



Report To Cabinet

Subject Provision of Information to Members – Current & Projected Budget in respect of the Implementation of the Agresso Financial Management System

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1. Purpose of the Report

The Councils Constitution under 'Financial Management Standards', Section 4.67 requires that if the actual expenditure on any contract at any time exceeds the amount of the accepted tender plus agreed amount of £5,000 or more than 5% whichever is the higher, the responsible officer shall, in conjunction with the Head of Finance, report to the Executive giving salient particulars and an estimate of the amended final cost.

The purpose of this report is to inform Members of an anticipated over spend against the agreed Contract Value for the Agresso Financial Management System; the reasons why and how Officers intend to manage the situation.

2. Background

In June 2005, Members approved an Officer recommendation to acquire and implement the integrated Agresso Financial management System to replace the existing Legacy Application.

To date, and as planned, the initial modules within the Application are scheduled to go live at the start of the Financial Year 2006/07 (April 2006), The remaining modules will go live as scheduled over the next few months.

The nature of the solution has necessitated the Council to require more than the originally envisaged amount of implementation assistance from the Supplier and consequently, a potential budget over-run in respect of Consultancy Services is

projected.

3. Resource Implications

The overall budget assigned to the Project is £207,000 of which the Agresso 'Contract' amount is £171,000. The maximum projected final outturn is estimated to be £218,000, which is to Agresso £209,000, and acquisition of Hardware £9000.

Therefore potentially the Council may be over spent against the Project by £11,000 but Officers are negotiating on this position and it is expected that although the Agresso element of the Project will be over spent that final amounts should be contained within the overall approved budget.

5. Recommendation

Officers remain confident that the Agresso System will deliver the anticipated efficiency savings and recommend that Members note the current situation and allow Officers to manage the process to satisfactory conclusion.