

REPORT TO: Cabinet Member - Corporate Services

DATE: 13th October 2010

SUBJECT: Pericles Revenues and Benefits System replacement

WARDS AFFECTED: All Wards

REPORT OF: John Farrell
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EXEMPT/CONFIDENTIAL: No

PURPOSE/SUMMARY:

To provide the Cabinet Member with an update of progress in relation to implementation of the Northgate Revenues & Benefits system.

REASON WHY DECISION REQUIRED:

The Cabinet Member for Corporate Services is the portfolio holder for Revenues Services and Benefits Services.

RECOMMENDATION(S):

It is recommended that the Cabinet Member notes the contents of this report.

KEY DECISION: No

FORWARD PLAN: No appropriate

IMPLEMENTATION DATE: following call-in period

ALTERNATIVE OPTIONS:

After March 2011, the current Pericles system will not be supported and therefore the Council must implement a replacement system before then.

IMPLICATIONS:

Budget/Policy Framework: None arising directly from this report

Financial: None arising directly from this report

<u>CAPITAL EXPENDITURE</u>	2009/ 2010 £	2010/ 2011 £	2011/ 2012 £	2012/ 2013 £
Gross Increase in Capital Expenditure	0.00	0.00	0.00	0.00
Funded by:				
Sefton Capital Resources				
Specific Capital Resources				
<u>REVENUE IMPLICATIONS</u>				
Gross Increase in Revenue Expenditure				
Funded by:				
Sefton funded Resources				
Funded from External Resources				
Does the External Funding have an expiry date? Y/N No	When?			
How will the service be funded post expiry?				

Legal: A new contract between arvato and Northgate for the purchase of the replacement system has been agreed.

Risk Assessment: Risk assessments are documented in Project Plans relating to the system implementation and conversion.

Asset Management: None

CONSULTATION UNDERTAKEN/VIEWS NONE

CORPORATE OBJECTIVE MONITORING:

<u>Corporate Objective</u>	<u>Positive Impact</u>	<u>Neutral Impact</u>	<u>Negative Impact</u>
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1	Creating a Learning Community		√	
2	Creating Safe Communities		√	
3	Jobs and Prosperity	√		
4	Improving Health and Well-Being	√		
5	Environmental Sustainability		√	
6	Creating Inclusive Communities	√		
7	Improving the Quality of Council Services and Strengthening local Democracy	√		
8	Children and Young People		√	

LIST OF BACKGROUND PAPERS RELIED UPON IN THE PREPARATION OF THIS REPORT

None

1. **Background – Anite Pericles system**

1.1 The Council's current Revenues & Benefits system was procured from Anite Public Sector in 2002 following a full OJEU procurement exercise.

1.2 Following that procurement, the Anite Pericles system was implemented on a phased basis as follows:

Business rates	January 2003
Council Tax	October 2003
Benefits	June 2004

1.3 In late 2008 the Anite Public Sector business was purchased by Northgate plc, and that business included the Pericles customer base. Since this acquisition, Northgate Information Solutions (Northgate) have taken the decision to end support of the Pericles Revenues & Benefits system, and have advised customers, including Sefton, that the product will not be supported after March 2011.

1.4 The Cabinet Member Corporate Services meeting on 16th September 2009 considered a report entitled "Pericles Revenues and Benefits System replacement" which proposed that a competitive tender procurement exercise be carried out using the Office of Government Commerce (OGC) Catalyst arrangements.

1.5 The Cabinet Member Corporate Services meeting on 9 December 2009 and Cabinet 17 December 2009 considered a further report entitled "Pericles Revenues and Benefits System replacement", and following consideration of that report resolved that:

- a) The report be noted
- b) The selection of Northgate Information Solutions as preferred supplier be approved;
- c) The fact that the contract for the new Revenues and Benefits system will be between arvato Government Services (Sefton) Ltd and Northgate Information Solutions be noted; and
- d) The fact that detailed costings will be submitted to the Cabinet Member meeting in January 2010 be noted.

1.6 The Cabinet Member Corporate Services meetings on 13 January 2010 and 26 May 2010 considered further reports on this matter, including details of the costs associated with this project, and in particular that a contractual agreement has now been entered into between arvato Government Services and Northgate Information Systems and that work associated with the implementation of the new system has commenced.

1.7 The purpose of this report is to provide an update of progress.

2. Implementation Update

- 2.1 The Finance & Information Services Operational Board (FISOB) receives updated progress reports at its monthly meetings, and a Project Board led by arvato continues to meet regularly to manage the implementation of this key system.
- 2.2 It is now proposed that the current Pericles system will close down on 22nd October 2010 to enable live conversion to the Northgate system to commence. Because of the amount of data to be converted and the complexity of the Revenues and Benefits system, the conversion process is estimated to take 3 weeks, and therefore it is planned that the new Northgate system will become operational for live input on 15th November 2010.
- 2.3 Good progress is being made in relation to preparation for conversion to the new system. The following summarises some of the current key activities of the project:
- a) A communication plan is in place to ensure that all stakeholders are advised of the change of systems and planned “go live” date of 15th Nov 2010.
 - b) Data cleansing activity is ongoing, ensuring that the data to be transferred from the current Pericles system to the new Northgate system is accurate and fit for purpose.
 - c) Actions are being taken to ensure that the new system complies with Audit requirements and provides the required financial reporting systems.
 - d) A rolling programme of system training is now ongoing.
 - e) Service contingency plans are being developed to ensure minimum impact to customers when the actual conversion takes place, including plans to ensure that work is as up to date as possible prior to conversion.
 - f) Business processes are being reviewed, and arvato are drawing upon their experience from operating the Northgate system at their East Riding of Yorkshire site.
 - g) Key officers continue to be seconded full time to the project, and backfilled accordingly to minimise any detrimental impact on the day-to-day business.
 - h) Good progress is being made with the system interfaces, stationery and printing although further work is required to ensure that documentation is fit for purpose.
 - i) System and user acceptance testing is ongoing.
 - j) The “Live Migration plan” is in the process of being developed capturing all tasks with associated timescales.
- 2.4 Some Key Performance Indicators may need to be relaxed due to the impact of implementing this major system change on productivity in Revenues & Benefits. If so this will be considered at FISOB.

3. Financial Implications

- 3.1 Costs in relation to this project were detailed in the report to the Cabinet Member for Corporate Services meeting on 13 January 2010, and currently costs are being contained within the amounts agreed. This is being closely monitored to ensure that costs do not exceed, and are preferably kept below the agreed amounts.

4. Recommendations(s):

- 4.1 It is recommended that the Cabinet Member notes the contents of this report.

John Farrell

Interim Head of Corporate Finance and ICT Strategy