



PART A:	MATTERS DEALT WITH UNDER DELEGATED POWERS
REPORT TO:	POLICY AND RESOURCES COMMITTEE
DATE:	24 JUNE 2010
REPORT OF THE:	CORPORATE DIRECTOR (s151) PAUL CRESSWELL
TITLE OF REPORT:	ICT PROGRAMME - APPROVALS
WARDS AFFECTED:	ALL

EXECUTIVE SUMMARY

1.0 PURPOSE OF REPORT

- 1.1 To seek Member approval of the recommendations from the ICT Programme Board for projects outside the scheme of officer delegation.

2.0 RECOMMENDATION

- 2.1 It is recommended that the following projects are procured in line with the Council's Standing Orders:
- Cash Receipting and E-payment
 - Financial Management System Replacement

3.0 REASON FOR RECOMMENDATION

- 3.1 The ICT Programme Board has examined the attached business cases and has recommended them for approval as appropriate to the progression of the Council's ICT Strategy.

4.0 SIGNIFICANT RISKS

- 4.1 Failing to implement the upgrades would leave the Council at risk of financial loss and unable to ensure efficient delivery of services.
- 4.2 The risk matrix is attached at Annex A.

REPORT

5.0 BACKGROUND AND INTRODUCTION

- 5.1 The Council's ICT Programme Board reviewed the Council's ICT applications in the

light of the ICT Strategy drawn up by a Socitm consultant in September 2008 and developed an ICT Programme Plan.

5.2 The Council agreed a provisional expenditure in the capital programme 2009/2012 to upgrade key infrastructure and systems to provide longer-term efficiency savings.

5.3 The ICT Programme Plan has been further developed into a workstream schedule, drawing upon Council priorities and from this a number of projects requiring approval by Members, being of a value greater than delegated limits, are presented for Member approval.

6.0 POLICY CONTEXT

6.1 The ICT Programme is an essential foundation for the delivery of the Corporate Efficiency Programme within the Council Plan; being needed to facilitate services and partners in the delivery.

7.0 CONSULTATION

7.1 None.

8.0 REPORT DETAILS

8.1 The ICT Programme Board has considered a number of business cases for projects identified as priorities in the Programme Plan.

8.2 Although each project is identified here independently, there are, of course, interdependencies that have to be considered in the sequencing of projects.

8.3 The business case for each project is attached as Annex B to this report.

9.0 IMPLICATIONS

9.1 The following implications have been identified:

a) Financial

The cost of the projects will be met from the capital programme 2009/12. The implementation will deliver revenue savings to the Council.

b) Legal

The procurements for the projects will take place within Council Standing Orders.

c) Other

There are no other implications.

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Background Papers: Ryedale District Council ICT Strategy September 2008

Background Papers are available for inspection at: Ryedale House – ICT Services

ICT PROGRAMME PLAN RISK MATRIX

Issue/Risk	Consequences if allowed to happen	Likelihood	Impact	Mitigation	Mitigated Likelihood	Mitigated Impact
Risk of charge against Council through lack of PCI-DSS compliance	Financial cost to the Council.	4	D	Implement cash receipting system replacement.	1	A
Council unable to deliver proper financial management due to unsupported system	Financial cost to the Council, poor accountability and adverse external inspection	4	D	Implement upgrade to Council financial management system.	2	B
Council unable to maximise value for money due to inefficiencies in financial management	Financial waste and adverse external inspection.	4	C	Implement upgrade to Council financial management system.	2	B

Score	Likelihood	Score	Impact
1	Very Low	A	Low
2	Not Likely	B	Minor
3	Likely	C	Medium
4	Very Likely	D	Major
5	Almost Certain	E	Disaster

