
REPORT TO:	CORPORATE SCRUTINY COMMITTEE	AGENDA ITEM: 5/6
DATE OF MEETING:	5 AUGUST 2002	CATEGORY: RECOMMENDED
REPORT FROM:	CHIEF FINANCE OFFICER	OPEN
MEMBERS' CONTACT POINT:	KEVIN STACKHOUSE (595811) CHRIS SWAIN (595812)	DOC: c/ks/myfiles/bestvalue/august update to scrutiny
SUBJECT:	FINANCIAL SERVICES BEST VALUE REVIEW & FINANCIAL MANAGEMENT SYSTEM - UPDATES	REF: KS
WARD(S) AFFECTED:	ALL	TERMS OF REFERENCE: FM13

1. Recommendations

- 1.1 That the progress reports on the Best Value Review and the procurement of a new Financial Management System are noted.

2. Detail

FINANCIAL SERVICES – BEST VALUE REVIEW

- 2.1 Members will be aware that this review covers the following services:

- Revenues and Benefits
- Exchequer Services
- Accountancy
- Internal Audit

The review commenced in January 2002 and is planned to be complete by December 2002.

- 2.2 Previous reports to this Committee and subsequently to Finance and Management have reported the terms and scope of the review and more recently the completion and approval of the baseline assessment.
- 2.3 In recent weeks the Review Group have met twice to consider the issues arising from the baseline assessment for Exchequer, Accountancy and Internal Audit. The Group also undertook further consultation with internal users of the Services to gain additional feedback on their requirements.
- 2.4 Essentially, the Group (which was split into 3 sub teams) considered the information contained in the Baseline and formulated several key issues. These are detailed in **Appendix 1**. An action plan to progress these issues has subsequently been drawn up and this will be worked on over the remainder of the year.

- 2.5 In addition, further talks with neighbouring authorities have taken place to explore the possibility of joint working/sharing services. Furthermore, the Chairman of Finance and Management Committee, together with the Finance Services Manager, attended an "open day" at Northwest Leicestershire D.C. (feedback on this will be provided at the meeting).

PROCUREMENT OF A NEW FINANCIAL MANAGEMENT SYSTEM (FMS)

- 2.6 This project is being progressed in line with the European Procurement Rules, and is using the Restricted Procedure. In accordance with this, the Council received 13 expressions of interest to supply the appropriate system. The Project Working Group has recently evaluated the pre-tender questionnaires and shortlisted 4 potential suppliers/systems.
- 2.7 Subsequently, these 4 suppliers have been invited to tender and all 4 have confirmed their intention to enter the formal tendering process. On indicative costs submitted by these suppliers as part of the pre-tender process, the System will most likely be bought, installed and maintained within the resources set-aside for it.
- 2.8 The tendering timetable is attached at **Appendix 2**. The Invitation to Tender Document is ready to be dispatched, and dates for presentations and demonstrations at the Civic Offices, together with reference site visits are currently being finalised in accordance with the timetable.
- 2.9 The overall plan is to have selected the preferred supplier/system by October 2002, with a project implementation plan up and running during November 2002. The anticipated live date remains at June 2003.

3. Financial Implications

- 3.1 There are no further financial implications at this point in time, although clearly they will be assessed as part of the best value review.

4. Corporate Implications

- 4.1 Financial Services impacts upon almost every service area across the Council, and the outcome of the best value review and the implementation of a new FMS, should therefore, benefit the Authority overall.

5. Community Implications

- 5.1 None directly.

6. Background Papers

None