

This Report will be made public on 11 April 2025



Report Number: **C/24/97**

**To:** Cabinet  
**Date:** 23 April 2025  
**Status:** Key Decision  
**Head of Service:** Alan Mitchell – Director of Finance (s151)  
**Responsible Officer:** Jonathan Smith, Head of Financial Reporting  
**Cabinet Member:** Councillor Tim Prater – Deputy Leader and Cabinet Member for Finance and Governance

**SUBJECT: NEW FINANCE AND ASSET MANAGEMENT SYSTEM**

**SUMMARY:** A procurement exercise has been undertaken to determine the most appropriate Finance and Asset Management cloud software for the Council. This report summarises the status of the procurement tender for both the new finance and asset management systems and requests delegated authority for the Director of Finance (s151) to enter into contract with the preferred supplier.

**REASONS FOR RECOMMENDATIONS:**

Cabinet is asked to consider the updated progress on the procurement tender for the new finance and asset management systems and agree to delegated authority being granted to the Director of Finance (s151) to enter into contract upon completion of the procurement exercise.

**RECOMMENDATIONS:**

1. To receive and note report C/24/97.
2. To agree to grant delegated authority to the Director of Finance (s151) to appoint the preferred supplier of the Finance Management System upon completion of the procurement exercise.
3. To agree to grant delegated authority to the Director of Finance (s151) to appoint the preferred supplier of the Asset Management System upon completion of the procurement exercise.
4. To approve the combined capital budget of £560,000 for the procurement of the finance and asset management systems.
5. To note the estimated revenue and capital savings highlighted at paragraph 1.7.

## 1 BACKGROUND

- 1.1 Both the Finance (eFinancials) and Asset Management (Badger) Systems have been in use by the Council for 25+ years. Both products are no longer fully supported, with Badger being obsolete and unsupported, and eFinancials v.6.5, whilst supported, being the non-preferential software of the provider and likely to be unsupported in the near future as the software provider moves to implementation of their Cloud-based product.
- 1.2 As technology and the requirements of the Council have evolved, both systems are no longer fully fit for purpose and requiring essential upgrades. The current software is limited in function and usability and is heavily reliant on manual off-software processes (emails, paper forms, word documents and downloaded spreadsheets) that would be streamlined through integration and workflows in the system.
- 1.3 The new system will offer far greater functionality, including the ability for many of these manual processes to be completed within the system and enable end users greater access to real-time information and a streamlined approach to the production of management information.
- 1.4 The Council has also experienced some significant issues with the current version of the finance system which was recently upgraded to the latest supported version. The most recent of which related to recurring billing and was caused by a bug in the system which has impacted many departments and delayed essential billing, requiring multiple officers to work exclusively on correcting these issues rather than their normal responsibilities.
- 1.5 It is becoming common practise for software providers to remove support for versions that enable site based solutions, in the drive to move customers towards a cloud based version and the Council has reached the point where we must move to a cloud based version to ensure the Financial system in place supports both the current and future needs of the Council. It would be unacceptable to have an unsupported Financial System as this could expose the Council to significant risk as it is a core system that runs through every aspect of the authority.
- 1.6 This project has included stakeholders across the organisation recognising that these systems are vital to the sound governance and operational priorities of the Council. Officers throughout the Council have assisted with the compilation of a statement of requirements that has been used to inform the procurement exercise, detailing specific functions, potential improvements and efficiencies. The procurement of these systems will also realise process improvements and align with IT, cybersecurity, and asset management strategies.
- 1.7 The General Fund Budget for 25/26, Medium Term Financial Strategy (MTFS) 2025/26 to 2028/29 and GF Medium Term Capital Programme (MTCP) 2024/25 to 2029/30 were approved at Council on Wednesday 26<sup>th</sup> February 2025, and are inclusive of both the capital budget (£560k) for procurement and implementation of both systems, and the ongoing revenue costs (covered by existing revenue budgets) of the current

systems. It is likely that there would be revenue savings compared to existing revenue budgets (as summarised in the table below). The savings from the annual license cost of finance system will be c.£65k p.a. and these will be used to offset the increased license cost of c. £55k growth for the asset system. The indicative costs are summarised in the table below:

