

MEETING:	OVERVIEW AND SCRUTINY
DATE:	14 SEPTEMBER 2012
TITLE OF REPORT:	AGRESSO/Frameworki/ UPDATE
REPORT BY:	CHIEF OFFICER: FINANCE & COMMERCIAL

CLASSIFICATION: Open

Wards Affected

County-wide

Purpose

The purpose of the report is to update committee on progress with implementation of the Agresso and Frameworki systems.

Recommendation(s)

THAT: Committee notes the content of the report.

Key Points Summary

- The Council has implemented the core elements of Agresso and Frameworki.
- Further functionality of both systems is being delivered.
- The full integration of both systems will yield process benefits.

Alternative Options

- 1 There are no Alternative Options.

Reasons for Recommendations

- 2 The recommendation asks the committee to note the report requested at its 12 July meeting.

Introduction and Background

- 3 At Overview & Scrutiny on 12 July 2012 officers were requested to update committee on progress to date with the implementation of the Agresso system and the Frameworki system.

Key Considerations

Agresso

- 4 Following a comprehensive selection process the council and NHS partners (Herefordshire PCT and Wye Valley NHS Trust) selected the Agresso system as its integrated system. Agresso is known as an Enterprise Resource Planning system (ERP).
- 5 There has been a phased approach to the implementation of Agresso with initial modules being implemented during 2010/11. A Project Team managed by the Council, was initiated to manage the implementation. The team was primarily staffed with third party contractors and the supplier of Agresso (Unit 4). In house future users and managers of the Agresso system provided key support to the implementation and acceptance of the application.
- 6 The Agresso system now provides the Council's core financial information and has done so since implementation in April 2011. The importance of its role in this area cannot be overstated as it is the prime financial record for the Council's financial activity. Its integrity is essential in order to fulfil the requirement to record financial activity. The first phase of implementation therefore delivered a system that operated in a manner to support financial management activities. For example, suppliers were paid on time and financial transactions are correctly recorded.
- 7 All local authorities have a core financial system and the Council's previous system had been in place for 10 years and was effective with a good track record of performance and development. However it had reached the limit of its ability to act as an integrated system. The former system was characterised by numerous "feeder" activities to present managers with an overall position.
- 8 The selection of Agresso was agreed by the Council, PCT and the Hospital Trust. However, due to national changes in the health organisational structure, the Trust's decision to pursue foundation status and the potential for an overall financial system for health this was not progressed by partners. They formally withdrew from deployment of Agresso at the end of 2011.
- 9 Joint implementation of Agresso commenced in June 2010 and the Agresso system was delivered as a functioning and operational financial system in April 2011. The "go live" was delivered in less than a year from project commencement. This was the first phase of the delivery and provided a sound basis for the next phase that seeks to maximise the systems functionality. A project board is in place to lead the system's deployment.
- 10 The Agresso ERP system has delivered a new platform for resource planning in Herefordshire Council and Hoople. Several systems have been brought together into a single integrated solution. Typical business processes prior to its deployment were activities such as numerous independent spreadsheets and databases; used to manage activity and supply management information.
- 11 A notable feature of Agresso is the ability to set financial control limits for payment of suppliers. This means that payments can be checked and if required, challenged by managers. For example, payment to a contractor may be above a budget holder's limit. In such circumstances an email is generated to the budget holder's manager who typically has a higher payment limit. The manager is required to clear the payment electronically once it has been accepted.
- 12 The removal of manual interfaces through the use of greater automation has removed duplicate data entry activity. In addition, the new e-tendering portal is in use. This has provided increased value for money in procurement.

- 13 Payroll has now been transferred onto Agresso from the former system and self-service entry for customer invoicing is in place. Self-service expansion into HR areas has positioned Agresso as an important part of the transformation agenda. Linked to this is the requirement to change business processes and behaviours.
- 14 The second phase of the implementation of Agresso has delivered benefits including the following to date:
- Reduced payroll processing times from 14 hours to 35 minutes
 - Deployed finance self-service to five pilot schools
 - Deployed employee self-service to Hoople (online pay advices and self-service amendments to personal details such as address, emergency contact and diversity data)
 - Launched on line catalogues for WMS and other suppliers

Framework*i*

- 15 The original Framework*i* project formed a part of the Herefordshire Connects transformation programme which was commissioned in 2008 to replace the in-house Clix database. The current Framework*i* case management system went live on the 10th November 2008 with 700 registered users. Since May 2010 there have been on-going project activities to introduce costed purchase episodes (Adults) to enable commitment accounting.
- 16 The main project drivers are as follows:
- **Decommissioning** multiple systems. One of the main aims was to move the organisation away from multiple applications/spreadsheets/access databases to a more uniformed approach.
 - **Commitment accounting** across all corporate systems.
 - **Selima decommissioning** (Payroll system used for foster care payments). This solution has time limited access due to the version currently maintained no longer supported by the suppliers post March 2012. This functionality can be provided FWI/Agresso integration.
 - **Ezitracker** (EMS) integration with FWI to ensure that all time completed on domiciliary care is recorded and reconciled within FWI to further support commitment accounting, to reduce manual entry and duplication of work and to speed up payments to providers.
 - **Maintaining Client Details** – it had been identified that the CLIX system was not fit for purpose to maintain the client details and without a replacement system there was real concern that the authority may be taken into “Special Measures”
- 17 The integration of Framework*i* and Agresso is a strategic goal so that the single overall system can produce benefits. The current end to end process for assessing, approving, purchasing and reporting on adult social care activity utilises four key systems (Framework*i*, Abacus, Isis, Agresso) and a range manually produced spreadsheets. Systems that stand alone require manual intervention and rekeying to transfer data. This means that there are complications in reporting for management and reporting purposes with financial reporting being a labour intensive process.

- 18 A key benefit arising from the integration of Agresso and Frameworki will be a comprehensive commitment accounting system for care packages. This will bring greater levels of accuracy to financial forecasting. Current processes already provide a basic commitment forecast but this requires data to be analysed in spreadsheets. Volumes of care packages are approximately 750 invoices per week for domiciliary care and 650 payments every four weeks for residential care.
- 19 The Frameworki finance module enables all payments to be made by the system. This eliminates intervention required under the existing approach. In addition this means that finance staff can spend more time on value added activity such as advice rather than checking the integrity of current forecasts.
- 20 The current position is that finance staff have reviewed the Frameworki standard reports against the commitment accounting specification developed and discussed the format with the Frameworki supplier (Core Logic). The view is that the current reports are not appropriate and the in house development team is being tasked with writing reports with the required output.
- 21 Recent changes adopted by the Council in December 2011 have improved the Assessment and Approve processes, and the council has worked with partners to review current processes, including panel authorisation. A joint approach led by the Director of People Services and involving Hoople, Wye Valley and 2gether is now driving the implementation of this review work which will inform the development of Frameworki and Agresso. This will address key issues such as there is no automation of accruals or commitments and purchase orders have to be entered manually into different systems resulting in delays and possible increased error levels.

Community Impact

21. The report has no direct community impact.

Financial Implications

22. The report is for information and does not have any consequent financial implications.

Legal Implications

23. None have been identified as part of the report.

Risk Management

24. The Agresso project and Framework I project have risk registers that identify key risk areas and mitigating actions.

Consultees

25. Project managers have been consulted as part of the report process.

Appendices

26. None.

Background Papers

- None identified.