

REPORT TO EXECUTIVE

PORTFOLIO AREA: FINANCE AND RESOURCES

Date of Meeting:	28 October 2002		
Public			
Key Decision:	Yes	Recorded in Forward Plan:	Yes
Inside Policy Framework			

Title: FINANCIAL LEDGERS REPLACEMENT- BID FOR FUNDING

Report of: City Treasurer

Report reference: Financial Memo 2002/03 No 66

Summary:

One of the targets in the Council's Corporate Plan is to change the existing financial ledger to provide more flexible financial information by 1st April 2004. To enable the project to commence, the Executive is asked to consider funding as part of the 2003/04 budget process.

Recommendations:

It is recommended that the Executive consider a budget bid of £100,000 for the replacement of the financial ledgers, to be funded from an advance from the Renewals Fund as set out in paragraph 1.4, to be considered as part of the budget process for 2003/04.

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CITY OF CARLISLE

To: The Executive Financial Memo

28 October 2002 2002/03 No 66

FINANCIAL LEDGERS REPLACEMENT – BID FOR FUNDING

1. BACKGROUND INFORMATION AND OPTIONS

1. One of the priorities for action for the Financial Services Business Unit as identified in the City Council's Corporate Plan 2002 to 2005 is to:

'Develop the three year financial strategy reviewing patterns of expenditure across the Authority to seek to identify and reduce areas of regular over budgeting'.

One of the main targets in pursuit of this objective is to change the existing financial ledger to provide more flexible financial information by 1st April 2004.

2. For information, the Council's existing financial ledger system is now over thirteen years old, and whilst still providing good solid financial information, it is not capable of providing the flexibility or user friendly, more easily digestible financial reporting options that a modern system would provide.
3. In terms of the cost of a replacement system, officers have not been able to obtain indicative costs from prospective suppliers due to heavy involvement in other projects. However information has been obtained from neighbouring authorities and certain suppliers, and it is therefore **estimated** that a bid of £100,000 will be required to be approved as part of the budget process to enable the project to commence. Further work will be required to firm up on this amount.
4. In terms of funding, contributions are currently being made to the Renewals fund at a rate of £16,500 per annum to cover the replacement cost. However, as at 2003/04, there will only be £33,000 in the fund. It is therefore recommended that the Executive consider an additional advance from the Renewals Fund of £67,000 to be continued to be repaid over the period 2004/05 to 2007/8 at a rate of £16,500 per annum from the budgetary provision which already exists.
5. In order to achieve this objective by the given date, work on the project will need to start immediately following the LSVT transfer work has been completed. The work involved in changing the financial systems is a major task, and will draw on officers from throughout the authority, albeit the main workload will be on the

Finance team.

6. There is a possibility of working in partnership with other Cumbrian authorities that are also looking to replace their financial ledgers and this will be explored as part of the project.

2. CONSULTATION

1. Consultation to Date.

Cumbrian authorities.

2. Consultation proposed.

The replacement of the financial ledgers concerns officers and members alike in the availability of financial information, and it is intended as part of the project to consult widely with interested parties.

3. STAFFING/RESOURCES COMMENTS

1. It is currently intended that the project will be managed internally with existing resources. However, this may have to be reconsidered should the amount of new corporate initiatives required become substantial.

4. CITY TREASURER'S COMMENTS

4.1 Contained within the report.

5. LEGAL COMMENTS

Not applicable

6. CORPORATE COMMENTS

1. Included in Corporate Plan – Reference CM7

7. RISK MANAGEMENT ASSESSMENT

1. The replacement of the authorities main financial information system is a major task and the scale of the project (and risk attached) should not be underestimated.

8. EQUALITY ISSUES

Not applicable

9. ENVIRONMENTAL IMPLICATIONS

Not applicable

10. CRIME AND DISORDER IMPLICATIONS

Not applicable

11. RECOMMENDATIONS

1. It is recommended that the Executive consider a budget bid of £100,000 for the replacement of the financial ledgers, to be funded from an advance from the Renewals Fund as set out in paragraph 1.4 of the report, to be considered as part of the budget process for 2003/04.

12. REASONS FOR RECOMMENDATIONS

12.1 To enable achievement of the Corporate Plan objective.

D THOMAS

City Treasurer

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City Treasury

Carlisle

15 October 2002

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