<b>Revenue Budgets (£)</b>	<b>Existing Finance System</b>	<b>Existing Asset System</b>
<i>Revenue (subscription) p.a.</i>	<i>195,000</i>	<i>10,000</i>
Revenue cost (4-year term)	780,000	40,000
Maintenance (upgrades etc)	100,000	N/A
<b>Current cost (4-year term)</b>	<b>880,000</b>	<b>40,000</b>
<b>Projected Revenue Budgets (£)</b>	<b>New Cloud FMS</b>	<b>New Cloud AMS</b>
<i>Revenue (subscription) p.a.</i>	<i>130,000</i>	<i>65,000</i>
Revenue cost (4-year term)	520,000	260,000
Maintenance (upgrades etc)	-	-
<b>Projected cost (4-year term)</b>	<b>520,000</b>	<b>260,000</b>
<b>Total Projected Revenue (Savings)/Growth (4-year term)</b>	<b>(360,000)</b>	<b>220,000</b>

Projected combined revenue savings over 4 years: **£140,000**

<b>Capital Budgets (£)</b>	<b>New Finance System</b>	<b>New Asset System</b>
<b>MTCP approved budget</b>	<b>(500,000)</b>	<b>(60,000)</b>
Software Implementation	100,000	-
Year 1 Licence Fees	130,000	60,000
<u>External Support</u>		
- Data Migration	48,000	11,400
- Integrations	48,000	-
- Reporting	40,800	-
Allowance for staffing resources	100,000	
Project Management and Procurement Support	-	11,700
<b>Total Estimated Costs</b>	<b>466,800</b>	<b>83,100</b>
<b>Capital (Under)/Over budget</b>	<b>(33,200)</b>	<b>23,100</b>

Projected combined capital savings vs MTCP approved budget: **£10,100**

- 1.8 The current system requires ongoing maintenance and these costs are expected to decrease as support provision exists within the proposed pricings. These are currently ad hoc with costs for 2024/25 totalling £83k, £80.6k of which was on a mandatory system upgrade from v5.5 to v6.5, as the supplier made the older software version unsupported. With a cloud-

based system, upgrade costs are included in the provision as upgrades are controlled centrally by the provider and do not require the significant resource needed by the current site-based solution.

- 1.9 The tender consideration is still ongoing, and is due to complete 11<sup>th</sup> April 2025, with an aim to appoint the supplier in early May 2025 for a project completion date of 1<sup>st</sup> April 2026.

## 2 PROCUREMENT

- 2.1 A procurement exercise has been carried out for both systems, creating a statement of requirements from officers throughout the organisation that has been used to inform the tender process. The procurement was opened on the G-Cloud 14 Framework, allowing bids for one of three lots, being:

Lot 1 – Finance System Only  
 Lot 2 – Asset Management System Only  
 Lot 3 – Both

- 2.2 The tender exercise closed on 19 March 2025, with one compliant bid for Lot 1 and one compliant bid Lot 3 to be considered.

- 2.3 Each bid was required to supply a clarification document based on the statement of requirements put forwards, which has been evaluated by relevant officers throughout the organisation, alongside the project consultants Moore Insight, who have been appointed by the Council to assist with the procurement and implementation processes.

- 2.4 These responses were individually evaluated by relevant officers, using a scale of 0-5, as below.