BUSINESS CASE

Name of the Project
Cash Receipting & E-payments
Reasons for undertaking the Project
<p>Cash Receipting - Existing Capita system hardware and software installed July 2003 and does not comply with PCI/DSS security standard (for credit/debit card payments) which, along with its REMIT exchequer system, may result in surcharges by bank. The preferred solution would also include Internet payments and 24/7 telephone payments (Voice recognition/touch tone). The exchequer system is the remaining application running on an elderly Unix server.</p> <p>Internet Payments - The following Internet payment options are being used: Worldpay (for Planning Portal and ELMS), Government Gateway and Alliance & Leicester's BillPay (debit cards only). As part of the cash receipting system upgrade it may be possible to rationalise the three Internet payment systems into a single one through the new system.</p>
Options which have been considered
<p>A consultant was employed for five weeks during April/May 2010 to examine the available options for cash receipting, e-payments and the financial management system in the light of changing national financial controls, along with local system changes.</p> <p>An ideal solution would also involve Internet payments and 24/7 telephone payments (Voice recognition/touch tone)</p> <p>The following options were identified:</p> <ol style="list-style-type: none"> 1. Upgrade to current Capita with upgraded REMIT (AIM) on-site – this would require major security upgrades to Council network infrastructure to gain compliance. 2. Upgrade to current Capita (hosted by Capita) with AIM and 24/7 telephone payments (Voice recognition/touch tone) – risk transferred to hosting authority. 3. Go to market – consultant researched available solutions on market.
Expected Benefits
<ol style="list-style-type: none"> 1. Council is currently not PCI/DSS compliant and could be seriously charged by bank. 2. Part of cash receipting hardware is seven years old
Summary of key risks
Solution needs to cater for PCI/DSS controls (now & future) – Council currently not PCI/DSS compliant – there is the potential for Bank surcharging as a result of risk.
Estimated Costs
<p>Phase 1</p> <p>Capital cost & implementation to hosted cash receipting solution - £44,828 Annual maintenance - £7,152</p> <p><i>Existing costs (potential savings)–</i> Capita annual maintenance £9,090 (Licence expires November 2012) Annual maintenance on Sun Server for REMIT £5,000/annum – server near obsolete</p>

Phase 2

Internet & automated telephone payments

Capital cost £16,950, Annual maintenance £3,500

Existing costs(potential savings) - Software AG annual support (E-payments, ISF and BC) £17,522 + £4,961 (DIS box annual maintenance) + £5,250 (Government Gateway annual charge) plus transaction costs. Total £27,733/annum

Financial Summary

Capital Cost c. £70k

Revenue savings possible c. £30k p.a.

Estimated timescales

Three/four months implementation to be scheduled around interdependent ICT investment.

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BUSINESS CASE

Name of the Project
Financial Management System Replacement
Reasons for undertaking the Project
<p>The current financial system is Radius Powersolve, which runs on a Unix server. This was originally installed in 1997. Powersolve, as an application, was replaced by Civica Financials, operating on the Microsoft platform, some years ago and hence, although currently supported, Powersolve is obsolete and the hardware is obsolescent. It is likely that the support for this system will not last indefinitely.</p>
Options which have been considered
<p>Consultant investigated options:</p> <ol style="list-style-type: none"> 1. Upgrade existing platform with Civica. 2. Move to another supplier – choices in market include <ul style="list-style-type: none"> • COA Solutions (as used by Hambleton, Richmondshire, Selby partnership) • Agresso • TechnologyOne (Scarborough BC) <p>The preferred option was 1. due to cost and time implications of changing supplier. Moving to another supplier would require a full EU tender process as the expected cost would be above £150k, the cost to Scarborough of their installation is c. £200k. Should an alternate supplier be chosen significant additional project management costs would also be incurred.</p>
Expected Benefits
<p>Improved linkage with Civica e-procurement module</p> <p>Improved links with new/existing applications e.g. cash receipting, Northgate revenues & benefits</p>
Summary of key risks
<ol style="list-style-type: none"> 1. Existing hardware has maintenance but is old. Software supported by supplier but uncertainty over sustainability of this support. 2. Not fully compatible with e-procurement module but upgrade will be. 3. Interfacing of elderly software to newer applications can lead to cost implications and inefficiencies.
Estimated Costs
<p>The capital cost of the upgrade including project Management would be c. £90k</p> <p>The system would be broadly revenue neutral, however installation could enable further efficiencies in operations to be identified leading to cashable savings.</p>
Estimated timescales
<p>Upgrade to the system would take approximately 3/4 months. The timing would need to take into account other ongoing projects together with the budget and financial reporting timescale the Council works to.</p>
Author/Date
Paul Cresswell – June 2010