required.

RECOMMENDED that additional capital receipts to the value of £207k, as detailed at 3.6 of the report, be approved to fund the system in 2019/20 and that the Capital Programme be updated to reflect this expenditure.

The meeting closed at 4.43 p.m.

Chairman