Quality	Description	Score
Superior	As Comprehensive, but to a significantly better degree and a response which goes above and beyond to answer the question. Answer demonstrates detailed understanding of the subject and/or FHDC's specific requirements and demonstrates an innovative or independently proactive approach on the subject. The answer is supported by specific detail.	5
Comprehensive	A comprehensive response submitted in terms of detail and relevance to the question. Answer demonstrates detailed understanding of the subject and/or FHDC's specific requirements and demonstrates a proactive approach on the subject. The answer is supported by specific detail.	4
Acceptable	An acceptable response submitted in terms of the level of detail, accuracy and relevance. Answer demonstrates clear understanding of the subject and/or FHDC's requirements and	3

	demonstrates the tenderer's competence on the subject.	
Limited	Limited information provided, and/or a response that is inadequate or only partially addresses the question. Answer demonstrates a general understanding of the subject by fails to demonstrate sufficient understanding of FHDC's priorities and/or lacks sufficient detail to demonstrate the tenderer's competence on the subject.	2
Inadequate	Inadequate detail provided and some questions not answered, and/or some of the answers to questions are not directly relevant to the question. Answer demonstrates an awareness of the subject but fails to demonstrate the tenderer's competence on the subject.	1
Deficient	Response to the question (or an implicit requirement) significantly deficient or no response given. Answer fails to answer the question or fails to answer significant parts of the question.	0

The final score is an average of all evaluators scores for the specific section.

- 2.5 Each supplier has subsequently provided a system demonstration of the software they have submitted a bid for, which has been used to confirm information provided in the original submission only.
- 2.6 Each bid has been evaluated based on the quality of the responses to the clarification document and quoted price.

### **3 CONSIDERATIONS**

- 3.1 The current financial system is limited in function when compared to other systems available and has not been developed to meet the requirements of the Council, requiring essential upgrades to maintain current service. This has meant that the officers within the Council are not always able to easily access the information required, limiting the value and causing delays to reporting of financial information.
- 3.2 The asset management system is currently reliant on manual manipulations of both financial and non-financial data that then has to be replicated in, for example, the finance system to reflect in relevant service areas, costing services both time and resources. The system is no longer being developed and there is only limited technical support available at additional cost, which has led to an increased risk of data loss or critical failure as the continued support is not guaranteed.

- 3.3 Improvements to the finance and asset management systems will allow officers to provide meaningful information in more efficient ways, including the streamlining of manual processes. Both systems currently do not support mobile or agile working and are reliant on the VPN connection to the Council's systems for access. A cloud based modern system allows for mobile functionality, supporting non-office based, as well as being able to be accessed securely from a web browser rather than through the Council's servers and VPN which would otherwise become a single point of failure. The Council currently uses other cloud-based solutions, such as Microsoft Office, which remain available even in the event of access issues relating to the Council's VPN.
- 3.4 Many other local authorities have upgraded their systems within the last few years, with most moving to cloud-based systems, from similar systems to those the Council is currently using. It has been widely recognised that there have been many advances in the technology over the last 5-10 years, and migration to a new system puts the Council in the best place for future changes, providing the best opportunity for data review and ongoing management. Effective finance and asset management will allow for the Council to be in the best position for upcoming changes in local government structure and the current system implementations are too limited in their function to allow for this.
- 3.5 The proposed timeframe for finalisation of procurement, testing and implementation is due to complete for a 1<sup>st</sup> April 2026 Go-Live date. Any delay to appointment of preferred supplier is likely to lead to a delay in the Go-Live date, which, if delayed past a determined cut-off point, will have to delay to the 1<sup>st</sup> April 2027, as a mid-year implementation is not preferred due to complications with the external audit of the accounts and the cost and workload implications of running both systems to that date. Implementation of the systems in April 2026 also allows time for users to familiarise themselves with the system and improve time consuming or unnecessary processes prior to any move to a unitary structure.

