

## **Appendix A**

### **LGSS Joint Committee**

<b>Date:</b>	31 <sup>st</sup> October 2019
<b>Lead:</b>	Martin Cox, LGSS HR Director
<b>Author:</b>	Justine Hartley, Head of LGSS Business Planning and Finance
<b>Subject:</b>	Request to use LGSS reserves to fund ERP Off Network Access implementation and licensing costs to March 2021
<b>Purpose of document</b>	To seek agreement from the LGSS Joint Committee to release funds from LGSS reserves to fund the implementation of Off Network Access for ERP

## **1. Executive Summary**

LGSS reserves have built up from underspends delivered by LGSS in previous years and from the unused balance from the LGSS partnership contingency.

At 31<sup>st</sup> August 2019, the balance on LGSS reserves totalled £764k, of which £510k was committed to LGSS developments and £254k was uncommitted. In addition, based on current forecast spend, it is anticipated that further transfers will be made to LGSS reserves at year end of £283k giving a forecast total balance of uncommitted reserves of £467k.

On 2<sup>nd</sup> October 2019 LGSS Management Board considered a request to use £40k of uncommitted reserves to fund the implementation of Off Network Access to ERP. LGSS Management Board endorsed the request, for formal approval by the Joint Committee.

This paper therefore seeks Joint Committee approval for the use of £40k of uncommitted LGSS reserves to fund the implementation and licensing costs of Off Network Access for ERP to March 2021.

## **2. Proposal**

During the ERP Gold technical design it was decided that ERP Gold is only available on the network. This means anyone without a network login (to one of the partner organisations) is unable to log into ERP Gold.

Off network access enables users without a network account to login from any computer that has internet access if they have preregistered an email address and mobile phone. Two codes are texted to the mobile phone to enable access and any ERP Gold task emails are sent to the email address registered on the system. This enables staff

without a network account e.g. casual workers, home workers and mobile workers to access ERP Gold.

The cost of implementing Off Network Access to ERP Gold is around £30k p.a for annual licensing plus one off implementation costs of £10k. The licensing costs for 2019/20 have already been incurred, so this proposal is for funding to cover the licensing costs for 2020/21 plus the one off implementation costs.

There are also additional costs of sending texts (two per login) to the user every time users log into ERP Gold. The cost of each text is 4p and would amount to £19,635.84 p.a. if Off Network Access was fully rolled out. However, these costs will be covered by reductions in print costs within the HR transactions service. £125k of savings have already been taken from the HR transactions budget partially predicated on the implementation of Off Network access.

### 3. Funding

There is no funding in the IT budget for Off Network Access licensing and implementation costs, although the 2019-20 costs have been incurred and are expected to be absorbed within budget for this financial year.

LGSS reserves have built up from underspends delivered by LGSS in previous years and from the unused balance from the LGSS partnership contingency. The partnership contingency was developed out of savings delivered ahead of the requirements set out in the Joint LGSS/Milton Keynes Business Case. The partnership contingency budget no longer exists as it has been used to meet the savings requirements of the three partner councils in 2019/20. However, there was a balance of £61k on the budget at the end of the last financial year which was transferred into LGSS reserves.

At 31<sup>st</sup> August 2019, the balance on LGSS reserves totalled £764k, of which £510k is committed to LGSS developments as set out below:

#### Committed reserves

	<b>Forecast Movements in year 2019/20 £'000</b>	<b>Forecast Movements in future years £'000</b>	<b>Commentary on expected movements</b>
ERP Gold	161	0	Stabilisation and improvements to ERP Gold post implementation, optimisation of the ERP Gold configuration for user productivity, improvements in reporting, review and reprioritisation of current and future ERP Gold roadmap developments, whilst delivering

			immediate improvements for the benefit of all, and Increased face to face user support and learning.
Helpdesk project	50	0	Redesign end to end processes to support self-service and demonstrably improve the customer experience.
BACS system replacement	26	40	Replacement for existing solution essential to LGSS business continuity and associated risk/issue management. Funding will cover 2 years costs with expected implementation from June/July 2019
AP duplicate payments checker solution	23	47	Prevention and management of duplicate payments/suppliers and facilitation of duplicate payment recovery. Funding will cover 3 years from April 2019.
Data capture solution costs	18	0	Costs for current data capture solution to June 2019.
Helpdesk solution support costs	65	80	Continued support for the LGSS helpdesk solution LANdesk to March 2022. A project commenced to review the Service Desk function and source and implement a replacement Service Management tool in 2018. However, this project is on hold whilst future operational arrangement for LGSS are considered. This funding is to provide continued support until such time as new arrangements are brought into effect.
<b>TOTAL</b>	<b>343</b>	<b>167</b>	

This paper seeks approval for the use of £40k of the remaining uncommitted LGSS reserves balance of £254k to fund ERP Off Network Access implementation and licensing costs to March 2021. This will leave uncommitted LGSS reserves of £214k. In addition, based on current forecast spend, it is anticipated that further transfers will be made to LGSS reserves at year end of £283k giving a forecast total balance of uncommitted reserves of £467k.

Beyond March 2021 further funding for licensing costs may be needed but this will be dependent upon the outcomes of the LGSS operating model review and upon developments of the ERP system as a whole which might offer alternative solutions.

#### **4. Conclusions**

LGSS Joint Committee are asked to approve the release of £40k of uncommitted LGSS reserves to fund ERP Off Network Access implementation and licensing costs to March 2021.