## **4 CONCLUSION**

- 4.1 The finance management system is a core system that is used at every level of the organisation, which is why it is vital to have a system that can support all required functions with ease and provides timely and easy to access financial information for all users across the Council. The current system implementation is limited in function and usability, which restricts the ways officers can use it to support their roles, and therefore the wider organisation. Many processes are manual, requiring numerous extractions/loads of data and therefore inefficient, which reduces the capability of the Finance team to support the front-line services of the Council in higher value work.
- 4.2 There is a high possibility that even the most recent update to the finance system version will become unsupported in the near future, requiring another costly mandatory upgrade, whilst simultaneously consuming officer resources; this creates a significant risk to the ability to identify and implement process improvements, requires additional support and financial

resources to maintain the system, and makes it unlikely that value adding work can be conducted by the Finance team at a time when officer resources could be focussed on, for example, the transition to a new unitary and the implications of that process. The timing of the implementation of 1 April 2026 would place the Council in the best place to be able to benefit from a more streamlined system and processes ahead of LGR.

- 4.3 The asset management system currently in use has been unsupported for multiple years which, whilst as an ancillary system it is still usable, has led to stagnation in information able to be gathered and processed. Any critical issues with the system will lead to high costs to bring in specialised support - this is not guaranteed to continue due to changes in management and staff at the software house who now own the software, and it is unlikely that maintenance of the asset system is a priority for the supplier. The asset management system is essential to the continued operations of the estates and property management functions of the organisation, and a modern and updated system would allow for improved processes and information accessibility, increasing the value of information held as it can be utilised to inform decision making.
- 4.4 The current systems rely on the manual extraction and transformation of information, which often causes delays to provision of data to services and Members; effectively, there is duplication of work in some instances as the various elements of the system hold individual elements rather than the full picture. The use of a modern, cloud-based solutions for finance and asset management will allow Council officers to prioritise more meaningful work, as existing processes are reviewed to remove inefficiencies and automate the current manual workflows as part of the new implementation; the aim is to have systems that will support having true, live information which is accessible and easily reportable.
- 4.5 Due to the timeframe over which the Council has had the current systems, technical knowledge and understanding of the systems/implementations has been lost. There is a large reliance on user knowledge and external support; modern cloud-based systems are often more intuitive and support both a financial and non-financial user base. Further, the technical ability to e.g. set up new integrations to ancillary systems and templates for invoices is currently held with the software house, rather than managed in-house, incurring additional costs when changes are required. Creating and adapting processes/workflows in newer systems is often more straightforward, bringing some of that knowledge and skill back in house. Modern solutions also offer more flexibility in how the system can be utilised, training the users on how to manage it themselves rather than relying on consultants, which allows a faster response to required changes being reflected in the system, such as reporting structures, legislative changes (such as VAT rate changes) and standard templates (e.g. change in contact information on invoices, government returns or statement of account requirements).
- 4.6 Aside from the functionality and user experience improvements set out above, there are significant financial savings from a new finance system

over the course of a minimum 4-year contract period. The savings from the finance system allow for the Council to mitigate in full the growth in revenue required for the asset management system, whilst also allowing for additional savings on existing revenue costs.

- 4.7 The scheme was approved as part of the capital programme and profiled for implementation in 2025/26. The procurement process has been comprehensive, including all stakeholders and utilising external expert consultants recognising the importance of getting the right systems in place. Delays to appointment of supplier will push the implementation date back, with the next best date being 1<sup>st</sup> April 2027.

## **5 LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS**

### **5.1 Legal Officer's Comments (NM)**

There are no legal implications arising directly from this report.

### **5.2 Finance Officer's Comments (VL)**

Financial considerations for capital and revenue have been covered in the report above.

### **5.3 Diversities and Equalities Implications (GE)**

There are no equality and diversity implications directly arising from this report.

### **5.4 Climate Change Implications (AT)**

No direct climate change implications arising from this report. Climate change will be considered through the Council's procurement process following procurement guidelines.

## **6 CONTACT OFFICERS AND BACKGROUND DOCUMENTS**

Councillors with any questions arising out of this report should contact the following officer(s) prior to the meeting

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The following background documents have been relied upon in the preparation of this report:

None.